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PHILOSOPHY, SOCIAL AND HUMAN DISCIPLINES SERIES

Social Economy, Trend or Reality

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Volume II

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RESEARCH PAPERS

The Social Dimension and Tendencies in the Social Economy Movement Today

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Abstract

Any economic phenomenon with a social dimension, and any social phenomenon with an economic dimension, could be considered part of Social Economy. The main and most important trend that can be observed in the recent evolution of Social Economy is its consolidation in European society as a pole of social utility, concerning the health care sector.

This paper focuses on recurrent, but necessary definitions, provides a short historical perspective and the dimensions of this European third sector between the private sector and the public one, explores the defining features of private organizations that compose the Social Economy sector, refers to the three main models that can be identified concerning the employment in the Social Economy and tries to elucidate the framework under which the social economy can provide social support as the primary determinant of health outcomes, today.

This framework centers on the distinction between three kinds of social relationships in which individuals are engaged, bonding, bridging, and linking forms of social capital. One necessary condition required, among others, for a "healthy society" would be a balanced distribution of a relatively rich endowment of all three of these forms of social capital.

Hence, we could think of the "care diamond"¹ as the architecture through which a healthy society provides care for those with intense care needs. The institutions involved may be conceptualized in a stylized fashion as the care diamond, to include the family/household, markets, the public sector and the not-for-profit sector that would include voluntary and community provision.

Keywords: Social Economy Europe, Condition of Necessity, Democratic Control, Solidarity, Responsibility, "Bonding, Bridging, Linking", Societal Welfare.

¹ Shahra Razavi, *The political and social economy of care in a development context*. United Nations Research Institute for Social Development Programme Paper, 3 (2007): 21.

Recurrent, but necessary definitions of Social Economy

Any economic phenomenon with a social dimension, and any social phenomenon with an economic dimension, could be considered part of Social Economy.

The identification of the Social Economy as it is known today began in France in the late 1970s, when the organizations representing the cooperatives, mutual societies and associations created the *National Liaison Committee for Mutual, Cooperative and Associative Activities (CNLAMCA)* re-introduced it after a long period in which the term “Social Economy” had fallen out of everyday use.

Coinciding with its 10th anniversary, in June 1980 the CNLAMCA published a document, the *Charte de l’ économie sociale* or *Social Economy Charter*, which defines the Social Economy as:

“the set of organizations that do not belong to the public sector, operate democratically with the member having equal rights and duties and practice a particular regime of ownership and distributions of profits, employing the surpluses to expand the organizations and improve its services to its members and to society.”²

These defining features have been widely disseminated in the economics literature and outline a Social Economy sphere that hinges on the three main components, co-operatives, mutual societies and associations, which have recently been joined by foundations.

In Belgium, the 1990 report of the *Walloon Social Economy Council (CWES)*,³ saw the Social Economy sector as being the part of the economy sector that is made up of private organizations that share four characteristic features: “a) the objective is to serve members or the community, not to make a profit; b) autonomous management; c) a democratic decision-making process; and d) the pre-eminence of individuals and labor over capital in the distributions of income”.

The most recent conceptual delimitation of the Social Economy, by its own organizations, is that of the *Charter of Principles of the Social Economy* promoted by the *European Standing Conference on Co-operatives, Mutual Societies, Associations and Foundations (CEP-CMAF)*, the EU-level representative institutions for the aforementioned four families of Social Economy organizations,

² J. L. Monzon, “La Economía Social en España,” *Ciriec- España, revista de economía pública, social y cooperativa*, (1987): 19-29.

³ Conseil Wallon de l’ Économie Social, Rapport a l’ Exécutif Régional Wallon sur le secteur de l’ Économie Sociale (Liège, 1990).

which has recently changed its name to Social Economy Europe. The principles in question are:

1. The primacy of the individual and the social objective over capital
2. Voluntary and open membership
3. Democratic control by membership (does not concern foundations as they have no members)
4. The combination of the interests of member / users and / or the general interest
5. The defense and application of the principle of solidarity and responsibility
6. Autonomous management and independence from public authorities
7. Most of the surpluses are used in pursuit of sustainable development objectives, services of interest to members or the general interest.

A definition that fits in with the national accounts system needs to disregard legal and administrative criteria and to centre on analyzing the behavior of SE actors, identifying the resemblances and differences between them and between these and other economic agents. At the same time, it needs to combine the traditional principles and characteristic values of the Social Economy and the methodology of the national accounts systems in force into a single concept that constitutes an operative definition and enjoys wide political and scientific consensus, allowing the main aggregates of the entities in the Social Economy to be quantified and made visible in a homogeneous and internationally harmonized form.

Consequently, the working definition of the Social Economy is the following:

“The set of private, formally-organized enterprises, with autonomy of decisions 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 distributions of profits or surpluses among the members are not directly linked to the capital of fees contributed by each member, each of whom has 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”.

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: the market or business sub-sector and the non-market-producer sub-sector.

The shared features of these two sub-sectors of the Social Economy are:

1. They are private;
2. They are formally-organized,
3. They have autonomy of decision,
4. They have freedom of membership,
5. Any distributions 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 organizations.
6. They work with capital and other non-monetary resources, but not for capital; *they are organizations of people, not of capital.*
7. They are democratic organizations.

A short historical perspective

The first thing that history teaches us about co-operatives, mutual societies and associations is that they are born of pressure resulting from significant unsatisfied needs and that they address acute problems. Put succinctly, they respond to a “condition of necessity”. The entire XIX century and the first half of the XX century are replete with similar examples: when people were jolted by the economic or socio-economic conditions, they demonstrated solidarity and set up enterprises in the social economy. Today, this condition of necessity still prevails, in the South as well as the North.

While the main forms of the modern social economy took shape during the IXX century, its history dates back to the oldest forms of human association.

Corporations and collectives relief funds already existed in the Egypt of the Pharaohs. The Greeks had their “religious brotherhood” to ensure that they got a burial and to organize the funeral ritual, while the Romans formed craft guilds and sodalitia, which were relatively politicized fellowship or brotherhoods. With the fall of the Roman Empire, monastic associations would become the refuge of primitive associations included convents, monasteries, abbeys, priories, commanderies (small military monasteries), charterhouses and retreats.

The first guilds appeared in Germanic and Anglo-Saxon countries in the IX century, while brotherhood first arose in the XI century. Guilds and corporate associations developed from the XIV century onward and, in the most highly skilled trades, gradually assumed a measure of control over their labor markets.

The Social Dimension and Tendencies in the Social Economy Movement Today

Associations flourished during the medieval period. They took various forms and had many names: brotherhood, guilds, charities, fraternities, merchant associations, trade associations, communities, master associations, guild masterships and others. Moreover, it seems that associative forms and practices existed everywhere. We mention here agricultural mutual aid societies in China during the Tang dynasty (VII and VIII centuries), associations in the food sector in medieval Constantinople, the post-medieval guilds of the Muslim world, the professional castes of India, and the craft brotherhoods and worker groups of pre-colonial Africa and pre-Columbian America.

Beginning in the XVIIIth century, England's Friendly Societies grew in number. Their goal was to provide their members with allowances in case of sickness or death. In return, members paid dues on a regular basis. These societies subsequently spread on the United States, Australia and New Zealand. It was the Age of Enlightenment, and civil society was gaining new life.

Through Europe, freemasonry proved to be very active, and numerous secret societies helped spread the new ideas that would find expression in the French Revolution of 1789.

In France, the Revolution of 1848 and the insurrection of the Commune of 1871 gave rise to brief periods of freedom of association, although a law passed in 1810 would forbid the creation of any association of more than twenty persons unless it obtained prior authorization from the State. Not until the end of XIXth century and the beginning of the XXth century would laws provide a legal framework for the organizational forms (co-operatives, mutual societies and non-profit organizations) that make up the modern social economy.

Nevertheless, freedom of association started to make breakthroughs in several European countries (England, Germany and the Netherlands), and above all in the United States.

The shared Principles

The rise of the Social Economy has also been recognized in political and legal circles, both national and European. France was the first country to award political and legal recognition to the modern concept of the Social Economy, through the December 1981 decree that created the Inter-Ministerial Delegation to the Social Economy. (*Délégation interministérielle à l'Économie Sociale – DIES*). In other European countries, such as Spain, “Social Economy” is a term that has entered the statute book.

At the European level, in 1989 the European Commission published a Communication entitled “*Business in the «Economy Social sector»: Europe's frontier-free market*”. In that same year the Commission sponsored the 1st European Social Economy Conference (Paris) and created a Social Economy Unit within DG XXIII Enterprise policy, Distributive Trades, Tourism and the Social Economy.

In 1990, 1992, 1993 and 1995 the Commission promoted European Social Economy Conferences in Rome, Lisbon, Brussels and Seville. In 1997, the Luxemburg summit recognized the role of Social Economy companies in local development and job creation and launched the “*Third System and Employment*” pilot action, taking the field of the Social Economy as its area of reference.

In the European Parliament too, the European Parliament Social Economy Intergroup has been in operation since 1990. In 2006 the European Parliament called on the Commission “*to respect the Social Economy and to present a communication on this cornerstone of the European social model*”.

The European Economic and Social Committee (EESC), for its part, has published numerous reports and opinions on the Social Economy companies' contribution to achieving different public policy objectives.

The most recent conceptual delimitation of the Social Economy, by its own organizations, is that of the *Chapter of Principles of the Social Economy* promoted by the *European Standing Conference on Co-operatives, Mutual Societies, Associations and Foundations (CEP-CMAF)*, the EU-level representative institution for the four families of Social Economy organizations (namely co-operatives, mutual societies, etc.), which has recently changed its name to *Social Economy Europe*. The principles in question are:

1. The primacy of the individual and the social objective over capital
2. Voluntary and open membership
3. Democratic control by membership
4. The combination of the interests of members / users and / or the general interest.
5. The defense and application of the principle of solidarity and responsibility
6. Autonomous management and independence from public authorities.
7. Most of the surpluses are used in pursuit of sustainable development objectives, services of interest to members or the general interest.

The dimensions of the European 3rd Sector

From a macroeconomic perspective, the Social Economy in Europe is very important in both human and economic terms. It employs over 11 million people, equivalent to 6.7% of the wage earning population of the EU. These aggregates underline the fact that this is a reality which cannot and should not be ignored by society and its institutions.

The family of associations, foundations and similar organizations, taken as a whole, is the majority component of the European Social Economy.

Statistical information provided has been drawn up from secondary data supplied by correspondents in each European country.⁴ The reference period is 2002-2003. However, for reasons of availability and the quality of statistical reporting, the information for some countries is more recent (2004-2005) while for others it goes back to 1995-1997, particularly in the case of associations, foundations and similar organizations. The figures sought were the number of persons employed and, where possible, the full time equivalent, number of members, number of volunteers and number of organizations or companies. For purposes of comparability with the data of the previous study by CIRIEC (2000) on the situation of the Social Economy in the European Union, particular attention has been paid to the “employment” variable.

The 3 Main Models

In view of the data, three main models can be identified.⁵

First, a Northern European pattern, with high rates of employment in the Social Economy in relation to the wage-earning population in countries such as the Netherlands (10.7 %), Ireland (10.6%), France (8.7%), and the UK (7%), where the main component of the third sector is largely the family of associations, foundations and similar organizations, due to particular models of welfare states.

Second, a Latin-Scandinavian European pattern, with medium rates of employment in the Social Economy in relation to the wage earning population in countries such as Italy (7.5%), Spain (5.9%), Sweden (5.0%) and Finland (8.5%), where, because of the strong worker, consumer and agriculture cooperatives and active public policies towards cooperatives in these countries, the majority is that of co-operatives and similar enterprises.

⁴ J. L. Monzon and R. Chaves, “The European social economy: Concept and dimensions of the third sector,” *Annals of Public and Cooperatives Economics*, 79:3/4 (2008): 549-577.

⁵ *Ibidem*.

The third pattern is that of the new Eastern European members, where employment in the Social Economy accounts for 4.2% of the wage-earning population. Their cooperative branch is still relatively strong, having developed further in recent years, between their economic collapse and renewal. The other branch, composed of mutual societies, associations and foundations, is still an emerging sector, growing hand-in-hand with the development of civil society and social movements in these countries.

The Framework

A comprehensive but grounded theory of social capital develops a distinction between bonding, bridging, and linking social capital.⁶ This framework helps to reconcile these three perspectives, incorporating a broader reading of history, politics, and the empirical evidence regarding the mechanisms connecting types of network structure and state – society relations to public health outcomes. It also highlights the social dimension of the social economy.

The empirical base of the general social capital story rests in no small part on applied research in the fields of public epidemiology. As such, the debates taking place within these fields deserve special attention, and are instructive for broader conceptual and policy deliberations. It is argued that while the current disagreements among the major protagonists in the field of social capital and public health manifest themselves as methodological differences regarding the efficacy of power, inequality, or social support networks as the primary determinant of health outcomes, they are in fact better understood as products of an ill-specified theory of a social capital.

Indeed, closer attention to the current theoretical developments reveals a conceptual framework that provides a basis for resolving the current debates, one that is also consistent with rich historical evidence regarding the emergence and resolution of major public health crises in 19th century in Britain.

This framework centers on an analytical distinction between three kinds of social relationships in which individuals are engaged, and, crucially, the nature of the state – society relations in which these individuals and their relationships are inherently embedded. It relies on the distinction between bonding, bridging, and linking forms of social capital. Of course many other things are also required for a

⁶ S. Szreter and M. Woolcock, “Health by association? Social capital, social theory, and the political economy of public health,” *International Journal of Epidemiology* (2004). Accessed August 31, 2012, <http://ije.oxfordjournals.org/>.

“healthy society” to be able to consistently use its material resources for the promotion of the population health of all its citizens.

The “bridging” and “bonding” distinction facilitates discrimination between different kinds of social capital. Bonding social capital refers to trusting and co-operative relations between members of a network who see themselves as being similar, in terms of their shared social identity.

Bridging social capital, by contrast, comprises relations of respect and mutuality, between people who know that they are not alike in some socio-demographic (or social identity) sense (differing by age, ethnic group, class, etc.). The precise nature of the social identity boundaries, and the political salience of bonding and bridging groups are thus highly context specific.

In recent years a further conceptual refinement has been introduced into the social capital literature, “linking” social capital. “Linking” social capital defines norms of respect and networks of trusting relationships between people who are interacting across explicit, formal or institutionalized power or authority gradients in society.

This refinement seeks to incorporate a distinction among all those social relationships that would otherwise be grouped together in the “bridging” social capital category, namely between those relationships that are indeed acting to “bridge” individuals that are otherwise more or less equal in terms of their status and power, e.g. ethnic traders seeking counterparts in overseas markets, participants in artistic activities, or professionals of different nationalities exchanging business cards at international conferences – and those that connect people across explicit “vertical” power differentials, particularly as it pertains to accessing public and private services that can only be delivered through on-going face-to-face interaction, such as classroom teaching, general practice medicine, and agricultural extension.

This latter distinction, called “linking” social capital, draws empirical support from a range of studies showing that, especially in poor communities, it is the nature and extent (or lack thereof) of respectful and trusting ties to representatives of formal institutions – e.g. bankers, law enforcement officers, social workers, health care providers – that has a major bearing on their welfare.

Linking social capital thus defined seeks to introduce a conceptual and empirical distinction as it pertains to individuals’ overall portfolio of social relationships that is demonstrably central to shaping welfare and well-being (especially in poor communities).

Accordingly, just as health outcomes can be improved by expanding the quality and quantity of bonding social capital (among friends, family and neighbors) and bridging social capital (trusting relations between those from different demographic and spatial groups), so, too, it is crucial to facilitate the building of linking social capital across power differentials, especially to representatives of institutions responsible for delivering those key services that necessarily entail on-going discretionary face-to-face interaction.

Linking social capital, it should be added, like bonding and bridging, can also be put to unhappy purposes – e.g. nepotism, corruption and suppression.

In this view social capital must be the property of a group or a network. This is, however, far from clear if the empirical literature on social capital is scrutinized.

One necessary condition, should be a balanced distribution of a relatively rich endowment of all three of these forms of social capital. In these circumstances the polity will be constituted by a vigorous, open and politically conscious civic society of mutually respecting and highly varied (in terms of their social identities) citizens and their many associations.

In such societies, individuals and the wide range of associations that represent their interests are in active dialogue and negotiation with both their elected local governments and their central state. Without such a health-promoting, balanced development of all three forms of social capital, however, social capital, in any of its three forms may easily be used as a resource for exclusionary and sectional interests, which may have an ambivalent or even negative consequence for the overall health of population. It is then, an entirely contingent question of politics, public morality, ideology, and historical events whether or not the resources of social capital, which necessarily exist in the society, will take on health-promoting or health-degrading net effects.

The “Care Diamond”

The main and most important social trend that can be observed in the recent evolution of Social Economy is its consolidation in European society as a pole of social utility, concerning the health care sector.

Care (whether paid or unpaid) is crucial to human well-being and to the pattern of economic development. Some analysts emphasize the significance of care for economic dynamism and growth. Others see care in much larger terms, as part of the fabric of society and integral to social development. Citizenship rights, the latter argue, have omitted the need to receive and to give care. Furthermore, in

order to overcome the gender bias that is deeply entrenched in systems of social protection and to make citizenship truly inclusive; care must become a dimension of citizenship with rights that are equal to those that are attached to employment.

