



INTRODUCTORY ASPECTS ON THE SUSTAINABILITY OF SOCIAL ENTERPRISES¹

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Abstract: *Debates on sustainable development have intensified due to social, economic and environmental changes. Sustainability has become an integral element in the development strategies of many organisations, an evaluation criterion for project proposals or efficient allocation of funds, an important element on the school curriculum, especially in business schools, and even a research topic. The interest in the sustainability of social enterprises covers two main directions: on the one hand, more broadly, the contribution of these structures, which are regarded as sustainability-driven business models (Alter, 2007; NEEsT; Borzaga, Depedri&Tortia, 2014), to sustainable development, and on the other hand, the survival of these organisations in the context of their extremely high dependence on donors. Considering the still non-unified definitions of social economy and social enterprise at national level, and the large number of newly established social enterprises, in Romania concerns seem to be directed more towards the second perspective on sustainability, the survival of a social enterprise after the funding ends being one of the biggest challenges. This paper is an introduction to the sustainability of social enterprises and summarises the theoretical framework of sustainable development and sustainability; it also presents some of the elements that will form the basis for future qualitative research.*

Keywords: *sustainable development, sustainability, social enterprise, social economy, European Social Fund*

Introduction

Concerns for social economy are not new, as this is a matter of interest since the 19th century, when it was mentioned in the works of Charles Dunoyer (Treatise on Social Economy, 1830) and Ramón de la Sagra (Lecciones de economía social, 1840) (Monzon Campos & Chaves Avila, 2007). The failure of social and economic policies to provide

¹ This paper is made and published under the aegis of the Research Institute for Quality of Life, Romanian Academy as a part of a programme co-funded by the European Union within the Sectoral Operational Programme Human Resources Development through the project for Pluri and interdisciplinary in doctoral and post-doctoral programmes. Project Code: POSDRU/159/1.5/S/141086.

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acceptable welfare to individuals and solve problems such as social disparities, poverty, and lack of housing enhanced the interest in new strategies, which are fairer and more attentive to the needs of individuals. Social economy has been identified as such a solution and promoted by the European Union as a means to reduce social exclusion and achieve the objectives laid down in the Europe 2020 Strategy, whose main purpose is to create a smart, sustainable and inclusive economy, with high levels of employment, productivity and social cohesion (European Commission, 2010).

The social economy has often been defined by reference to the promoted principles - priority of social goals, voluntary association, democratic character, solidarity, autonomy - or its specific forms - non-profit organisations, cooperatives, mutual societies etc. The term “social economy” is often associated with social entrepreneurship and social enterprise; the latter brings together those entrepreneurial initiatives that have arisen in response to growing social problems (Defourny & Nyssens, 2001; Monzon Campos & Chaves Avila, 2007; Kerlin, 2006; Defourny, 2014), and was promoted for the first time at European level in Italy, through the *Impresa sociale* magazine. According to CIRIEC¹ (Monzon Campos & Chaves Avila, 2007: 20), social enterprises have the following features: private and formal organisation, autonomy of decision, freedom of membership, orientation towards meeting the needs of members by providing goods, services, insurance and financial support, decision making and profit distribution irrespective of the capital contributed by the members, each member having one vote. The principles of an activity producing goods or services, a high degree of autonomy, a significant level of risk and a minimum amount of paid work are grouped by EMES² in an economic and entrepreneurial dimension of social enterprises. In addition to this dimension, there is a social dimension that includes the principles of social purpose, decision making irrespective of the contribution to the capital, participatory nature, and unlimited distribution of profits (Defourny, 2014: 25-27).

One of the goals most often attributed to social enterprises is work integration of persons belonging to vulnerable groups (Preoteasa, 2011; Drăgotoiu, Marinoiu & Stănescu, 2011; Oșvat, Ștefănescu & Jurj, 2012; Nicolăescu, 2013), which describes best a particular type of social enterprise, namely *work integration social enterprise*. Social enterprises do not limit their goals to social inclusion; they can also be set up for goals such as environmental protection, fair trade, supply of social services or tourism.

