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ALTERNATIVES TO IMPRISONMENT AS SOLUTION FOR DELINQUENTS' REHABILITATION IN MODERN SOCIETIES

*Drd. jurist Adrian Marcel IANCU**

***Abstract:** The alternatives to imprisonment start from the premises that the best protection of the society, the most efficient and the most human protection is to rehabilitate all the delinquents, using all the means susceptible to act on their personality, respecting their personality and making them to rediscover the meaning of their social responsibility. The treatment of a drug addict delinquent, as alternative to imprisonment, is one of the most controversial forms of treatment, approached in different manners by the national penal and treatment systems. Romania considers that a more efficient and more flexible system of penal sanctions is required, which to promote measures which not deprive the people of their liberty, while increasing community involvement in the enforcement of the penal justice. Such a system would have as additional effect the reduction of the number of inmates and avoiding penitentiary overcrowding, as well as remediation of the harm caused to the victims by ensuring the means necessary for the social reintegration of the delinquents.*

***Keywords:** penal policy, penal procedure, imprisonment, rehabilitation, treatment*

1. Imprisonment punishment-manner of re-education?

The criminal law, by its nature, has a deeply formalist character. For instance, the social environment of the delinquent may be considered only as a circumstance in determining the punishment between the limits stipulated by the law or, eventually, as an extenuating circumstance.

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A broader idea of proportionality between crimes and punishments, as it was formulated by Cesare Beccaria, one of the main representatives of the classic¹ school, could solve this problem². He says that “the applied punishment is lived differently by the convicted, according precisely to the sensibility, social condition and level of education”³. Even more, he does not forget to mention that “education is the safest, but also the most difficult manner to prevent crimes”⁴, and “the sciences that accompany the liberty” produce the same effect.⁵

In his opinion, the human or politic justice, unlike the divine justice and natural justice, which are, by their essence, immutable and constant, are nothing but a relation between action and the different state of the society; relation that might be altered when that action becomes necessary or useful to society⁶. Even so, no legal solution must contravene with “common sense”, and people must not be “victims of a word” or of judicial formalism.⁷ “*The only and true measure of crimes is the harm done to nation, and, hence, they have done wrong those who believed that the true measure of crimes is the intention of the one who commits the crime*”.⁸ “*The purpose of the punishments is not to torment and grieve a sensible creature, nor to forgive a crime already committed. [...] the purpose is only to prevent the guilty one to bring new prejudices upon his co-citizens and to discourage the others from committing harmful acts*”⁹. As prompt the punishment will be, and closer to the committed offence, as just and useful will be because it spares the offender from the useless and terrifying torments of the incertitude, which grows by the force of imagination and the feeling of his own weakness, and because to deprive of freedom is a punishment¹⁰, this can not precede the decision of conviction unless is absolute necessary.¹¹ The certitude of a moderate punishment will always make a bigger impression than the fear of a more terrible punishment, added to the hope of exemption from punishment¹². „*It is better to prevent crime than to punish it. This is the main purpose of any good legislation, which is the art to lead people to maximum of happiness and minimum of possible unhappiness, analyzing all the possibilities of*

¹ Beccaria, Cesare (2001), *Despre infracțiuni și pedepse*, Ed. Rosetti, Bucharest, p. 39-51, 96.

² Idem, p. 110.

³ Idem, p. 84.

⁴ Idem, p. 144.

⁵ Idem, p. 140.

⁶ Idem, p. 31.

⁷ Cap. VIII.

⁸ Idem, p. 49.

⁹ Idem, p. 60.

¹⁰ Art. 148, alin 1, lit. f, Criminal Code allows the arrestment when bail would be a danger for public order.

¹¹ Beccaria, Cesare (2001), *Despre infracțiuni și pedepse*, Ed. Rosetti, Bucharest, p. 79.

¹² Idem, p. 94.

good and bad things in life. But the means used so far are usually wrong and opposed to the intended purpose. It is not possible to reduce people's disturbing activity to a geometric order without irregularities and confusion [...]. To interdict a lot of indifferent actions does not mean to prevent offences that can not emerge, it means to create new ones, it means to define as you like the virtue and the vice, which are preached as eternal and unchangeable.”¹

In order to prevent crimes, Beccaria recommends²:

- the laws should be clear, simple, and the entire force of the nation to be concentrated on defending these and no part of it should be used to destroy these;
- the laws should favor less the classes of people than the people themselves;
- the people should fear the laws and only the laws – the fear of laws is good, but the man's fear of other man is fatal and crimes generator.

2. The contemporary evolution of the punishment from penalty to treatment

The concepts formulated by Beccaria were taken, developed and interpreted during the following centuries according to social interests and ideological currents in the field, to the evolution of the science of penitentiaries, to the notion of sanction and the notion of treatment, ending with the establishment of the International Union of Criminal Law and the adoption of dualism: punishment and security measure.

As consequence to the “waves” emerged from the promotion of positivist ideas, criminal lawyers and specialists in the science of penitentiaries in different European countries oriented towards a system of sanctions containing a certain repressive pragmatism. Hence, in France, Saleilles and Cuche tried to blend the fidelity of free choice with certain practical conclusions of the positivism. In Italy even the representatives of “Terza Scuola” (critic positivism) (Alimena, Carnevale) referred to the conciliation of determinism with the quest for a certain collective intimidation.

In 1889, as a consequence of the initiative of the Belgian Albert Prins, the Dutch Gerard Van Hamel and the German Franz von Liszt, it was established in Vienna the International Union of Criminal Law³, that will be followed after the First World War by the International Association of Criminal Law.⁴ The program of this organization statutes its neutrality towards the disagreement on free choice, its

¹ Idem, p. 138.

² Idem, p. 139.

³ http://www.penal.org/?page=mainaidp&id_rubrique=13&lang=en.

⁴ Idem.

desire to organize the defence of the society by efficient measures selected according to the degree of danger of the delinquent, and to search in a scientific manner, based on experience, the best formulas of criminal policy, including the penitentiaries' organization functioning.¹

Hostile to the punishments depriving of freedom on short term, the Union will engage its members in research activities in penitentiaries domain: "*As the repressive Courts and the penitentiaries' administration compete for the same purpose, the conviction has no other value than its manner of execution, the separation consecrated by our modern law between the repressive function and the penitentiaries function must be rejected as irrational and harmful*"². This text announces the establishment of the judge applying the punishment, institution introduced in Italy by the Criminal Law in 1930, and in France in 1945 in fact, in 1959 by law.

The dualist system – punishment and security measures – represents a step forward in the evolution of the sanction system. At the beginning of the past century the experts came to the conclusion that the protection of the society against the delinquency can not be accomplished unless two types of sanction are used: on one side the traditional punishment, measured strictly according to the responsibility of the offender, on the other side a security measure, without moral feature, but capable to remedy the degree of danger of the delinquent (a degree that can not be annulled by the punishment), attenuating it by treatment or annulling it by more radical measures. "The social defence" as it was seen at that time, the superior interest of the society prevailed deliberate over the individual liberties of the delinquents: in the doctrine pure positivist it should lead to a reaction even against the pre-delinquents, it implied measures on unlimited period and possible to be modified at any time in one sense or other in order to adapt perfectly to the evolution of the degree of danger of the delinquent. The respect of individual freedom and legality principle prevent the positivist European legislations from accepting the security measures "*ante delictum*" and the indeterminate sentence. Many countries (see France, for instance) surpassed the difficulty by calling the new implemented measures "complementary punishments" or "accessory punishments", the measures of juvenile re-education were the only ones presented and organized in 1912 as opposite to the classic punishments and submitted to a different juridical regime – comply to the principle of legality and establishment of a maximal period that could not extend over the moment of coming of age.

The great majority of the codes adopted at the end of the XIX century and the beginning of the XX century opened the path of dualism as form of organization of the social reaction.

¹ Idem.

² Report at the Congress of 1893 made by E. Garçon, *Revista penală*, 1893, p. 1889.

This was the meaning of the Swiss draft of criminal law elaborated by Stoos at the end of the XIX century, of the first Norwegian criminal law in 1902, as well as the different codes adopted between the two World Wars: the Italian criminal law in 1930, the Danish criminal law in 1930, the Polish criminal law in 1932, the Latvian criminal law in 1933, the Romanian criminal law in 1936, the Swiss criminal law in 1937 etc. The draft for the French criminal law submitted for approval in 1934 adopted the same dualist system because, as Ancel said, *“No code may be called modern unless it consecrates together with the traditional punishment, the new measure of social defence”*

The states that did not reformed the criminal law felt the urge to make space for the security measures by special laws: the Belgian Law of social defence of 9th of April, 1930, the Spanish Law of 1934 on „vagos y maleantes” etc.

Certain authors remained faithful to this dualist system, mainly the adepts of the French positive law that has in its legislative arsenal punishments and measures of security and that authorizes the simultaneous intervention of a punishment and of a measure of security against the same delinquent, being in the same time particular as regards the juvenile delinquency.¹

The development of a special juvenile legislation was a general phenomenon in all countries and it was exercised in the same way everywhere. If some divergences existed however among legislations pertaining to the composition of the jurisdiction designated to take decisions, it is certain that this happened because they intended to give this task to an authority particularly qualified to select the treatment better suited to the personality of that in cause. Hence, the notion of treatment replaced for the juveniles the notion of sanction and, mainly, the notion of punishment. The practice was extended over the adults as well; the use on a larger scale of the

¹ Regarding the juvenile delinquents the idea of a individual treatment, susceptible to contain a repressive sanction as re-educational measure without morally blaming the individual, according to the act, emerged and developed in France in the second half of the XIX century, when were established particularly penitentiaries rules and special establishments (Fundation Mettray – 1840 law of 5th of August 1850 on young prisoners’ education and patronage etc.) for the benefit of the juveniles acting with or without discernment. The enforcement of the provisions was critical until the law of 22nd of July, 1922 clarified the situation, stipulating that the juveniles up to 13 years could not be the object of an educational measure and those of 13-18 years could be convicted to a punishment if they acted with discernment. The practice proved that the Court jurisdiction treated the discernment issue according to the measure considered most favorable for the social re-adaptation of the minor; the issue was decided by the Judge. The Order of 2nd of February, 1945 succeeded to repair this problem by authorizing the Judge to choose directly the measure adequate to the minor personality; this measure could not be a punishment except for exception cases. For these cases the art. 19 allow the Judge to add to this punishment the freedom on parole, which is a safety measure.

measures of security was accelerated in France by suppressing of the punishment and by developing the movement of the new social defence. The movement of the new social defence promoted the idea that “each delinquent must be replaced on the right path by an adequate treatment, respecting his dignity and offering the necessary assistance”. Formulated initially by Gramatica in an extremely humanist conception, that raised many objections, and reformulated by M. Ancel in 1954¹, the idea gained in all countries a huge majority of jurists and legislations.² It should be noticed that the critics raised by this doctrine sometimes in France did not ever referred to its applying in the penitentiaries domain.³

“The social defence” as it was seen by the positivists, did not care much for the individual freedom and for the interests of the “dangerous” person, and this is why it was regarded with hostility by the classic jurists and liberal spirits. At the end of the years of repression the individual freedom seemed more important as ever and the respect for the person, a totally unknown concept for the totalitarian regimes, came first. The new school aimed always to ensure the defence of the society and to reduce criminality; estimating that the best, more efficient and, in the same time human, protection of the society **consists in readapting of all delinquents, by all means susceptible to act upon their personality**, respecting their personality and making them to rediscover the meaning of their social responsibility. Also, it suggested measures for the clear benefit of that in question, in order to release him from the risk to recur to delinquency, ensuring his best adjustment to the environment.⁴ The supporters of the new social defence estimated that a unique system of “measures of social defence” must replace the existent duality of punishment and security measures: “We shall pass from punishment, M. Ancel said, not for juridical criteria or for administrative facilities, but for reasons regarding the personality of the delinquent”. This manner of interpretation was shared also by the dean Bouzat⁵, fact that gathered eminent experts⁶ that established the International Criminal and Penitentiary Commission (6th of July, 1951).

According to the *new social defence* doctrine the social protection by readapting of the convicted constitutes for the society a real duty: only this can prevent the

¹ *La défense sociale nouvelle*, 3-e éditions, 1981.

² Apud Ancel, M. (1964), *Revue de sciences criminologiques*, p. 196.

³ Foyer, J. (1963), *Revue pénale*, p. 281.

⁴ Ancel, M. (1973), *La peine dans le droit classique et selon les doctrines de la défense sociale*, *Revue de sciences criminelle*, p. 190.

⁵ Bouzat, together with other French people: E. Garçon, Cuche, Vidal, J.A. Roux, Donnedieu de Vabres, had an important role in the activities of International Union and that in those of the International Association of Criminal Law, being for almost 30 years its general secretary and than president for ten years (1969-1979).

⁶ 5-e *Cours international de criminologie*, p. 70.

delinquent from constantly falling in the responsibility of the community, more and more dangerous and less recoverable. The criminal and penitentiary policy of social defence was seen as the least onerous, the most profitable and human, consisting perfectly with the two new currents in the modern civilization: the current of Christian charity towards the unhappy fellow ones and the current of democratic fraternity of the free people equals in rights, emerged from the universal Declaration of the human rights. The influence of the *new social defence* doctrine rushed the establishment of important reforms: humanize of detention, its orientation towards the social reintegration of the convicted, distribution of the delinquents convicted to more than one year according to their personality and degree of corruption, application of a progressive regime of detention, going from imprisonment to quasi-freedom and parole, the establishment of social and medical-psychological service, generalization of parole, criminal and post-criminal legal assistance, establishment of a judge for applying punishments.

Resembling principles were adopted in 1955 by the first UNO Congress for crime prevention and delinquents' treatment. ("Minim Rules for delinquents' treatment"¹), the document was approved by the Economic and Social Council on 31st of July, 1957 and it was reviewed by the European Committee for Criminal Matters of the European Council (subcommittee no VIII) under the presidency of the director of French Administration of the Penitentiaries and adopted by the Committee of Ministers of the European Council on 19th of January, 1973.

Some "alternative sanctions" adopted in France² in the second half of the past century, such as: the reform of interdiction to stay (law of 18th of March, 1955), possible measures for the treatment of the drug users defendants (law of 24th of December, 1953, respectively, the law of 31st of December, 1970) or that of the dangerous alcoholics (law of 15th of April, 1954), readapting of vagabonds within the social aid (decree of 7th of January, 1959) etc. belong to this large current of ideas. In conclusion, the science of penitentiaries engage itself on the path of the new reform of the penitentiaries, without knowing if the obtained results justify the methods of treatments.

¹ www.un.org,

² Since 1976 the criminal policies were oriented in reverse as result of the increase forms of criminality that generated among the population a high feeling of insecurity. This feeling was amplified by the fact that mass-media emphasized the serious offences committed by the convicted that benefited of parole or leave of absence. The consequences of this phenomenon were the adoption of new restrictive laws: law of 22nd of November, 1978 and the law of 2nd of February, 1981, known as the "law security and liberty"

As consequence of the universal Declaration of the human rights, proclaimed by the United Nation Assembly on 10th of December, 1948¹ and of the European Convention for saving the human rights and fundamental liberties signed at Rome in 4th of November, 1950², the European jurisdictional bodies³ (the Human Rights Commission and the European Court) contributed to the reform of the sanction and penitentiary system by applying on the prisoners the stipulations of the convention. The rights generally acknowledged by the convention can not be excepted or derogated unless the exception or the derogation are explicit stipulated by the law and constitute, within a democratic society, a measure necessary for the national security, public safety, economic welfare of the country, for the preservation of the order and prevention of crimes, protection of health or moral and the protection of personal rights and liberties.⁴ The Court pronounced the prisoners' right to a certain freedom of correspondence⁵, the Court estimated that restrictions and derogations must be submitted to a principle of proportionality, interdiction to deprive the prisoner of the right of access to a certain jurisdiction, regardless the fact he is temporary detained or convicted, mainly in order to verify the legality of his detention, the duration of the temporary detention⁶, the independent character of the authority that ordered the detention⁷, the reasonable character of the term of detention to solicit to be released, the militaries detained on disciplinary basis benefiting of the right to legal assistance⁸ etc. Similar issues were formulated regarding the freedom of expression, freedom of conscience, freedom of marriage and establishing of a family⁹, as well as regarding the article 3 of the Convention: "Nobody may be submitted to torture, nor to inhuman or degrading punishments or treatments" that suffers no derogation.

There is no doubt that exercising justice implies the existence of a technical staff specialized in the vast domain of the law. But, unfortunately, the facilities, each times large, granted to any person in obtaining the status of lawyer¹⁰ or even judge or magistrate, without considering his features of integrity and objectivity, diminished the advantages that could be implied by this specialization. Today, the lawyers living

¹ http://www.onuinfo.ro/documente_fundamentale/declaratia_drepturilor_omului/.

² <http://cedo.md/?go=articole&n=13>.

³ http://www.coe.int/t/dghl/monitoring/execution/default_en.asp.

⁴ According to the provisions art. 8, al. 2 of Convention.

⁵ Decision Golder, 21 February 1975, Case Silver – report of the Commission of 10th of November, 1980.

⁶ Decision Neumeister, 27 June 1968, Decision Staggmüller, 10 November 1969.

⁷ Decision Schiesser, 4 December 1979.

⁸ Decision Engel, 24 November 1976.

⁹ According to the provisions of art. 9-12 of Convention.

¹⁰ <http://www.baroul-bucuresti.ro/>.

from justice are almost as numerous as those living for justice.¹ Of course, this critic might be addressed to other professions, but these do not imply so much danger; the jurists are trusted with the most precious assets: the life, the fortune and the honor of a man, which frequently depend upon the ability, the attention and the nobles proved by these professionals on precise cases.

The deficiencies in practicing justice, regarded strictly psychological, are not caused only by the frequent lack of objectivity of those who administer justice, but even more by the technical procedures used and the manner how, finally, the results of this activity are expressed.