A variety of terms have been used to refer to institutional arrangements that contribute to the sum total of societal welfare: welfare *regimes*, the welfare *triangle* (state, market, family), welfare *architecture* or the welfare *diamond*.⁷ In all of these conceptualizations, which go beyond a notion simply of the welfare *state*, the focus is on the diversity of sites in which welfare is produced and the decisions taken by society to privilege some forms of provision over others. The liberal welfare regimes are described as market biased; others, especially the southern European or Japanese models, are seen as powerfully familistic; and still others (the Nordics) put the focus on state delivery of welfare.⁸

How problems of care are addressed by society has important implications on equality issues, e.g for the achievement of gender equality, by either broadening the capabilities and choices on women and men, or confining women to traditional roles associated with femininity and motherhood. How care is addressed is at the same time inextricably intertwined with other structures of inequality, especially race and social class.

Historically and across a diverse range of countries, women from disadvantaged racial and ethnic groups have tended to provide care services to meet the needs of the more powerful social groups, while their own needs for care have been downplayed and neglected. Analyses of care that falsely homogenize women's interests are thus deeply problematic.

We could think of the “care diamond”⁹ as the architecture through which care is provided, especially for those with intense care needs such as children, the frail elderly, the chronically ill and people with physical and mental disabilities. The institution involved in the provision of care may be conceptualized in a stylized fashion as a “care diamond”, to include the family/household, markets, the public sector and the not-for-profit sector that would include voluntary and community provision.

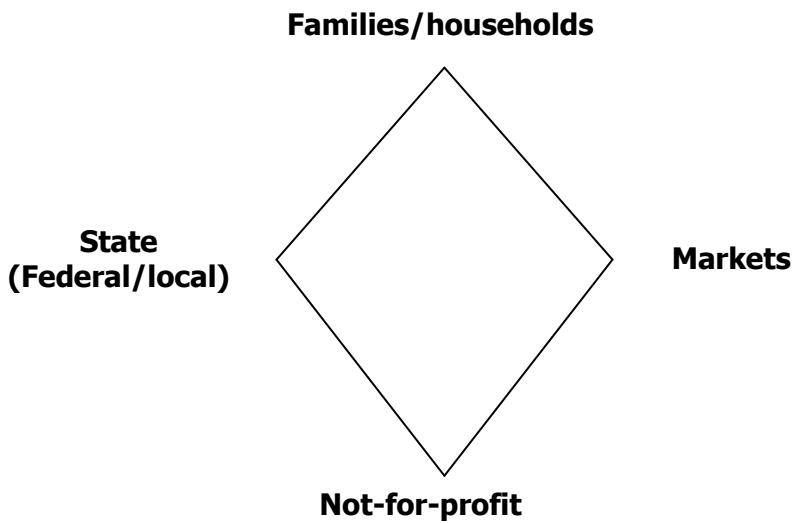
Typologies are always problematic and some forms of provision may fall through the cracks, as in the case of “voluntary” care work that is paid or family care provided by parents while on paid leave. Moreover, market provision is rarely

⁷ Jane Jenson and Denis Saint-Martin, “New routes to social cohesion? Citizenship and the social investment state,” *Canadian Journal of Sociology*, Vol. 28, No.1, (2003): 77-99.

⁸ Gosta Esping-Adersen, *Social Foundation of Post Industrial Economies* (Oxford: Oxford University Press, 1999).

⁹ Razavi, *The political and social economy*.

pure, as the state often subsidizes and regulates market providers. There are, nevertheless, important institutional differences across these diverse points of the diamond, the overlaps notwithstanding.



The “Care Diamond”

Even in developing countries where families assume a dominant caring role, other institutions such as the state, community organizations and markets play a part in the provision of care.

Paid forms of care by domestic workers, nannies and other women have been and continue to be important sources of employment for women in many developing countries. Non-familial care may be quite modest in many developing countries, but with the rise in women's labor force participation in many countries, the intense demand for care, issues of care are slowly emerging on the public agenda.

There is a need for a more systematic and institutionalized analysis of the care sector or “care diamond” in different countries, and their outcomes. This is necessary not just for a better “design” of care policies (in a technocratic sense: “evidence-based policy”), but also for more informed and effective advocacy by those who see an important link between how societies organize care and how they fare in terms of equality issues and women's economic and social security.

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Does Work Make Us Free?

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Abstract

The origins of Man are in Magic Thought. The evolution of Human Beings over six million years is in fact the history of the rationalization of Magic Thought. The goal was the political control of masses through the fundamental mechanism of the feeling of guilt. Here we can find the roots and the basis of capitalism. The division of labour and the protestant spirit. The name “Unreason” was applied to Magic Thought as a part of this process. In the past, Reason gave psychiatry the mandate of rationalizing Unreason. Each of us is a Russian doll, in which each internal self represents all of our previous ages. Our society keeps magic thought confined to infancy. But reason is like a thin film which surrounds all the magmatic internal area of Unreason and the original Magic Thought. This film gets torn frequently and easily. Thus some people hear the voices of both living and inanimate beings, coming out of the wind or of streams in forests. And then Reason says that this is an illness – mental illness. Psychiatry acts as carrier of the “social mandate of control”. This is the mandate on behalf of Reason for Unreason to be rationalized. The truth is simply that what the collective mind, psychiatrists and justice call Unreason or Madness is actually other people’s Reason. From Immanuel Kant onwards, we know that the world is constructed by the self. We don’t know reality, which, by extraordinary intuition, he called “the thing in itself”. In fact, he was the first to understand psychosis. However, as the Ey rightly says, in this world of Reason the individual subject builds his own world through collaboration and in tune with others. But building the world also means building the self. Work is a form of slavery and a form of dependence. An addictive activity which hurts us and at the same time makes us happy. Work is simply a need for everybody. A need but also a right.

This is one of the roles of States, which they delegate to the so-called free private initiative. In capitalism, which does not guarantee work for everybody, the state and society as a whole have simply given up on one of their responsibilities.

Work makes us free to the extent to which it brings about integration. At the end of the day integration is the only true therapeutic practice. Psychiatry derives from the tradition of the total institution, which was invented with a single goal in mind: to exclude and repress subjectivity and diversity. From this point of view, particular damage has

been caused by the distinction, made at managerial level, between the Health and Social sectors. The truth is that the real cure for mental illness, just as for any other disability, is integration. And there is no better integration than that which involves constructing the world together.

As is known the phrase “work makes free” still has a sinister ring related to recent history, displayed as it still is over the entry to the Auschwitz concentration camp: “Arbeit macht frei”. This phrase, which is certainly not devoid of internal logic, was used to attempt to legitimize the horror of the camps. In fact, this logic had simply been adopted from the philosophy and practice of total psychiatric institutions. In accordance with what has been said so far, work as a therapeutic measure has no place outside a free contract with an employer, by making the most of the creative or technical abilities of each individual, which is underlined by the fact that each person is paid for what he actually produces.

Keywords: *Magic, Reason, Unreason, Kant, Work, Labour, Legislation, Liberation, Organic, Nazism, Others, Slavery, CEFEC.*

Reason and Unreason

The origins of Man are in Magic Thought. By that I mean that polytheism devoid of any hierarchy in which the complex feedback of Nature comes together in a representation of the Universal Spirit. But every creature and every object in this world, both living and inanimate, has an existing and speaking spirit within. The evolution of Human Beings over six million years is in fact the history of the rationalization of Magic Thought. Attributing all divine qualities to a single spirit is but the endpoint of this process. Man created God in his own image, thus creating a single entity and endowing it with his superior spiritual qualities. All of this was at the basis of individualism and of the fear of death. The goal was the political control of masses through the fundamental mechanism of the feeling of guilt. Let us remember John Lennon's utopia: “and no religion too”. Here too we can find the roots and the basis of capitalism. The division of labour and the protestant spirit. The protestant spirit and the capitalist ethics. The name “Unreason” was applied to Magic Thought as a part of this process. The latter lives on in all of us. In the past, Reason gave psychiatry the mandate, through the work of Philippe Pinel, of rationalizing Unreason. Each of us is a Russian doll, in which each internal self represents all of our previous ages. The nucleus is us as babies. Our society keeps magic thought confined to infancy. The supernatural becomes present through so-called reality. But reason is like a thin film which surrounds all the magmatic internal area of Unreason and the original Magic Thought. We

actually trespass this film or boundary in sleep and in dreams. That is when all of us hear voices and see things which don't exist. However, these do not exist in so-called Reality dominated by Reason. This film gets torn frequently and easily. Thus some people hear the voices of both live and inanimate beings, coming out of the wind or of streams in forests. And then Reason says that this is an illness – mental illness. Saint Francis heard the voice of the wolf and of birds. He was made a saint. Today he would be a psychiatric patient.

The main and original transgression consists in claiming mental capacity for ourselves. That is how Man elevated himself to the role of self-proclaimed rational deity. The first and most significant sin consists in emphasizing the self through divinity. Hence the need to feel guilty. Thus we have a double identity, just as centaurs in European classical culture, and as Quezalcoatl, the feathered serpent of the Aztec tradition. Part of us feels guilty for the other part which self-proclaimed itself free, in other words divine.

Franco Basaglia, the great reformer of Italian psychiatry, spoke of psychiatry as carrier of the “social mandate of control”. This was the mandate on behalf of Reason for Unreason to be rationalized. Hence clinical practice and the mandate to treat even when going against an individual's will and irrespective of him consenting or not.

Other people's reason

The truth is simply that what the collective mind, psychiatrists and justice call Unreason or Madness is actually other people's Reason. Everybody has his own, and it is culturally determined. Our individual identities are determined by at least the three generations before ours. And each person's individual reason is based on this personal identity.

Official psychiatry makes a reference to magic thought only in a single case. That is in the description and analysis of obsessive neurosis. The neurotic person, held hostage by himself and his own rituals, constantly refers to a being which transcends the world, without necessarily calling it “god”. It is not surprising that, according to psychiatry, obsessive neurosis is midway along the road to psychosis.

The organic issue

All of this does not deny, except perhaps in appearance, the organic nature of mental illness. The apparent conflict between social-psychological theories and organic explanations of mental illness is simply a false problem. My speaking is organic, but this is totally unrelated to what I say. Psychiatry is like modern

physics: there is no contradiction between quantum theory and the wave theory of light. They are both true together. There is contradiction only in appearance.

Building the world together with others

From Immanuel Kant onwards, we know that the world is constructed by the self. We don't know reality, which, by extraordinary intuition, he called "the thing in itself". In fact, he was the first to understand psychosis. However, as the Ey rightly says, in this world of Reason the individual subject builds his own world through collaboration and in tune with others. But building the world also means building the self. Thus the child, as from when he begins to play, constructs himself together with others. Especially through playing with other children. This is the construction of the self within the construction of the world together with others. However, work, for adults, is simply the continuation of childhood play: this irresistible need to communicate through hands and objects.

Work as slavery

Work is a form of slavery and a form of dependence. An addictive activity which hurts us and at the same time makes us happy. It is part of that Reality which is never unilateral, but is different for each person and differently interpreted. In sum, work is simply a need for everybody. A need but also a right.

This is one of the roles of States, which they delegate to so-called free private initiative. In capitalism, which does not guarantee work for everybody, the state and society as a whole have simply given up on one of their responsibilities.

Freedom from work: integration

Work clearly makes us free to the extent to which it brings about integration. At the end of the day integration is the only true therapeutic practice. The strength of psychotropic drugs is linked to the huge power of multinational pharmaceutical companies. Just as oil and banking multinational corporations, through their enormous influence they impose an ideological vision of mental illness upon psychiatrists, and through them upon public opinion as a whole. The practice of electric shock therapy also derives from this vision. This practice is still common in countries with very advanced capitalist economies or high levels of technological development. This is a highly ideological practice, in that it adheres to the principle of the suppression of the illness and its symptoms. We believe that the role of psychiatry, or rather of Mental Health Services, is to negotiate with the wholly human symptoms and expressions of illness, rather than repress them. But

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psychiatry derives from the tradition of the total institution, which was invented with a single goal in mind. To exclude and repress subjectivity and diversity.

From this point of view, particular damage has been caused by the distinction, made at managerial level, between the Health and Social sectors. This distinction rapidly spread all over the world, and was introduced in Italy by the socialist Craxi in 1985. In psychiatry, this approach is false and indicates a fundamental error. Investing in integration can bring about savings in expenditures for treatment. The truth is that the real cure for mental illness, just as for any other disability, is integration. And there is no better integration than that which involves constructing the world together.

The wolf society and the bear society

Given that “*αντροποσ πολιτικον ζοον*”, man is a social animal, we are by nature more similar to wolves than to bears. The former live in packs, the latter are known to be solitary. For us humans, the cure for mental illness is primarily to bring the individual back to the dimension of social interaction.

Work makes free and Nazism

As is known the phrase “work makes free” still has a sinister ring related to recent history, displayed as it still is over the entry to the Auschwitz concentration camp: “Arbeit macht frei”. This phrase, which is certainly not devoid of internal logic, was used to attempt to legitimize the horror of the camps. In fact, this logic had simply been adopted from the philosophy and practice of total psychiatric institutions. A brilliant example is that of the Psychiatric Hospital in Guetersloh, in Westphalia, where the founder and director, Dr. Hermann Simon, had developed the whole institution on the basis of work therapy as from 1914. All patients, well before psychotropic drugs were invented, participated in the management of the asylum, divided into ten teams of workers. Each team was led by a nurse and the medical director “prescribed” the type of work most suited to the individual patient.

A society of free contracts and production together

In accordance with what has been said so far, work as a therapeutic measure has no place outside a free contract with an employer, by making the most of the creative or technical abilities of each individual, which is underlined by the fact that each person is paid for what he actually produces. In 1973 in Trieste the first social cooperative in history was founded, transforming pre-existing institutional

ergotherapy (of Simon) into a huge cooperative for work integration. The flowers in the park of San Giovanni, Trieste's asylum, were no longer tended to by locked-up madmen, but by free workers who were cared for and integrated, and who, importantly, were paid for their work.

Timeliness of Moses. Ethics and finance

We live in a time to which the biblical myth of Moses has become relevant again. He came back down from the mountain clutching Ethics (the commandments carved in stone slabs) and found that his people had begun to worship the golden veal. Today, politics is dominated by the logic of profit-hungry and speculation-prone multinationals, in particular financial institutions. Faced with this common practice of favouring and adoring the golden veal, it is now time to express all our anger in a constructive way, and recover the values of universal ethics.

Legislation on work

As I already proposed during the last CEFEC-Social Firms congress in Meran in October 2011, I would like to take advantage of this yearly European-level event, and of this constructive international meeting, to re-launch a comparison between different national legal frameworks on work integration, with the aim of developing a draft of European legislation on this issue. Italian legislation, specifically Law 381 of 1991, appears to be the most advanced and complete in this respect. It states that, in exchange for tax exemptions on social and pension contributions, which are paid by the Regions, social cooperatives must adhere to their role of employing workers at risk of social exclusion, who should constitute at least one third of their staff. Thus the cooperatives are not protected workshops, where the production of marketable goods is limited or non-existent, but neither are they completely "normal" firms. In Italy, public authorities may also assign certain public works (e.g. the upkeep of parks) to these social cooperatives through direct agreement, without having to issue a call for tenders.

Conclusion

When a psychically disabled person works as if he had no disabilities, together with people without disabilities, his magical world, which we normally call "symptoms", and which is normally referred to as "Unreason" or "madness" by the world of Reason, is respected, and it maintains its compatibility with the world considered to be of Reason. Thus it is possible to appreciate the value of

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individual subjectivity, setting a positive trend in relation to the role of the mentally ill patient, as opposed to the negative or stigmatising role of marginal person who often takes the blame. In other words, this is what we normally mean by “cure”.

Healthy Workplaces – Do we care more for New Cars and Computers than our Workers?

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Abstract

Richard Wakerell is a Mental Health training officer for Plymouth and District Mind. In this article, he argues that we care often more for cars and computers than we do our staff in workplaces all across Europe. The result is disastrous with much money lost in our economies through lost production, sick pay and customer dissatisfaction. Richard argues that while stress is not a medical condition it is linked to mental health conditions such as depression and anxiety.

In this article, Richard Wakerell identifies the causes of stress. He offers a checklist of signs of bad managers, a big cause of labour stress. The article concludes on a positive note. The signs of stress can be detected easily and actions can be taken to change things for the better. When some employers try to say that training costs too much to improve workplaces, Richard asks - given the massive cost of poor practice - if anyone who is serious about running a good business can afford not to address this issue!

Keywords: *Stress, Loss Support, Training, Profit.*

In the United Kingdom, when you buy a new car or a new computer, the salesman or saleswoman will talk a lot about the manufacturer's guarantee. In some cases, they may even try to sell you an extended warranty (guarantee). Whether this is really good value for money or not is another matter. The idea is that you, the customer, will have peace of mind for the next few years. If your car or your computer breaks down, you can be sure that faults will be repaired quickly and without further costs for you! In the United Kingdom, similar after care support packages are offered almost routinely on a wide range of expensive items from jewellery to washing machines. Great importance is given to ensuring that your purchases will work for you, be reliable and deliver what you want from them. In some cases if the item breaks down, it will be replaced free of charge.