The limited understanding of the role of such organisations to local and national development, together with the negative perception of cooperatives due to the association with the communist regime, the excessive dependence on donors, the lack of a legal framework to regulate cooperatives and other non-profit organisations, the lack of confidence in solidarity movements, the predominantly parochial political culture, and the difficulty of mobilising the necessary resources are the main factors hindering the development of the social economy in central and eastern European countries

¹ International Centre of Research and Information on the Public, Social and Cooperative Economy

² EMES International Research Network - EMergence des Entreprises Sociales en Europe

(Defourny, 1999 in Căciu, 2010: 96-97). In Romania, the interest in social economy has increased following the implementation of projects funded by the European Social Fund (ESF), which has also led to an increasing number of debates and conferences on social economy, and to an increasing number of publications in the field. Thus, 107 books on the social economy in Romania were published between 1994 and 2014, a dramatic increase in their number was recorded in 2010 (15 books, compared to 4 in 2009), followed by a doubling of their number in 2011 as compared to the previous year (Stănescu, 2013). However, the definitions of social economy and social enterprise are not always uniform and, under the main axis of the Sectoral Operational Programme “Human Resources Development” (SOP HRD) dedicated to this field (Axis 6 “Promoting social inclusion”), social economy is defined strictly in relation to the social inclusion of persons belonging to vulnerable groups by “ensuring and maintaining jobs” (SOP HRD, 2013). This confusion between social economy and social inclusion is generated both by the insufficient knowledge of the term and by the discourses that emphasise the role of social economy in the employment of vulnerable people and its ability to generate new jobs, and even by the specific activities financed by the European Social Fund. As regards the awareness of social economy, Oşvat, Ştefănescu and Jurj (2012) conducted an analysis on the occurrences of this topic in the media between 1 January 2011 and 30 June 2012 and found 16 articles on this topic in *Gândul* newspaper and 20 articles in *Financiarul* newspaper, but the articles did not use the specific terms of social economy, social enterprise or entrepreneurship. The analysis conducted on two issues of the *Journal of Social Economy* (1/2011 and 2/2012) has revealed the increased potential of social economy to create jobs, the minimum participation of social economy beneficiaries in decision-making, the support of social economy also through corporate social responsibility initiatives and the significant share of structural funds among the funding sources of social economy.

Given the high number of social enterprises set up over the past few years (835 social economy structures established only under SOP HRD in 2009-2013 according to the Annual Implementation Report for 2013), and their high dependence on donors, discussions on their sustainability has become increasingly important. This article is part of a larger paper on the sustainability of social enterprises, which includes an important component of qualitative research based on interviews with representatives of social enterprises established in recent years under SOP HRD or via other sources of financing, with representatives of organisations that funded competitions for social enterprises, and with evaluators; the said paper also includes an analysis of relevant documents drawn up by the main actors in the field of social economy. This article examines how the concept of sustainability is used in relation to social enterprises and presents the main dimensions to be considered in the future interviews. The first part of this article presents a few definitions of development and sustainable development, and the second part some of the research questions that will guide the future interviews.

Sustainable Development and Sustainability. Conceptual framework

The term “development” is used frequently, mostly with regard to the economic development process. However, James Midgley (1995: 27) points out that economic development and social development are inherently linked; this is the first of a set of eight features of the development process that the author presents. Thus, Midgley draws the attention to the main features of social development: the interdisciplinary nature; it is a process of growth, positive change; change is progressive and aims at social improvement; the social development process is interventionist, as it is coordinated by individuals who implement specific plans to achieve development goals; the strategies implemented to achieve goals try to bring together social and economic interventions; social development is concerned with the population as a whole, it is inclusive and aims to promote social welfare.

Cătălin Zamfir (2006:12) defines social development as the “orientation of a country/region/community/institution towards reaching a desirable state, set as a goal, through a planned process carried out through a set of joint actions”. This desirable state is reached, as mentioned in the World Summit for Social Development (1995), through “sustained development of the economy, eradicating poverty, reducing unemployment, ensuring social integrity” (Briciu, Popescu & Vărdol, 2006: 316). Solving these problems and thus improving people’s quality of life are the goals of all development processes (Bălătescu, 2006: 332). As expected, a developed society is characterised by a high quality of life, which means that “at the macro level, it has positive structural conditions that offer opportunities for personal development of individuals, and on the other hand, at individual level, people can achieve a high level of subjective wellbeing” (Precupețu, 2008: 12). Amartya Sen proposes a perspective on development seen as “a process of expanding the real freedoms that people enjoy” (Sen, 2004: 19) and according to this approach, for development to be possible, several sources of freedom deprivation must be removed: poverty, reduced economic opportunities, intolerance, dictatorial regimes, social deprivation.