Within the criminal trials, the state assumes the role of prosecutor and does not renounce to its rights to control – in the name of the injured part – of the evolution of the trial. Even more – the state is the one responsible, always in the name of the society that it represents, with the execution of the imposed sanctions, in case that the guilt of the accused is ascertained. For this purpose the state has at its disposal a numerous staff and expensive institutions named “penitentiaries”.

Consequently, in this field the errors committed are more serious, because frequently imply not only great sufferance, but even the loss of innocent lives, or the reverse, dangerous criminals, capable to continue to harm the society, perverted and sly remain unpunished.

3. The treatment as alternative to imprisonment

In order to avoid the conviction and the detention of a drug addicted delinquent, there are available different measures, starting with the possibility to choose a treatment under control² or in prison (the imprisonment punishment and the compelling to treatment), to the compulsory treatment (medical hospitalize), which is the most controversial form of treatment. The compulsory treatment may be enforced at any stage of the criminal procedure: before the beginning of the criminal trial, after the trial (for instance, as measure of replacing the imprisonment punishment, in case of a suspended punishment under surveillance), during detention or as criteria for parole. There are several national systems of treatment, each conceived according to the local conditions, which illustrate the diversity of possible addressing. The states that re-examine their measures applied in treatment and alternative punishments must

¹ Mira y Lopez, Emilio (2009), *Manual de psihologie juridică*, Ed. Oscar Print, Bucharest, p. 125.

² Also see the provisions of art. 19¹, respectively 19² of the Law no. 522/2004 to complete and modify the law no. 104/2000 regarding the prevention and control of illicit drugs traffic.

structure their programs according to necessities and international principles in the field¹. For better understanding we offer several examples:

- In the Islands of Cape Verde and Portugal if the drug addict delinquents convicted for certain offences associated to drugs abuse submit themselves voluntary to a treatment imposed by the Court, the Court may pronounce the suspended sentence under surveillance; if the drug addicted does not follow the imposed treatment or does not comply to the obligations imposed by the Court, this may revoke the suspended sentence and order the enforcement of the punishment.
- In France there are several possibilities within the criminal justice system. For instance, if the drug addict follows the treatment up to term decided by the Court the criminal prosecution may be ceased; the drug addicts may, also, present themselves voluntary and anonym in order to follow a treatment.
- In Malaysia if the medical tests relieve that an arrested person is drug addict a magister may decide that the person should follow treatment in a rehabilitation center, under strict control.
- In Sweden the Court may decide that a delinquent should follow treatment; under this circumstance the courts have the power to cease the criminal prosecution against the drug addict, providing that is not accused of an offence punishable with more than one year imprisonment.
- Certain states in USA created special Courts designated to judge the cases of a large number of small delinquents that enter in the system of criminal justice as result of committing of some offences associated to drug abuse, and to offer treatment by preserving the influence and the judicial powers necessary to deal with the delinquents. These Courts conduct inculcates for relatively minor offences, such as possession for consume or purchase of drugs for personal consume, towards educational programs for treatment or professional training and survey their activities. At the end of the program the criminal prosecution may be ceased (releasing from criminal prosecution) or the delinquent may be released on parole. Those who do not comply with the obligations imposed by the Court are convicted to progressive punishments including imprisonment.
- In Venezuela a person found in possession of a small quantity of illicit drugs destined to personal consume is tested in a non-penitentiary prevention center under the control of a criminal judge. If the result of the testing proves that the person in cause is drug addict this person must submit to a compulsory treatment recommended by specialists under the supervision of the judge (occasional drug users may be released under the same conditions).

¹ For instance, Tokyo Rules

The encounter between a delinquent that committed offences associated to drug abuse and the system of criminal justice may constitute a good opportunity for this one to get treatment, mainly if is a minor offence and the respective person has not been yet involved in large criminal activities. The clinic needs may be investigated and a diagnostic may be established and based on it a treatment program that is not available in the criminal justice system or in penitentiary may be recommended. Even more, including of stipulations regarding the possibility of treatment in the legislation regulating the drugs consume¹ allow the Courts to pronounce easily other punishments than criminal sanctions. The decision of a Court to order a treatment shows the delinquent the gravity of the committed act helping him in the same time to get treatment for a period long enough to pay results. Also, the Court must take that the treatment would not be more restrictive than the sanction itself.

The treatment programs must be studied carefully by the authorities and their objectives must be clear stipulated. For instance, the programs are generally meant to:

- allow the persons in cause to adopt and have on a long term a life style free of drugs consume;
- to reduce the demand of illicit drugs;
- to fight against criminality;
- to help drug addicts to improve their health and their chances of social re-insertion;

These measures must be taken even from the moment of initiating the evaluation mechanism in order to establish measures to accomplish the objectives. The authorities must take into consideration, as much as possible, the different contradictory factors, such as the need to guarantee a judicial procedure to protect the civil rights, the needs for treatment and other humanitarian aspects, as well as the objectives of the fight against drugs. Ideal would be that the drug addicts that committed offences associated to drug abuse would benefit of a program adapted to their needs, on a period long enough to obtain positive results. Also, the relapses should be prevented by post-treatment measures; the efficiency of these programs is depending upon the experience of those who implement the programs, upon the number of available places in specialized centers, upon a close cooperation between the criminal justice and the public health structures, as well as upon the necessary resources to guarantee success. The penitentiary should not be excluded from this equation: treatment services for the drug addict prisoners should function within these.

¹ In Romania, the possibility of treatment for drug addict delinquents was introduced in legislation by the provisions of the art. 19¹, respectively 19² .of the Law no. 522/2004 to complete and modify the Law no. 143/2000 regarding prevention and control of the illicit drugs traffic.

If we want to avoid delinquency we must fight to obtain the highest possible normality, individual and collective (to reintegrate the individual into society, to make him to have a normal life, to teach him to live normal); sending him to prison would stigmatize him, and the gap between him and the society would grow deeper.

The delinquency is a simple deviance of the behavior, which is always seen as a result of the impact between the individual tendencies and those of the environment. Hence, it is easy to understand that there will be cases when the prophylactic activity will be exercise especially upon the personal or social environment. As long as the norms of mental hygiene and social cohabitation based on the precise knowledge of limits and possibilities of the present generation will not be known and respected well enough, the number of delinquents will continue to be very high and the criminal sanctions will not reduce significant this number.

The percentage of recidivists is alarming in all countries, mainly if we consider the fact that many of them learned, while they were in prison, how to escape unpunished next time.

On the other side it is not less true that the present social organization deprives the rehabilitated delinquent of all resources necessary to a normal reintegration in the society: everywhere he will be regarded with fear, suspicion or repulsion, except in the so-called "inferior levels" of the society, those he should in fact avoid. All these factors contributes to shape the type called "regular delinquent", which represents a calamity in the big cities and a bad example in the small cities (the disposition towards delinquency, the insufficient change on personal level and the large difficulties faced by the former delinquents).

4. Conclusions

In Romania should be established a system of criminal sanctions mare efficient and flexible that would promote measures non-depriving of freedom and would increase the involvement of the community in applying of criminal justice (in our country is still functioning a system of punishment according to laws elaborated more than 40 years ago). Such system would have as complementary effect the diminution of the numbers of prisoners and avoid the over-agglomeration of the penitentiaries, and would also offer a compensation for the victims by ensuring the means for reintegration of the delinquents into society carrying out works in the benefit of the community.

In the present the tendency to impose detention as main criminal sanction instead of other forms of punishment seemed to be generated by the public concern that justice is not done unless the delinquents are kept in detention for a period long enough. If they are not kept at all in prison, the public is offended when they return into society, and feels an increase risk of insecurity. In consequence it is necessary to create awareness

and sensibility among the public regarding the advantages of the sanctions based on community, because there are justified reasons to recommend promotion of the measures non-depriving of freedom, including the treatment of the addicts, as form of criminal sanction.

The measures non-depriving of freedom have a considerable potential value for the community, and the criminality and its effects represent an important financial burden for the society. Also, the administration of criminal justice is expensive, and applying the measures non-depriving of freedom, including treatment, cost less than detention. More precisely, the cost to apply a sentence may be lower than the cost of detention. Plus, indirect financial advantages may result by reducing the social cost of detention and reducing criminality, as regards the development of the community and the compensation for the victims. This fact may be in conformity with the customs and traditional practices of solving the conflicts. In the same time, the measures non-depriving of freedom might have negative consequences upon those they are imposed. The detention in prison can not be considered a proper sanction for a large area of offences and for many types of delinquents, especially in the case of those who will probably not recur, of those convicted for minor offences and those that need medical, psychiatric and social help. The imprisonment leads to breaking the connections with the community and obstruct the reintegration into society. It weakens the sense of responsibility of the delinquents and their capacity to make their own decisions. There for, avoiding the measures non-depriving of freedom consolidates the perspective of a better reintegration of the delinquents into society, and of an increased awareness of the social values and of the active involvement of the local population in the social rehabilitation of the delinquents.

A number of measures non-depriving of freedom have the unique advantage to make possible the control over the delinquent's behavior allowing, in the same time, his development under natural conditions. This fact offers the possibility to develop the delinquents' sense of responsibility, reducing the probability of committing new offences and helping them to become responsible citizens, useful to society.

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THE DECISIONAL PROCESS SPECIFIC TO ROMANIAN TRANSITION

Codrin SCUTARU*

***Abstract:** The prescriptive-normative approach of the phenomenon of post-communist transition in the Central and East European countries starts from the hypothesis that a society doesn't change alone, by itself; rather it may be changed by political initiative. Under the influence of the intervention from the international institutions, the approach of the post-communist transition changed from the identification of the pro-capitalist option, with the destruction of the communist system of organisation, to the introduction of the post-communist societies' capacity of economic and social development as performance standard, describing the analysis of the transitions in the broad area of the development. As result, the political agenda of the different Romanian governments experienced interesting evolutions, largely steered by the reform or by European integration as umbrella-objectives. The coexistence, the simultaneity of what has been, and can no longer last, at least under the same form, and what will be, make of the transition period one of the milestone moments in the history of a nation. It is a symbiosis between a terminal point and a fresh start for a particular society.*

***Keywords:** transition, industrial technocracy, intellectuality, decision-making process, institutional politicization*

The prescriptive-normative approach of the post-communist transition phenomenon in Central and East European countries starts from the hypothesis that transition must have a certain result, eventually pre-established, analyzing the social reality in order to establish if this was achieved. *The particularity of these countries, including Romania, is that they generally have a conflicted socio-politic situation that lead to a politicized public and institutional area.*

We shall try to analyze below the characteristics of the post-communist transition in Romania as process, how it begun and how it evolved and if the objective of the

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Romanian transition, in the limits it was clearly established from the beginning, has been achieved.

Within the context of the analysis of the post-communist transition we shall use the hypothesis that a society does not change itself alone, but it can be changed by politic initiative. Within this context it is absolutely necessary to elaborate a **project of transition** that would allow a planned social development, strategically designed. The transition from communism to the developed capitalist model was named generic *post-communism* and represents a special type of transition. Under the influence of the international organizations' intervention the approach of the post-communist transition changed from identifying the pro-capitalist option, implying the destruction of the communist system of organization, to implementation of the capacity of economic and social development of the former communist countries as standard of performance, introducing the analysis of the transition in the extended field of the development. Within the context of this change of paradigm the politic agenda of different Romanian governs had some interesting evolutions, mainly influenced by the reform or European integration as umbrella-objectives.

The transition represents the transfer of a social system to type of organization to an other (Mihăilescu, 2003). The classic theory of (re)construction of the capitalist socialist has personal characteristics in the case of the former communist countries in the Eastern Europe and, implicit, in that of Romania. The transition represents for these countries the process of identification of a new middle way between socialism and capitalism, a way that would combine the capitalist advantages of an economy regulated by the market's and participative democracy's reactions, and that has a rationalized (re)distribution, so that everyone has a decent level of life. This definition is the closest to the model of reform necessary in Romania where a functional market economy must support in a solid, articulate manner a protection system and a social solidarity within a general frame established by the democracy.

We believe that transition must be identified with the ensemble of quantitative changes that lead to a new type of society. The co-existence of what it was but can no longer last, at least not under the same shape, and what will be makes the transition period one of the most outstanding moment of a nation, a symbiosis between a final point and a new beginning for a certain society.

1. The beginning of the Romanian transition

The transition of the Romanian society towards *a society capable to adapt to European and world system* did not start, as certain politicians said, at the end of 1989, at the same time with the change of the politic regime of Nicolae Ceausescu, but much earlier, in the 60' (Zamfir, 2004, p. 19). It was initiated the transition from a rigid socialist regime, build on industrialization, to a new context, qualitative, that lost

the competition with the capitalist economy and the effort to make the system flexible, even to incorporate some elements of capitalism, or the vague search for some third way alternatives. The communist model of Soviet type imposed after the Second World War was not totally accepted by the population of the East European countries. The experiment from Czechoslovakia, to which Romania adhered, to build a “communism with human face”, though suppressed in 1968, marked the possibility to build a reformed communism as alternative to a dysfunctional communist system. In public opinion and in dialog spaces parallel with the system and the imposed model of society new strategic alternatives of change started to be debated. Those alternatives varied from a reformed socialist, without Ceausescu, to the reconstruction of the democracy and return to the Western capitalist model. These real programs of changing gathered around intellectuals, technocrats, which assimilate and even create a certain politic culture that, though approached different ways, was preparing the population for change.

The most important pressure factors for change in the communist countries were economic and financial. Romania had an industrial system imported mainly from capitalism that depended upon the trade with the communist countries. Due to this Romania had to participate in a world economic system that was functioning according to the rules established by the developed capitalist systems (Pasti, 1995). The rules of the economic game made the trade with the West less and less profitable for the socialist countries. The solution chosen by Romania within the context of cheap exports and more and more expensive imports was *to reduce the consumption for the population*. This measure proved to be in the end more efficient than other method of counter-propaganda of that time. It provoked an increased discontent among population reaching a climax at the end of '80 when favorable conditions for the revolution were created among population. The civil society in formation, consolidated due to the authoritarian control of the Communist Party towards the politic system, found different methods of dispute that added to the growing social tensions unleash the revolution in December, 1989.

The moment 1989 marked clearly on the Romanian politic agenda the objective to build a country with a democratic politic regime, and an efficient market economy that will adopt all the measures necessary to integrate Romania in European and world systems, and that would ensure the effective involvement of the collectivity in decisional process. This moment represents the beginning of the post-communist transition.

2 .The evolution of the power groups during communism ■■■■

If we make a comparative analysis between the transition from feudalism to capitalism and the post-communist transition from socialism to capitalism, we may

notice that in the first case the transition to capitalism was divided in stages and was long enough to allow a gradual interpenetration of the aristocracy with the bourgeois, up to the consolidation of the industrial bourgeois. This happened mainly due to the fact that it was a transfer from a type of owners to another type. In the case of communist countries almost the entire property was nationalized; the forms of private property were marginal or parallel with the system. Therefore, the class of small private owners during the communist period was infinitesimal and powerless. Two other classes were prepared to take the political and economic power after the collapse of the communism: the industrial technocracy within the former communist nomenclature and the intellectual dissidents that were the pillars of the new civil society, and, in certain situations, a strange combination between these two classes. During the communist regime has been formed a political class that was not the democratic expression of the entire population's interests, as the communist ideology demanded, but used its dominant position within the communist organization to promote its personal interests (Zamfir, 2003). Even though they were defined as the leading social force of the system, the industrial workers and peasants became very soon manipulated masses, controllable by the political oppressive system and technocracy. Deprived of power and effective means of expression, the workers and peasants had rather social benefits (unlimited access to jobs, free access to houses, wages almost as high as the technocrats etc.). The ruling communist elite or *nomenklatura* (as it was called the Soviet one that inspired the term) erected itself into a distinct social class, with a life style different from the rest of the population. A special moment in the evolution of the communist political class was the cleavage between its two components that represented the two types of power: the party activists, which represented the political power, and the industrial technocracy, mainly the enterprise directors, which represented the economic power. The industrial technocracy was represented by specialists that occupied high technical positions and cumulate a powerful position with the legitimacy offered by personal competency. This class had the tendency to consolidate an institutional system oriented by the political decisions, but non-political by its structure. Compared to industrial technocracy, the political activists were rather a powerless group without the support of the technocracy and administration. An important part of the party activists originated in poor families from the rural environment, had a simple education, later completed with intensive courses at the "party school". Hence, the representatives of the industrial technocracy would rather control the political decisions than accept the alteration of their own decisions. The objectives of the industrial technocracy were the modern transformation of the society following the Western model and an economy based on rationality. The socialism crisis, in general, and the crisis of Ceausescu regime, in particular, lead to certain autonomy of the technocracy and, implicit, of the sectors controlled by the technocracy. Even though the technocracy achieved the competences necessary to initiate the transformation of the communist

regime and had established the social nets based on certain cohesion, it did not succeed to develop a clear politic orientation of transformation.

3. Industrial technocracy and the anticommunist programmatic intellectuality

The intellectual dissidents erected themselves, soon after the revolution, in leaders of opinion of the transition period and proceeded to consolidate the civil society. Among all the Romanian elites, the humanist elite manifested during the communist regime a high interest and access to the international mass-media. Many of the representatives of this class were known on international level and there for had the possibility to travel abroad or to maintain connections with the Western intellectuals. During revolution a part of the dissident intellectuals, perceived by the population as persecuted by the former regime of Ceausescu, took upon them the mission to mobilize the masses by discourses. The Romanian dissident intellectuals benefit from the advantage of the precedent created by the Citizens Forum from Czechoslovakia that brought the politic power for this class (Pasti, 1995, p. 239). The members of this elite believed that the crisis of the communist regime was rather human and moral than economic as it was considered by the industrial technocracy. The dissident intellectuals should take credit for initiating and promoting the changes pertaining to the fundamental human rights and individual freedom and for establishing an active civil society on these bases. The project for re-inventing the civil society initiated during the communism, at the end of the '70, was basically an anti-bureaucracy program critical towards the state, emphasizing the respect for the fundamental human rights and liberties. It was not attractive for the industrial technocracy, which had economic objectives and development programs. Even though, the industrial technocracy and the intellectual dissidents agreed that both the socio-economic development program and the program for building a civil society represent components of the strategy of forming for a democratic capitalist society.