How does this compare to the way many companies and public agencies care for people who work for them? The answer is often, “Not very well!” When staff are recruited, it makes sense for an employer to hire the best candidate for a job. If a recruit has a good work record, or has the right attitude and skills for a job, employers may hope that they will work well for them and give few problems. Beyond initial inductions, many companies across Europe do very little to support their staff in the long term. People become unwell from time to time. If this is not recognised, there will be serious consequences. No human being is a machine. All of us have emotions and needs. But in the workplace, in one respect we might be described as having one thing in common with cars and computers. To get the best out of us, to help us get over problems, we need an “after hire or recruitment” package of support.

Social Economy, Trend or Reality? I am sure everyone here, no matter where you come from, wants to encourage good practice in our businesses and services. We want to see people working rather than unemployed. We want to see businesses, small and large, deliver first rate service and meet the needs of their customers promptly. In many cases this does not happen. One major problem all across Europe is stress in the workplace. Where workplaces become breeding grounds for stress, no one will benefit. Businesses will become known for being unreliable. Customers will become frustrated and probably take their business elsewhere.

Stress has been described as “the adverse reaction people have to excessive pressure or other types of demand placed on them”. (United Kingdom – Health and Safety Executive). It is recognised that pressure is part and parcel of all work and that it helps to keep managers and workers motivated. However when the pressure people face exceeds their ability to cope with it, it becomes a negative rather than a positive force – in other words, stress. Stress is not a medical condition but research shows that prolonged exposure to stress is linked to mental health conditions such as anxiety and depression.

People under stress will change in character. Cheerful, outgoing people will change in character and become moody, irritable and withdrawn. They might have frequent unexplained absences from work. They may drink more alcohol than usual, smoke more or increase their caffeine intake. They may complain of aches and pains and not sleep too much. Such behaviour can place enormous strain on relationships. Excessive or uncontrolled pressure can make people ill and lead to serious illness and ultimately death.

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In their report dated February 2009, the European Agency for Safety and Health at Work noted that stress is a major problem to business across the entire European Union. In 2005 stress was experienced by 22 per cent of EU workers. I understand that this has not changed in more recent times. Our partners from Austria tell us that stress is the leading cause of early retirement. In the United Kingdom in 2008, it was noted that 1 of every 6 working adults experience diagnosable mental health problems while one of every four British adults will experience a mental health problem in any one year. The European report noted that stress was most common in workers employed in education, health, agriculture, public administration, transport, hotels and restaurants. Across Europe studies suggest that stress is a factor in between 50-60 per cent of all lost working days. This represents a huge cost in terms of human distress.

There are many factors that cause stress. The changing world of work makes big demands on workers. They are asked often to work harder, in some cases for less money. Job insecurity and short term contracts also cause sleepless nights as people worry about paying bills and feeding their families. Then there is the problem of working long hours and poor work / life balance. Noisy, hot, crowded workplaces do not help. Other factors include bullying and harassment in the workplace. Also there is the issue of bad managers.

Bad managers sadly are all too common and do much to undermine staff wellbeing and company or service performance. There are ten signs of a bad manager:

1. They lead and manage by intimidation.
2. They do not produce results.
3. They lack honesty and integrity- character is a vital part of being a good leader.
4. They do not learn from their mistakes – rarely do they admit they are wrong.
5. They lack openness to new ideas or suggestions.
6. They are threatened by people who are keen to learn
7. They criticise others. They put down subordinates often in front of others as they think it makes them look powerful.
8. They do not make themselves accountable. Good leaders know that they are accountable to make principle based decisions.
9. They have poor communication skills and do not listen properly.
10. They are cocky, arrogant, know it all. Others around know they are full of hot air!

Moving on from the issue of bad managers, how can we tell if stress is a problem in our workplace?

Unfortunately, the stress is easier to detect than you might imagine. There will be an atmosphere with disputes and unhappiness among the employees. There will be lots of grievances and complaints. When jobs are easy to find, there will be high levels of staff turnover. Bad companies will always be after staff! When jobs are not easy to find, people may be at work but not working effectively (presenteeism). There will be high sick leave. There may be a culture of bullying and harassment. People will not talk to each other or listen properly. Managers may be hesitant and be inconsistent in their practice. There will be a culture of blame. In this sort of situation, anyone can succumb to stress.

How do we tackle the problem? We can do much to change things quickly. We may not change the world but we can start the change in our corner. If we are keen to promote social enterprises and deliver healthy workplaces and good service, even when budgets are tight don't cut your training budget. Many companies do this and pay a high price. Investment in mental health awareness and creation of healthy workplaces will bring high rewards.

High quality training will reduce the incidence of stress and reduce the impact of mental health problems at work. Four principles – if applied consistently – will transform unhealthy workplaces:

1. Employers need to encourage staff to look after their mental health by making them aware of what they can do to maintain their own and others mental well-being.
2. Employers encourage awareness of mental health issues, so that employees are aware of the danger signs and understand the importance of seeking help early.
3. Employers promote a culture of respect and dignity for everyone, ensuring that managers are trained to recognise and be sensitive to mental distress or disability in others, whether they are workplace colleagues or customers.
4. Employers make reasonable adjustments in the workplace (e.g. review job descriptions, workloads, staff training, supervision) to reduce stress so that they can continue working.

On a personal level staff needs to be encouraged to do five things to protect their mental health and reduce their stress.

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1. *Talk* – with people around you. Whether it be with family or friends, colleagues or neighbours. These relationships can become cornerstones of our lives. They are worth investing time in. Isolation generally does not help people.
2. *Be active* – whether it be for a walk, a run or going for a bike ride. Exercise improves mood and creates a sense of wellbeing. The key is to find an activity that is appropriate to personal levels of fitness and mobility.
3. *Take notice* – be curious, catch sight of beautiful things. Enjoy the moment of walking around your community, talking to friends or sharing a meal with someone. Be aware of what is around and what you feel. Reflecting on experiences will create appreciation of what really matters.
4. *Keep learning* – try something new, rediscover an old interest. Set a challenge that you will enjoy achieving. It will create confidence as well as being fun.
5. *Give* – Do something nice for a stranger or a friend. Thank someone. Smile, voluntarily. Looking out as well as in, linking yourself to the wider community can be really rewarding and create connections with people around us.

An example of good practice

Corneliani (medium size clothing – Mantua Italy) needed to address high staff absence rates following reorganisation due to stress caused by increased workloads and highly repetitive tasks. Reduced absence and increased job satisfaction has been achieved by consulting with its workforce on changes that needed to be made. Workloads were reassessed, training and support are now provided for staff.

In conclusion, Social Economy – the trend is that often, business is held back by poor practice. The reality is that this can be changed quite simply, through working together, listening to each other and supporting each other. Once the causes of stress and mental illness are recognised and addressed, investment in training can bring many benefits and promote sales, service, staff welfare and customer satisfaction. Sometimes people say training costs a lot of money. The real question is when so much money is wasted through stress and poor practice in the workplace, can any business that wants to thrive afford the cost of this waste?

Plymouth and District Mind have worked in this area for many years. We are keen to work with our partners in Europe to help you address poor practice and to promote mental health and wellbeing.

The Sources of Social Economy

The Reasons for the Social Responsibility of Solidarity

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Abstract

For the preoccupations of the theoretical and practice community development, Social Economy is the domain that holds the most of attention, especially after the formulation and the general objectives of Europe Agenda 2020. Furthermore, in most of the European Union countries there is a diverse and socio-professional impact network that is specific to the socio economy structures. Yet, even if there are some preoccupations in this direction, it has not reached a consensus in regard with the ideological sources of these particular types of organizations. Social enterprises / societies that are the most outspreaded social economy instruments, like corporate associations, are the best known structures of social economy, as well as other instruments specific to the domain, and have a high and outspread rate of appreciation within the society, but without clearly pointing out their theoretical foundation of their presence. We suggest the approach of this aspect from the perspective of a concept that is newly (re)formulated, that of Social Responsibility of Solidarity.¹ This concept could explain the subtle mechanisms of the economical actors' actions in the profit sector, actors who do not have yet as a main target the profit making that is the very base of Social Economy. Because, in the end it must be an answer to the question: why the companies sometimes behave like donors / philanthropists? The present study brings elements to complete the explicative theoretical pattern regarding economic organizations in respect with their atypical behavior from the area of social solidarity.

Keywords: Social Economy, Social Cohesion, Social Responsibility, Social Solidarity, Social Enterprises, Social Performance.

The Europe 2020 strategy is about delivering growth that is: smart, through more effective investments in education, research and innovation; sustainable,

¹ We suggest a new syntagma, *The Social Responsibility of Solidarity (SRS)*, on which we think it responds better to the needs of theoretical grounding of the economical mechanisms of Social Economy, beside to that of Corporatist Social Economy that is used in the specialised literature. This new syntagma will be explained and devloped in a different study.

thanks to a decisive move towards a low-carbon economy; and *inclusive*, with a strong emphasis on job creation and poverty reduction. The strategy is focused on five ambitious goals in the areas of employment, innovation, education, poverty reduction and climate / energy.²

1. The Instruments of Social Economy

The concept of *social economy*³ includes diverse appellatives for different realities that are used in European Union countries and not only. The most well-known are: solidarity / cohesion economy or the third sector – CMAF (cooperative, mutual societies, associations and foundations).⁴ There are quite many organization types that are included in the *Social Economy* category: community benefit / provident society; friendly society; mutual society; consumer retail society; workers co-operative; community co-operative; community enterprise; neighborhood co-operative; community business; third sector enterprise; community trust; social business; community development trust; community development association; local development trust; community company; community development corporation; community benefit corporation; social enterprise; social firm; voluntary enterprise; credit union; community development finance initiative.⁵

Nowadays, at the European level, based on the official documents, social economy is considered to occupy approximately 8% from the total of the European companies and to represent 10% from the total number of employees. Altogether it is admitted that the evaluation of the social economy enterprises cannot envisage only the elements of economic performance, but also indicators belonging to other areas, like the development of the solidarity of the community, social cohesion and regional development. The preoccupations regarding the measurement of SE are – naturally – of a recent date. In 1995, European Commission developed a study that pointed out the fact that 50% of the population from different member states of the European Union was employed, one way or another, in Social Economy. In 1999 was organized another significant collective study, developed by CIRIEC –

² www.ec.europa.eu/europe2020.

³ *Social Economy – trend or necessity?* These were the auspices under which were developed the activities of an international conference in September 2012 at “Ştefan cel Mare” University from Suceava. See www.usv.ro.

⁴ G. Neamtu, *Tratat de asistență socială (Social Work Treatise)* (Iași: Polirom, 2011), 1232.

⁵ CESE - Comitetul Economic și Social European: *Les Organisations Cooperatives, Mutualistes et Associatives dans la Communaute Europeenne* (Oficiul pentru Publicații Oficiale al Comunităților Europene – Editions Delta, Bruxelles, 1986).

International (“International Centre of Research and Information on the Collective Economy”) in the European member states of that time. The major objective of the study was to analyze the role of Social Economy on the labor market in order to determine its specific structure, identify the support public policies and to determine its contribution to economy in general and to community development in particular. The following information can be found in the study results: the instruments of Social Economy represent approximately 10% from the total European Union’s jobs (that is almost 9 million persons employed on full time) and SE contains approximately one million of enterprises. But, beyond the official figures, all the decisive factors know the fact that the jobs specific to Social Economy are many in reality, since the growth rate in this sector is higher than the medium rates of the national economies that were investigated. Usually, analyses and studies refer only to a single category of jobs: a *direct job held* in organizations and enterprises specific to Social Economy. If we analyze the other two categories (an *indirect job* – one created in the entities depending on the Social Economy; and an *induced job* – naming here different domains like industry, agriculture, transport, commerce, etc. that use upholding co-operative services) we discover a more wider range of economic organizations connected to the social economy. So, if we also add these elements, we’ll have a more precise image regarding the impact of social economy.⁶

In the East European countries, the new civil society that structures and represents the traditional Social Economy,⁷ it is adjusting to a quite virulent market economy, but which complies with “the rules of the market economy game”, in that of assuming the share of Social Responsibility in Solidarity and social cohesion actions that come from it.⁸ Further we shall synthesize the reasons or “the rules of the game”.

⁶ CIRIEC. *The Enterprises and Organizations of the Third System: A strategic challenge for employment*. CIRIEC (Centre International de Recherches et d’Information sur l’Economie Publique, Sociale et Coopérative) – (Direcția Generală V a Uniunii Europene, Liege, 2000).

⁷ Reaching over a century, Social Economy is a concomitant component of the modern economy that combines the economical values of the market competition with the political pluralism. This is the context on which the presence of Social Economy should be explained, that is as part of the European Union’s politics and strategies to build the social economic model/pattern of “2020 Agenda”.

⁸ S. Cojocaru, “Social Projectionism: A Vision For New Ethics In Social Welfare,” *Journal for the Study of Religion and Ideologies* (JSRI) Vol. 5, No. 13 (2006)

2. The Sources of the Social Responsibility of Solidarity (SRS)

The relationship between the Social Responsibility of Solidarity⁹ and the ethics of economic business, as well as the main correlations with the economic growth models are based and analyzed having as a starting point *the motivations of the private sector that support the economic activities – with the mention that all have a social finality.*¹⁰

a. The *Pragmatic or rational reason* that is encountered in the specific literature dedicated to business ethics under the name of the corporative “*enlightened self-interest*”. This resumes to the statement: the company *wishes* to involve in SRS. This is the most visible reason in the decisional structure of the organization. All the companies intend the same thing that is to develop a visible social behavior. They are assuming projects with social responsibilities and get involved in social activities to build an image based on which they should develop on long term. Most often, as all the market research is stating, the organizations with a good social image are advantaged in the economic competition.

b. *The deontological or axiological reason* could be resumed as follows: the Company *considers itself compelled* to involve in SRS. In general, economic ideology begins with the utility premises of the company and the perspective of profit maximization, but also it makes reference to company's utility for the society in general, and starting from here, it derives the community actions, philanthropic acts, charity (grants, awards, etc.) funding types. The economic reasoning is as follows: the profit making businesses develops in a society where needs are identified. That is way the company has the moral obligation to support at the minimal functionality of the society at list. Of course, from here up to the creation of an (artificially or not) oversized new need it is just a step. But, before of any marketing intentions, the company itself has a social solidarity and responsibility behavior.

c. *Social constrained motive* is when the Economic Organization *is forced* to involve in SRS. That is, any firm / company would take social responsibilities because its activity should correlate and answer to certain social exigencies of the

⁹ *Social Responsibility of Solidarity* (SRS) Syntagma covers an area even larger than the economical business domain. For now, the concerns and analyses make reference to the arguments regarding this quite limitative sector of economy. Yet, a more complex approach is about to be published.

¹⁰ R. P. Hill, Th. Ainscough, T. Shank and D. Manullang, “Corporate Social Responsibility and Socially Responsible Investing: A Global Perspective,” *Journal of Business Ethics*, Vol. 70, No. 2, (2007): 165-174, Dordrecht: Springer Netherlands, Netherlands.

most pressing and accentuated type. The society at large has a clear politics to reject and sanction the companies that do not have a participative and responsible behavior in regard with the social issues that community faces at a certain moment and it rewards those that prove small and large social involvement and solidarity.

An empirical analysis of the global economic environment demonstrates that trans-national business organizations take social initiatives from *mixed reasons* that represent a combination of the three stated above. Though, the companies generally state that their social responsible actions are dictated by the deontological order rationalizations, in reality the rational or social constrained reason are the two active variants.

3. Social Responsibility of solidarity pro Social Economy

Bowie and Duska¹¹ established a synthesis of the most frequent *arguments that lead to the support of SRS pertinence*.

a. *The argument referring to citizenship*: in their quality of institutional members of the society, the companies are types of citizens and citizens have civic duties and responsibilities.

b. *The argument based on gratitude motivation*: the benefits that economic actors take from the society determine the companies to have certain gratitude duties.

c. *The argument of the power of the social responsibility*: any company has a social responsibility because it possesses an intrinsic social power, so it should participate to the settlement of certain social issues.

Due to objectivity reasons we are about to present bellow an inventory of the counter arguments regarding the social responsibilities of solidarity.

1. The obligations of the corporations to act for the greater good cannot be extended unlimited.

2. It is no established evaluating institution and procedures to define the criteria of SRS' results reaching.

3. The managers of the companies are not used to take decisions based on moral grounds. On the same time, they cannot substitute to the government, which has these duties on terms of office.

3. The relationship between ethics and business must be a realist one. Business does not have the moral responsibility to do general good. Ionescu¹² believes that

¹¹ N. Bowie and R. Duska, *Business ethics* (Michigan: Prentice Hall, 1990).

¹² Gh. Ionescu, *Cultura afacerilor: Modelul american* (*Bussines Culture: The American Model*) (Bucharest: Economică Publishing House, 1997), 177-178.

the *partisans of anti-social responsibility of solidarity* have solid elements in their argumentation.