The relevant literature uses a series of related concepts such as community development, local development, regional development or sustainable development. Dumitru Sandu (2011: 4) believes that community development is a “tolerant label for a relatively disorganised family of local practices or intervention models that result or tend to result in the greater good of the community”. Dumitru Sandu further defines community development as “a voluntary change in, by and for the community”, emphasising the role of the participatory dimension (2011: 9). Community development is “a way of solving local problems which has an important sociability component (that takes into account principles such as participation of people, empowerment of disadvantaged groups) and leads to social change, thus building socially cohesive, inclusive and democratic communities characterised by a high quality of life” (Precupețu, 2006: 95). An extremely important role in defining community development is played by the distinction between “community development” and “development of a community”, the latter occurring through actions that generate positive change in the local population’s quality of life, but without involving

community members. This category includes economic development efforts such as increasing the number of jobs in the community or investment in infrastructure, community aid efforts such as help offered between neighbours and recurring activities, traditionally regulated, which do not generate change in the community, for example organising a church patron (Sandu, 2011: 14-15). The two components are embedded in the concept of local development, which includes both activities carried out with the participation of community members and activities of the authorities to improve the community members' quality of life, and brings together the public, the private and the non-profit sectors for economic growth and employment (Stănilă, 2013).

After 1990, the community development efforts have materialised in the form of programmes implemented by international organisations. Important contributions to the field were made by the World Bank through the Romanian Social Development Fund, USAID, DFID, the Soros Foundation, the Romanian Association for Community Development. Regional development has emerged from the need to fix various regional gaps in terms of level of development, which could not be overcome by sectoral policies. Regional development policies were introduced in most western European countries between 1948 and 1960, and the peak period was in the 70s. Such a regional development programme was initiated in Romania by the EU and the Romanian Government in 1996. In addition to community development and regional development, Dumitru Sandu identifies a tendency to set up a “synthesis field focused on *community-regional* development” (Sandu, 2011: 1). The sustainable development perspective has emerged from the awareness of the negative social and ecological effects of economic development.

The term “sustainable development” was adopted by the United Nations World Commission on Environment and Development (Brundtland Commission) in 1987 and was subsequently taken over by international organisations, governments and even the private sector. According to “Our Common Future” report, sustainable development is “development that meets the needs of the present without compromising the ability of future generations to meet their own needs” and it should be a guiding principle of the United Nations, governments, institutions and organisations (United Nations, 1987). World-renowned organisations emerged in this context, such as Friends of the Earth (in 1971) and Greenpeace (in 1979, following an earlier initiative of a group of activists in 1971). In 1968, the Club of Rome¹ think tank was founded as an informal association, with the participation of personalities from politics, business, academia and civil society, who were concerned about the future of humanity and of the planet. In 1972, the Club of Rome published its first report from a series of 33, entitled “Limits to Growth”, which explored several scenarios and highlighted possible choices of society towards reconciliation of sustainable progress with environmental constraints. Many associations emerged in the 90s and coagulated the concerns of people interested in carrying out activities consistent with the mission of the Club of Rome nationwide, including in Romania. After a period of decline, in the early 21st century issues such as increasing social inequalities, consequences of climate change and overuse of natural resources have proven the relevance of the Club of Rome's concerns and have revived

¹<http://www.clubofrome.org/>

the interest in its activities. Currently, there are over 30 national associations with over 1, 500 members in five continents. The Club of Rome has significantly contributed to developing the concept of sustainability, highlighting the contradiction between unrestrained growth and limited resources. This contradiction points out the challenges of operationalizing the concept of sustainability: development is achieved through economic growth, but at the same time sustainability is characterised by ecological limitations and goals of reducing poverty and other difficulties. Thus, the focus on growth and development is valued by governments and the business sector, while concerns for ecology and social justice are more common in the NGO sector and academia (Robinson, 2004).

The concept of sustainable development has been promoted by international organisations such as UNDP, World Bank and OECD, and the term “sustainability” has been the subject matter of debates in numerous conferences organised by the United Nations, most of them focused on environmental issues: UN Conference on the Human Environment, Stockholm (1972), UN Conference on Environment and Development, also known as the Earth Summit, Rio de Janeiro (1992; 2012 Rio +20), World Summit on Sustainable Development (2002) or UN Climate Change Conference - Copenhagen Summit (2009). The 2002 summit adopted the Johannesburg Declaration on Sustainable Development which aimed to place particular focus on “*worldwide conditions that pose severe threats to sustainable development: chronic hunger; malnutrition; foreign occupation; armed conflict; illicit drug problems; organised crime; corruption; illicit arms trafficking; trafficking in persons; natural disasters; terrorism; intolerance and incitement to racial, ethnic, religious and other hatreds; xenophobia; endemic, communicable and chronic diseases*” (United Nations, 2002: 3).