The trap in which the representatives of the intellectuality fall at the beginning of the '90 was a sort of hunt for witches in "Jacobin" style to identify the members of the former communist nomenclature, guilty of the moral sickness of the Romanian society.

Because of the lack of a coherent program of development of the economy and society the dissident intellectuals were not able to play an important role in the post-communist government. They would return to the public attention after they had deliver and renew the anti-communist program during the election campaign in 1996 when the historical parties, leaded by PNȚCD, succeed to win the elections based on these revival messages and reaffirming the support for change promised by the West (Dobrescu, 1997). The intellectual dissidents saw the Romanian society build after

the communism as one if not a functional capitalist after the Western model, at least a rational society (Eyal et al., 2001, p. 250). Within their endeavor the dissidents succeed to un-legitimate the state socialism and to accumulate a considerable quantity of symbolic capital. Even though it was a small group, mainly philosophic-esthetic intellectuals, it benefit of the advantage of an intensive exposure in mass-media, especially because they promoted the healing of the society and a moral elitism, in the spirit of the Western idealized models (Gavrilescu, 2006; Șiualea, 2003). Combining this moral elitism with the lack of competences for government this group put itself outside the politic parties' area, even though they supported the historic parties and called themselves the voice of the Romanian civil society. The message they sent reflected, nevertheless, a deep frustration caused by the incapability to create a strategic program of development. From its "ivory tower" the "anticommunist and radical moral programmatic intellectuality" supported the government of CDR from 1996-2000, mainly through the Group for Social Dialogue, which justified in its analysis many of the failures of that government based on the poor state inherited from the prior FSN (PDSR) govern (Zamfir, 2004, p. 113). After a long period spent far from the public attention the radical moral intellectuality return as actor involved in the election campaign in 2004 supporting a new leader totally opposed to PSD, which was seen as an unformed party of the former communist leaders, Traian Basescu, who will become president.

The new president promised at the celebration of 15 years since the Proclamation from Timisoara that he "will defeat the old structures where they still exist". After a call addressed to the intellectuals in March, 2006, the president Basescu decided to take upon him the mission to condemn the communism and to establish a Presidential Commission for the Analysis of the Communist Dictatorship in Romania, led by Vladimir Tismăneanu. On 18th of December, 2006, Basescu presented the report of this commission in Parliament; within his discourse he declared the former regime "illegitimate and immoral". He was supported by the representatives of the dissident intellectuals and he draw upon him again the aversion of the representatives of the opposition.

Using an excellent political maneuver Basescu manage to obtain the conviction of communism, which was a strategic objective on the government program of the National Liberal Party that supported all this time the activity of the Institute for Investigation of the Communism Crimes, led by a state councilor of the Prime Minister. After 2004 the group of these intellectuals published different letters of support for the president Basescu. The climax was reached in a protest letter against the vote of 322 representatives of the Parliament that voted to be suspended.

Noticeable is that the former representatives of CDR ant of the dissident intellectuality that were in command of the country in 1996-2000, former president Emil Constantinescu and former presidential councilor Mugur Ciuvică, leader of the

Group of Political Investigation, abandoned in 2004 condemnation of PSD and initiated a vast media campaign meant to criticize and discredit Traian Basescu. Another important representative of the same government, Dorin Marian, former head of the presidential administration, was appointed at the beginning of 2007 state secretary and coordinator of the Prime Minister Chancellery. This action consolidates the staff of the Prime minister; considering the old conflicts with Traian Basescu, Dorin Marian was a real “anti-presidential fighting dog”. We may observe here the first cleavage of the anticommunist programmatic intellectuality between those politic involved in ruling the country, which started to support the liberal Prime Minister Calin Popescu-Tariceanu against Traian Basescu and the others, which wanted to be rather the humanist elite supporting the president’s moral battle against the “villain system”.

The only organized class with structured functional relations and a certain spirit of solidarity was during this period the technocracy. The revolution brought a consolidation of its position because the officials and the politic bureaucracy of the Communist Party, the only ones that interfered with the technocracy’s activity and decisions, have been removed. In the period prior to the Revolution the industrial technocracy and the dissident intellectuality reached a consensus: the change of regime was necessary in order to give to the country a direction based on the values of development and modernization after the Western model of democratic society. The Romanian technocracy was characterized of what we may call *managerism*, meaning a government mentality, a vision of the way the society, the market, the companies and the individuals may be submitted to control and management (Eyal et al., 2001, p. 119). It represented a powerful social class, with a strong position, which had a direct interest in building a new functional system. The option of the enterprises’ directors was difficult considering their relation with the state; on one side, after they managed to escape form the political directives of the Communist Party, they wanted to remove the state control, and the other side they need the economic support of the sate to overcome the problems they faced, problems that will get deeper during the transition. In the attempt to accumulate capital in order to consolidate their position in a forming market economy without its own capitalists, the enterprises’ directors tried to increase their personal benefits to enterprises’ detriment and using the resources for personal gain. A weaken enterprise could easily be taken over partial or take its subventions and state aids by the so called “parasite-companies” controlled by the enterprises’ directors, their families or even politicians that support their functioning (Brucan, 1996). Such an example is the enforcement of the Law of trade companies in 1990 and the establishment of the so called administrative borders of Western inspiration, which unlike the Western one (where the members censure each other in order to maintain a balance of power and a profitable company) became maneuver tools of the directors. This was facilitated by the composition of the borders: employees interested to maintain their jobs and

did not care about the profitability of the enterprise. Because, in general, they did not have the resources necessary to participate in the privatization of the enterprises, the industrial technocracy slowed its rhythm and set down on its politic agenda this objective required by the Western model. At that moment there were, practical, no internal sources for privatization and the external sources were not sufficient. Even though they should be primarily interested in restructuring and re-launching the state enterprises, the directors became interested in purchase them, but did not possessed capital. Therefore, they wanted to slow down a process they could not actually participate in. The strategy adopted in the end was total and rapid privatization; the main promoter of the strategy was the West and the international organizations based on the argument of removing the inefficient areas in the economy that absorbed constant and unjustified resources from the budget. This strategy was supported from interior by the first post-revolution governs, the historic parties and the dissident intellectuality.

The technocracy, former managing elite of the enterprises, acted on two ways simultaneous on its path to build the new class of capitalists, called by some authors the building of capitalism "from the bottom to the top" (Eyal et al., 2001, p. 250):

- parasite on state enterprises and use for personal gain of the resources allocated from the budget to re-launch and restructure the enterprises;
- negotiation of the enterprises' sale to foreign investors and obtaining managing positions in multinational companies.

After it gained the economic power the technocracy was interested in obtaining the politic power in order to apply its own programs. The larger part of the technocracy originated or had connections with the politic parties that resulted from the former FSN: PSD and PD.

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SOCIAL ECONOMY IN MEHEDINȚI COUNTY

Eugen GLĂVAN¹

***Abstract:** This article presents the results of a study conducted in Mehedinți County on the social economy, focusing on employment and on the solutions, identified and implemented, to control unemployment. The closedown of the unprofitable enterprises and mining exploitations from this area of the country increased the numbers of the unemployed, with major social and economic consequences. The results of the survey have shown a high level of institutional passiveness regarding the accessing of the pre-accession funds and then of the structural and cohesion funds for the inclusion of the disfavoured groups on the labour market, as well as some kind of ignorance of the civil society regarding this problem. It also reflects the need for a coherent legislative framework, for fiscal facilities and for campaigns of information and formation of the decision-making factors at the county level.*

***Keywords:** social economy, unemployment, European funds, employment rate, vulnerable social groups*

County's profile. Characteristics of the economic and entrepreneurial sector

Mehedinți County is located in the South-West part of Romania, on the left border of the Danube, at its exit to defile. It has a surface of 493.289 hectares (2, 1% of the total surface of the country) and is surrounded by the counties: Caraș-Severin at West, Gorj at North and Dolj at South-Est. At South are Bulgaria and Serbia. It has two big town (Drobeta-Turnu Severin and Orșova), three cities (Baia de Aramă, Strehaia and Vânju Mare), 61 communes and 344 villages.² The stabile population of

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² <http://www.mdpl.ro/documente/regiuni/4.SWro.pdf>.

Mehedinți at 1st of January, 2009 was 294.364 inhabitants (144.662 male 149.702 female), 143.137 (48,63%)¹ in the urban environment.

The demographic evolution during 01.01.-31.08.2009 compared to the same period in 2008:

- the number of the living new burns was 1.897 (higher with 162);
- the number of deceased was 2.761 (lower with 60);
- the natural increase continued to be negative (-864 persons);
- the number of marriages was 1.145 (higher with 14);
- the number of divorces was 354 (lower with 131).

Considering the ethnicity at the census in 2002 were registered:

- Romanians 96,12%;
- Romma 3,01%;
- Serbians, Croatians, Slovenians 0,38%;
- Czechs, 0,25%;
- Hungarians 0,09%;
- Germans 0,08%.

The geographic features are mountains, plateaus and plains under the shape of an amphitheatre descending from the North-North-West to South-South-East. The highest level, at the North-West, is formed by the Mountains Mehedinți and Cerna; the middle level consists in Plateau Mehedinți, Motru Hills and the high Plain of Balacita; the lowest level, Blahnita Plain, is formed by Danube's banks and the vast valleys of Drincei and Blahniței.

Plateaus like Baia de Aramă, Comănești-Halânga, and large valleys and Sub-Carpathian depressions ensure good conditions for living and transportation, including in the high areas of the county.

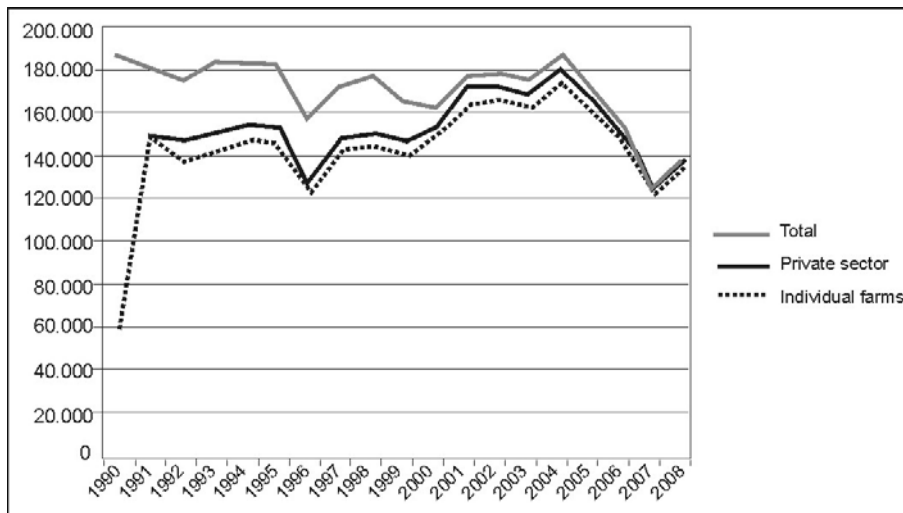
The climate of the county is continental-temperate, with Mediterranean influences in Cazane area and in Drobeta Turnu Severin. The most important river is the Danube, which constitutes the natural border of the county for 192 km. The main underground resources are: coal, asbestos, calcareous stone, slate, sand and sulfurous water. Due to its geographic position, the access to Danube, Mehedinți County has a vast and old tradition in trade, naval transportation, mainly merchandise. The terrestrial

¹ National Institute of Statistics, Tempo Online: <https://statistici.insse.ro/shop/>.

transportation routes consists in 1. 856 km of national and European roads. The Mail and telecommunications were established in 1862 and highly developed during the last years.

The county is crossed by the European route E70 and the Canal Rin-Main-Danube makes the direct connection between Drobeta Turnu Severin and all the cities located on the rivers' borders from the Black Sea to the North Sea. The bridge from the hydro-energetic system Iron Gates shorted the distances between Drobeta Turnu Severin and other European cities, but this did not improve of a significant manner the welfare of the county. The lack of efficient programs to promote the tourism (the percentage of actual use of the accommodation possibilities in August 2009 was 37, 8% 10 points lower than August 2008). The poor road transport infrastructure and the unqualified human resources obstructed the development of the county. The president of the Chamber of Commerce believes that the poor infrastructure plays a negative role, and so do the hydro-electric stations on the Danube. These last ones block the traffic due to harbor locks and discourage the use of navigable route by high taxes.

Graphic 1
Surface cultivated with the main agrarian cultures on forms of property in Mehedinți County (hectares)

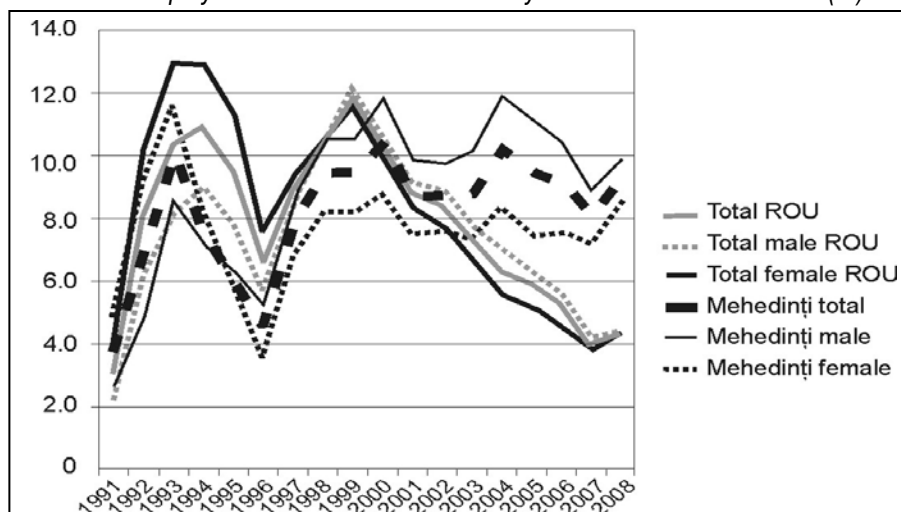


Source: National Institute of Statistics, Tempo-Online: <https://statistici.insse.ro/shop/>.

In the county there are important means of production in the navy and wagons construction, wood processing, wood furniture fabrication, inorganic products fabrication, cellulose and paper fabrication, ready-made clothes, food industry, coal extraction and production of electricity (hydro and thermo). The number of the foreign companies registered in Mehedinți County during 01.01 – 31. 08.2009 was 25 with a social capital of 9, 8 thousand lei (equal to 3.157, 0 USD or 2.253, 7 euro).¹

Shutting out of the enterprises and unprofitable mining exploitations increased the number of the unemployed, leading to negative social and economic consequences in the respective areas. Also, the lack of jobs in the urban areas and the growth of the housing costs caused the migration of the unemployed population towards the rural area where an inefficient agriculture is practiced.

Graphic 2
The unemployment rate on Mehedinți county level and on national level (%)



Source: National Institute of Statistics, Tempo-Online: <https://statistici.insse.ro/shop/>.

In graphic 2 is presented the evolution of the unemployment in Mehedinți County from 1991 to 2008. We may observe a similar evolution on national level until 2003; after that the unemployment rates are constantly higher and do not follow the general trend. This was caused by the restriction of activity of the biggest companies in the

¹ INS, *Buletin statistic lunar al județului Mehedinți*, nr. 8/2009, p. 19.

county (Naval Yard Drobeta-Turnu Severin and Orșova, CELROM SA, RAAN) in 1998, added to the lack of alternatives and a low level of investments.

The restriction of activity is reflected also in the diminution of the **export of goods** (FOB) on county level, which in 01.01.-30.06. 2009 was 86.234 thousands euro, lower than the same period in 2008 with 5.903 thousands euro.¹ The highest percentage is represented by the exports of “means of production” -75, 2% (64.874 thousands euro). On the second place is the export of “machines, electric appliances, video, audio recording devices”, with a percentage of 7, 5% (6.450 thousands euro). In the same time the **imports of goods** (CIF) have been diminished to 45.943 thousands euro – with 7.758 thousands euro lower than that from the same period in 2008.

The most representative industrial companies in Drobeta-Turnu Severin are:

- SC „Severnav” SA –navy construction;
- SC „Meva” SA –production of rolling material;
- SC „Celrom” SA – cellulose and paper fabrication;
- SC „Cildro” SA – wood processing;
- SC „Romag-Prod” – production of deuterium;
- SC „Romag-Termo” – production of thermic energy;
- SC „Hidroconstrucția” SA – hydro- technical constructions;
- SC „IMSAT” D. Automatizări SRL –electric installations and automatization;
- SC „Aurora” SA –mills and panification ;
- SC „Landro” SA – processing of ferriferous metals;
- SC „Somaco” SA – prefabricates of cement, plaster and metal.

Apart from the traditional commercial companies about 4.500 of companies develop industrial, construction and transportation activities, services etc. Considering the capacity of production, number of employees and the total amount of money, the number of small and medium enterprises was in constant growth. The main economic areas and their contribution to local economy²:

- production: 9,19%;
- trade: 56,12%;

¹ INS, *Buletin statistic lunar al județului Mehedinți*, nr. 8/2009, p. 16.

² The Mayoralty of Drobeta-Turnu Severin, *Development Strategy*.

- services: 9,17%;
- import-export: 22,6%;
- constructions: 3, 92%.

Mehedinți County has a percentage of 15% of foreign investments. The number of companies with foreign capital is 292, as follows:

- with Italian contribution: 42 companies;
- with German contribution: 41 companies;
- with Serbian contribution: 32 companies;
- transnational: 23 companies;
- with Chinese contribution: 14 companies;
- with Turkish contribution: 11 companies.

National Employers Confederations represented in Mehedinți County are

- Employers Confederation of Romanian Industry "CONPIROM";
- Romanian National Employers Confederation;
- CNPR – National Council of Romanian Small and Medium Private Enterprises CNIPMMR;
- Union of Romanian Industrialists UGIR 1903.