First of all, it should be admitted the fact that a company / firm is a purely economical organization. It has responsibilities only towards its stakeholders and these refer to the making of profit and further more:

- a. The system of the free market works effectively and realistic only when the organization focuses on the economic performance.
- b. And for this purpose, the Economic organizations are specialized on profitability. Other objectives are subordinate.
- c. Firms to not have necessarily to follow social objectives because these are proper tasks to the organizations of social protection. It would be unproductive to overlap these roles.
- d. Any form of SRS could represent a misappropriate use of stakeholders' resources that could be ranged as illegal.
- e. With the distribution of SRS towards the companies, the SRS would have an exaggerated and inappropriate influence in society. In the spirit of pluralism, such a concentration of power is not desirable.¹³

In terms of economical logics, the main obstacle for the support of SRS instruments in the politics of the big companies is the dispute between "financial performances versus social performances". Even so, some authors succeeded to reconcile different points of view as a single theory. For example, Marom¹⁴ investigated the relationship between the financial and social performance and proposed a unique theoretic frame while stating that there are no contradictory results. His theory is based on the dependence report between the business domain and that of social responsibilities. Starting from the dependent relation described below, he stated that on the relation SP (Social Performance) – FP (Financial Performance) should applied the same report as between production growth and profit making. This sinusoidal model representing a backwards "U" could explain the empiric existence of certain positive, neutral, and negative correlations between SP and FP since different SP levels relate with different results on the business field.

¹³ On an empirical analysis, the SRS anti-argument transforms into a presence indicator: it is the sign that SRS manifests in the activity of the big companies. Quite often, in most of the countries, no matter the continent, within the pluralist structures of power can be encountered the large economic actors' interests. Sometimes this is argument in order to structure a programme or a political strategy.

¹⁴ Isaiah Yeshayahu Marom, "Toward a unified theory of CSP- CFP link," *Journal of Business Ethics*, vol. 67, Issue 2, (2006): 191-200, Springer Science-Business Media, Inc.

Marom's theory, ascertaining the importance of SRS for the growth of the corporative financial results, is based on the relation between the company and the stakeholders. The growth as profitability experienced by a company that provides social products is directly proportional to the utility experienced by different categories of de stakeholders as a result of the interaction with those "social products". Thus, from reasons of a pragmatic order, a company involved in social responsible actions must permanently maintain the equilibrium between the benefits / satisfaction to be won on the account of their "social products" and the costs to be carried in order to include in its products social responsibility characteristics. While analyzing the relation SP – SF from the point of corporative costs and benefits, the integrative theory gives a value of truth to both social impact as well as profitability hypothesis in concordance to the report between the marginal incomes and marginal costs, so that the relation between SP and SF can be either positive, negative or neutral.

Marom's integrative theory can be of a real use to the managers to whom it provides a useful instrument to determine the optimal level of social involvement and stakeholders' satisfaction, by positioning the firm in an area where the relation between SP and FP is a positive one.

The analyses come to confirm the strategic role played by the social responsibility politics of solidarity at the level of a company, as long as there are obeyed certain economic basic rules. The conclusion is that SP and FP are positively correlated, and the relation that manifests between them is a bi-univoque one.

The theory of the "virtuous circle" is the one that surprises the best the relation between these two variables: a high financial performance (FP1) leads to high social performance (SP1), a high social performance (SP1) leads to a higher financial performance (FP2), and the rationalization can continue in an analogical way; on the same time, the relation can be read as well as right to left, from where it results that a high social performance (SP1) can lead to a higher financial performance (FP2), and a high financial performance (FP2) can lead to a higher social performance (SP2), etc. In this way, SP and FP are, at a turn, a dependent variable and independent variables. This is an aspect that surpasses the economic theory that indicates that the correlation manifest in a unique way.

As a conclusion, the company can be considered as an organization with a multitude of responsibilities in respect with different groups and diverse social actors. Based on the context, these responsibilities could transform in economic activities, opportunities and risks. What so ever, the thesis stipulating the total non-

participation and non-responsibility of actors in the economical sphere of social solidarity cannot support itself to say at list because pure competition or pure economic activities do not exist? Even if it derives from a preponderant theoretical nature, the SRS is actually discussed in large circles. But, in the end, for any economical actor, SRS is a certificate that opens its way to the achievement of a functioning social license.

From this perspective, we could lunch the supposition that SRS is a visible and powerful source of the Social Economy. In order to make operational this concept for SE's structures, we identified a few more frequent SRS forms that present themselves as sources for the Social Economy, as follows:

1. The modification of the firm politics to respond to the society's demands but without immediate relevance for the company.
2. The external reporting of some internal procedures to provide consumers with information, like the consumers protection policies that became mandatory; and the account regarding the potential investors, like the public enlisting to the stock market.
3. The insurance of data confidentiality in regard with clients' identities;
4. The choice of suppliers and production locations based on trans-economic criteria.¹⁵

The main focus of this present approach is that social responsibility of solidarity is not a sterile philosophical subject without consistency and practical applicability, but it is a syllogism that holds together two statements. First, the functionality of the society in economic and social terms is a stake and also a purpose that any actor is ready to assume, beyond immediate costs and benefits. Secondly, the SRS mechanisms represent a form of adjusting the economic strategies that have as a result the variation of older economical mechanism for their improvement.

4. Why is Social Economy accepted by the big companies?

In the last 20 years, an attitude change regarding the way economic operators used the forms of SRS became more obvious. Additionally, it was reached a point when the big producers incorporated and integrated in their strategies, initiatives that solve issues before these take place, as well as the pressure manifested by

¹⁵ M. Bryane, "Corporate Social Responsibility in International Development: An Overview and Critique," *Corporate Social Responsibility and Environmental Management*, Vol. 10, No. 3, (2003): 115-128, Wiley InterScience, John Wiley & Sons Ltd., UK.

political groups or consumers.¹⁶ Among the factors that contributed to this approach change can be mentioned as well the economical elements like globalization, fierce competition, the diminishing of the traditional resources, employees' motivation. And, as well, arguments that result from SRS' mechanisms, like: social visibility, prestige and influence, the moral duty of being part of the society's issues solving. The survival chances of the present economic organization would quickly diminish on a contrary case. Maybe this last argument makes any company to stop behaving in a "social irresponsible way". In another word, the main benefit of the companies to SRS development is their own survival and that makes it enough.

Generally, it is supposed that economic organizations that promote forms of Social Economy like the ones that enroll in SRS politics would register financial results above the average because the capacity of a company to successfully deal with aspects of social and ecologic order becomes a credible proof for a quality management and concurs to the risks diminishing while anticipating and preventing crises that can affect firm's reputation and cause dramatic stock prices falls.¹⁷ This positive correlation between corporative social responsibility and financial performance – measurable by the stock price – is empirically supported by the example of the American, European, Asian, multinational companies. Thus, a research envisaging the domain pointed out that around half of the performances above the average registered by the social responsible companies must be attributed to their corporative social responsibility politics, while the other half is justified by the high performance registered in the specific activity sector.

In regard with the reasons for which the big economic operators support the structures of the social economy, their main benefits should be synthesized as follows:

- obtaining the social license of "good practice";
- the harmonization of the economic practices with the expectations of all social categories and the achievement of their acceptance;
- remain in a real competition structured in terms of social image, reputation, "brand", social admission, buyer's sensibleness etc.;
- the development of the business in new areas and the achievement of a

¹⁶ D. Cojocaru, "(Bio)Ethical and Social Reconstructions in Transmodernity," *Journal for the Study of Religion and Ideologie*, Vol. 10, No. 30 (2011).

¹⁷ Green Paper, Promoting a European framework for Corporate Social Responsibility, Brussels, 18.7.2001, COM(2001) 366 final. <http://eur-lex.europa.eu/LexUriServ/site/en/com/2001/>.

comparative advantage in regard with the other competitors;

- influencing the employers' quality;
- the involvement of quality investors and business partners;
- the cooperation with local communities;
- the achievement of governmental support and the evasion of strict governmental regulations;
- political capital building and operationalisation.

The conclusion of this conceptual clarification approach confirms the existence of a positive relation between the social involvement of the economical operators and the positive effects they benefit of when they involve in actions that do not bring immediate and direct effects linked to the economic sphere. A policy of social responsibility of solidarity managed in a proper way could bring benefits for both the companies and the society at large.

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The Quest for Social Economy

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Abstract

The present article questions the status and representation of social economy within the large frame of modern mentality. The existence of a structural fault in the core constitution of contemporary economy at large, as fundamental cause of modern civilizations failures is raised. In the economic-political structure of modern State, the social economy has only a role of a sort of pacifier, a reliever, or cleaner, of the social problems generated by the liberal market economic, like inequality, poverty, marginalization, exclusion, etc. But this image of an implacable state of affair, I shall argue, is only the result of a limited cultural mentality of modern technical rationalism which legitimates it, and the future development of human race is unsure as long as this cultural representation remains unchanged. The harmony and suitable development of global economy requires instead, are-thinking of the basis economic and political system, in accord with the undergoing development and evolution of human consciousness.

Keywords: *Social Economy, Critique of Economics, Alienation, Social Business.*

The Social Economy of Economics

What is the first thing a scholar does when he / she wants to study and understand a new subject? It consults the available scientific literature. But if it is a new one in the horizon of culturally driven evolution of society, and its further understanding question the established perspective, including the scientific one? In modern society, the scientific discourse has the most influence over political and economical aspects and it is endowed with most functional and operative legitimacy, at least us much as had religious, moral, and traditional before. Consequently, the image on this topic would be serious affected if some mistaken representation both on discipline subject: human nature, or object: economic fundamental processes. I consider social economy, as product of advanced economic systems, is in inappreciative situation. Its real place and full legitimacy

as vital element within social structure of any advance civilization are recognized, neither in public view, nor in economics. Ideological error of positivism within the social-sciences conceals its social and political facet.

The goal of any economic system is not the gain of wealth for itself, but sustainable development of whole society. Relative with its society complexity level and humans cultural level of development the evolution of economic systems of human civilization, was discontinue, the periods of growth and development of a certain type of economic configuration, was followed by a structural revolution: the Agricultural Revolution from Neolithic, the Industrial revolution, the Informational post-industrial Revolution from the last century, and, for those who can see, in this very moment, the global system is seems to be at threshold of another one.¹ But because of its novelty the sciences which are supposed to study it reach their limits. The science, a product of human cognitive capacity, advanced symbiotic with the evolution of collective ideology and understanding abilities of humans. As Thomas Kuhn already showed us, at the basis for practice research and consensus of mature science is not the scientific theory, but something more complex: shared experiences of practice, i.e. the paradigms. The scientific paradigms are “universally recognize scientific achievements that for a time provide model problems and solutions to a community of practitioners.”² They encompass theoretical, instrumental and methodological elements which guide the research, practice and understanding in a field. The scientific knowledge, is not atemporal and universal, but is related with the experiences and practice of human collectivities. Human collectivity evolves, their experience is changing, and hence, understanding is different. It become obvious now, why, is more difficult, in the case of social sciences, to keep up with social evolution. The ideological aspect in social sciences is more powerful and generates variations of subject understanding. Moreover, if in natural sciences the scientific revolutions are relative linear are deepening or make knowledge more suitable, in social sciences, like economics, the scientific inquiry builds, in part, its objects. In these sciences not only analyzes, decrypts and either archives (like historical sciences) or applies (like engineering sciences) acquired information. In social sciences, the positive compound (describing “what is”) is only the prerequisite element for the application of the normative one (constructing “what ought to be”). The ultimate end of social

¹ Alvin Toffler, *The Third Wave* (Bantam Books, 1989); Herman Bryant Maynard, Jr. and Susan E. Mehrtens, *The Fourth Wave: Business in the 21st Century* (San Francisco: Berrett-Koehler Publishers, 1996).

² Thomas S. Kuhn, *The Structure of Scientific Revolutions*, Second Edition, Enlarged International Encyclopedia of Unified Science Vol. 2, No. 2. (The University Of Chicago Press, 1970), viii.

sciences is the improvement of human life and society: the knowledge of “what it is made” with the purpose of improving it and to build of “what it ought to be”.

Contemporary economics is limited by its ideological and meta-methodological aspects of scientific practice to stick with its positive element and prevented to make use more strongly its normative aspect. The entire potential of its prospective appliance is limited at and employed within the setting of present narrow understanding. It overlooks the possibilities opened by the upcoming shift of global economic system, possibilities which otherwise could be valorized in advance.

This situation is exceptionally obvious in the case of social economy.

The Status of Social Economy

The contemporary paradigm of economics, product of modern advanced economic states system, has following working representation on Social economy: “the set of private, formally-organised 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 one vote. The Social Economy also includes private, formally-organised organisations 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.”³ More detailed: “the Social Economy can be defined as that part of the economy which is neither private nor public, but consists of constituted organizations, with voluntary members and boards of directors or management committees, undertaking activities for local benefit. It is made up of community organizations and businesses, working for the greater good of local communities and marginalized

³ The CIRIEC (International Centre of Research and Information on the Public, Social and Co-operative Economy), *The Social Economy on the European Union* (2007), 20. (Written for the European Economic and Social Committee (EESE) covering the 25 European Union countries (it was completed in 2006 so Romania and Bulgaria were not included), http://www.ciriec.ulg.ac.be/fr/telechargements/RESEARCH_REPORTS/EESC2007_%20EnglishReport.pdf. “Social Economy is often described as a group of four «families»: cooperatives, mutual societies, associations and foundations, which are forms of organisations and/or legal bodies; naturally this covers the designations used in different countries such as solidarity-based economy, third sector, platform or third system. Although this sector is not described as a «Social Economy» in all Member States, similar activities, sharing the same characteristics, exist throughout Europe.” Source: *Social Economy Europe*, the EU-level representative institution for the social economy, <http://www.socialeconomy.eu.org/spip.php?rubrique215>.

groups, which are led and managed by people in the locality.”⁴ This third sector is formed from three sub-sectors: the *community sector* (neighborhood watch, friendly society, small associations or societies for the benefit of the community, community development finance initiative, civic societies, and small support groups), the *voluntary sector* (housing associations, voluntary enterprises, large charities, large community associations, national campaign organizations) and the *social enterprise sector* (cooperatives, consumer retail societies, building societies, mutual societies, community and social business, social firms, development trusts and credit unions). In sum, all types of organizations and activities of people oriented primarily to meet the needs of collectivity than for profit or remunerations of members or capital investors.

In other words, from the political economic perspective, the place of social economy within the general economic system looks like counterbalancing function subsystem. The liberal (market) economy has no compound, or is at least deficient, at the social problems chapter, unable to manage autonomous this aspect. At this point, the social economy comes into scene. Labeled also as “non-profit” or “third sector”, it is in-between public and private sectors and comprises a large range of non-profit organizations such as cooperatives, mutual societies, foundations and so on. It is considered that “Social Economy represents 10% of all European businesses, which means 2 million businesses employing more than 20 million workers or in other words, 10% of all jobs.”⁵ Nearly a third of the world’s population is connected, as employees, members or beneficiaries, with the enterprises and organizations which forms Social Economy. Some authors suggest, citing a United Nations report on this topic that “the livelihoods of more than half the planet’s population depend on the social economy.”⁶ In sum, the social economy is represented by enterprises, activities and organization of persons and groups who care about other fellows or those people which, from medical, juridical or political basis, are regularly extracted or marginalized from economic circuit. It is based on willingness of caring persons and environment, and also, by State support. Activities of Social Economy alleviate the social tensions and fixes,

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http://www.ciriec.ulg.ac.be/fr/telechargements/RESEARCH_REPORTS/EESC2007_%20EnglishReport.pdf.

⁵ Source: *Social Economy Europe*, the EU-level representative institution for the social economy, <http://www.socialeconomy.eu.org/spip.php?rubrique215>.

⁶ Gérard Andreck, Roger Belot, Jean-Claude Detilleux, Jacques Landriot, François Soulage, “Introduction”, in Thierry Jeantet and Jean-Philippe Poulnotthe (coord.), *Social economy. A global alternative* (Paris: Charles Léopold Mayer, 2007), 11-12.

in part, inequalities generated by the morally blind functioning of market economic system.

In Romania, a less developed economy, the sector of social economy is emergent. Unfortunately, the legislation, cultural and political mentality restrains the development and proliferation of possible activities that could take place in the social business and enterprise sector. In more economical, political and cultural developed countries, there are already many types social business, very diverse in the social benefits they generate. The human creativity in finding meaningful way of working, helping their fellow beings and protect the environment is infinite. As illustration, I will present the six cases of enterprise which were pitching investors in the frame the second *Clearly Social Pitching Evening*, last year:⁷ *Epona Limited* – a Fairtrade fashion label that has been working with farmers in India providing a fair price and a 15% fair trade premium; *Foundation 4 Life* – an inspiring social enterprise that puts ex-offenders at the heart of its attempts to reduce youth crime; *Greenshoot* – a group of film production professionals that has already made great strides in reducing the carbon footprint of their sector; *CAN* – a company which levers capital funds and strategic management support into social enterprises seeking scale through its *Breakthrough* program; *Green Thing* – a fascinating public service that had deployed a number of innovative strategies to help inspire people to lead a greener life; *Just Giving* – The website that made charitable giving easy, it has raised, since its inception, more than £770m for charities.⁸

The advantages of this kind of economy are so obvious, than any person who heard about this types of activities, would raise the question: why in our civilized, evolved and alleged moral world the entire economic and social-oriented juridical organization does not exist? Instead and despite this very promising great diversity of way for engaging in less alienating and egocentric economic activities, the subsector of social economy is very weak and culturally underrepresented. On the other side, the negative effects of liberal market economy are obvious: recurrent crises – revealing a structural fault, inequality, poverty, marginalization, exclusion and so on. The structure of economic world system is definitely questionable, as long as major corporation revenue could surpass the annual income of a big country with prosperous economy. For example, the third company in the world by

⁷ ClearlySo company is a business dedicated to “help social entrepreneurs raise capital and improve their core business skills (...), help investors find exciting opportunities and introduce corporations to the social sector.” <http://www.clearlyso.com/about.html>. The event run in association with Coutts & Co.