The United Nations report entitled “The Future We Want” was published in 2012; according to this report, green economy is “one of the important tools available for achieving sustainable development. (...) We emphasize that it should contribute to the eradication of poverty as well as sustained economic growth, enhancing social inclusion, improving human welfare and creating opportunities for employment and decent work for all, while maintaining the healthy functioning of the Earth's ecosystems” (United Nations, 2012: 10). The report provides for the establishment of a working group to formulate Sustainable Development Goals, which are based on Agenda 21 and Johannesburg Plan of Implementation, fully respect all Rio principles, and not divert effort from the achievement of the Millennium Development Goals.

In 2001, the EU adopted the Sustainable Development Strategy (revised in 2006), whose main goal was the “*continuous improvement of quality of life both for current and for future generations, through the creation of sustainable communities able to manage and use resources efficiently and to tap the ecological and social innovation potential of the economy, ensuring prosperity, environmental protection and social cohesion*” (Council of the European Union, 2006: 3). Romania adopted the Sustainable Development Strategy in 1999 and the National Strategy for Sustainable Development in 2008, for the 2013-2020-2030 time horizon; the first strategic objective was to incorporate sustainable development principles in Romania's programmes and policies by 2013, then reach the current average level of EU countries' main indicators of sustainable development by 2020 and significantly reduce the gap by 2030.

The terms *sustainable/sustainability* and *durable/durability* are often used interchangeably. The Romanian sociological literature on development mainly uses the term “durable” (Sandu, 2005; Mărginean & Precupețu, 2008). Recent publications developed under projects financed by the ESF often use the term sustainable; under SOP HRD, sustainability is one of the four criteria for assessing project proposals and refers to transferability, financial and institutional sustainability, and integrated approach (SOP HRD, 2013).

Sustainability is a concept used increasingly often in the business environment, where companies develop sustainability strategies, draw up sustainability reports, discuss sustainable products, or have dedicated positions in their organisational structure, such as Chief Sustainability Officer. In academia, sustainability is a central element of current curricula and research areas, particularly in business schools, and is studied in many courses and master programmes¹: sustainable development, climate change, sustainable agriculture and food security, sustainable business etc. Moreover, there are spaces dedicated to sustainability professionals, both in the private and the public sector, such as the Guardian Sustainable Business Network² and Johns Hopkins Sustainability Network³. In 2012, the United Nations launched the Sustainable Development Solutions Network⁴, which brought together scientific and technical expertise from academia, civil society and the private sector to address sustainable development issues at local, regional and global level.

Sustainability: a Challenge for Social Enterprises

Following the combination of the social component and the economic one, the limitation of profit redistribution to stakeholders and the reinvestment of profit in social or environmental objectives, social enterprises have been categorised as hybrid organisations, *sustainability-driven business models*, *mission-driven businesses* or *social-purpose businesses* (Alter, 2007; NEEsT website, Borzaga, Depedri&Tortia, 2014). After exploring the way in which social values and objectives combine with business practices, Alter (2007: 14) places hybrid organisations on a spectrum from the *traditional non-profit* approach to the *traditional for profit* approach, depending on mission, accountability and use of revenue. The main purpose of socially responsible businesses or companies practicing corporate responsibility is to obtain profit, whereas the main goal of social enterprises and non-profit organisations with income generating activities is the social impact. In recent years in Romania, corporate social responsibility initiatives have been oriented to establishing and sustaining social enterprises (e.g. the “Andrei’s Country” competition organised by Petrom and supported by NEEsT) (Stănescu, 2013).

¹<http://www.academiccourses.com/> ; <http://www.masterstudies.com/>

²<http://www.theguardian.com/sustainable-business/about-guardian-sustainable-business>

³<http://www.sustainability.jhu.edu/>

⁴<http://unsdsn.org/>

One of the challenges of a social enterprise management, which may lead to deviations from its social mission, is the duality of its goals. Excessive focus on the economic component and neglect of the social mission can lead to such situations (Alter, 2007). Long-term sustainability may also be endangered by excessive pressure to obtain short-term profit, which causes side effects such as the harming of trust relationships with customers or tainted reputation, or causes investment in research and development to fall. Authors argue that, under these circumstances, breaking even may be enough for the survival of an organisation on the market, since sustainability is not equivalent to profit maximisation. As for social enterprises, economic constraints are only instrumental for achieving social goals (Borzaga, Depedri & Tortia, 2014).