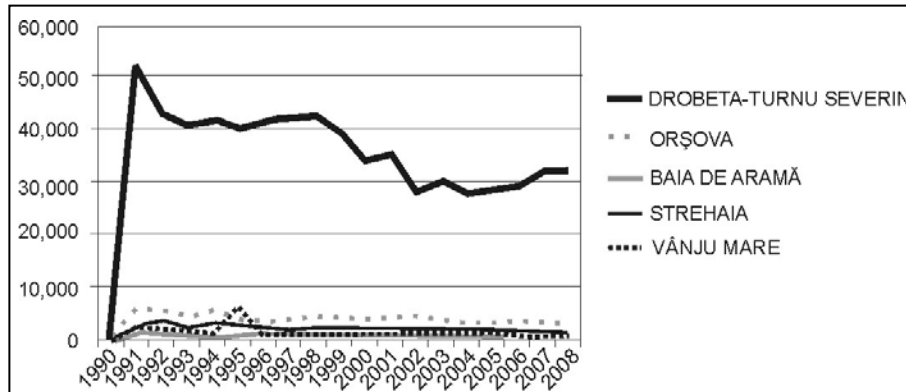
The net of Small and Medium Enterprises is a feeble structure (clusters are not formed) and has a high volatility caused by the absence of coherent plans, financial support and proper management.

Disadvantaged groups (assessments, critical areas)

A first aspect that needs to be cleared is that Mehedinți County is one of the poorest and isolated counties in Romania. Therefore, when we refer to disadvantaged groups we must specify that most of the inhabitants face economic obstacles, which generates other social problems.

The amount of employees at the end of August 2009 was 47. 770 persons, lower with 385 comparing to the prior month. Comparing with August, 2008 the decrease was of 4.462 persons. The brut medium wage in August 2009 was 1. 662 lei, lower with 183 lei compared to the national one. These figures illustrate the small contribution of the third sector and enterprises using highly qualified labour force.

Graphic 3
The medium number of employees in the cities of Mehedinți County
(number of persons)



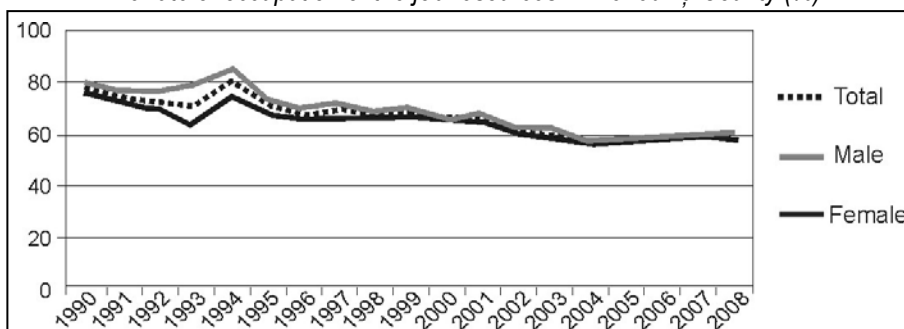
Source: National Institute of Statistics, Tempo-Online: <https://statistici.insse.ro/shop/>.

The number of unemployed persons registered in Mehedinți County at the end of August, 2009, was 14.937 persons (6.370 women), higher than the prior month with 1.085 persons. Considering the level of education of the unemployed persons registered in Mehedinți County at the end of August we have the following categories:

- Graduates of University – 603 persons;
- Graduates of high-school and college – 3.267 persons;
- Graduates of elementary, gymnasium and vocational schools – 11.067 persons

The prevalence of the industrial companies such as the navel yards or resources extraction caused a low mobility of the local labour force. When these companies reduce their activity the dismissed persons have low opportunities to find a different job because the job market is feeble and their qualification insufficient. Under these circumstances the role of the local institutions, mainly the County Agency for Labour Force and the Chamber of Commerce, may contribute to the professional orientation and reconversion of the unemployed persons. It must be mentioned that the percentage of unemployment in August, 2009, in Mehedinți County was 7, 9%, compared to 4, 3% on national level.

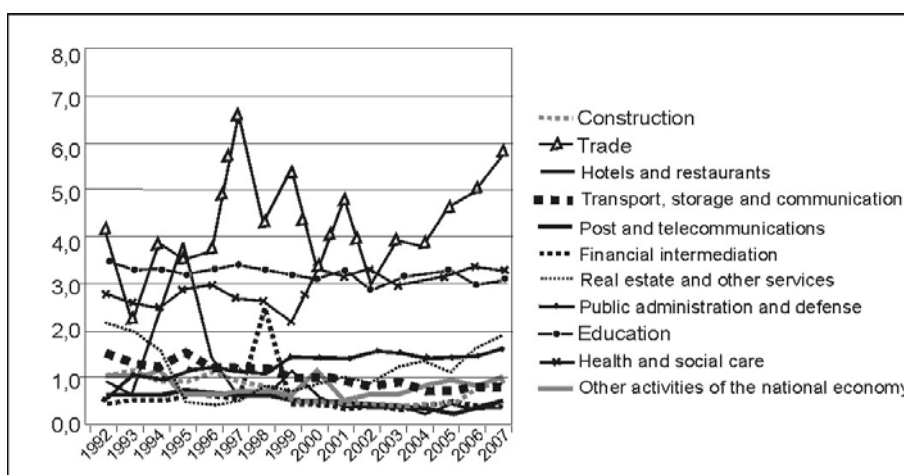
Graphic 4
The rate of occupation of the job resources in Mehedinți County (%)



Source: National Institute of Statistics, Tempo-Online: <https://statistici.insse.ro/shop/>.

In graphic 4 is presented the rate of occupation of jobs in Mehedinți County from 1990 to 2008, from a maximum of 76, 8% to a minimum of 57, and 1% in 2004. We may notice that there are no major economic differences based on gender. The main domains of activity for women are agriculture, industry, education, health and social assistance.

Graphic 5
The occupied female civil population in 1992-2007, on activities of national economy at level of section CAEN Rev. 1 (thousands of persons).



Source: National Institute of Statistics, Tempo-Online: <https://statistici.insse.ro/shop/>.

The census of the population of period 18-27.03.2002 identified 9.230 Roma persons in Mehedinti County. The larger community resides in Strehaiia. Here the law is frequently infringed and the level of life is highly heterogeneous. There are no projects especially for this population on county level, except for that promoted on national level and implemented by the local organizations.

The AJOFM Mehedinți representative declares that in Roma communities from Jiana, Bahna, Vânjuleț, Târna and Eșalnița the attempts to include the inhabitants in the labour market by the campaign "Roma' Caravan" failed.

Supporting programs for disadvantaged groups *(focused on women and Roma)*

The providers of support services for the disadvantaged groups on Medinti County are mainly the state institutions and less the civil society's organizations. The main actors are the mayoralties, AJOFM and the General Directorate of Social Assistance and Child Protection. These institutions develop national programs and rarely local projects or joint programs with different private or sate financial sources. An important role in integrating the institutional activity is played by the Prefecture and the County Council of Mehedinti, but, according to the declarations of some representatives of the local institutions, the cooperation is critical due to political instability and incompetency. In order to access pre-adhering and structural and cohesion funds according to the Regional operational plan for social, economic and cohesion policy for Drobeta-Turnu Severin, the **Mayorality** suggests the following projects aiming support objectives for the disadvantaged groups:

- Project of professional formation 'A new chance', addressed to the disadvantaged persons;
- Continuing the program of building blocks of flats for rent to young people of 18-35 years old.

We must specify that the Mayorality of Drobeta Turnu Severin does not emphasize the social dimension of the problems, but it is focused on the aspects regarding the infrastructure. In Annex I, at the end of this material, is presented the list of projects considered as priority by the Mayorality. This leads to the perception that it rather spends funds in infrastructure or tourism projects and, according to the declarations made by the representatives of this institution, tries to develop projects financed with European funds for social activities. On 26th of June, 2009, **AJOFM Mehedinți** organized the *Labor Market for Roma* at its residence in Drobeta Turnu Severin; a regular activity during the last years. Over 100 companies were invited, 19 among these accepted and offered a total amount of 62 working places. Among the trades required by the employers within this labor market were: textile worker, construction

foreman, blacksmith, mason, painter, welder, carpenter, turner, unqualified worker, hydro-technician, security agent, truck driver, seller, butcher, and mechanic. At the labor market participated 16 companies providing information regarding the job descriptions; the number of participants was of 15 Roma ethnic citizens.

Providers of social services

The providers of social services accredited by the Ministry of Labor, Social Solidarity and Family are:

- Association "Total Aid" (association), Dr.-Tr. Severin, Mehedinți.
- Association Filantropia Severin (association), Dr.-Tr. Severin.
- Association of Physic .Disabled Mehedinti (association), Dr.-Tr. Severin, Mehedinți.
- Association „Vasiliada” Filiala Dr.-Tr. Severin (association), Dr.-Tr. Severin, Mehedinți.
- Office of Social Assistance within the Episcopate of Severin and Strehaia (public service of assistance), Dr.-Tr. Severin, Mehedinți.
- Family House of the Baptist Christian Church (association), Orșova, Mehedinți.
- Social-Medical Assistance Center Cujmir (unit of medical-social assistance) Cujmir, Mehedinți, village Cujmir.
- Social-Medical Assistance Center Bicleș (unit of social assistance) Bicleș, Mehedinți, village Bicleș.
- General Directorate of Social Assistance and Child Protection (unit of social assistance), Dr.-Tr. Severin, Mehedinți.
- Foundation „Ajutați Aproapele” (foundation), Dr.-Tr. Severin, Mehedinți.
- Foundation „Bambi” (foundation), Dr.-Tr. Severin, Mehedinți.
- Public Service of Social Assistance and Protection (public service of assistance), Dr.-Tr. Severin, Mehedinți.
- SPAS Orșova (public service of assistance), Orșova, Mehedinți.

According to its competences and under the provision of the law, **Mehedinți County Council**, provides the necessary frame for the social services of local interest for the protection of children, persons with handicap, elders, family and other persons or groups in social need.

The main attributions of the County Council in the field of social assistance are:

- Approves the county strategy for social assistance and the plan for social marginalization prevention and control;
- Approves the establishment, financing/co-financing of the public institutions of social assistance;
- Decides upon the cooperation and association with legal Romanian and foreign persons, including partners from the civil society in view of joint financing and accomplishment of activities, services or projects of public local interest.

Under the authority are established and function:

1. Commission for child protection, specialized body, without legal individuality, acting in the field of protection and promoting the rights of children.
2. Commission for assessment of adult persons with handicap, specialized body without legal individuality, acting in the field of evaluation of the adults with handicap, respectively the field of promoting those persons' rights.

The following day services are functioning in Mehedinți County under the authority of local councils:

- in Salcia commune: the day center for children of 0-3 years; the support and conciliation center for parents and children;
- in Gârla Mare commune: the center for children "Sf. Dumitru" consisting in: the day center for children of 0-3 years; the day center for pupils; the support and counseling center for parents and children;
- in Pătulele commune : the day center for children of 0-3 years;
- in Târna commune: the day center for pupils; the support and counseling center for parents and children;
- in Eșelnița commune: the day center for children of 0-3 years; the day center for pupils;
- in Vânju Mare: the day center for children of 0-3 years; the support and counseling center for parents and children;
- at Titerlești, Baia de Aramă: the day center for children of 0-3 years;
- in Vânjuleț: the day center "Teodor Costescu"; also, under the authority of Local Council, a home for elders with 40 places, providing social services for elder people.

Day services under the authority of the Local Council Orsova are provided by the center for social integration of children with special needs and major learning difficulties.

The Mayorality of Drobeta-Turnu Severin, residence of Mehedinți County, the mayoralties of county's cities and communes.

County Agency for Labor Force (AJOFM) located in Drobeta Turnu Severin, no 3, Carol I Boulevard, was established on 1st of January, 1999. It is a county public institution with legal individuality under the authority of AJOFM. AJOFM organizes and coordinates on county level the activity of occupation, professional formation and social protection of the labor force and the unemployed. Its main objectives are: increase of chance employment for the unemployed people and encourage the employers to hire unemployed persons. The legal frame is ensured by the Law no 76/2002 regarding the system of insurance for unemployment and encouragement of employment. AJOFM Mehedinți develops its activity in a local agency and five working points in: Baia de Aramă, Cujmir, Orșova, Strehaia and Vânju Mare.

General Directorate of Social Assistance and Child Protection (DGASPC) Mehedinți is a public institution with legal individuality functioning under the authority of the county council. DGASPC was established in 2005 as a result of the reorganization of the public service for children protection – established in 1997 – and the public service of social assistance, both of them functioning under the authority of county councils and local councils of Bucharest.¹ DGASPC enforce on local level the policies and strategies of social assistance in the field of protection for children, family, single people, elder people, handicapped people as well as any people in need.

Institutions acting in the field of *prevention and control of domestic violence*:

1. Directorate of Labor and Social Protection Mehedinți, department regarding domestic violence control.
2. DGASPC Mehedinți, provided services: information, temporary accommodation (7-30 days), psychological and social counseling, medical assistance, social and legal assistance, legal counseling for children and family members/legal representatives in emergency situations.
3. Association for Women Promotion (branch Drobeta-Turnu Severin: legal conciliation, psychological counseling, social assistance...
4. Association „Filantropia” Severin, Episcopate of Severin and Strehaia: social counseling, emergency support to reduce the crisis situation for children, elders, poor, sick people, prisoners, victims of domestic violence.
5. Association "Ajutor Total": support of the victims of domestic violence, conciliation and social reintegration of the delinquents.²

¹ <http://www.copii.ro/dgaspc.html>.

² <http://www.anpf.ro/>.

Forms of support for disadvantaged groups

The mayoralty of Drobeta-Turnu Severin develops:

1. The project “*Arrangement of the house for elders Gura Văii*”, with the general objective to develop the capacity of the social assistance Service of the Mayoralty of Drobeta Turnu Severin to provide quality social services.

Results:

- A house for elder people providing constant medical assistance, constant care, food, weekly laundry, TV access, phone, library, meals in bed (for short illness), heating, counseling.

Present status:

- Study of operability done;
- Documentation done;
- Preparative for submitting within the regional operational Program

Value: 450.000 euro.

2. Project „*We are here for everybody*”. Main goal is to improve the quality of life for disabled persons, hoping to change gradually, but sure, the society’ mentality towards these persons.

The expected results are:

- Improving the quality of life of disabled persons and their families;
- Increase of efficiency of the services provided to the disabled persons;
- Increase of the degree of responsibility of the institution in their relation with disabled persons;
- Favorable social impact for all citizens;
- Reduction of the unemployment rate.

Value of the project is 36.230 euro.

Present status: evaluation.

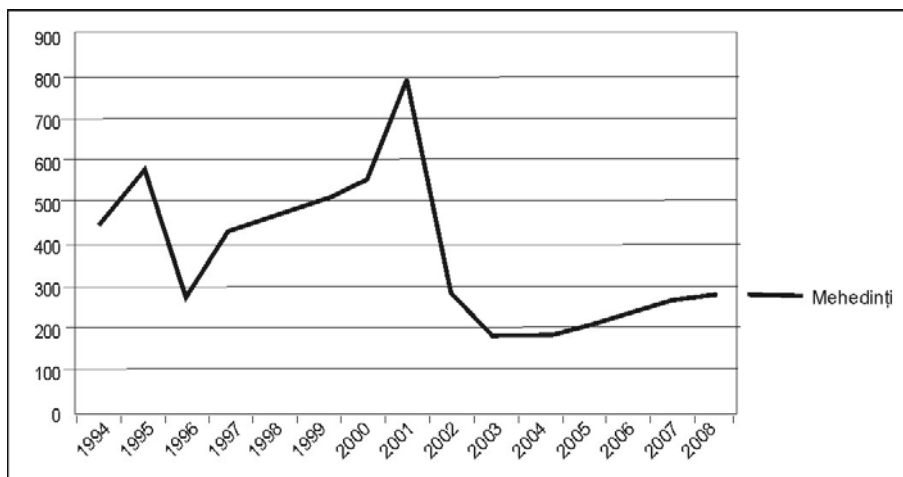
The development strategy of Drobeta Turnu Severin contains the following provisions pertaining to the disadvantaged groups:

- Accessing projects financed by the European Union in the field of social protection of elder people deprived of self support resources, as well as for children in distress.

- Detecting persons and families in special socio-economic and medical circumstances, in order to provide the social protection measures stipulated by the law.
- Monitoring the street children, counseling the origin families in view of their reintegration, as well as the internment of those unable to be integrated.
- Finding a location to receive the street children unable to be integrated in their families.
- Finding a location destined to be house for elder people that due to different reasons are not able to support themselves, and providing medical and social assistance within the house.
- Ensuring financial sources to cover the costs of social aid for the persons and families with low income, subventions for thermic energy to cover the local price, sustaining gratuitousness at local transportation for those benefiting based on special laws.
- Support of Roma families in socio-professional reintegration, mainly of the families raising children of school age, in order to provide opportunity to attend pre-University courses.

Graphic 6

Beneficiaries of the services provided by the social aid canteens in Mehedinți County (number of persons)



Source: National Institute of Statistics, Tempo-Online: <https://statistici.insse.ro/shop/>.

AJOFM Mehedinti provides for free to interested individual persons or legal bodies, under the provision of the law, services regarding the employment¹:

a) *Services for individual persons:*

- Professional information, orientation and counseling of the unemployed persons, as well as other persons to obtain job;
- Mediation between demand and offer on the labour market;
- Qualification and requalification of the unemployed persons;
- Supplementing of the unemployed persons' income and encouragement of the mobility of the labour force by granting hiring and installing bonus
- Settlement and payment, according to law, of social protection rights for unemployed persons and other socio-professional categories.

b) *Services for legal bodies:*

- Mediation between demand and offer on the labor market;
- Selection of candidates for jobs
- Enforcement of the measures to encourage creation of new jobs
- counseling to establish small and medium enterprises
- Encouraging hiring graduates and other categories under the provisions of the law.