⁸ Tom Cropper, “Social investment pitching and the many faces of social enterprise”, posted on 26.01.11, accessed October 12, 2012, <http://www.clearlyso.com/blog/1410/>.

revenue, Walmart,⁹ with no less than 2,150,000 employees, reported at January 31, 2012, 446.950 billion USD, close to Nominal Gross Domestic Product of Argentina (447.644 billions USD), country with a population over 42 million,¹⁰ which has the 27th country world rank.¹¹

In these conditions, it is normal to ask if there is no alternative viable economic system, able to master the social problem and wherefore social economy comes only touches it tangentially.

Social economy and social market economy

The most “enlighten” and “human” non-utopian conception over economic structure of society is considered to be social economy. Illustrated historical by the reconstruction of Germany after the Second World War, and theoretical, by the doctrine of Ordo-liberalism, it considered that a free market economy combined with a proper legal environment assured by the State, will ensure a healthy level of competition (rather than just “exchange”) and, hence, conditions for free market to operate close to its maxim theoretical potential.

After *Oxford Dictionaries*, social market economy (also social market) is “an economic system based on a free market operated in conjunction with state provision for those unable to work, such as elderly or unemployed people.”¹² *Cambridge Dictionary* defines it as “an economic system which combines a free market (= market based on supply and demand) with some government control and financial help for people who are ill, unemployed, etc.”¹³

Another advanced and more complete theoretical system, which includes ecological sustainability as well, is eco-social market economy, developed by Josef Riegler, maintaining equilibrium in pursuing three very different goals: 1. a competitive economy which is based on innovation and cutting-edge technological performance; 2. the strive to social fairness for big and small, as a prerequisite for

⁹ Wal-Mart Stores, Inc. (Walmart) is an American multinational retailer corporation that operates large retail stores, discount department stores and warehouse stores, in various formats around globally. See 2012 Walmart Annual Report (page 19), accessed September 10, 2012, http://www.walmartstores.com/sites/annual-report/2012/WalMart_AR.pdf.

¹⁰ The 32th rang in the world, see *Population - CIA - The World Factbook*, <https://www.cia.gov/library/publications/the-world-factbook/rankorder/2119rank.html>.

¹¹ From around 200 sovereign states, see International Monetary Fund. *World Economic Outlook Database, April 2012*, accessed September 10, 2012, <http://www.imf.org>.

¹² <http://oxforddictionaries.com/definition/english/social%2Bmarket%2Beconomy>.

¹³ “Everyone, perhaps excluding the Americans, follows some variant on the social market. Although the Federal Republic’s founders sought a social market economy, they never envisioned government’s share of GDP crossing the 50% line.” <http://dictionary.cambridge.org/dictionary/business-english/social-market>.

peace and a stable co-habitation; 3. the protection of the ecology/habitat for all mankind, not just for today but future generations.”¹⁴ But, as we’ll see, this heteroclite combination remains utopian, as long as the mentality required for surviving within the free market, is incompatible with the required mentality for sustainable and humanistic development required by social economy. The principles of economic market, as competition, efficiency, and maximization of profit which drive the individual behavior and set up the success standard, are inconsistent with pro-social attitudes required by the functioning of such eco-social system. (It is enough to mention here the very well-known phenomenon of diffusion of responsibility, the individuals felt less responsibly in collective situations or problems, than they are the only one involved.)

Social market economy represents an economic system in which the free market structure of economic activities is complemented with complex and wide-ranging social security schemes like unemployment support, retirement schemes, free or subsidized healthcare, education or housing. It is based on the principles of *ordoliberalism*,¹⁵ doctrine that emphasizes the need for the state regulation to ensure that the free market will not fail and it will produce maximal results. But why, if this receipt worked in the past and is so functional is not employed by the others? The answer is plain and simple: *it does not work in any context*.

In the first place, the so-called general principles of ordoliberalism are only a hypothetical construction, a theoretical sand castle built on a particular historical circumstances. The after war German *Wirtschaftswunder* (economic miracle) inflamed the imagination of many researchers. But they forgot this simple truth, in social evolution every change has irreversible effects on the next state of affairs, and a working solution in a particular social context may possibly not function in another or in the next one.

Personally, I doubt that if social market economy had worked in a particular historic context, with huge external support (from United States), in an Europe total destroyed after a terrible war, in a time when the spirit of solidarity, the need for peace and communication were a common desire, it would work, in the new resulting socio-political settings, without profound redefinitions. The people which rebuilt German and European economy, after the dreadful Second World War

¹⁴ Josef Riegler, “Global Marshall Plan for a Worldwide Eco-Social Market Economy,” http://files.globalmarshallplan.org/josef_riegler.pdf, Franz J. Radermacher, *Global Marshall Plan - A Planetary Contract: For a Worldwide Eco-Social Market Economy* (Global Marshall Plan Foundation, 2004).

¹⁵ See Rainer Hank, *Neoliberalism or Ordoliberalism or: from Freiburg to Cologne and to Berlin* (Berkeley, Calif.: University of California, Center for German and European Studies, 1999).

were those which gone through its atrocities and survived, those which suffered and reborn, those who seen their relatives and close ones meaningless deaths. The persons who made possible the advancement and success of social market economy was the after-War generations, with a particular mentality and motivations, values, different expectations and fears different from nowadays. The particular socio-political context fostered distinct aims and objective, unusual types of self-image and self-esteem constitution. The things which they cared or rejected were felt more personal, concrete, they were more collective oriented, supportive and helpful, because they knew how it is to suffer, to be worried, to have terrible need by somebody else aid and this not come. War experience shapes characters and changed entire people in those which rebuilt the Europe. Their life-conception was definitely, less individual-narcissistic, cognitive-virtual, and possessive-imaginative then nowadays.

In the second place, Marshall Plan worked not so much because its internal economical logic, but precisely because of the internal affective experience and resulting moral logic of people within the more general frame of German culture. Persons which undergone different experiences, in different periods of their life would gain different understanding of life and experiential assimilation of values, precepts, moral imperatives, which resonates not only at the cognitive and semantic level, but at the affective level, too. This was demonstrated in the case of the children of the Great American Depression from '30.¹⁶ As it is demonstrated by the longitudinal data from the University of California's Institute of Human Development at Berkeley, and Oakland Growth Study (1930-1931) established by Harold Jones and Herbert Stoltz, there was a great difference between the resilience and coping ability, of those who undergone the Great Depression as children (cohort of '28) and those which pass through it as teenagers (cohort of '20). Economic depression has brought indebtedness, major income loss, and unstable work which entailed the increased the economic pressure over families. The enduring limitations had changed the families' settings: fathers lost of status and authority, mothers were forced to assume dominant position in household, has undermined family worming and care parenting, endorsed emotional distress, and forced the adolescent generation to assume adulthood responsibilities. Some families managed to avoid these severe hardships, while other was extremely exposed to it. The study revealed that those which benefited from a prosperous period in their childhood and encountered the economic deprivations as teenagers were in the better position. They were young enough to avoid the stressed

¹⁶ G. H. Elder, *Children of the great depression* (Chicago: Chicago University Press, 1974).

responsibilities of adults, but old enough to have assumed pre-adult awareness (they already have passed through critical early stages of development). They managed to gain an early employment or to take household responsibilities, felt that their family needs them. Later, on their middle years, they proved to be more optimistic and self-confident, had better grades, higher and longer levels of studies and become more ambitious adults, than their counterparts, the eight years younger cohort, whom were small infant and suffer in their first childhood massive deprivations.

This well studied case proves once again that society grows and develops concurrently with the individuals which compose it. So the same economical program will have more or less different results and effects, when it will be applied to different societies and different times because of particular individuals' characteristics. As subsequent meta-studies reveals: "lives are lived interdependently, and social and historical influences are expressed through this network of shared relationships."¹⁷

In the third place, a working ordoliberalism is categorically impossible at global scale, as long as the problem of forming and legitimate a state-like structure at global level, i.e. global state, is resolute. The plasticity of chameleonic structure of modern multinational corporations is make them impossible to tame, unless such structure of global government would be recognized political and would have the ability and power to master a unified system of regulations all over the world. Until then, unfortunately, the success of any structural reform at global level, ecological, social or humanitarian, remains, in part, at corporate and state social responsibility mercy. And as long as the principle of development of economic and political institutions, from street store and local ONG's to multinational corporations and sovereign States remains the archaic competition for domination and surviving, such a Global Order is utopian.

The unsustainability of a improvisational Social Market Democracy

A simple question is rising again. If the market economy already proved its superiority in assuring material security (most efficient management of scarce resources to satisfy unlimited human wants) and the democratic liberalism in assuring universal freedom and recognition for the most of the world,¹⁸ why the present is felt so distressing and unsatisfactory by and in the most of the world?

¹⁷ Glen H. Elder Jr., "The Life Course as Developmental Theory," *Child Development*, February Vol. 69, N0. 1 (1998), 4.

¹⁸ Francis Fukuyama, *The End of History and the Last Man* (Simon and Schuster, 1992).

Maybe for the reason that the basic principles of economic and political order are still tribalistic social Darwinism, a juridical and mannerly tempered and concealed competition for resources and power over the other. However, there is a systemic contradiction: the social measures will not work at their peak ever if the cultural mentality which lays down the economic structure of social world will not change. The individualistic economic can't guide accurately and support a sustainable social economic policy. If the providers (taxpayers) and beneficiary (social assisted persons) will keep the same egotist view on economic life, they will relate competitive to each other. The first will be concerned to not be tricked by the latter, and the other to gain the most possible benefit from this relation. Here is a sample of this subsidiary individualistic segregationist reasoning on social state' principles, in a newspaper article, triggered by the confrontations between the relief workers and local gangs in New Orleans after the Hurricane Katrina passed.¹⁹ “But this is not a natural disaster. It is a man-made disaster (...) The man-made disaster is not an inadequate or incompetent response by federal relief agencies, and it was not directly caused by Hurricane Katrina. (...) This is where just about every newspaper and television channel has gotten the story wrong. (...) The man-made disaster we are now witnessing in New Orleans did not happen over four days last week. It happened over the past four decades. Hurricane Katrina merely exposed it to public view. (...) *The man-made disaster is the welfare state.* (...) People living in piles of their own trash, while petulantly complaining that other people aren't doing enough to take care of them and then shooting at those who come to rescue them – this is not just a description of the chaos at the Superdome. It is a perfect summary of the 40-year history of the welfare state and its public housing projects. (...) The welfare state – and the brutish, uncivilized mentality it sustains and encourages – is the man-made disaster that explains the moral ugliness that has swamped New Orleans.”²⁰

Besides its dangerously close flavor of racist and xenophobe impetus, such interpretation reveals both the internal tension which flows underneath existing social order and the potential contrary effects of social measures, if they are

¹⁹ E. Fussell, “Leaving New Orleans: Social stratification, networks and hurricane evacuation. Understanding Katrina,” (2006), retrieved August 20, 2012, from <http://understandingkatrina.ssrc.org/Fussell/>, CNN’s Chris Lawrence and Ed Lavandera contributed to this report. “Relief workers confront «urban warfare». Violence disrupts evacuation, rescue efforts in New Orleans,” Friday, September 2, 2005, Stephen Zunes, “Hurricane Katrina. A Hurricane of Consequences,” 2005, retrieved August 20, 2012, http://www.alternet.org/story/25041/a_hurricane_of_consequences.

²⁰ Robert Tracinski, “An Unnatural Disaster: A Hurricane Exposes the Man-Made Disaster of the Welfare State,” in “The Intellectual Activist,” September 2, 2005.

envisioned starting from a false image of human person.²¹ At the actual level of technological and social development of human civilization the wealth and poverty, the social freedom and constraints are more and more the product of collective decision and less that of natural and historical settings. The “poverty is created not by poor people, but by their circumstances”²² and the modern society is, more than ever, at the origin of the circumstances in which itself evolves.

Never-ceasing recurrent crises of the last centuries bring, once again, the question of the efficiency and stability of modern economic order and its related political order. “The European Union sovereign debt crisis doesn’t prove anything that the collective mentality is wrong: the State, the Government is the only institution responsible for public wealth and health. Even the State came to be seen as a necessary evil, from the business world, it is call to clean up the consequences of economic irresponsible activity.

What we seem to choose to ignore is one simple truth: we no longer can afford all of those things we want from government. The state, as we knew and enjoyed it, is simply unaffordable. There is no alternative but to make choices. (...) Second, we need to recognize that if the state does shrink or unravel, as now seems inevitable, there is a broader range of alternatives. Whereas once the only answer seemed to be the private sector, there is now a rapidly expanding pool of social or community owned enterprises, capable of meeting a growing percentage of public service needs.”²³

Social economy is now employed by big corporations as repairing measures and for marketing purpose. The corporate social responsibility will be always under the shadow of commercial interests. They are profit-oriented institution and could not be ever social business. Social measures are auxiliary strategic measures designed for supporting a healthy social and natural environment necessary for their primary goal maximization of economic profit. “CSR programs are mostly used to build a company’s image, to promote the idea that the company is a «good

²¹ And here it come into my mind the situations, so plainly presented by a more then 20 year experience in working with street-persons. He was arguing, very convincing, that as long the re-insertion programs will not work, in the first place, toward psychological recovery and moral and self-image building, for long term, any material measure are doomed to fail.

²² Muhammad Yunus, *Building Social Business: The New Kind of Capitalism That Serves Humanity’s Most Pressing Needs* (PublicAffairs, 2010), 13.

²³ Rod Schwartz, “Public services, the evils of profit and the social economy,” posted on 12.09.11, accessed September 12, 2012, <http://www.clearlyso.com/blog/3218/Public%20services,%20the%20evils%20of%20profit%20and%20the%20social%20economy>.

neighbor» or a «good citizen». There is nothing wrong with CSR, but it has no real relation with social business.”²⁴

At level of individual, the situation of motivation for engaging in social activity is as complex. What matters is the original intention and motivation for personal conduct or work. As matter of fact: I could choose to work in a social economic enterprise from egotic reasons, e.g. because I want social recognition and I know that this kind of behavior is highly valued. My job description could be the same either I work in a weapons factory or in a Red Cross office as accountant. The choice of the last job, although alleviates my possible moral concern about contemporary alienation and lack of interpersonal support, could have nothing to do with a genuine personal pro-social decision to be involved in social-oriented activities, engaged after a thoughtful deliberation and motivated by profound affective impulses. Just I could be a controversial big polluting company (or its wealthy owner), one that bankrupted all other smaller concurrent business in the neighborhood causing unemployment and social problems. In the same time I hired the most labor force from the area and support some local organizations that I am pleased, make generous donations to local community and contributions for the poor on holidays. These pro-social acts are definitely not wrong *per se*. But, categorically, it is more than controversial and, if it is not a strategic socio-political measure, it looks more like a sort of atonement of sins or remorse control than a genuine action toward others. Unfortunately, in contemporary politics and business world, the case of deceptive use of social economic measures as justificatory discourse to promote economic interests, proved to be the rule and not the exception.

As aforementioned longitudinal study on the generations of the American Great Depression already proved, the economic crises have diverse effects on different cohort and change, in various ways the psychology and personality of further generations. “It will be unrealistic to assume that all economic, financial and social challenges resulting from today’s crisis will have a minor impact on people, their expectations, actions and fears. The damage to the quality of social capital may be particularly important. Tolerance of inequality, which has never been high in Europe, may be reduced further. Citizens may become more sensitive to social and economic division, solidarity may be also weakened. Trust in public

²⁴ Yunus, *Building Social Business*, 9.

and international institutions will depend on the perception of their effectiveness (...)."²⁵

The necessity of a radical transformation of cultural paradigm, of the representation on human nature and society is vital. In academia the level of awareness and understanding of such vital requirements is supposed to be crystallized sooner than in public opinion, politics or business world, due to its detached, objective approach and scientific construction of knowledge. Unfortunately, as I stated in the beginning, contemporary economics suffers from a perspective cecity, as Joseph Stiglitz has observed, “a triumph of ideology over science”.²⁶ It prostrates in front of rational consumer economic model and of the miracle efficiency of a utopian complete free market, although no sign of an “invisible hand” could ever be found, because there is no such thing. The only hand which was felt until now was that of historic fatality.