As regards the social enterprises in rural areas with small population and limited resources, Whitelaw and Hill (2013) state that the financial viability of an organisation is often put in second place after social benefits to community members. Some of the main solutions identified by the authors to ensure the sustainability of social enterprises are: financial state aid, business expansion in other markets or diversification of activities, and openness to customers who do not form the main audience, but are able to pay for the purchased goods and services and thus contribute to subsidies for people in need.

In Romania, social enterprises have developed mostly in recent years as a result of projects funded by the ESF, axis 6 of SOP HRD, but also through initiatives funded by private companies or NGOs. The terminology varies from one donor to another; thus, SOP HRD documents use the term “social economy structure”, while other donors use the term “social enterprise” or “social business” (e.g. NEEsT, Petrom). Some of the social enterprise definitions even contain the word “sustainable”, one of such definitions being the one formulated by NEEsT, according to which a social enterprise is “a business created to promote a social purpose in a financially sustainable manner” (Varga, 2012).

A first draft of the law on social economy was released for public consultation in December 2011, and it was debated in the Romanian Parliament in 2013. The law aims to regulate the social economy at national level and introduces the phrases “social enterprise” and “social integration enterprise”. Thus, any “private legal entity operating in the field of social economy” can be a social enterprise, and the “social integration enterprise” is the “social enterprise that carries out activities for profit, uses the profit to create jobs and is required to hire persons belonging to vulnerable groups” (Ministry of Labour, Family, Social Protection and Elderly, 2012: 2).

Several recent publications give to various newly established social enterprises the title of example of good practice (Drăgotoiu et al. 2011; Petrescu, 2012; Vețan & Florean, 2012; Nicolăescu, 2013). Other publications, especially official reports on SOP HRD, draw attention mainly to the positive numerical evolution of these structures and their beneficiaries. One such example is the Annual Implementation Report for SOP HRD 2013 (AIR 2013), which presents analyses of the values achieved for each of the set indicators and their annual increases. Although the report is solely quantity-oriented, the increasing values of indicators such as the number of newly established social economy structures or the number of created jobs are presented as significant

achievements under the “qualitative analysis” label (Ministry of European Funds, MA SOP HRD, 2013: 138).

Therefore, an analysis should be conducted on these social economy structures beyond the quantitative aspects, a qualitative analysis that focuses on the problems encountered in the development process, on how these enterprises manage their resources, how they evolve after the funding ends and how they integrate the sustainable development principles in their own work. This article is a first part of such an analysis on social enterprises in Romania. The qualitative research will consist in analysing relevant documents (e.g. activity reports of funders of competitions for social enterprises, sustainability reports), and interviews with representatives of organisations that funded the development of social enterprises, representatives of established social enterprises, evaluators that participated in such competitions. The interview guide will include questions on the three main dimensions of sustainable development - social, environmental, economic - and how they are integrated into the work of established social enterprises. A particular interest will be directed towards the economic component, mainly to the development strategies of enterprises after the end of funding. The interviews will also include a component dedicated to the respondents’ representations on the sustainability of social enterprises, and to the way in which they approached this criterion in the applications for funding.

One of the hypotheses formulated at this stage, which will be pursued during the qualitative research is related to the influence of the funder’s approach on the chances of success of social enterprises: I expect the enterprises that received only financial support to face more difficulties after the funding ended as compared to the enterprises that received also consultancy and other forms of support.

An example of funders with different philosophies is NEEsT and SOP HRD, which both financed the establishment of social enterprises but focused on different elements: capacity building and continuous support versus significant financing but without long-term support. Thus, in 2014 NEEsT had a portfolio of 16 organisations in Romania (9 current and 7 portfolio exits) to which it provided funding between USD 23, 500 and USD 120, 400. NEEsT’s approach focused on providing long-term support, and the first stage of this process was the support for business planning, followed by the incubation stage which lasted up to 3 years for the best social enterprises selected after the first stage. The selected social enterprises in NEEsT’s portfolio received support for a period between 5 and 7 years, consisting of grants or loans, workshops, consultancy, collaboration opportunities etc. While NEEsT had approximately 6, 000 beneficiaries¹ by 2014, the coverage of the projects funded by SOP HRD was much higher: there were 31, 325 unique participants only for axis 6, Key Area of Intervention 6.1 in 2007-2013 (Ministry of European Funds, MA SOP HRD, 2013). Another indicator of the focus placed on quantitative aspects is the higher score given in the competitions funded by SOP HRD to applicants who established a higher number of social economy structures and created a larger number of jobs through those structures (SOP HRD, 2013: 37).