Professional information and counseling services are provided for the persons interested in labour market, regarding the career choices, training and complementary formation opportunities; unemployed persons and those addressing the agency are helped to take decisions regarding:

Services of information and professional counseling are provided for those interested in jobs opportunities, career, training possibilities; unemployed are assisted in taking decisions regarding:

- Choosing a profession or occupation;
- Attending courses of professional qualification and re-qualification
- Changing occupation or job.

DGASPC 'attributions pertaining to child protection:

¹ <http://www.ajofmmehedinti.ro/index.html>.

1. draws up the initial report of evaluation of the child and his family and suggests the settlement of a measure of special protection;
2. monitors trimestrial the applying of the special protection measures;
3. identifies and evaluates the families and the persons able to take the child in foster care;
4. monitors the families and the persons that took children under foster care, all during this measure;
5. identifies, evaluates and prepare persons capable to become professional foster parents, under the provisions of the law; concludes individual contracts and ensures the constant training of professional licensed foster parents; evaluates and monitors their activity;
6. provides assistance and support to the parents of the separated child in order to reintegrate him in the family;
7. reevaluates, at least once/three months and each time is necessary, the circumstances for establishing the special protection measures and suggest accordingly to the case to maintain, modify or cease the measure;
8. makes the necessary steps to initiate the internal adoption procedure for the children under its supervision;
9. identifies the families and the persons residing in Romania, which intend to adopt children; evaluates the financial condition and the moral guarantees of those and releases the family or person certificate of capability;
10. monitoring the evolution of the adopted children, as well as their relation with the foster parents; supports the foster parents in fulfilling the requirement to inform the child of his adoption as soon as the maturity level and the age permit;
11. fulfils any other obligation stipulated by the law.

DGASPC is managed by a general director, assisted in his activity by at least two deputies, one conducting the activities pertaining to the adults, and the other the activity of protection of the child rights. The activity is regulated by the Decision no. 1434/02.09.2004 and the Decision no. 1896/2006.

Programs/measures of reintegration on the labour market ██████████

The institution administering the programs pertaining to the labor market in Mehedinti County is AJOFM. As result of the activities developed by this institution in 01.01.2009-31.10.2009, a number of 3.196 persons (1.086 women) has been hired or received certificates of agricultural producer:

- 1.897 unemployed persons by mediation;
- 74 unemployed persons by information and counseling on career issues;
- 375 unemployed persons after graduating the professional training courses;
- 135 unemployed persons by receiving allowances for hiring before the expiration of the period;
- 179 unemployed persons over 45 years or single parents by subvention of the job;
- 1 unemployed person in his last 3 years before pension by subvention of job;
- 70 unemployed (with wage) were hired in jobs located at a distance higher than 50 km from their residence or changed their residence benefiting of hiring or installing bonus;
- 47 graduates were hired by subvention of the job;
- 43 graduates were hired benefiting of bonus for hiring
- Two disabled persons were hired by subvention of the job;
- 373 unemployed persons were hired by convention concluded with the county authorities for temporary occupation for local community interest

On 25th of December, 2, AJOFM Mehedinți organized the *Labour Exchange for Graduates* in Drobeta Turnu Severin at the Cultural Palace „Theodor Costescu”. A labour exchange was also organized in Baia de Arama. In order to discover a highest number of jobs for a diversity of professions over 200 companies have been contacted; 34 of these confirmed their participation and offered a total amount of 159 jobs, 12 of these for Faculty graduates. The trades required by the employers were: construction engineer, topographic engineer, mechanic engineer, horticulture engineer, agricultural engineer, assistant manager, construction foreman, mason, painter, iron worker, carpenter, security agent, textile worker, designer, tailor, cook, bartender, insurance agent, pastry cook, mechanic, tourism agent, unqualified worker.

At the labour exchange participated 33 companies providing information regarding the job description; the number of participants was 240 persons, 185 of those were graduates. As a result of this activity 38 graduates were hired by the companies.

To increase and diversify the professional competences of the persons looking for jobs in 01.01.2009 - 23.11.2009, AJOFM Mehedinți initiated 41 *courses of qualification/requalification*; 1.018 persons attended these courses (compared to 960 scheduled for 2009); 1.018 of these were unemployed (904 unemployed

scheduled this year). Several of these courses were organized for rural area (346 of unemployed persons from the rural environment attended the courses in 01.01-23.11.2009), the trades were: cook, hair stylist, communication in English, carpenter, seller, animal breeder, PC operator, mason, security agent, bartender, waiter, painter. During the same period was made a course of qualification for the prisoners in their last 9 months of detention; 13 prisoners attended at the course for painter.

During 01.01.2009 – 23.11.2009, 1065 persons (including graduates of the qualification courses initiated in 2008 and ended in 2009), among these 972 unemployed, graduated and 375 got jobs (or certificates of agrarian producer); 187 were women.

AJOFM organized on 30.10.2009, *The Labour Exchange for the young people leaving the social protection system*. As is well known these children have to face great difficulties in finding a job. Over 100 companies were contacted, 10 of those confirmed the participation and offered 38 jobs as; auto electrician, electric welder, mechanic, textile worker, turner, seller, butcher and unqualified worker. At the event attend 25 companies and 25 participants.

The profile of the offer of the entities of social economy (cooperatives, ONG, CAR etc) distribution in the county (rural/urban)

Chamber of Commerce, Industry and Agriculture Mehedinți (CCI-MH) was established in 1865 as a consequence of the Decree no. 1225 of 30 of September, 1864 and had is its area of jurisdiction the counties Mehedinți, Gorj and Romanați. It functioned as independent institution until 1886 when in its attributions have been taken over by the Chamber of Commerce and Industry in Craiova. During 1886-1925 functioned in Drobeta Turnu Severin a branch of the Chamber of Commerce and Industry in Craiova. In 1925 was re-established CCI-MH, that functioned until 1949 when all the Chambers in Romania were suppressed. CCI-MH was re-established in 1990 based on the Decree-Law no 139/1990. The last reorganization was made based on the Decree Law no 335/2007.¹

CCIA-MH is non profit, apolitical, private organization functioning based on a statute elaborated on the basis of the Law no 335/2007 and represents an interface for the business environment on different levels: local, national, international. The services provided are: electronic archive, consulting, training courses. The main activities are development of European funding projects, fairs and exhibitions. The chairman is elected for 4 years; the director represents the Chamber in foreign relations. The

¹ <http://www.cciamh-proiecte.info/camera/istoric.html>.

quality of member of the Chamber is obtained upon request. The subscription is settled by the border of administration and varies according to the company. The companies are exclusively private: trade, services, construction (Italy, 6 million euro), furniture (CILDRO, Germany, 5 million euro), naval yard, BRD France, industry of wagons, metallurgic industry, tyres (Romanian capital)

The Chamber currently develops the following projects:

1. *Performant business for a durable society*. Main applicant CC-MH, partners in Romania and Germany. The total value of the project 8.616.170 lei (2.003.760 euro).
2. *People meeting people, opportunities meeting opportunities, in Mehedinți-Vidin cross border area* (Romania cross-border cooperation programme 2007-2013, main axe 3). Main applicant CCIA-MH, partner CCI Vidin. Total value 206.031,30 euro.
3. *Eco-business – joint centre for managing unexpected situation in Mehedinți-Vidin cross-border area*. (Romania cross-border cooperation programme 2007-2013, priority axe 1). Main applicant CCIA-MH, partners CL Drobeta-Turnu Severin, ISU Drobeta, CCI Vidin. Total value 992.859,75 euro.
4. *Development of Southern interregional entrepreneur – DAIRS* (POS DRU, axis 3.1.). CCIA-MH is partner, total value 6.452.572 lei (1.536.327 euro).
5. *Promoting entrepreneur culture to exploit the opportunities generated by environment protection and reusable energies. (PAGER)* (POS DRU). CCIA-MH is partner, total value of the project 19.456.780 lei (4.632.567 euro).

The management of CCIA-MH believes that in Mehedinți County the foreign investments are low and there are no transportation and business infrastructures. Also, the business environment is seen as negative due to the politic interference. A delicate issue for the Chamber is the Register of Commerce, which is currently administer by the Ministry of Justice and that CCIA-MH intends to take back. The differences form the justice prevent inter-institutional cooperation (the Institution of Prefect is nominated); the partnerships and the connections are limited to the county area.

The Trade Cooperative „Mehedințeană” (SCM-M) is the legal descendant of ADCOM Mehedinți established in 1990 that left its active and passive in 2005. UJCM Mehedinți had before 1989 a position of main centre, with 56 employees coming from different trades (carpenters, glaziers, reelers etc). The main area of activity consists in 5630 bars and other activities of liquors' serving, but actually the incomes come from renting spaces. Currently it has 15 hired cooperative members, 4 of them had

recently retired. Most of those are working within the cooperative for a long time, for some this is the first job; the social capital is subscribed and given entirely (this is established by the 1/2005 at 1500 lei minim, representing 20% of total capital). As long as they are employees of the cooperative the members have dividends and the capital is restored a year after the departure, it does not carry interest. The social capital is used for investments, used for the benefit of the cooperative or restored at the end of the fiscal year upon request (retreat from cooperative) or at the retirement. The members benefit of support provided as wedding, funeral, retirement aids. Also, according to work legislation, they have length of service. There is no difference among contracts, and when someone joins the cooperative pays a "social contribution" (according to the former law) that is not refundable

SCM-M is administered by a board consisting in five members: the president, chief-accountant, vice-president and two more members. The elections are every 4 years based and each one has a vote. Legally it must be a majority of half plus one, which has never been a problem because all 15 members attend the meetings.

SCM-M is affiliated to ASCOM/Association of Cooperatives and Trade Organizations and it pays a subscription of 300 lei/year.

Other trade cooperatives in Mehedinți County:

1. „Unirea” Mehedinți Trade Cooperative, Republicii street , no. 86, Vânju Mare.
2. „Prestarea” Trade Cooperative, Drobeta-Turnu Severin. Object of activity: revision auto, unit ITP.
3. *Territorial Association of Trade Cooperatives Mehedinți*. Object of activity: producer of textiles; trade of supplies, trade cooperative, services for confection industry.
4. *Cooperative „Cerna” Orșova*. Object of activity: production of doors, windows and accessories, construction services, trades and art crafts, services.
5. *Cooperative „Progresul” C.M. Drobeta-Turnu Severin*. Object of activity: producer of textiles and shoes; trades and art crafts, tailor and accessories.

According to the National Office of the Commerce Register (<http://www.onrc.ro/>, consulted on 01.12.2009), the Trade Cooperative Company „Constructorul” did not published its account balance for 2006, consequently it is in the process of liquidation.

Cooperative of consumption is located in Drobeta-Turnu Severin, Mehedinți.

Local Centers are in:

1. Drobeta-Turnu Severin.

2. Cujmir.
3. Vânju Mare.
4. Orșova.
5. Strehaia.
6. Baia de Aramă.

Currently these cooperatives are organized in FEDERALCOOP at county level; at national level is functioning CENTROCOOP. Between the Wars their activity was well developed in Mehedinți County; in 1912 were 12 such associations, containing 378 inhabitants with a capital of 32.515,41 lei.¹ After just 10 years 92 cooperatives activated in the county (Mehedinți occupied the second place on national level); with de 3.409 members.²

Due to the fact that the county had a low rate of urbanization the activity of the cooperatives highly developed. Their economic activity in 1928 is presented in Table 1.

Table 1
The activity of the consumption cooperatives in Mehedinți in 1928

No.	No. of the consumption cooperatives	No. of members	Media members of the cooperative	Subscribed capital / lei			Asset / passive / lei		
				Total	Media on cooperative	Media on an associate	The total	Media on cooperative	Media on an associate
1	101	6.620	66	5.392.365	53.390	815	28.071.166	277.932	4.240

Source: Barbu, 1996.

Successively, based on the laws of 1938-1941, is established the National Institute of Cooperation (INCOOP), that replaced the associative existent structures and becomes an associate of the cooperatives. The state intervention in this type of activity reached is peak in the communist period; the trade and consumer cooperatives functioned together. The respective period is seen by the present members of the cooperative as a successful one; the responsible said that "during Ceausescu's regime 70% of the cooperatives were financially self supported and in 1989 the profit of CENTROCOOP was of 3 billiards." Until 1989 the consumer

¹ Barbu, Paul-Emanoil (1996), *Din istoria cooperăției de consum și de credit din România*, Craiova, Scrisul Românesc, vol. I, p. 167-169.

² Barbu, Paul-Emanoil, *op. cit.*, vol. II, p. 234.

cooperative in Mehedinti had 250 employees, its own residences and large repository spaces did not needed loans, had money from sales. The main activity was the trade of products (leather, blueberries, and snails) generally in the shops located in rural area; and activities of production and services. The main problem was that “before there were no products and now there are”. Since 1990 the consumer cooperatives had a new evolution, this time negative. In the first phase they organized as commercial companies with limited responsibility or, most of the cases, they became private; in the rural area “the manager of the shop opened a buffet in the same place”. As the current representatives of the cooperative say “carpenters became private-at the beginning they thought it was best”. Then they saw that “it was better to be grouped”. Now the cooperative has 12 employees and a management team elected by vote consisting in director, accountant and 3 board members and rents spaces for deposit. From the profit are paid the dividends according with the decision of the general assembly. All the employees are old at the age of retirement and they are members of the cooperative since the communist period. According to the management “no one invest money in the cooperation now”. The main object of activity (in fact, the only one)⁰ is renting spaces for deposit to a third person. This is the only profitable activity.

The Credit Cooperatives have a long history in Mehedinti. This was in the between wars period one of the most developed places. For instance, the value of the social capital deposited was 12.632.096, 91 lei, with an average on bank of 66.836 lei¹ that put Mehedinți on second place in the country.

Table 2
Number of popular banks in Mehedinți

No.	Year	No. of popular banks	No. of associates	Media on a bank
1	1919	189	28.982	153
2	1929	198	36.721	185

Source: Barbu, 1996.

The Credit Cooperative „Dunărea” Drobeta-Turnu Severin was established in 1953 (after the suppression of the inter-wars cooperatives) and is now a branch of the Cooperatist Bank Târgu Jiu (that has branches in Hunedoara, and 14.000 de members) and eight agencies and work units. Since 2004 the cooperative is affiliated

¹ Barbu, Paul-Emanoil, op. cit., vol. I, p. 111.

to CREDITCOOP – Central Bank Bucharest. It functions upon the same rules as a commercial bank, is authorized and verified by the National Bank.

Its activities are:

1. Offers loans for individuals and legal bodies;
2. Offers deposits guaranteed up to 50.000 euro;
3. Makes payments for companies like Orange, Electrica, Cosmote etc.;
4. Makes payments for APIA;
5. Administers accounts of some companies.

The clients must be members, have deposit capital (for expenses). The capital (social part) is 10 lei. The management of the cooperative believes that the main client targets are:

1. majority pensioners: old clients with small income;
2. State employees;
3. Employees from the private companies, less numerous due to the instability of jobs, are avoided by the cooperative;

The basic structure of the cooperative is: CREDITCOOP – Cooperatives County and inter-county banks- branches, agencies and working points. The management is elected by the general assembly on every 4 years and consists in one director, deputy director, economic director and board of administration. According to the management' statements very few members participate in the meetings, about 50-100 from a total of 6000. According to the statute for the first summoning it is required 50%+1 of the members and if the members do not come it is necessary to re-summon again. The managers of the cooperative believe that the mechanism "one man, one vote" is functional and does not obstruct decision making. The cooperative offers loans on stable interest (the managers refused to specify the quantum and there are no data). For loans it can be accessed up to 10% of the social capital. The managers estimate that the rate of unpaid loans increased with 1-2% due to the crisis.

The capital of the credit cooperative are from deposits, social capital and the money of the companies with open account (very few companies have opened accounts here, the director says that it offers to little facilities to attract the deponents that prefer the commercial bank). From the profit are distributed the dividends. The loans are up to 200 million and are approved by the board of administration. The loans up to 100 million are approved by the credit committee based on a risk analysis. The director of the cooperative specifies that the main destination of the loans is personal

needs (daily expenses, woods for fire etc). Prior to approval the persons are verified in the data base.

A different credit cooperative is located in Vânju Mare, Mehedinți.

The number of the **pensioners** within the state social system of insurance registered in Mehedinți in the second trimester of 2009 was 58.424 with 126 persons less than the prior trimester. The average pension was 666 lei, with 24 lei higher than the first trimester of 2009 and 139 lei than the second trimester of 2008.¹

CAR of Pensioners Drobeta-Turnu Severin was established in 1952. It functions like a non-profit organization and has 10.200 members (9.700 actives), 3.000 of these at the funeral section. The management consists in a director board elected on every 4 years. Each year is a meeting of the general assembly when the managers present a report and a balance of expenses and incomes. The delegates for the assembly are elected according to OG nr. 26/540 (51 delegates organized on cities, quarters, streets); the proportion is of 1 to 200. To become member it is required a subscription of 1% of the pension and 2 RON per month (guarantees coffin on acquisition price). At the funeral section where the subscription is 3 lei per month the coffin is for free. Members may receive un-refundable aids (from the social fund) according to the income:

- under 200 RON – 180 aid;
- 301-400 – 60 RON aid.

A different form of aid is the balneary aid (with prove and receipt) of 70 RON/month.

Since 1st of October, 2009 the amount is 100 RON/month.

The main activity of CARP DTS is to offer loans. The maxim amount is 3.500 lei (at a capital of 1.400). For 700 lei a pensioner must offer guarantees, have state pension, have a guarantee paid by the state; he may loan 3.500 lei (the difference of capital is retained). For the CAP pensioners, veterans, and disabled the level of loan is limited to the level of capital. If the family members are CARP members the social capital may be cumulated (if is a disadvantaged category).

Now there are many delays generated, according to new managers, by the un-statutory practices of the former managers: 168 loans have the due time exceeded 700 loans without a guarantee that lead to debts of 1, 7 billion. At the time of the interview existed 22 legal suits, all approved by the director border. For two

¹ INS, *Buletin statistic lunar al județului Mehedinți*, nr. 8/2009, p. 18.

consecutive months un-payment it will be established deduction on pension, without prior notice, as a result of the border's decision.