The genuine nature of social and cultural system, its autopoietic mechanisms, is concealed by thoughtless borrowed scientific outlook of natural field. As a result, the academic debate over the status and place of social economy is sterile and limited, because it fails to see the entire picture. The vital quality and, at the same time, the unavoidable character for the future of human race of a social economy, as fundamental principle of economic policy, is missed because of this narrow level of understanding and awareness. Both common and scientific perspective over economy shares the same stark division of economic activities as an autonomous domain of human life and behavior, distinct from the other main areas of human conduct. It is related solely with what the person is doing for living. In modern mentality the professional conduct, from nine-to-five, five days per week, separated from “personal” or “private” life, is the norm. It forms a sort of “necessary evil” that everyone has to do. Or this is an “abnormal normality”, expression of an alienated mentality induced by the modern organization of work enterprises. The economic activity is part of our life and our prosperity and sanity depends on its natural integration within the system of personal conduct. “We lose ourselves whenever we attempt to consider wealth abstractly. Wealth is a modification of the state of Man: it is only by referring it to the man that we can

²⁵ Anthony Ioannidis, “The Social Market Economy: A Cure for All Ills?,” *The Konstantinos Karamanlis Institute for Democracy Yearbook 2011: The Global Economic Crisis and the Case of Greece* (Springer, 2011), 127.

²⁶ Joseph Stiglitz, “There is no invisible hand. People don’t behave rationally. So why do orthodox economists still cling to their discredited rational expectations theory?,” *The Guardian*, Friday 20, December, 2002.

have a clear idea of it.”²⁷ We also lose ourselves whenever we consider wealth as personal riches, usually conceived, in the most sensorial and vulgar way, and disregard the reality of natural and cultural inter-relatedness of physique, psychic and spiritual individuals. “To put it simply, what has been missing is an understanding of the nature of human coordination and cooperation.”²⁸ The essence of life is the incessant interaction among the inner and outer aspects of the being. The harmony of these interactions is the base of the healthy balance of the human being.

Since first agrarian communities, the economic activity was never *just* a problem of how to use scarce resources to satisfy unlimited desires. The abstract scientific paradigm of economics conceals this complex nature of economy. This aspect was highlighted by Marshall itself. “Ethical forces are among those of which the economist has to take account. Attempts have indeed been made to construct an abstract science with regard to the actions of an «economic man,» who is under no ethical influences and who pursues pecuniary gain warily and energetically, but mechanically and selfishly. But they have not been successful, nor even thoroughly carried out. For they have never really treated the economic man as perfectly selfish: no one could be relied on better to endure toil and sacrifice with the unselfish desire to make provision for his family; and his normal motives have always been tacitly assumed to include the family affections. But if they include these, why should they not include all other altruistic motives the action of which is so far uniform in any class at any time and place, that it can be reduced to general rule?”²⁹

Because it fails to catch the heterogeneity of economic conduct drives, the present scientific paradigm of economics obscures its huge potential of transformation. The economic problem of gratifying the basic needs is not the everlasting problem of the human race. The people of tomorrow (and neither those from today, in the case of more balanced distribution of wealth), due the technological development, would not be forced to work for satisfy the basic needs. Once the material basis of a civilized society is assured by the technological mechanisms in advanced economies, the people will prefer to devote their energy to social and cultural non-economic purposes. “Assuming no important wars and

²⁷ Jean Charles Léonard Simonde de Sismondi, “Introduction to Inquiries into Political Economy,” in *Political Economy and the Philosophy of Government* (London: John Chapman, 1847), 74, accessed 10 August, 2012, http://files.libertyfund.org/files/1963/Sismondi_1287_EBk_v6.0.pdf.

²⁸ Douglass C. North, *Institutions, Institutional Change and Economic Performance* (Cambridge University Press, 1990), 11.

²⁹ Alfred Marshall, *Principles of Economics, Preface To The First Edition*, (Cosimo, Inc, 2009), vi.

no important increase in population, the *economic problem* may be solved, or be at least within sight of solution, within a hundred years. This means that the economic problem is not – if we look into the future – *the permanent problem of the human race*. (...) The economic problem, the struggle for subsistence, always has been hitherto the primary, the most pressing problem of the human race – not only of the human race, but of the whole of the biological kingdom from the beginnings of life in its most primitive forms. Thus we have been expressly evolved by nature – with all our impulses and deepest instincts – for the purpose of solving the economic problem. If the economic problem is solved, mankind will be deprived of its traditional purpose.”³⁰ The social world is the creation of individuals, as much as it fosters its folks. Hence, a socially oriented, an ethical driven economic system is possible in an advanced technological world. The social economic system must to be the natural economic setting of any advance civilization and not only the required palliative for salvation from the economic and political disaster. As a final corollary:

If it will be ever as the Mankind to live in the best of all possible worlds, this would be one build upon a system of Social Economy.

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³⁰ John Maynard Keynes, “Economic possibilities of our grandchildren,” in *Essays of persuasion* (New York: Hardcourt, Brace and Co.)

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Social Economy's Specific Forms in Romania

Exemplifications from Suceava County

"We have focused too much time on a particular model of enterprise, particularly on the one which maximizes the profit." (Joseph Stiglitz)

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Abstract

The "Europe 2020 for an intelligent, ecological, favourable-to-the-inclusion increase" strategy represents the joint direction of the member states towards active measures for the promotion of professional insertion, for creating and keeping work places and reducing the unemployment.

In this context, the social economy represents one of the most spread solutions for the labour market challenges, offering an alternative model of the social inclusion of vulnerable groups and an alternative model of business based on the principles of equity and social responsibility in the decision-making process.

The current paper focuses on presenting the concept of social economy in our country in the context of the existing legislation, the general framework of organization and functioning of the organisms which perform social economic activities, the mechanism of support and encouragement, as well as the financing sources that these organisms benefit from. A separate chapter will focus on the situation which exists in the Suceava County as regards the development of social services and the inclusion on the labour market, with their respective forms of social economy.

The paper ends with some conclusions and recommendations for the supporting the development of social enterprises in Romania, having as starting point the difficulties met by these ones and also focusing on the results obtained.

Keywords: Social Economy, Social enterprise, Vulnerable People, Social Inclusion.

Chapter I. The Concept of Social Economy in Europe and Romania

1. DEFINITION AND ROLE OF SOCIAL ECONOMY (ES)

The new *Europa 2020* European strategy – “a strategy for intelligent, ecologic inclusion and favorable increase” has appeared due to a deep economical crisis, which affected humankind, as well as due to the long time challenges of certain factors which make their presence known and the globalization, the pressure upon the use of resources and the aging of the population.

The “*Europa 2020*” strategy constitutes the joint direction of the member states for active measures of professional insertion promotion, for the creation and keeping of work places, and for the reduction of unemployment.

In this context, *social economy* represents one of the most spread solutions to the work market challenges, it offers an alternative model of vulnerable groups’ social inclusion, and a business alternative model based on the principles of equity and social responsibility in the decision-making process.

At the European Level, there is no official definition of ES, but throughout time, it has been defined whether by the specific forms, or by the promoted principles.

ES is understood as “*summing up the non-profit organizations, co-operatives and other forms of enterprising associated or used as a synonym to social enterprises.*”¹

Very often is used the definition given by the ES Walloon Council in Belgium in 1990, which says that *ES* “is composed of the economic activities performed by companies, especially cooperatives, mutual associations and other associations in which ethics is in accordance with the following principles: the final purpose is more in the service of the members or the collectivity rather than in the service of the profit, the management autonomy, the process of democratic decision, the priority granted, in the process of the distribution of the work and the people rather than the capital.”²

The increasing quality of life means a development of the initiative spirit, of the entrepreneurship, being included among the social excluded people, while the social economy represents precisely the passing of this threshold from the inclusion by social assistance policies to the active inclusion.

The *ES* plays an important role in solving social and economic problems, offering activities and services solutions to the requirements of the community

¹ J. Defourmy and M. Nyssens, “Social entreprise in Europe: recent trends and developments,” (2001).

² http://www.encyclopedieenligne.com/e/ec/economie_sociale.html.

members, solutions which could otherwise not be covered by public or private institutions.

In Romania also, social economy is a field which started to develop, precisely because it proves to be the solution of many social problems.

I consider that the recently increased interest in this field, in Romania, could be explained by the need for a more balanced economical system, which emphasizes not only profit, but also the society's entire development, which also includes the vulnerable groups and shows the necessity of contributing to the building of a human-faced economy.

2. ES SPECIFIC ORGANIZATION FORMS IN ROMANIA

ES activities are strongly anchored in the realities of the communities and are traditionally known for the support of professional insertion especially of vulnerable groups exposed to the risk of exclusion on the work market.³

ES forms in our country respect the characteristics which are largely known at the European level, and one can identify the following categories of ES specific legal persons.

- a) non-profit organizations which perform economic activities
- b) non-profit organizations, organized under a CAR form
- c) credit cooperatives
- d) grade cooperative companies, regulated by Law 1/2005

Beside these, in certain documents one may also find references to

- Social enterprises⁴

but which do not have a legally acknowledged definition.

The Romanian legislation regulated a series of other forms which may be assimilated to ES, but which do not entirely respect the principles defined in the *ES European Charter*:

- Authorized protected units (UPA)
- Enterprises – Micro-enterprises (IMM)
- Commercial companies;
- Non-banking financial institutions (IFN)

³ "The Social Economy from the perspective of active inclusion: employment, opportunities for people far from the labour market," Peer review in social protection and social inclusion, 2008.

⁴ http://ec.europa.eu/enterprise/policies/sme/promoting-entrepreneurship/social-economz/mutuals/index_en.htm.

3. SOCIAL ENTERPRISES

A social enterprise has been defined as “*a business with primary social objectives the profit of which has the purpose of developing the business or is in the community's interest, rather than the intention to focus on the needs of maximizing the profit for shareholders or owners.*”⁵

Social enterprises are largely met at European level.

In Romania this form is not legally regulated, but one has in sight the “*elaboration of the conceptual and legal framework for the definition of social enterprise.*”⁶

“Social enterprises, especially the protected units, have the role of creating work places, especially for the handicapped people or other people in difficulty, and generate the most part of their income by producing and selling of products and services.”⁷

According to the Ministry of Work, Family and Social Protection, the following definition is given for the Authorized Protected Unit:

Authorized Protected Unit (UPA) = “*economic operator of public or private right, with own management, within which at least 30% of the employees' total number having individual labor contracts, are handicapped people.*”⁸

Authorized protected units may represent relevant forms for ES, ensuring social objectives representation, along with the economical ones, having as result the social-professional integration of people with disabilities.

Support and encouragement mechanisms

ES depends on the ability to attract and use financial resources by own revenues and/or mechanisms of sustaining social activities.

We further enumerate the most largely known mechanisms:

1. By fiscal nature

- Exemption from income tax (Fiscal code and specific laws)
- Exemption from the income tax pertain to the invested profit
- Exemption from certain taxes
- Exemption from any kind of fees and taxes

⁵ United Kingdom of Great Britain's Government, Department for Commerce and Industry, “Social enterprise: a strategy for success,” (2002), 13.

⁶ Romanian Government, *The National Reform Program, annual implementation report*, (Bucharest, 2009), 52.

⁷ www.unitate-protejata.com.

⁸ Art.5/29/Law no. 448/2006.

- Tariff reduction (Local and county councils' decisions)
- 2. By non-fiscal nature
 - Support for representing or granting guarantees in order to have access to finance for social activities
 - Granting of counseling and/or assistance for the implementation of social purpose projects
 - Counseling, evaluation and professional orientation for vulnerable people
 - mediating access to funds for development activities through specialized counseling
 - providing logistical support for the implementation of projects financed from funds managed by the local and central administration
 - co-finances support for projects' implementation
 - other rights or facilities according to law

4. FUNDING SOURCES

ES has no specific legal framework, development strategy, does not dispose of a specific support network of financing systems. The initiatives which contributed to the development or funding of certain activities by *ES* had as purpose: the identification of financing solutions for the projects implementation which would sustain the development of poor local communities, as a social inclusion promotion method, and the involvement of disadvantaged groups in activities that will boost employment on medium and long term.

The *ES* funding sources may be: public or private, national or international, from physical people or legal people. Financial sources come from: market economy (profit) non-commercial activities (production destined for self-consumption), volunteering actions; direct public funding, through the state insurance budget and social insurance budget; finance through funds and special sources (FSE, POS-DRU, POR types, etc.), other national and international funds: PNCDI, PHARE, BM funding, PNUD, physical and legal people's donations as well as 2% out of the income tax of physical people which may be redirected to the direct funding of non-profit organizations.

Chapter II. Overview of the Social Economy's specific forms in Romania

1. SITUATION OF ES SPECIFIC FORMS BY COUNTIES

Below, we present in table 1 the *ES* specific organization forms: those existent at each county's level, and of the Municipality of Bucharest (according to the MMFPS data, 2010):

- 2.179 C.A.R.'s (Mutual Help House)

• 2.128 cooperative companies (out of which 1.061 consumer cooperatives, 885 handicraft cooperatives, 170 agricultural cooperatives, 12 housing and capitalizations cooperatives)

- 51 cooperative banks

- 419 U.P.A.'s

Nr.	Județ	Societăți cooperative				Bănci cooperatiste	CAR-uri	UPA
		Meșteșugărești	De consum	Agricole	Alte tipuri*			
1.	Alba	14	21	2	0	0	64	13
2.	Arad	21	36	2	0	3	98	10
3.	Argeș	17	31	4	0	1	113	13
4.	Bacău	123	32	2	0	2	106	12
5.	Bihor	21	39	5	0	3	112	9
6.	Bistrița Năsăud	9	37	1	0	1	36	4
7.	Botoșani	9	30	1	0	6	40	2
8.	Brașov	31	28	3	0	2	68	9
9.	Brăila	15	27	5	0	1	53	4
10.	București	55	4	1	1	1	141	57
11.	Buzău	15	27	17	0	1	57	14
12.	Caraș Severin	16	24	1	0	0	40	3
13.	Călărași	5	17	7	0	1	60	2
14.	Cluj	28	32	0	2	1	91	24
15.	Constanta	69	19	19	2	1	86	16
16.	Covasna	9	32	2	0	1	43	4
17.	Dâmbovița	12	15	6	0	1	77	5
18.	Dolj	17	16	10	0	1	111	9
19.	Galați	16	15	1	0	2	98	20
20.	Giurgiu	3	13	1	0	0	27	0
21.	Gorj	14	10	2	0	1	91	4
22.	Harghita	13	47	1	0	1	50	9
23.	Hunedoara	17	16	0	0	1	44	15
24.	Ialomița	8	19	6	0	0	48	3
25.	Iași	51	29	3	0	2	133	14

Nr.	Județ	Societăți cooperative				Bănci cooperatiste	CAR-uri	UPA
		Meșteșugărești	De consum	Agricole	Alte tipuri*			
26.	Ilfov	1	30	3	0	1	14	9
27.	Maramureș	23	17	3	0	2	66	4
28.	Mehedinți	7	10	2	0	0	42	0
29.	Mureș	21	38	4	2	2	121	16
30.	Neamț	26	37	0	0	0	73	10
31.	Olt	10	16	10	0	1	46	4
32.	Prahova	29	35	2	2	2	164	19
33.	Satu Mare	17	21	4	0	0	7	7
34.	Sălaj	13	23	3	1	0	51	3
35.	Sibiu	13	19	2	1	1	80	11
36.	Suceava	25	48	6	0	1	98	8
37.	Teleorman	6	21	7	0	2	70	2
38.	Timiș	20	48	3	1	1	56	27
39.	Tulcea	15	18	0	0	1	25	2
40.	Vaslui	12	9	0	0	1	73	2
41.	Vâlcea	22	38	4	0	1	78	16
42.	Vrancea	17	17	15	0	1	46	4
	Total	885	1061	170	12	51	2997	419

We observe that the most common forms of organizations specific to ES are the CAR's (loans from the Mutual Help House), followed by cooperatives and UPA's.

Social Economy's Specific Forms in Romania

Most consumer cooperatives in a county are to be found in Suceava (48) and Timiș.

Most of the handicraft cooperatives are registered in the North-Eastern region, where counties like Suceava is also a part of, county Bacău having 123.

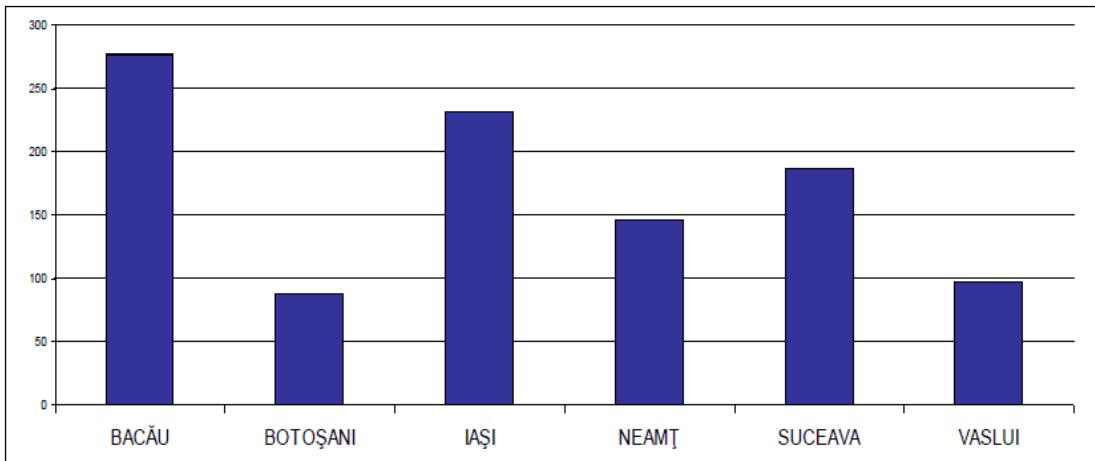
The largest UPA's number is registered in Bucharest (57), Suceava County having only 8 UPA's.