¹ According to the data available at <http://www.nesst.org/romania-eng/portfolio/>

Important differences between the two approaches are noted not only in terms of amount of funding, but also in terms of how social enterprise is defined; a key element of the definition used by NEEsT is the use of the term “business”. Discourses on social enterprises often emphasise their social role and neglect the business side, namely that social enterprises operate like economic agents and the only difference between them and the classic economic agents is that they redirect surplus to social, cultural, environmental purposes, fair trade or local development. On the other hand, SOP HRD documents use the phrase “social economy structures” to describe social enterprises.

If we analyse the content of the Annual Implementation Report for SOP HRD 2013¹ on axis 6, Key Area of Intervention 6.1 (KAI), we note that some of the most used nouns are: *person* (101 times), *number* (97), *programme* (47), *value* (31) (of funding or an indicator), *group* (29) (target group or vulnerable group), *indicator* (28); then, in the order of appearances: *woman* (26), which is one of the most important target groups of SOP HRD; *work* (25), since the activities funded under this KAI aim to integrate vulnerable persons into the labour market; two nouns related to the projects’ time limits: *December* (19) and *year* (18), followed by *project* (17), *inclusion* (16), *implementation* (13) and *training* (13). As regards the verbs, the language of the SOP HRD report is associated mainly with actions towards achieving the indicators, the most commonly used verbs are: *to be* (52), *to have* (48), *to represent* (a number, a percentage) (21), *to support* (people) (10), *to leave* (the welfare system) (9), *to achieve* (the value of an indicator) (8), *to cumulate*, *to enter* (the programme), *to plan* (a target) (each of them appearing 6 times), *to report* (progress) (5). Some of the most commonly used adjectives are: *social* (22), *vulnerable* (16) and *sole* (sole participant, 16 times). The reference in AIR 2013 that includes the words associated with the term “person” relates most strongly with the one associated with the term “number”; the explanation may lie in the importance given throughout the report to achieving the indicators (e.g. the number of supported people).

This preliminary analysis of the report confirms the emphasis placed on the quantitative aspects and the need for in-depth analyses on the evolution of established social enterprises. Since one of the important directions of the paper is to compare social enterprises with different funders in order to identify the influence of the support type on the sustainability of an enterprise, the qualitative research will focus on social enterprises established both under SOP HRD projects and with other funding sources.

One of the organisations that accessed funds to establish social enterprises under SOP HRD said that the main actions to ensure the sustainability of established enterprises were: the purchase of equipment for specific activities, subsidies for the payment of salaries to the employees of social enterprises, support during project implementation, technical assistance and consultancy in social economy (the Soros Foundation Romania, 2013). A goal of the qualitative research is to identify similar strategies and analyse the extent to which they generated the expected results.

¹Preliminary content analysis at syntactic level, made with Tropes 8.2 Romanian version

Concluding remarks and future research directions

The study of social enterprises' sustainability has theoretical and practical implications both for specialists in the social and economic fields and for practitioners in social economy, involved in the development of such initiatives, especially since their number has grown in recent years. However, sustainability should be a major criterion in qualifying a social enterprise, as an example of good practice. The usefulness of good practice examples is likely to increase once the details on the sustainability of the presented social enterprises are included in best practice guides.

One of the major limitations of this paper is its exclusively theoretical nature, but it lays the foundation of the qualitative research with representatives of organisations which funded the establishment of social enterprises, representatives of established social enterprises, and evaluators; it also formed the basis for the identification of the main research directions. The qualitative study will integrate the three main pillars of sustainability - social, economic, environmental - into the strategies of social enterprises; however, due to the early stage of their development in Romania, a greater emphasis will be placed on the financial issues which are essential for the other two components. The financial issues are one of the most important challenges that social enterprises must face, along with the inability to produce on a large scale and to supply goods and services at prices similar to the ones of traditional competitors; therefore, social enterprises need to develop innovative adaptation strategies. In the qualitative study, I will try to identify such strategies, as well as the factors that influence the success or the failure of social enterprises. I must specify that the paper does not focus only on positive examples, but it also tries to extract useful information from all the encountered situations.

In relation to the main goal attributed to social enterprises - the integration into the labour market of persons belonging to vulnerable groups - the paper will also approach the quality of generated jobs, as a key component of employment quality and social inclusion.

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