The managers of CARP estimate that the reasons for loans are different:

- Pensioners, for current needs, do not take loans frequently;
- The registered employees (a category that number about 2000 persons in '94, with high wages and soliciting frequent loans, about 13 million on every 4 month). The current managers of CARP intend to promote a decision to interdict the possibility of membership of the employees;
- The employees with handicap certificate go to spas and then, according to the managers, came for money "15 million pension, gr. II handicap asking for balneary aid?"

Institutional CARP is affiliated to Federation „Omenia”. Other CAR of pensioners are in Strehaia and Orșova.

Mutual Cooperatives (CAR) Employees

Their activity was reduced in the last period within the context of dismissing operated in the state enterprises. In the private sector this form of social economy is very low developed.

Association „Ajutorul Total” Drobeta-Turnu Severin acts in the field of social economy. In Mehedinți County there are no protected agricul cooperatives or workshops (SC or ONG).

Forms of association of the social economy entities

Association of Trade Cooperatives Mehedinți – ASCOM, Drobeta-Turnu Severin is affiliated to UCECOM. Based on the Law no.1/2005 the cooperatives are no longer forced to be affiliated to a county association, therefore some of them choose to affiliate directly to UCECOM. Now three cooperatives, SCM „Mehedințeană”, „Pionierul”, „Mobila”, are affiliated on county level, SCM „Prestarea” is affiliated directly to UCECOM. SCM „Constructorul” is un-affiliated, probably in process of liquidation. The cooperatives from Strehaia, Vânju, Orșova, and Baia de Aramă are, according to the managers of ASCOM, in process of liquidation. ASCOM is a non profit organization providing consulting services. A different area of activity is retail of goods, but it is not practiced. A cooperative pays over 300 lei per year membership subscription. The elections for presidency are every 4 years and the quorum was never a problem. It was suggested that the elections for ASCOM to be made every 5 years. The director border was made from the affiliated presidents.

The services provided by UCECOM are limited to consulting and sending the related legislation.

Perception on the social economy

Level of knowledge of the social economy (including legislation)

The knowledge of the social economy in Mehedinți is much reduced. Most of the representatives of the interviewed institutions never heard of this syntagm and use according to their knowledge expressions like “economy that take care of the people” or “let everybody live”. Within the county there is no project oriented explicit on social economy.

Perception of the utility of social economy and its potential

Most of the representatives of the interviewed institutions believe that this form of organization of economic activity is viable, but they see this as a market without competition where the state plays a determinant role as supporter and protector. The reference point is the communist period when, they believe, “the activity went very well” (the case of trade and consumer cooperatives) or “it was all right” (the case of the Chamber of Commerce).

The representatives of SCM-MH believe that this form of economic organization is viable because it preserves the jobs. The work relations are “settled”; they are based on individual work convention. They are not obligated to ensure the minimum wage on economy (the wage is settled based on quality and quantity). They do not respect the labour code (personal wage system)

Impact/results of the social economy

Forms of social protection for disadvantaged groups

In the table below is presented the structure of **DGASPC**, types of services provided and capacity:

Table 3
Forms of services provided by DGASPC in Mehedinți

No.	Name of service / facility	Beneficiaries	Capacity
I. Services for residential care:			
1	Center for placement and rehabilitation of disabled children	Children with disability in need	40
2	Center for placement and boarding for children with special needs	Children with disability in need	40
3	Maternity Center „Sf. Ana”	Mother-child couples in difficulty	10

No.	Name of service / facility	Beneficiaries	Capacity
4	Center for assistance and support for adolescents and young	Teens who are ready for independent living; young people who have acquired full legal capacity and are in need	8 apartments 48 beneficiaries + 44 studios 88 beneficiaries
5	Center for minors	Children found unattended	10
II. Family care services:			
1	Compartment placement, custody	Children in need who are prepared for family reintegration	N/A
2	Compartment adoption / post adoption	Children in need who are prepared for adoption	N/A
3	Foster care and Evaluation Office	Professional caregivers and children in foster care network	N/A
4	Office evaluation and support children / families in need, family planning and monitoring to the pregnant women at risk	Mother-child couples in difficulty	N/A
III. Prevention service (emergency mode) - complex community services for preschool children in need:			
1	Center for advice and support for parents	Children and parents in crisis	N/A
2	Child Support Services in the exercise of rights	Child abuse, neglect and exploitation	N/A
3	Reception center for children in emergency	Children at risk	10
4	Family placement center	Children in difficulty	12
5	Day-care center for child neglect	Children at risk of abandonment of families in difficulty	32
6	Day-care center for disabled children	Children at risk of abandonment of families in difficulty	24
7	Day Center for recovery and rehabilitation of disabled children	Children with disability from families in difficulty	211
8	Center „Resspiro”	Mother-child couples in difficulty	4
9	Day-care center for neglected child of 0-3 years „Prichindel” Punghina	Children 0-3 years from families in difficulty	24
10	Day-care center. neglected child of 0-3 years „Sf. Gheorghe”	Children 0-3 years from families in difficulty	24
11	Day-care center for children with special needs	Children with disability from families in difficulty	40
IV. Service for advice and support of abused and exploited children:			
1	Child Helpline	Child mistreated, abused and exploited	Permanent
V. Service for delinquent child:			
1	Residential center for guidance, surveillance and support the reintegration of delinquent child	Children who commit a criminal act and are not criminally responsible	32
VI. Support services, evaluation and counseling for adults:			
1	Assistance for disabled persons		

No.	Name of service / facility	Beneficiaries	Capacity
2	Counseling for adults in need		
VII. Residential care services:			
1	Center for Integration through Occupational Therapy	Adults with disabilities	24
2	Surveillance Centre for people with visual disabilities	Adults with visual disabilities	50
VIII. Social Services Complex Strehaia:			
1	Care and support service Strehaia	Elderly people in crisis	40
2	Specialized centers for people with neurological disabilities	People with neurological disabilities	40
IX. Mobile Team: disabled children from families in difficulty			

Forms of support for the entities of social economy

Projects to develop/sustain these (initiator, types of beneficiary entities, concrete forms of support, obtained results)

The County Council Mehedinți established for 2006-2013 a number of objectives and activities concentrated in the Program of economic-social development. Among these we mention those referring to social protection and implying the inter-institutional collaboration on county level:

Table 4
Program of the County Council for economic-social development of Mehedinți County, 2006-2013

No.	Action planned	Objective
1	Coordination of building of social houses in accordance with the Law no. 114/1996	To continue construction of the micro district „Policlinică” from Drobeta-Turnu Severin and delivery to the beneficiaries of 240 apartments. To modernize the blocks for singles from Strehaia and Orsova and their transformation into social houses
2	Houses building Houses building for young people, GO no. 19/1994	Providing utilities (sewer, water, heating, electricity and gas supply) of the district „Aeroport” from Drobeta-Turnu Severin Construction of a cogeneration at Strehaia and gas supply of housing blocks Completion of blocks „Centrocoop” from Drobeta-Turnu Severin – 100 apartments
3	Increasing housing supply in the Mehedinți County	Construction of residential areas in villages surrounding the city through partnerships between the Mehedinți County Council and local counties
4	Reorganization, rehabilitation of old	Reorganization and modernization of the nursing home Ilovăț Reorganization and modernization of the hospital-home Strehaia

No.	Action planned	Objective
	residential institutions	Modernization, construction of utilities and services at home Ciovâmășani Construction of a rehabilitation center and rehabilitation of disabled persons in the locality Dubova Continued purchase of apartments for disabled young people with higher skills – through PHARE funds
5	Awareness and informing the public opinion about the rights of persons assisted	Media action to improve attitudes and behavior public on issues of social integration of people with social problems and of their families Working with the Labour Inspectorate to prevent / combat child labor The organization of actions for information, referral and prevention of abuse
6	Social integration of institutionalized children and youth	Implementing the project "Support services for young people leaving orphanages" Providing residential and providing integration services, recovery
7	Creating a support system for elderly	Establishing partnerships with local authorities or private bodies approved for community social services Further partnerships with civil and religious organizations in providing social services for elderly
8	Further decentralization of services from child protection system	Advising local councils to set up alternative services : day care centers, foster care services, counseling services, services to prevent child abandonment and to maintain children in their families

Source: www.sejmh.ro.

We must specify that The County Council is not involved in any program addressed to or implying an entity of social economy. The undergoing projects are:

- Program of neighboring Romania-Serbia: nine projects;
- Program of neighboring Romania -Bulgaria: four projects;
- PHARE Program for economic and social cohesion: one project (integrated management of wastes in Mehedinți County)
- Program Management of the Fund for Environment: one project (Natura 2000 and Geo-park Plateau Mehedinți);
- Financing PHARE 2005 for objectives of road transport infrastructure affected by the floats of April-May and July-August 2005: six projects.

Currently, there are six projects submitted within the regional operational Program (modernization of infrastructure), 22 within the fund for modernizing and development of the local administration (voluntary work and modernization of informational infrastructure) and one within the operational sectorial Program for environment (charting and monitoring the natural patrimony of Geo-park Plateau Mehedinți).

Financing won by the entities of social economy (refundable and un-refundable)

The entities of social economy do not develop any program of financing.

The cooperation between the entities of social economy and institutions/organizations on county level

The inter-institutional collaboration relations are reduced at county level. Most of the interviewed representatives believe that if they pay their debts or obligations they may survive on their own, using the available resources and making sure that they can maintain exclusivity or monopoly of the activity. "The cooperation with the institution in the city is good, we obey the law", say the representatives of the consumer cooperative, which are pleased by their relation with the Mayorality, mainly because there are no problems related to the possession over the spaces.

AJOFM Mehedintzi has good relations with the Territorial Inspectorate of Labour, County House of Pensions, Statistics Department, Public Finance Directorate and School Inspectorate. The Prefecture is informed on the undergoing activity and the County Council suggests plans for local community development. AJOFM Mehedintzi is part of the County Consultative Council together with the employers and union organizations. This council has 15 members, 5 of them from the national representative employers' organization, 5 from the unions and 5 from the local public authorities.

The management of the Chamber of Commerce cooperates well with the Mayorality, but not with the County Council (the Prefect is a former waiter, you can imagine!). It is accused of the high political instability on legislation and declaration level, which harms the currency and obstruct the normal development of the businesses.

Legislation for social economy

Strong/weak points of the legislation in the field of social economy

The representatives consider the legislation in the field of social economy the legislation regulating the functioning of their own institution. The observations refer mainly to local and transitory aspects.

The representatives of SCM „Mehedintzeana” believe that law no. 1/2005 is wrong because it created confusion and differed regarding the patrimony. In the same time they declare that 'no objections are made because a worst one will come (it costs more to transform the company from non profit in services)', that is way "it makes no sense to start over again".

At CAR of Pensioners in Dr.-Tr. Severin the management declares that legislatively there are no problems; the activity is based only on the Order no 99 issued by the

National Bank. "There have been problems with the former management that approved loans for persons that did not comply with the conditions." The activity of CARP is controlled by a central service with local audit. The status of the employees is also an issue, because if they are dismissed they are unable to pay their loans.

The management of AJOFM Mehedinti accuses the frequent modifications of the law no. 76/2002. The law is considered modern, complying with the European legislation in the field, but the collective dismissing represents a discrimination regarding the social protection of the dismissed persons from the state companies and the dismissed from the private companies. For instance, the employees of the Autonomic Administration for Nuclear Activity when they are dismissed they receive compensations, while those working in the private companies do not receive. This generates a social inequity. A lack of the law is generated by the absence of any form of protection for the employees dismissed few years before their pension.

Suggestions to improve the legislation

The management of DGASPC Mehedinti considers as a main legislative problem is the absence of markers and standards for the food allowances for the assisted (adults and children). Also an important problem is the absence of a standard for wages for the social assistance.

The management of CAR of Pensioners in Dr.-Tr. Severin wants to be included in the law a special stipulation regulating the condition of the wage earners that wish to become members; the main concern is to obstruct their access to cheap and easy loans.

AJOFM Mehedinti considers that there are unemployed of all categories; most of them high school graduates (less of faculty), vocational school at work, young graduates. This is generated by the inadequacy between the school curricula and the demand of the market (on county, country, CE level). Even if there are conditions for work in the UE within the EURES net, it is desirable to restructure the educational system according with the European context

Perspectives of the social economy

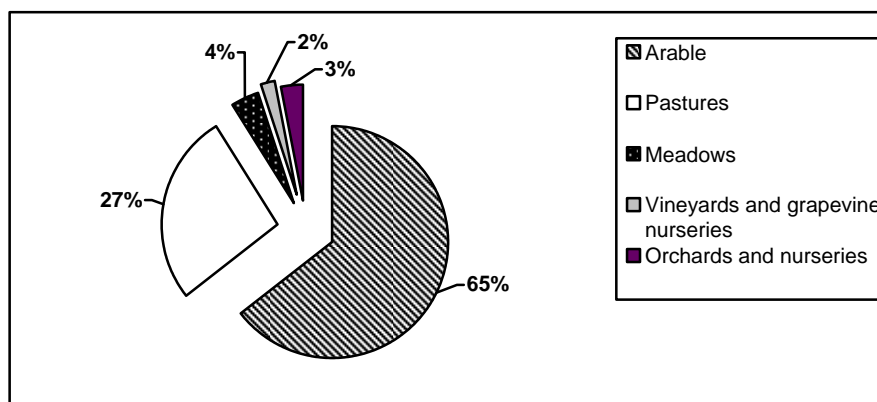
Factors influencing the evolution of the cooperative sector

Within a county where the general economic perspectives are low, the evolution of the cooperative system does not look favorable. In the urban environment the consumer and trade cooperatives will survive as long as their members, which are now at the moment of their retirement. Without to be able neither to offer an alternative nor to guarantee a job for a long period of time (the case of the state sector), the cooperation will be interesting only for the patrimony. In the rural sector

the effects of the restoring of the land on the former locations generated a patrimonial situation that makes impossible their compression within an agricultural cooperative. Plus, the geographic conditions of a county dominated by hills and mountains do not permit monocultures, but a diversity of manners of using of the field according to the climate conditions, traditions and knowledge.

Graphic 7

The surface of the land according to the manner of use in Mehedinți County (%)



Source: National Institute of Statistics, Tempo-Online: <https://statistici.insse.ro/shop/>.

An aspect underlined by many of the local representatives is that within the rural environment it is an important resource of labour force, which now when the temporary external migration is no longer a solution for surviving, has to find another form of income. That is why is necessary to provide means of accommodation or transportation from Dr.-Tr. Severin and Baia de Aramă (a short term solution suggested by the representatives of AJOFM Mehedinți) or to develop some infrastructure projects in the area. The Romanian state did not have a right attitude towards the cooperative sector. The fiscal system is seen as a brake in the field of cooperatives; one of the central aspects is the incapacity of prediction on the evolution (the frequent changes in the system make planning difficult). The topic was marginal on the agenda for European Union joining, and the representatives of this sector did not have the necessary force to preserve the patrimony from the communist period and to draw young and competent human resources. After the privatization of the majority of the commercial spaces and procurator nets, the state seems to have no intention to elaborate a frame for the development of activities profitable for some categories of citizens. On the county level the institutional representatives have a passive and resigned attitude. The cooperatives

sector is not seen as a development resource. This is why there are no local initiatives; all is expected from the central authorities.

Close connected to the institutional passivity is the passivity of the civil society. Few ONG acting in the county develop activities mainly ecologic, the economic aspects are ignored. I have mentioned that in the county do not exist agricultural cooperatives and protected workshop, and no project accessing funding for social economy projects, only intentions on AJOFM Mehedinți level.

Types of social activities that may be developed by the entities of the social economy

The most important aspect is to create a frame for the establishment or development of the existent entities of social economy. The coherence of a legal frame, fiscal facilities information campaigns and creation of the county decision makers are required. Since no existent entity of social economy fulfils the main goal of its activity, any type of activity may be developed.

Annex I

List of priority projects of Hall Drobeta-Turnu Severin

No.	Identified Project	The stage of documentation elaboration (SF, PT)	Estimated date of completion of documentation	Estimated value of investment, lei without VAT
1.	Rehabilitation College „Decebal”	PT	-	1.031.480
2.	Rehabilitation of sports hall of school no. 4	PT	-	230.128,35
3.	Rehabilitation of school Dudașul Schelei	PT	-	200.917,65
4.	Sports hall of school no. 9	SF	-	930.740
5.	Sports hall of school no. 5	SF	-	2.889.303
6.	Economic High School	-	February 2010	116.280
7.	Endowment of school no. 3	-	February 2010	16.280
8.	Endowment of High School „Lorin Sălăgean”	-	February 2010	16.280
9.	Rehabilitation of Calea Cernetiului	-	February 2010	232.558
10.	Urban furniture street Crișan	SF	-	232.558
11.	Business center	SF	-	232.558

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SOCIAL ECONOMY IN PRAHOVA COUNTY

Cristina TOMESCU*

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

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

Economic and social profile of the county

Characteristics of the entrepreneurial economic sector

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

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

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

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

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

Disadvantaged groups in the county

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

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

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

According to the data provided by AJOFM, Prahova

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

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

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

Source: AJOFM Prahova.