Our country has, though, a gap both as far as the traditional social economy (the one including cooperatives, mutual help departments, credit unions, mutual insurance companies and entrepreneurial non-profit organizations) as well as the “new social economy” – social companies or social entrepreneurship – are concerned.

Unfortunately, social economy (**ES**) supplies only 4% of the work places of Romania's private sector.

Unfortunately, the **ES** field is little known both within the public authorities' level, as well as to the employees of the **ES** specific organization forms.

2. Distribution of ES specific forms within the N-E development region



We mention that the Suceava County occupies the third place within the Nort-Eastern region.

Chapter III. Social Economy in County Suceava

SOCIAL SERVICES

Social services, as part of the social economy, have as purpose the support of the vulnerable people in order to help them survive difficult situations, the prevention and combat of social exclusion, increasing the quality of life and promoting their social inclusion.

On 01.01.2012, the Suceava County had a number of 70 accredited social services suppliers. Out of these, 46 are social services public suppliers (DGASPC and local public authorities) while 24 are private suppliers (associations or foundations).

Among the most such active foundations, are:

The “Blijdorp-A new life” Therapeutic Centre, Suceava (day centre for children with severe and moderate disabilities, who reside in the county capital and the neighbor localities as well as a respite centre, centre fcentru respiro, family type care center for children and young people who suffer from mental and other serious disabilities - Casa Emmanuel)

- The F.A.R.A. foundation (children care center, recovery / rehabilitation centre for children and young people with disabilities, young people protected housings, therapy centre for children who suffer from autism),
- The *Bethesda* Association (shelter for aged people),
- The *Lumină Lină* Association (children day centre, social night centre and centre for social reinsertion of homeless people)
- The *Sfinții Ierarhi Leontie și Teodosie Răduți* Foundation (children care centre, home care services centre for the aged people),
- The *Ciocănești Bucovina* Centre (shelter for aged people),
- The *Geana* Foundation (shelter for aged people),
- The *Sf. Ioan cel Nou de la Suceava* Association,
- The *Ana* Foundation.

The subsidies amount from the state budget has been throughout 2011 of 1.153.330 Ron.

Very important is also the creation of new mechanisms and instruments which would favor the local public authorities' capacity consolidation (cities and townships) for the social services development, with the purpose of promoting social inclusion at community level.

One of the important dimensions of the social inclusion is the labor market inclusion and the services granted by AJOFM Suceava. The difficulties of the local business environment during the last years have changed the configuration of the local labor market, putting significant pressure on the levers that ensure equal access to the labor market, disparities balanced participation without balancing supply and demand of labor. The intervention which balances the labor market mechanisms is all the more difficult, since more impact factors appear, factors which determine atypical evolutions, such as collective redundancies and significant decrease in demand for labor in the economic and financial crisis

context. The employment public services interferes for the balancing and equal access to the labor market, by *active type policies*, for the employment level's increase and *passive type policies* which purpose is the protection of inactive and unemployed people. In the context of the change with which the mentioned impact factors affected the labor market balance, the disadvantage and exclusion reach severe forms, the public service employment policies heading towards target groups, disadvantaged groups, which access must be assisted. The valorification of human resources, the elimination of gender disparities, ensuring the competitiveness and the equal chances specific to an inclusive labor market, imposes the assisted access of special needs groups and the promotion of active inclusion, amid the social responsibility campaigns and decision-making factors.

From the *target groups, labor market-vulnerable*, of the employment public service, we may enumerate: gypsies, people with disabilities, post-institutionalized young people, rural residents, people over 45 years, long-term unemployed people, graduates of educational institutions, women released from detention, victims of human trafficking, immigration, refugees, returnees, persons released from detention.

Active type policies aim at the enhancement of human resources and labor market balance through effective public employment services, in order to support professional flexibility and geographical mobility, identifying and obtaining the qualifying necessary to the adaptation of the labour force to the changes in the new economy developing sectors, and not least, the active inclusion of disadvantaged groups

Active inclusion aims to ensure non-discriminatory access to employment and to improve living and working conditions of vulnerable groups, being shown separately in the European Commission's recommendations as a goal in building inclusive labor markets.

Public employment services are augmented by active measures, funded by unemployment insurance payments comprising incentives for employers who hire unemployed disadvantaged category, co-financing training programs and employee benefits, premiums, income supplements granting unemployment to boost labor market integration, for the financial support and stimulation of their geographical and professional mobility. Alongside these assets with financial support measures, employers and the unemployed can benefit from free employment services aimed at: pre-selection of candidates according to the requirements of employers, mediation of vacant jobs, counseling for the unemployed, professional training, consultancy on starting a business. We hereby

detail some statistics on employment and labor market of vulnerable groups of the AJOFM Suceava's records, as well as certain social aspects regarding professional insertion which are limiting their access to some active measures public service employment. Studies have shown that, in the current economic climate, the most affected groups are the Roma and the people with disabilities.

INTEGRATING ROMA INTO THE LABOR MARKET

A considerable lack of professional qualification, sometimes combined with discriminatory practices, has made Roma one of the most vulnerable groups affected by labor market exclusion. Besides very low education level, which limits many Roma people access to training courses organized by our agency, one may add also illiteracy or lack of identity, bringing these people in risk of severe poverty.

Most Roma people are employed freelancers, being in a difficult situation in terms of the means of obtaining an income. The risk of welfare dependency increases with the number of Roma children living in households with no employed member in the labor market. Formalities for the establishing of the Roma's right to MIG require them to be registered as persons seeking work in our records, without determination and even a chance to hold a job. Still, a significant segment of the Roma population has limited access even in this form of social support due to lack of identity and housing. For the reasons stated, out of the 894 Roma from our records on 30.06.2012, 28 were employed as follows: 23 by providing mediation services job vacancies, 5 by providing information and counseling services.

LABOR MARKET INSERTION OF PEOPLE WITH DISABILITIES

Addressing this group which is vulnerable to public employment services has decreased proportional to the approach of employers to avoid recruiting employees from this group, motivating the difficult integration within the team work of persons with disabilities. Difficulties faced by employment group approaches have emphasized the economic crisis, public employment policies orienting themselves towards alternatives recovery assistance and work capacity of people with disabilities. In this respect, by Decision 353 of April 6, 2011, were established the necessary amounts and activities which implement the national program "Restructuring old type institutions for disabled adults and creating alternative residential services" provided to be completed by the end of this year. Funds needed to finance the budget program are ensured by the Ministry of Labor, Family and Social Protection, and the overall objective is the development of specialized social services residential care for adults with disabilities and the

establishment of training centers for independent living, recovery and rehabilitation centers, integration through occupational therapy centers, housing, for disabled adults, institutionalized and the establishment of at least one new social service to improve the quality of life for people with disabilities. The current stock of unemployed persons recorded in the Agency included 8 persons with disabilities, and this year two people in this category have taken a job benefiting from active measures for the stimulation of specific labor market insertion. Although access to training courses is non-discriminatory for all unemployed minimum education level, none of the handicapped persons in the evidence chose to sign up for courses.

LABOR MARKET INTEGRATION OF RURAL RESIDENTS

The level of education and qualifications are not required in the labor market as well as skills and limited access to information and communication technologies have made rural residents vulnerable group at risk of social and professional exclusion. The level of education and qualifications which are no longer required in the labor market, such as the provision of specific services on the labor market insertion consistently led to increased employment of the unemployed in this category, updating skills and mobility being one of the advantages responsible for the reinsertion on the labor market of unemployed residents in rural areas. This year, the rural unemployed have the largest share in total employment, the unemployed 5672 employees representing 52% of all persons employed in the first semester of 2012. As for the participation in the training courses organized by our agency, unemployed rural residents are the ones who were most determined to pursue a course, 51.1% of students being in this category. Organizing training programs for jobs constantly requested by County Suceava Employment Agency on the labor market and the allocation to support participation in courses both in Suceava County and in cities where working points are functioning, proved to be an effective active measure which gives active labor market inclusion dimension by ensuring non-discriminatory access and improving working and living conditions. During this year the number of unemployed for whom County Suceava Employment Agency _ organized training courses reached 653 people.

Along with target groups, declared as vulnerable in the labor market must be also mentioned the disguised unemployed persons - without a job, but who, because of the awareness of the inability to find a job and because of family constraints do not declare themselves unemployed. Relevant for this segment are the female and rural people employed in subsistence agriculture. This atypical form of unemployment explains the smaller number of women registered with

County Suceava Employment Agency _, a number that is not in the occupancy rate of the female persons in the county, the most eloquent argument for the existence of gender discrimination in society and the labor market. In the current stock of 10,588 unemployed persons registered within our agency, 46% that is 4941 are women without the lower female unemployment rate indicating a better state of women but rather a high percentage of homemakers or women who agree to work on low wages. Protection of persons insured for unemployment risk is part of the passive policies of the public employment service, providing without discrimination to all persons who have lost their jobs, along with support for reintegration and employment, the financial support during legal job search. Amounts of money allocated from the unemployment insurance fund during the first half of this year to finance social protection measures and active labor market inclusion are presented in the following tables:

No.	Passive measures	Content	No of paid unemployed people, registered in the 1st sem. of 2012 (30.06.2012)	Actual expenses (million lei)
1	Social protection of the inactive person by establishing the right unemployment benefit	Granting the right of unemployment benefit	3727	15 281 119

No.	Active measures	Content	No of people employed in the Ist sem. of 2012 (30.06.2012)	Actual expenses (million lei))
1	Employment of socially disadvantaged young people by concluding solidarity contracts acc. to Law 116/2002	Granting subvention to insertion employers who hire socially disadvantaged young people	19	1 296 198
2	Employment of graduates by teaching institutions	Granting subvention to employers who hire graduates	-	584 829*

Social Economy's Specific Forms in Romania

3	Stimulation of graduates for their insertion on the work market	Granting of employment coverage	36	23 068
4	Stimulation of workforce mobility	Granting the employment coverage and the installation coverage	17	46 500
5	Employment of people over 45 years and of handicapped people and also of the people who still have 3 more years until they	Granting subvention to employers who hire people from this category	-	1 106 584*
6	Employment by organizing professional training courses	Organizing professional training courses for the increase of qualification level and improvement of employment capacity	125	97 646

* the amount represents expenses based on the 2011 conventions. For 2012, the next budget amendment allocation is in line.

In the presentation of the aspects which reveal the employment of special needs people, we have also presented the challenges which the employment public service deals with, the public and also the private sector's limits in responding to these challenges, being known at national and European level. The building of an economic sector, an intermediary between the public and the private one – which would take the inclusion dimension of the work and would offer alternatives where the two fail – is one of the answers to these confrontations.

Further, we present some *ES* forms at county Suceava's level.

Authorized protected units:

S.C. Vasnidia Com SRL – township of Dolheștii Mici

- authorization since 2007
- activities:
- finishing of textiles,
- copying and secretary activities

S.C. Total Computers SRL – Suceava County

- authorization since 2011
- activities:
- assembling computers, software and hardware troubleshooting, computer networks implementation and configuration, print equipment maintenance, making of web pages

Halus D. Cristian Ștefan – Authorized physical person – Municipality of Rădăuți

- authorization since 2009

- activities:

- data processing, computer assembly, calculating machines maintenance, making of web pages a.o

- body maintenance services

Cartonajul - Handicraft Cooperative – Municipality of Suceava

- authorization since 2011

- activities:

- manufacture of corrugated packaging products

Comira Handicraft Cooperative – Municipality of Rădăuți

- authorization since 2011

- activities:

- manufacture of straw and wicker baskets, straw brooms, mops, brushes, racks, boxes, pipes, stoves, joints, drains etc

S.C. Solution Plus SRL – Suceava County

- authorization since 2011

- activities:

- maintenance and repair of computers and peripheral equipment, publishing, website management and other related activities

General Dynamics SRL – Suceava County

- authorization since 2011

- activities:

- assembly of computers and peripheral equipment units
- services regarding the installation of security systems
- bindery, Related Services

Examples of social economy within Suceava county: Associations, Foundations, Commercial Companies

Foundations within social economy

- *The “FARA” Foundation*

Social economy

- ❖ The “OAT” Spătărești Farm

Social Economy's Specific Forms in Romania

- ❖ Actively integrates on the work market young people who come from the protection system and are integrated in a certain handicap degree

Impact:

- ❖ Protection systems youngsters
- ❖ Sales market in Suceava

Challenges:

- ❖ Obtaining acknowledgment and support from the part of the public authorities for their role as essential actors of local development through social certification / marking systems.

- *The Bivolărie School Group* – socially recovers and integrates hearing-impaired children from 13 counties.

Social economy:

- ❖ Cow farm, dairy products mini-factory, pastry laboratory, greenhouse

Impact:

- ❖ Among the employees: 4 of the school's former students
- ❖ Sales market – internal use, Bivolărie, Vicovul de Sus

Challenges

- ❖ Subordinated to the Suceava County Council, the activity is supported by the local community (administration, church, citizens)

Social economy projects initiative

Partnership: City Hall of Șerbăuți – Non-Profit Organization

Social economy:

- ❖ Aged people Home care network
- ❖ Hairdressing Salon
- ❖ modern canteen for students and organizing of events
- ❖ is built with the purpose of ensuring the interests of the cooperator members and associates.

Impact:

- ❖ The future employees will be the township's vulnerable people
- ❖ Services will be offered to the Township's inhabitants and neighbor villages

Challenges:

- ❖ Partnership between the local Public Administration and a non-governmental organization, repositioning – work place creator – social cohesion.

- The Multicare Association Suceava – has established a Center Care company in Suceava, which income will be used for charity purposes
- The SEVA Association in partnership with AREAS and other non-governmental organizations in partnership with the Suceava City Hall and DGASPC
 - will ensure the achievement of a centralized system for the collecting of data regarding the monitoring of social economy's evolution, locally and at county level, the important role being the ES promotion at our county's level.

General conclusions

Social economy, this innovator sector, although lacking the support of a common vision, plays a more and more active role on the European work market thanks to the results obtained in the work market inclusion field of vulnerable people.

Human resources management and social enterprises network functionality are remarkable successes of this new economic sector, implemented within the member states with a developed market economy.

Social enterprises, authorized protected units as well as other forms of social economy organization, they all seek the creation of employment or training possibilities for the disadvantaged groups or communities, by offering them personalized services which ensure the transition of this category from a state of vulnerability to a normal work market.

A. In Romania, even though no legislation is especially destined to the social economy sector, still this has a regulation and public policy framework which is defined by:

The normative documents which regulate the establishment and functioning of social economy organizations (cooperatives, associations and foundations, mutual hel departments);

The normative documents which regulate the general enterprise activity (eg.: the fiscal code, the public procurement law, etc.) or certain social services or employment fields of activity;

Legislation that regulates certain fields of employment and social services - labor insertion of people with disabilities or, more generally disadvantaged groups such as sub-contracting, outsourcing procedures;

B. Regulations which are specific to social economy or to certain new types of social enterprises (businesses insertion) are in the process of legislative proposals (Social Contractor Law or Social Economy Framework Law).

Awareness of the limits relating to the development of the labor market inclusive dimension by involving public and private sector and of the need to build a new economic intermediary sector by offering valuation alternatives of the work capacity of disadvantaged groups.

Developing a national strategy for the promotion of *ES* in Romania involves a concerted effort to regulate legal and institutional framework, amid promoting broad national awareness campaigns. Involving all relevant actors public and private partnership to build a functioning inter national, regional and local level would enable valuing *ES* potential in providing jobs and in the democratization of society and social cohesion.

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Social Economy a Potential Solution to the New Problems in the Social Field

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Abstract

The paper presents the context in which social economy appeared as a topic of interest and a priority on the public agenda in different countries around the world and the incipient stages in which it exists in Romania, especially with respect to development and legislation in the field. Despite the fact that social economy in Romania is not a priority for the development, several private initiatives have begun to take shape and to create patterns for compensating the need for financing of the social sector and especially for creating workplaces for deprived categories. We hope that these patterns, constituted and financed especially through the European Social Fund, will constitute the practical and professional experience necessary for creating a correct and “friendly” legislative frame for the sector. Considering the economical, social and political crisis that Romania is going through, we need more than ever that social economy becomes a topic for discussion on the public agenda. There is urgent need for a national strategy in the field, a coherent legislative framework allowing sustained and durable development through fiscal benefits; social economy needs to be financed / subsidized by local authorities, it needs to allow access to public agreements and to be the object of the public – private partnership. There are samples of best practices, but they need to be supported and replicated in order to create as many chances as possible in the process of insertion, especially for creating workplaces for deprived categories of people. The “Alături de Voi” Romania Foundation developed such a pattern in its centers in Iasi, Constanta and Tg. Mureș. The foundation’s activity in the field of social economy can be viewed on the online store www.utildeco.ro

Keywords: *Social Economy, Social Entrepreneurship, Social Enterprises, Employ Vulnerable Persons, Social Reintegration, Profit, Sustainability.*

1. The general framework of social economy

Social economy is not a relatively new phenomenon. It has been a topic of interest throughout the 19th century. Then, for a short while, it reappeared in public

speech at the end of the 1940s. For the third time in the last decades, we notice an increased interest for social economy. History shows that social economy is an issue which appears again whenever economy does not fulfil people's expectations or when there is lack of balance from the social and economical points of view.