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

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

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

Supporting programs for the disadvantaged groups

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

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

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

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

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

Among the active measure undertook by AJOFM are:

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

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

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

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

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

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

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

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

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

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

Box 1

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

Foundation "Speranța Copiilor", Câmpina

Association "Casa Speranței", Câmpina

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

Association "Heaven for Children", sat Bătești

Humanitarian Organization Concordia – Farm for children, village Ariceștii Rahtivani

Humanitarian Organization Concordia - Casa "Austria", Ploiești

Humanitarian Organization Concordia - Casa "Alexandra", Ploiești

Humanitarian Organization Concordia – "Orașul Copiilor", Ploiești

Humanitarian Organization Concordia - Casa "Eva", Ploiești

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

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

Box 2

Centers of social services in the county

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

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

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

Forms of social economy and perceptions over these forms

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

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

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

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

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

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

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

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

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

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

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

SOCIAL ECONOMY IN TELEORMAN COUNTY

*Daniel ARPINTE**

Abstract: *This case study presents the results of the projects of inclusion of the disfavoured social groups from Teleorman County on the labour market. Even under the conditions in which there are resources, the intervention is difficult because some of the members of the target group don't have identification documents or the necessary education to comply with the minimal requirements for employment. The perception of the social economy is overall positive, in terms of the potential it has for the disadvantaged groups. Critical is the fact that the social economy organisations, by the volume of their activity, have a low impact compared to their importance before 1989. A first form of support that is required is to promote the social economy among the relevant decision-makers at the county level. Of a similar importance is to provide legislative counselling for the institutional actors involved in social economy, including for the suppliers of social services.*

Keywords: *social economy, disfavoured social group, unemployment, social inclusion, employment.*

County's profile

Teleorman County was established in 1950 and has a surface of 5872 km² (2, 43% of the total national surface). It is surrounded at North by Arges and Dambovita, by Giurgiu in the East, Olt in the West and the Danube represent 90 km of the border between Romanian and Bulgaria in the South. The total population of the county is 453.000 inhabitants. The urban population represents only a third part of the total population; the biggest city is Alexandria with 57.000 inhabitants.

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The most part of the active population is working in agriculture (over 125 000); the industry has less the 27 000 employees. Teleorman has one of the largest agrarian surface (about 500 000 ha). The public administration and the social services represent the third sector as number of employees (14 000). From the information provided by AJOFM Teleorman results that at the end of November, 2009, the unemployment rate was 11, 5%, 3, and 8% higher than the same period of the prior year. The number of unemployed was at November, 30, 2009, of 19 339; reported on national level puts Teleorman after Mehedinti and Vaslui. Almost two third of the registered unemployed persons have no indemnity. The recent opening in Zimnicea of a factory producing bio-ethanol was received with great enthusiasm by the county authorities, even though the company does not provides in the initial phase more than 100 jobs.

The available jobs are mainly for the unqualified workers. The majority of the offers are from the textile industry (SOFORE Investment), but the mobility of the employers is higher due to the low wages and difficult working conditions. The only company encouraging the hiring of disadvantaged persons is Germino (specialized in panification), by accessing the facilities provided by the legislation (especially the Law no. 76/2002 regarding the unemployment insurance system). In this way, graduates, handicapped persons and persons over 45 years were hired.

Even though the number of these hired persons is significant, the representatives of DJASPC or AJOFM declare that the intention of the employer is to benefit of the facilities provided by the law. As soon as the minimal conditions stipulated by the law are fulfilled (the period of work etc), the employer refuses to maintain the employees. Before the Law no. 448/2006 (regarding the protection and promotion of the rights of the disabled persons) entered into force existed a reticence in integrating in the market labour caused by the fact that the employed condition implied the loss of the pension. Eliminating restrictions encouraged the disabled persons to get hired, but the number of those working is still low.

Support programs for the disadvantaged groups (focus on women and Roma)

The sector of social services is underdeveloped; DGASPC provides most of the forms of social protection for the disadvantaged groups, emphasizing the protection of children and disabled persons. Even though DGASPC Teleorman implemented during the past years a number of projects as good practices in the field of children protection, the insufficient resources forced the institution to reduce its activity. At the end of 2009, due to a Decision of CJ Teleorman, almost 100 jobs have been restructured.

The support of the non-governmental sector in the field of social services is indirect, by the projects implemented in the protection of the disadvantaged groups (ex.: AECD Țigănești). Now there is no ONG accredited for social services. In the opinion of the deputy of the directorate the absence of ONG accredited for social services limits the chances for the development of the sector in a dramatic manner.

The extension of the services is not possible considering the limited resources of the directorate, and the budget allocated by the CJ is rather only for surviving. During the past years, within the context of reduced financial opportunities, no new services have been established. The most vulnerable social categories identified by DGASPC Teleorman are the young people leaving the foster centers, the elder persons with low income looking for a job. AJOFM estimates that about 900 such persons are looking for a job (Roma, disabled, young leaving the centers). The rural environment is critical as regards the occupational opportunities. 18 500 of the registered unemployed persons are from the rural environment. The results of the projects in the area of integration of the disadvantaged persons on the labour market are modest. In two years since the projects with external funding were implemented only 100 Roma and 10 disabled persons were hired. There is no solution of reintegration for the young disabled from the foster centers.

PHARE project implemented in 2005-2006 had modest results; only 10 young were reintegrated on the labour market. Even if there would resources, the intervention is difficult because some of them do not identity documents or the necessary studies adequate to the minimum job requirement. The young with no disabilities, under the protection of the directorate, have the alternatives to get a job or to go to Faculty.

DGASPC has no necessary resources to extend and diversify its services. There are very few opportunities of external funding and the budget allocated by CJ is insufficient. For instance, for the un-institutionalized disabled persons the services provided are low and irrelevant for their needs. It does not exist any protected workshop, even though some disabled person requested. Such a service would increase the chances for reintegration of the serious disabled persons. The permanent programs of AJOFM are the most frequent accessed by the local councils as solution to establish social services for the elders. In Alexandria is already functioning a net of 15 personal assistants for elder people deprived of support. The provided services consist in accompanying, shopping, house aid. The local authority completes this kind of services by a centre for the pensioners ("the pensioners' syndicate") for leisure and trips on low prices. For the other local councils the social assistance service are rather an exception; the protection of those in distress is provided mainly by financial transfers.

The profile of the offer of social economy

On county level it is no structure with a global image over the sector of social economy. For instance, the Chamber of Commerce has old and incomplete information on the co-operative sector, and DGASPC does not have a data base of the units from the social services area with the projects to increase the occupational degree of the disadvantaged groups.

Credit cooperatives

The first credit cooperatives in Teleorman County were established at the end of the XIX century (the Economic Company "Teleormanul") based on the equal vote of all the partners. Even though initially intended to offer loans for personal interest, the registered success allows it to extend the loaning forms also to economic and agricultural activities. Ulterior, some credit cooperatives with the activity limited to a certain guild were established (the Economic Company of the Shoemakers in Alexandria, "Ploughman" Popular Bank, the Economic Company of the tailors in Alexandria, the Popular Bank "Traders' Support" etc). The sector of credit cooperatives rapidly extended and developed, hence, at the beginning of the XX century is registered the first affiliation of the bank institutions to Centre of Popular Banks (Agrarian Bank in Alexandria or Popular Bank „Alexandru Ghica”).

The main motive is the harsh competition on the loan market and the efficiency of the credit cooperatives and of popular banks that adapt better their products and services to a well defined category (generally guilds). The period is marked by a number of bankruptcies or merging, most of these in bank institutions.

After 1989 the sector of credit cooperatives registered numerous transformations. Fusions and transformations of structure were made according to the legislation. The excessive regulation of the sector and the prevention measures imposed by the National Bank reduced the activity. From almost 20 000 members several years ago, today left only 8500. Most of the "losses" were registered in 2008 at the enforcement of the new rules issued by the National Bank regulating the activity of the loan cooperatives. Many of the rules are similar to those of a bank, which is seen as a major disadvantage. The main consequences are reflected in the reduction of the number of members, increase of bureaucracy and difficulty in accessing loans, increase of costs for administration. The most important credit cooperative is "Unirea" with the residence in Alexandria. The majority of members are old people from the rural environment that lead to the establishment of units in the rural area in order to facilitate their access to loans. Now CC "Unirea" has 10 units in the communes from Teleorman. Due to this location CC "Unirea" does not enter in direct competition with banks that extended in the rural area, considering that their target

are the active agrarians (by banking operations addressed to those benefiting of subventions).

The main problems affecting the activity of the credit cooperatives:

- the difficult economic period, emphasized by the specificity of Teleorman County where the main companies were seriously affected in the past two years;
- the dramatic reduction of the number of members as result of the legislative changes and the compulsions imposed by the National Bank. These compulsions are considered useful (as regards the increase of trust in the sector IFN), but is necessary to adapt to the current context (economic crisis);
- establishment of the contractual impost generated the increase of the level of debts to the state budget due to the manner of calculation.

The restrictions in accessing the credits lead to a massive migration towards the non-banking sector, but CC “Unirea” does not consider an advantage the possible increase of clients. The selection of the potential members is a process that should be made with prudence considering the potential risks. Part of these is risking losing their constant income, which is a reason to impose more restrictive rules for acceptance. This is why the loans are granted harder and, hence, some of the members withdraw. Reduction of the number of members leads to the reduction of capital and volume of loans.

Most of the loans are for:

- medical treatment – requested mainly by the old people for medical interventions or to cover the costs of recovery treatment;
- studies – mainly in the rural area. Loans are used to cover the tuition or the costs of living during faculty or high school;
- agricultural activities, loans are requested by the small farmers raising animals. This is a niche unexploited by CC Unirea considering that banking institutions impose very restrictive conditions for this kind of loan. Agrarian loans are also requested by the farmers that do not receive the subvention in time.

During summer time (mainly June and July) the debts of the members due to the destination of the credits (agriculture) increase significant; and a temporary lack of incomes in the rural area is registered. In the last trimester of 2009 was registered a large volume of debts to CAR because the economic activity of the county had been affected by the crisis. The main employers in the county fired employees and the members of CC „Unirea” that have been dismissed face difficulties in paying their debts.

The system of the mutual houses

The first mutual cooperatives were established in Teleorman in 1949 based on a law of that year, within the syndicates. Their activity is extended to the level of each enterprise and covers a significant percentage of employees. In 1990 in Teleorman were functioning 125 CAR with 38 917 members and giving loans for 8000 of them. The first union of CAR is established in 1990 and all mutual cooperatives in the county are subordinated to this, according to the legislation of that time. Since 1996 are no longer subordinated to the syndicates and became legal bodies according to Law no 21/1924. In the same year the economic decline affects the activity of CAR and their number is significantly reduced.

A particular form of mutual help (CAR) is established in Alexandria in 1993, organized as a shares-company. The company made life and assets insurance and offered financing for the insured within the limit of the insurance. The money came from collected bonus. In its few years of function the company closed over 1200 insurance contracts and 38 financing contracts.

In Teleorman are 52 mutual cooperatives of employees, most of these located in Alexandria. The services provided by the Union are consulting for the members, control and annual revisions. The Union administers also the fund of liquidities that provides loans for the mutual houses in difficulty.

The number of the mutual cooperatives is decreasing seriously since 2001 (when existed 118 houses with 20 000 members). Now exist only 52 houses with 11 200 members.

The social activity of the cooperatives is made according to the law and it is limited to death aids. DAE practiced by the cooperatives is of 10, 5%, the total cost of the credit is lower than in a commercial bank. The social fund is made by members' contribution and is used to finance the loans up to five times the amount of contribution.

The economic crisis determined the increase of the number of applications under the circumstances of an increased number of debtors. The situation creates pressure on the credit activity. The number of members had increased because the mutual houses are regarded as a better alternative to banking system.

The mutual cooperative manifests prudence in credit activity due to the risks involved by the period of economic instability. New members are accepted only upon recommendation of an older member, reducing the risk of incidents. This does not preclude the problems with some members, but all cases have been solved by an amiable manner, without resorting to Court.

The level of current expenses of the cooperative is evaluate as low (only 2/3 of the income are used), considering that it functions in its own space and has only two employees with low wages. No economic activities are performed because there is no demand (ex: accounting).

For the next period it is intended to extend the social fund and reduce the period of credit from 15-18 as it is now to 12 months. The loan money is used for personal needs: financing an event (wedding, baptize) or for tuition. Like the credit cooperatives the mutual cooperatives did not saw the increase of the number of applications as an opportunity to develop, taking into consideration that the difficult economic situation may generate difficulties in credits' administration.

The sector of mutual cooperatives does not face significant difficulties in its current activity due to the prudence in selecting members and its credit activity. For instance, the employees from „Rulmentul”, a company that had numerous and massive dismissals, has very hard conditions for loaning. The evaluation process is very serious and a loan depends very much on the recommendation of a member. Though, the prudence protects the mutual cooperatives of **potential incidents in case of dismissal. Even more, many of these employees had already contracted loans at different banks, some of these expensive (for personal needs, on credit card)**, making their solvability lower even if they preserve their jobs. To accept to offer a loan under these circumstances would be a major risk. Now the cooperatives have an excess of liquidity and continues to give credits. The excess is preserved on bank deposits (according to the legislation in force). For those in difficulty to pay are operated a number of forms of support.

The legislation regulating the activity of mutual cooperatives is considered functional. The main deficiency of the Law no 122/2001 is that it eliminated the obligation to be affiliated to the Union. Therefore there are no forms of control of the new established cooperatives and situations of fraud may emerge. The trust in the entire sector is undermined. The independent cooperative un-subjected to the specialized forms of control may be exposed to fraud risks.

Trade and consumer Cooperatives

AJSCOM Teleorman gathers 32 trade cooperatives, all of second level. In the county also are 29 unaffiliated cooperatives, considering that the legislation removed the obligation of appurtenance to unions or federations since 2005. Before 1989 the cooperatives system had a significant importance in the economy of the county. Some cooperatives activated in industry and even made export activities. In the rural environment dominated the cooperatives of commerce and services, and the urban environment the trade cooperatives were better represented. The first years of capitalism meant the decline of the cooperatives sector, a process emphasized at the

end of the '90. The privatization of the cooperatives and the sale of the actives reduced of a dramatic manner the importance of the cooperatives in the economy of the county. Another cause of the decline was the retirement of some members that prior to 1989 could not perform an economic activity on their own. The establishment of different form of legal organization of the economic activities determined the abandon of the cooperative sector.

Now the field most affected by the economic crisis is that of constructions. Almost all the cooperatives acting in this field are facing a critical situation caused by the reduced demand and the difficulties to finish on time the works. The clients delay the payments or do not respect the contacts closed before this period.

Intentions to implement projects with European financing existed, but the initiative belonged to the companies that provide consulting. **AJSCOM** did not initiate real cooperation with the consulting companies the presented the offers because they required a fee to compensate the activity of preparing the application for financing.

In the opinion of AJSCOM representatives the condition is unacceptable; the association does not have the necessary resources to risk paying services of consulting without guarantees. To pay for a commission of success is considered as the best solution to participate in the implementation of a project financed by structural funds.

The recent legislative changes determined the diminution of the role played by UCECOM in providing services for its members, due to the non-obligation to be member of a union/federation. Another legal stipulation that affects the activity of the cooperative is that regarding the patrimony. The Law no 1/2005 is ambiguous as regards the possession of the fields were constructions of the cooperatives are build. The field is private property of the state, and the cooperatives can not register them and become full owners. The representatives of the cooperatives accuse the local authorities of abusive interpretation of the law because they are forced to purchase the fields including the undividable shares.

The relations with the Chamber of Commerce and Industry are formal and lately consisted only in attending to some events (fairies, openings). It is the possibility for the members of AJSCOM to participate as beneficiaries in a project with European financing implemented by the Chamber of Commerce Teleorman, but the impact of participation is considered modest. In fact the members of AJSCOM will benefit of training courses in the development of the entrepreneurial culture, but the activity is not accompanied by real measures of support of the economic activities.

The evolution of the cooperative sector is evaluated on pessimist terms. Without the consistent support, including financial, of the state the cooperative sector is risking to disappear. The last years were difficult for the cooperative sector; the activity was

significantly reduced. The economic crisis and some legislative ambiguities that block the full possession of the patrimony increase the difficulties faced by the cooperatives.

Perception of social economy

In general is a positive one as regards the potential represented for the disadvantaged groups.

The trade cooperatives sector, in spite of the deep decline of the last period, provides a significant number of jobs, mainly in the rural area. Also, the credit cooperatives and the mutual houses, even though they adopted supplementary caution measures in the credit activity, constitute a form of support for the persons with low income and for the farmers facing temporary difficulties in covering current expenses. It is critical that the entities of social economy have a reduced impact compared to their importance prior to 1989. Also, they do not address explicitly the disadvantaged groups, the SE sector being itself a disadvantaged one, in a critical situation. There are no real forms of support and intentions to support the activity of SE entities were never shown.

The providers of social services do not get involved in activities of social economy almost at all. There are no resources to encourage employment of the disadvantaged groups, except for the access of some form of support stipulated by the Law no. 76/2002. The level of knowledge of the concept of social economy is low. Only the representatives of the institutions directly involved in the cooperative sector, those of DGASPC and AJOFM proved to have partial understanding of the concept. According to these, the central element of the social economy is integration on the labour market of the disadvantaged persons, including the legal facilities.

Forms of support for the entities of social economy

It is difficult to estimate some forms of support with significant impact for the SE sector, considering the absence of involvement or the poor means of the relevant institutions on county level (County Council, Chamber of Commerce AJOFM or DGASPC, unions). The deep decline of the SE entities and the diminution of their activities that affect directly or indirectly the disadvantaged groups are problems that can not be solved by concrete measures on short time. A first necessary form of support would be the **promotion of social economy** among the relevant decision makers in the county. The activity of information should be focused on two central elements: knowledge of the problems faced by the SE entities and their potential to provide support for the disadvantaged groups. Such of activity could offer the necessary frame to elaborate a plan to sustain the SE sector to stop its decline.

Another form of support should regard the **offer of legal consulting** for the institutional actors involved in the field of social economy (including providers of social services).

A **centre of information** that would provide also the access to financing opportunities, promote the relevant projects undergoing on county level or to facilitate the establishment of partnerships, could be a consistent form of support. On local level FES are considered as only source of external financing available, in spite of the fact that other sources of financing may be accessed.

It would be useful the establishment of a **module of training of social workers** for the elders. It is an opportunity ignored by the majority of the local councils, even if there are forms of support from the state budget. In the rural area could be created nets of support that would offer jobs for persons over 45 years, which are in impossibility to get hired. The nets developed by CL Alexandria or CL Talpa may be used as model

Perspectives of the social economy

The evolution of the SE sector on the past years does not leave place for an optimistic evaluation. The sector of the consumer or trade cooperatives is represented almost symbolic, even though 20 years ago had the most important place in the economy of the county. The negligent, even fraudulent administration of the cooperatives and union in the first years after 1989 reduced the cooperative sector to a symbolic presence. No significant interferences in order to support the cooperative sector were registered, except for some legal stipulations. For instance, CC did not interfere for the cooperative sector and the Chamber of Commerce limited its support to (paid) invitations at festivities addressed to cooperatives and promises to include cooperative members in training courses of development of entrepreneurial culture.

The credit cooperatives and mutual hoses sector has the chance of a revival similar to that registered at the beginning of the six century. The prudence manifested in the credit activity, the use of social nets to accept new members or to solve a conflict with the debtors reduces the risks that may generate dysfunctions or even bankruptcy. Also the specialization of the credit activity, mainly on the level of credit cooperatives avoids direct competition with the commercial banks. But the restrictive measures imposed by the Central Bank for the credit cooperatives may generate difficulties due to reduced potential of credit and supplementary bureaucratic measures

The reduced presence of the ONG sector and the fact that no ONG accredited in social services represent a major disadvantage for the potential measures of support of the sector of social economy.

RECOGNITION OF THE SOCIAL ECONOMY IN EUROPE

*Eleftheria KOUMALATSOU**

***Abstract:** Social economy points out the activities in which the gained resources are directed towards achieving a social goal and to the community's help in which they are implemented. Following public interest objectives determine the principles of organization. It is shown that, therefore, social economical structures which are different than profit organizations from at least four reasons: fundamental objective, the presence of the allocating principles based on solidarity and mutuality, participating management and taking part into the organization's decisional process, the plurality of the resources. The concept of social economy is obvious in the expansion from European Union. The degree of recognizing the concept by the public authorities, by social economical companies and by the academic/science world shows a variety of approaches from the EU-25 countries and allows the identification of three groups of states. Recognizing the social added value of social economy reflect in different domains with a high level of scientific, social, political consent , mainly referring to social cohesion , occupying labor force, generating and maintaining social and economical structures, developing democracy , social innovation and local development.*

***Key words:** social economy, solidarity, participative management, occupation, social innovation.*

A working definition of the social economy, which is important to understand the way in which the social economy and its components are structured and understood in general, institutionally, in the EU, is the one given by CIRIEC (CIRIEC 2007, 20-21). CIRIEC Report proposes the following working definition for the social economy:

The set of private, formally organized enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has

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one vote. The Social Economy also includes private, formally-organized organizations with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them.

Common features of the national economy sub-sectors (market or business sub-sector and non-market sub-sector)

1. *They are private, in other words, they are not part of or controlled by the public sector;*
2. *They are formally-organized, that is to say that they usually have legal identity;*
3. *They have autonomy of decision, meaning that they have full capacity to choose and dismiss their governing bodies and to control and organize all their activities;*
4. *They have freedom of membership, in other words, it is not obligatory to join them;*
5. *Any distribution of profits or surpluses among the user members, should it arise, is not proportional to the capital or to the fees contributed by the members but to their activities or transactions with the organization;*
6. *They pursue an economic activity in its own right, to meet the needs of persons, households or families. For this reason, SE organizations are said to be organizations of people, not of capital. They work with capital and other nonmonetary resources, but not for capital;*
7. *They are democratic organizations. Except for some voluntary organizations that provide non-market services to households, SE primary level or first-tier organizations apply the principle of "one person, one vote" in their decision-making processes, irrespective of the capital or fees contributed by the members.*

Organizations at other levels are also organized democratically. The members have majority or exclusive control of the decision-making power in the organization.

This definition is absolutely consistent with the conceptual delimitation of the social economy reflected in the CEP-CMAF's *Charter of Principles of the Social Economy*. In national accounts terms, it comprises two major sub-sectors of the social

economy: a) the market or business subsector and b) the non-market producer subsector. This classification is very useful for drawing up reliable statistics and analyzing economic activities, in accordance with the national accounting systems currently in force.

Nonetheless, from a socio-economic point of view there is obviously a permeability between the two sub-sectors and close ties between market and non-market in the social economy, as a result of a characteristic that all social economy organizations share: they are organizations of people who conduct an activity with the main purpose of meeting the needs of persons rather than remunerating capitalist investors.

The public interest objectives determine the principles of organization and we can identify social economy structures which differentiate the institutions aiming profit from at least four points of view: the fundamental objective, allocation principles based on solidarity and reciprocity, modalities of participation and the democratic decision-making process within the organization plus the plurality of resources (Nona and Clarence, 2007).

The fundamental objective is a response to an increasing need of the society. Thus, over the past two decades, many forms of organization appeared in response to new social needs and to the insufficient response of the social work institutions to some of these needs.

The presence of the allocation principles based on solidarity and reciprocity is a basic feature of the social economy structures, unlike the profit-generating enterprises which, on the contrary, are thus structured as to prevent third parties to get net advantages and to ensure the allocation of the residual gain towards the owners. The social economy initiatives establish social relations relying on the non-contractual principle of the economic action. The exchange resulting from this allocation system also generates benefits for beneficiaries other than the owners (concept of the indirect beneficiaries).

The inclusion of the modalities of participation and the democratic decision-making process within the organizational structures shows the democratic control, with equal voting rights "one person, one vote", against "one share, one vote", proving that the employees and consumers are more important than the capital. Only the foundations don't adhere to this principle.

Because of the concept of plurality of resources, social economy structures must rely on different sources of income from the market, nonmarket and non-monetary economy. In other words, they generally rely on a combination between voluntary and paid work and on a combination of financial resources generated from the sales of goods and services, public financing (as contracts, fiscal advantages and direct

subsidies) and private donations. Observing these principles, social economy structures have shown that they can contribute to innovation in service provision, to social cohesion and to the promotion of new forms of democratic local participation, to the advancement of self-assertion and influence and to solving the social problems that affect a large number of vulnerable social categories.

The concept of social economy is obviously expanding in the European Union, but the term has different scientific connotations in all member states; there even are cases when different interpretations of the concept of social economy coexist in the same country. The level of recognition by the public authorities, by the social economy companies and by the academic/scientific world shows a variety of approaches among EU25 countries, as shown in *Table 1* (CIRIEC, 2007, 36-37).

Table 1

National acceptance of the concept of “social economy”

Question: Could you tell us whether the concept of “social economy” is recognized in your country?

Country	By public authorities	By social economy companies	By academic/scientific world
Belgium	**	**	***
France	***	***	**
Ireland	**	***	**
Italy	**	**	***
Portugal	***	***	***
Spain	***	***	***
Sweden	**	***	**
Austria	*	**	**
Denmark	*	**	**
Finland	**	**	**
Germany	*	*	**
Greece	**	**	**
Luxemburg	**	**	**
Netherlands	*	*	*
United Kingdom	*	*	**
<i>The new Member States</i>			
Cyprus	**	**	**
Czech	*	**	*
Estonia	**	*	*
Hungary	*	*	*

Country	By public authorities	By social economy companies	By academic/scientific world
Latvia	*	***	**
Lithuania	**	*	*
Malta	**	***	**
Poland	**	**	**
Slovakia	n/a	n/a	n/a
Slovenia	*	**	**

Note: (*) scant or no acceptance of this concept; (**) medium level of acceptance; (***) high level, denoting an institutionalized acceptance in the country of reference

Source: CIRIEC, 2007, 37.

Three groups of countries have been identified, from the aggregate answers of the EU25 member states, using the level of recognition and acceptance of the concept social economy:

1. *Countries in which the concept of the social economy is widely accepted:* in France, Italy, Portugal, Spain, Belgium, Ireland and Sweden, the concept enjoys greater recognition by the public administrations and by the academic and scientific world, as well as the social economy sector itself in these countries.
2. *Countries in which the concept of the social economy enjoys a medium level of acceptance:* Cyprus, Denmark, Finland, Greece, Luxembourg, Latvia, Malta, Poland and the United Kingdom. In these countries the concept coexists alongside other concepts, such as the nonprofit sector, the voluntary sector and social enterprises or social firms. In the United Kingdom, the low level of awareness of the social economy contrasts with the Governments policy of support for social enterprises, while in Poland it is quite a new concept but it has become popular, fostered particularly by the structuring effect of the European Union;
3. *Countries with scant or no recognition of the concept of the social economy:* Austria, the Czech Republic, Estonia, Germany, Hungary, Lithuania, the Netherlands and Slovenia. The related terms nonprofit sector, voluntary sector and non-governmental organizations sector enjoy a greater level of relative recognition.

Even though the term of “third sector” is much more used in the Anglo-Saxon area to describe the non-profit sector which consists largely of foundations and associations, several overlapping situations can be observed in the use of this term in relation to the social economy. The expression “third sector” was used by Levitt (1973) in the United States of America, while in Europe it has started to be use several years later

to describe a sector existing between the public sector and the capitalist sector, close to the domain of social economy¹.

In the early 90, an international research project headed by Johns Hopkins University (Baltimore, SUA) aimed to discover and quantify the size and structure of the non-profit sector, to analyze its development and impact on the society. The various stages of the project pictured the significant coordinates of the third sector in 36 countries on five continents (Salamon, Anheier, List, Toepler, Sokolowski et al., 1999).

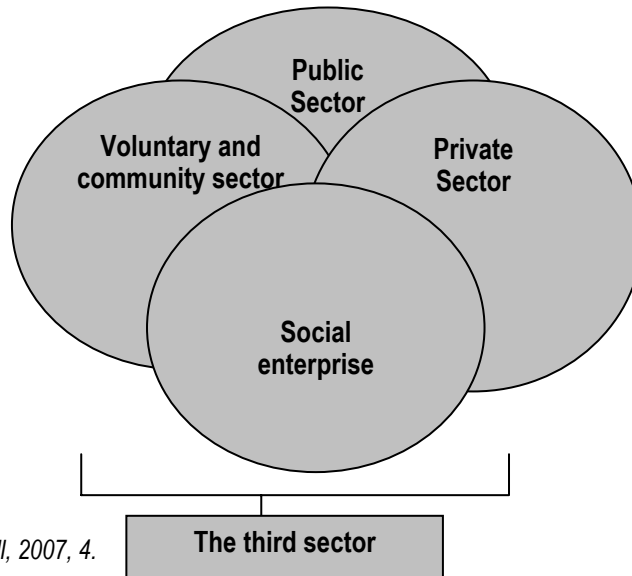
The organizations analyzed during the project were those meeting five key criteria of the structural-operational definition of the non-profit organizations (Salamon and Anheier (1997). These are:

- a) Organizations, meaning they have an institutional structure and presence. They usually are legal persons.
- b) Private, meaning they are separated institutionally from the government, although they can receive public financing and may have public officials in their governance bodies.
- c) Self-management, meaning they can control own activities and are free to fire their governance bodies.
- d) Non-profit distribution, meaning they can make profit, but it has to be reintroduced in the main mission of the organization, rather than being distributed to the owners, members, founders or governance bodies of the organization.
- e) Voluntary, meaning two things: first, membership is not legally compulsory; second, they must have volunteers involved in their activity or administration.

The current changes in the products, services and processes correlate with the new social conditions, specific aspects of the third sector which exists at the interference of three distinct sectors (public sector, voluntary sector and social enterprise), as shown in *Figure 1*.

¹ The year of publishing coincides with the start of the research by the Commission on Private Philanthropy and Public Needs (Filer Commission) regarding the economic, social and political importance of the non-profit sector, sponsored by the Rockefeller Foundation.

Figure 1. Overlapping of sectors and diversity of the organizational types



Source: Westall, 2007, 4.

The approaches to the non-profit organizations differ clearly from the social economy too, mainly in relation to three criteria: *the non-profit criterion; the democracy criterion; the criterion of serving people*. Table 2 shows synthetically the main differences between the two domains.

Table 2
Difference between the non-profit organizations and social economy

Criterion	Non-profit organizations	Social economy
<i>Non-profit criterion</i>	the organizations must apply the principle of non-distribution of the profit or surpluses (constraints of nondistribution)	the cooperatives and mutual societies, which are the decision-making nucleus of the social economy, are excluded from the third sector by the ONP approach, because most of them distribute the profit among the members
<i>Democracy criterion</i>	the concept of democratic organization of an entity from the third Sector is not a criterion ^{3,1}	• the approach of the social economy generally excludes from the third sector any entity which doesn't operate on democratic bases, although it accepts

¹ Defourny, .J and Borzaga, C., *The Emergence of Social Enterprise in Europe*, Routledge, London, 2001.

Criterion	Non-profit organizations	Social economy
	<ul style="list-style-type: none"> the non-profit institutions prove their <i>social usefulness</i> by the free supply of goods and services deserved by the individuals or families 	that the non-profit voluntary organizations which provide free or very cheap, economically non-significant, non-market services to persons or families, can be included within the social economy
<i>Criterion of serving people</i>	<ul style="list-style-type: none"> there is no criterion which to consider the services provided to the people as a major goal the non-profit institutions can be organized to supply services both to the individual persons and to the corporations which control or finance them 	<p>the main purpose of all organizations is to serve people or other social economy organizations</p> <ul style="list-style-type: none"> most beneficiaries of their activity are individual persons, households or families, either as private entrepreneurs, or as producers or consumers; many of these organizations only accept individual persons as members

Another concept associated to social economy development refers to the economy of solidarity which developed in France and in some Latin American countries. New social need emerged during the past decades which were not solved by the public sector or by the capitalist one, and this affects numerous groups in danger of social exclusion. These problems regard the living conditions of the elder, long-term mass unemployment, immigrants, ethnic minorities, the disabled, reintegration of former convicts, abused women, people with chronic diseases etc. Within this context, this sector brought simultaneously a novel set of organizations and areas of action. The sector of the solidarity economy has three distinctive features compared to the classical agents of the social economy: a) the social demands it endeavors to solve; b) the actors behind these initiatives; c) the explicit wish for social change (Favreau and Vaillancourt, 2001). The solidarity economy doesn't fit within the market stereotype of the classical economy (Eme and Laville, 1999), rather, it has plural origins: market (sales of goods and services), non-market (managing subsidies and allocations) and non-monetary (voluntaries).

Other forms which try to replace the market economy and to get affiliated to the social economy current are:

- a) **the alternative economy**, with roots in the movements which developed in France after May 1968 (Archimbaud, 1995);
- b) **the popular economy**, promoted in South America countries, which excludes any type of relation employee/employer and which consider the work as the main production factor (Coraggio, 1995).

The research also revealed a variety of answers regarding other widely accepted notions that coexist in the European Union. (CIRIEC 2007, 38-39) (Table 3).

Table 3

National acceptance of other recognised concepts related to “social economy”

Question: Which other concepts related to “social economy” enjoy scientific, political or social recognition in your country?

Country	Social Enterprises	Non-Profit Sector	Third Sector
Belgium	***	***	*
France	**	*	**
Ireland	**	**	**
Italy	**	**	**
Portugal	**	**	***
Spain	*	*	**
Sweden	**	***	**
Austria	**	***	*
Denmark	**	**	**
Finland	***	**	***
Germany	**	**	**
Greece	**	**	*
Luxemburg	*	*	*
Netherlands	***	***	*
United Kingdom	***	**	***
<i>The new Member States</i>			
Cyprus	*	***	**
Czech	*	**	**
Estonia	*	**	*
Hungary	**	***	n/a
Latvia	*	**	**
Lithuania	**	**	**
Malta	*	**	**
Poland	*	**	*

Note: (*) scant or no acceptance of this concept; (**) medium level of acceptance; (***) high level, denoting an institutionalized acceptance in the country of reference.

Source: CIRIEC, 2007, 37.

In countries such as the United Kingdom, Denmark, Malta and Slovenia, the concepts of voluntary sector and non-governmental organizations, more closely related to the idea of non-profit organizations, would appear to enjoy wide scientific, social and political recognition. In the French speaking European countries (France, the Walloon Region of Belgium, Luxembourg) the concepts of solidarity economy and social and solidarity economy are also recognized, while the notion of *Gemeinwirtschaft* (general interest economy) is known in Germanic countries such

as Germany and Austria. Also in several countries (Germany, United Kingdom, Latvia and partly in Portugal) certain components of the term social economy, such as the cooperatives, are not recognized as integral parts of this social sector, stating, on the contrary, their isolation. Currently, social economy enterprises reached 2 million units (10% of the total business in Europe) and use 11 million paid employees (equivalent to 6% of the EU working population): 70% of them work in non-profit associations, 26% in cooperatives and 3% in mutual societies.

The recognition of the social added value of the social economy is reflected in different domains with a high level of scientific, social and political consensus, regarding mainly the social cohesion, employment, generation and maintenance of the social and economic structure, development of democracy, social innovation and local development. The importance given to the new economic alternatives is also reflected in the report of the articles published in the *Annals of Public and Cooperative Economics*, during 1975-2007 (Table 4). Thus, over a period of three decades, 57.6% of the published papers referred to the public sector, 42.4% referred to the third sector (cooperatives, mutual societies, associations, non-profit organizations etc.). However, if in the first surveyed decade, there was a clear dominance of the public sector, with 75.4% of the published articles, in the last surveyed decade, the third sector was predominant, with 55.9% of the published articles (Fecher and Lévesque, 2008, 681).

Table 4

Articles on the public sector and on the third sector (social economy and non-profit organizations)

	Public sector (%)	The third sector (%)	Total (%)
1975-1985	75,4	24,6	100 (207)
1986-1996	55,9	44,1	100 (267)
1997-2007	44,1	55,9	100 (254)
Total	57,6	42,4	100 (728)

Source: Fecher and Lévesque, 2008, 680-681.

An important aspect that was signaled from the emergence of the very first forms of social economy, is that this innovative form of economy also contributes in a significant manner to the more equitable distribution of the incomes and wealth, to the creation and provision of social assistance services (such as social, health care and social security services), to the sustainable development, to a higher level of

public opinion democratization and implication and to the increase of the public policies efficiency.

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