Modern social economy, many times defined as new social economy, has been present in many European countries starting with 1980 (for instance in Italia, Great Britain, France and Germany), as well as in countries such as the United States and Canada. In 1990, social economy drew the attention of two key international organizations: the European Union and the Organization for Economical Cooperation and Development (OCDE). They both saw this field as a way to approach current issues and to prevent future ones. Social economy also brought together several non-governmental organizations in national and international networks.

There have been other important circumstances which brought social economy back to public speech after decades of marginal interest. The first were the issues connected to unemployment, or social exclusion in a broader sense, which resulted from prolonged absence of people from the labour market. We should notice the fact that unemployment and exclusion are elements of a broader process of increasing lack of economical equality. On the one hand, a small group of people become rich, while on the other, there is spread of poverty among excluded groups or in areas threatened by exclusion and by a lowering middle class. The cause of this process is transformation into modern capitalism which started in the 1970s and intensified until the present. This transformation accompanies two phenomena: 1) technological revolution (especially for developing informational technologies), which is responsible for the decrease in man-made labor, and 2) globalization, which changed the patterns of work division, the profits, as well as the social costs (wealth / poverty distribution in the social) and territorial (geographic) distribution.

The second factor which increased the interest in social economy is the issue of exhaustion of the ability of the national state for efficiently regulating and preventing the issues generated by market mechanisms, such as unemployment. This exhaustion of powers is both financial (meaning that wellness costs are becoming too big for national economies to handle) and structural (the world market cannot be efficiently lead by the state).

The tiredness of socio-economical pro-request of policies, which dominated in the 1970s, forced member states to search for new management styles and for innovative ideas for social and economical policies. There are two effects of these

processes, which are very important for social economy. One is the re-birth of the entrepreneurial spirit, the other is the basic re-orientation of social economy in the field of employment and of the labour market (the so-called employment active policy).

The third factor generating discussions about social economy is a result of the previous two. Generally speaking, the fall of the old order implies the need for new solutions for creating a new institutional order, which could diminish / lower the unsolved issues and lead to a balanced and permanent development according to an axiology of equality and social rightness.

Modern social economy is a reaction to common issues and to the challenges that societies from developed countries have been confronted with. Nonetheless, national and regional diversity of these societies (such as social order, civic commitment traditions and the estate level) makes these processes take different forms in different countries. As a consequence, social economy in different countries and regions has individual characteristics and differentiated social policies.¹

In this context, social economy is starting to become more and more relevant as one of the innovative and creative solutions which can contribute to approaching social issues and even environmental issues. Although there is no short and widely accepted definition of social economy, there are defined, both at academic and political levels, the minimum criteria that this borderline field must accomplish. Progress in the field is not as spectacular as expected, but at European level there are several countries which have made significant progress in defining and operating social economy.

There is no definition or unanimously acknowledged and accepted criteria for the definition of this concept, which reflects, on the one hand, its relatively short existence and, on the other hand, the fact that it appeared relatively simultaneously in several countries, following similar processes, but not necessarily congruent ones.

In order to develop this concept, there are a few interconnected elements and ingredients, starting with:

- *social entrepreneurship* defined as the type of private initiative leading to the occurrence of new activities, with social impact and / or social mission, but whose organisation and development is made in an entrepreneurial manner in

¹ Final transnational report – Social Economy and territorial networking in Belgium, Italy, the Netherlands.

what the innovative practices, leadership, dynamism and efficiency are concerned.

- *social enterprises*, which might be considered the result of implementing the social entrepreneurship. They started operating ever since the '80s, especially in fields such as work integration of socially excluded persons and in social services related to the rapid change of a demographic context or of the needs of a certain community.

- *social economy* which must be regarded as a sum of the social enterprises and which is considered increasingly during the recent period, as a third economic sector with own dynamic, relatively different from that in the public and private sectors, but combining elements from this two sectors to finally generate the fulfilment of the social needs using economic market instruments.

Although the definitions are different among countries and structures, the goals of SE are also seen differently, there are a few elements which exceed the limits and in relation to which a general agreement seems to exist:

- social economy is the result of a series of private initiatives, whose goal is to meet the social needs by economic methods, and where the maximization of investors' profit does not prevail;
- the social economy forms activate on the real market, but at the same time seek for the support of public policies, because they fulfill a social mandate, which the state either can't fulfill or, if it can, not with the same efficiency and impact as the social economy.

One of the most successful attempts to conceptualize SE belongs to the European Research Network - EMES, which proposes a set of 4 economic criteria and 5 social criteria to define social enterprises².

ECONOMIC CRITERIA

1. A continuous activity for the production of goods and the provision of services. Social enterprises, as opposed, maybe, to the traditional non-profit organizations, are involved in producing something, be it products or services, and this is their reason to exist, as well as their sustainability mean.
2. A high degree of autonomy. Social enterprises are created and regulated as private initiatives. They are not subject to public authorities, although they can benefit from facilities granted by the latter.

² European Research Network – EMES, Social Enterprise in Europe: Recent trends and developments (2008).

3. A significant degree of economic risk. The founders of such enterprises undertake the ancillary risks, and the existence thereof depends on the ability of the members / initiators to assure the resources necessary for the operation thereof.

4. A level of paid labor. These require a certain level of paid labor, to which, as in the case of the other traditional non-profit organizations, voluntary or non-paid labor may be added.

SOCIAL CRITERIA:

1. A legitimate purpose for the social benefit of the community. Social enterprises must serve a group or a community, from a social perspective and must promote the social approach.

2. An initiative launched by a group of individuals. Social enterprises are the result of collective processes, which involve people belonging to a community or a group with well-defined needs and purposes.

3. The decision power within SE is not related to or based on the amount of invested capital. That means the votes or the decision method regarding the activity does not depend on the number of shares or parts owned by each member from the capital of the relevant enterprise.

4. A participatory management, which involves both the services and products suppliers and their beneficiaries.

5. Limited distribution or non-distribution of profit. The generated profit is generally reinvested for development or for other social actions and is rarely distributed, and in such cases it happens in a very small degree, so that the classical approach of maximizing the profit, characteristic to the market economic sector, could be avoided.

The above-mentioned criteria must not be regarded as conditionality, but rather as an ideal list of criteria which, once achieved, would illustrate the social enterprises example. In reality, the social economy actors meet these criteria only in part and differently.

At European level, a definition based on the traditional French concept was also imposed. According to this definition, adopted in 2002, "The social economy organizations are economic and social actors active in all sectors. *They are characterised principally by their aims and by their distinctive form of Entrepreneurship.* Social economy includes organizations such as mutual cooperatives, societies, associations and foundations. These are especially active in fields like social protection, social services, health, bank services, insurance, agricultural production, partnership work, handicrafts, construction of homes,

supply, proximity, education and training services in the field of culture and sport and spare time activities.”³

The definition, although it seems to be comprehensive, is in fact limitative, and the records of various European countries indicate that there are more fields of activity in which social economy activates. It is probably important, within this chapter of definitions, to also mention the fact that another classification form of the social economy, which should correspond to reality, might be formulated as follows: social enterprises could be those which:

a. employ vulnerable persons in view of social reintegration. To this end, their field of activity can be basically any field and the perspective from which are seen is the perspective of reintegration on the labour market;

b. fully reinvest the profit in social activities. Moreover, their field of activity can be any, but they are intrinsically connected by the generation of resources in order to support a social goal;

c. enterprises, which provide social activities, identified as needs within a certain community and which, otherwise, could not be satisfied. To this end, the field of activity is and must be limited by correctly identified and prioritized needs of the community and, from this perspective, the activity of such social enterprises must be coordinated and supported by the authorities of such communities;

d. any combination of the 3 above mentioned items. This last proposed category widens, in its turn, the framework within which social economy can impose itself and contributes to the identification process of synergies and impact maximization.

All these 4 categories of social enterprises above mentioned could be identified in most European countries, including in Romania.

In 2007, the European Commission released a Communication called “*Services of general interest, including social services of general interest: a new European commitment*”. Expected to bring clarifications regarding the definition of these services of general interest, the communication in question reads as follows: “Social services can be of an economic or non-economic nature depending on the activity under consideration.” Although they are not defined, the 2006 Communication identified two broad types of social services: firstly, “statutory and complementary social security schemes, organized in various ways (mutual or occupational organizations), covering the main risks of life, such as those linked to health, ageing, occupational accidents, unemployment, retirement and disability; secondly, other services provided directly to the persons such as

³ European Standing Conference of Co-operatives, Mutual Societies, Associations and Foundation.
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social assistance services, employment and training services, social housing or long-term care. These services are typically organized at a local level and they are heavily dependent on public funding". The communication does not refer to the role of the social economy or of the social enterprises in covering the need for services of general interest and does not clarify the possibility that such might benefit from a special treatment in what taxation or access to contracts awarded by public entities are concerned. Again, the lack of explicitly provisions in the founding treaties of the EU is invoked.

At national level, there is no official definition of the Social Economy. The framework draft of a law for SE, under public debate at the date when this research was conducted, proposes the following definition:

Social economy represents the assembly of activities performed by those enterprises, legal persons, who perform social and economic activities and who observe, in a cumulative manner, according to the incorporation and operation deeds, the following principles:

- a) priority granted to the general interest, to the interests of a collectively and / or to certain personal non-patrimony interests, as related to profit maximization;
- b) free and open association, except for the foundations which perform economic activities;
- c) equal right to vote for the members, irrespective of the contribution to capital or of the value of participations, except for the foundations which perform economic activities;
- d) decision-making autonomy, by full capacity of electing and revoking the management bodies, of implementing and controlling own activities;
- e) autonomous organization, by the statute of legal person;
- f) independence in relation to the public domain, by the statute of legal persons governed by private law;
- g) in case of profit distribution to the members, the achievement thereof proportionate to their activity within the organization, and not with the capital contribution or the value of the levies, except for the 1st degree cooperative societies and the credit cooperatives.

(2) Social economy is based on the values of democracy and active participation of different categories of persons to activities with social nature, as well as on the principle of solidarity and responsibility.

2. Social Economy, perspectives at national level

From a conceptual point of view, at national level, the debate on social economy is recent, and it is stimulated, first of all, by the promoting measures included in the projects financed by the European Social Fund, especially by the Operational Program for Human Resources Development 2007 - 2013. The debate concerning the generation of revenues by the organisations with social goals is older and started immediately after year 2000. At that time, the perspective of European integration determined the traditional international donors, either public or private, and the beneficiaries thereof, especially those who developed social services, to approach the issue of sustainability on a long-term base.

If, traditionally, across developed Europe, the debate started especially at the level of cooperatives and mutual societies, in Romania, although such entities existed and still exist, they were not the ones that generated the debates on social economy. It was the non-governmental, non-profit sector that started such debates, especially from the perspective of social services provider confronted with the public sector incapacity, on one hand, to cover the need for social services and, on the other hand, to finance or facilitate the private, non-profit initiatives in this field.

SE promoting is mentioned as main strategic element within the National Strategic Report on Social Protection and Social Inclusion 2008 - 2010 of Ministry of Labor, Family and Social Protection. It is the main measure, which could lead to the achievement of 1st Priority objective - Increase of the employment degree of disadvantaged persons.

Although SE is for the first time conceptualized in a national document, it is not present as a crosscutting element within all major objectives related to the social situation, as one would expect. The presence thereof only in the area of increasing the employment degree of disadvantaged persons also influences the profile of aid measures and support of SE in the future. No direct connection is made however between the social economy and the need to continue the development of integrated and high quality social services programs, as main way to avoid social exclusion. Neither the 3rd priority objective - Continuation of efforts to improve the living conditions of Roma citizens - makes reference to measures of using the social economy to achieve this. Another major objective of the report is related to health care. Nevertheless, there is no indication to the possible use of social economy mechanisms to assure the achievement of the main targets within this objective. A field with high potential where SE could play a decisive role is that of community services and residential or home long-term care.

Another important strategy, respectively “2011 - 2013 Reform in the field of social services”, recently adopted by the Ministry of Labour, Family and Social Protection, encompasses a rationalization of the social assistance system, assuming that it is the “*last safety net of the social protection system and has as goal the protection of persons who, for economic, psychical or social reasons, do not have the possibility to support their social needs, to develop own capacities and competencies for social integration*”. Among the problems of the system, which⁴ must be approached, the following are mentioned:

- High fiscal cost: expenses with social services of MMFPS and of the local public administration authorities increased from 1.4% of GDP in 2005 to 2.86% in 2010, including social pensions and other benefits, without leading to a visible improvement of indicators measuring life quality;
- Deterioration of equitable distribution and of the percentage of amounts received by families with low incomes, from around 48% in 2005 to 43% in 2009;
- The high degree of fragmentation and complexity, which artificially increases access costs for beneficiaries, high system administration expenses, the level of errors and frauds; thus, the level of irregularities within the social assistance programs and allowances for people with disabilities, in year 2010 amounted to 12% and respectively to 14%;
- A high dependency level reducing the aggregate labour offer; out of the approximately 11 million adults capable to work belonging to the families which benefit from social services, 20%, i.e. 2.2 million persons, do not work and are not included in the educational or professional system.

The results expected from the implementation of this strategy are almost exclusively focused on reduction of costs, reduction of the number of beneficiaries and strengthening of control, and less on increasing access, quality and efficiency. None of the 6 major objectives refers, directly or indirectly, to instruments related to social economy, although in the case of some of them (improvement of quality, increase of the activation and participation degree of beneficiaries, efficiency of use of social assistance system funds) the promoting of social economy could be one of the innovative and efficient solutions.

The term of social economy is not even once mentioned in the strategy and, moreover, is not mentioned in the project of the “Social Assistance Law”, a framework law, under public debate at the date when this research was conducted. It seems that there is no coordination between the parallel processes of developing the laws in the field of social assistance and those in the field of social economy,

⁴ Strategy on the Reform in the field of Social Assistance in Romania, 2011-2013, March 2011.

both processes being in a final stage, respectively under public debate of drafts of laws, at the date when this research was conducted. The framework social assistance law makes however a significant progress in defining the planning and budgeting method of the social assistance system, at central and local level. It is difficult to foresee if an expected system with clear funding thresholds and with a multiannual perspective will lead to a clarification of resources within the system, but one may say that it could constitute the foundation of a significant progress in services subcontracting. It is exactly in such a moment when a legislation, which would promote the social enterprises on the social services component, could lead to an explosive development thereof.

Romania records a severe deficit as compared to EU25 in the field of the capacity to provide social, education and health services. Also, Romania has a severe deficit in the field of environment protection, especially in what the collection, recycling and storage of waste and management of protected areas is concerned. This entire deficit should be regarded as a normal and necessary area where the development of SE should be supported. For now, SE and non-social economy, if we may attribute this term to classical economy, are stimulated to cover the above-mentioned deficit only to a small extent. In the social field, the state, at central and local level, seriously restrains itself from subcontracting non-governmental partners for the provision of social and environment services. Also, there is no clear strategy to approach activities in the field of environment protection as potential generators of resources and economic growth.

SE is often active and present in economic fields where capacity and competition are already present (production and general services), where certain constraints related to the social character may influence the SE competitiveness as compared to classical economy.

SE can also be defined and considered as the initiation of an activity, which answers to a social need identified at local or national level, trying to address such need based on several social principles:

- access,
- non-discrimination,
- identified need,
- non-profit,
- but also based on several economic principles:
- cost efficiency,
- sustainability,
- flexibility,

- quality.

Regarded from this perspective, SE can be implemented by any type of legal entity, which can perform economic activities. The role of an active strategy would be yet to identify which of the legal entities that can perform economic activities are the most appropriate in order to be supported by SE: is it those which know how to operate in the economic competitive environment or those which know how to operate social interventions? It is not easy to answer this question. To simplify, we may say both entities, as long as they adhere to the set of above-mentioned principles.

The state proved to be a weak administrator of classical economic units under its subordination. That's precisely why a large part of the structural reforms was focused on the privatization of the economic structures. However, up to now, no one seriously asked the question: is the state of the social, health and education services benefic for an administrator? Considering the satisfaction level of citizens, the answer is probably the same: the state is a poor administrator of those too. In this field, the state or rather its administrators, assumes the constitutional role of services organizer and bidder, without mentioning where does the so-called "client satisfaction" appear and how are the impact and efficiency measured.

SE promoting must be regarded as cross and main method to address in parallel two issues: the social inclusion and the provision of social services (including health and education services), to which a less mentioned field of action of social economy, respectively environment protection, can be added.

A sample of Romanian success in the field of social economy can be considered the best practice of ADV Romania – the first non-governmental organization in Romania to have established three shelter units under the logo Util Deco, specialized in manual book-binding and multiplication, painting, arts and crafts, making decorative candles and tailoring, archivation and document storage, including electronic archivation, typographic and related services, personalization through serigraphy, thermal transfer, collation and tampo printing, tailoring (work and protection equipment, equipment for hotels / bed and breakfasts, etc.), manual book-binding services, event organizing (conferences, trainings, etc.), services for product mediation: stationery and office articles, cleaning and maintenance products, protection equipment, promotional materials. The entire offer of products and services can be viewed on the site www.utildeco.ro.

Through Util Deco were created 70 workplaces, of which 30 for disabled people, especially young people, including individuals having left the system of child protection.

ADV Romania is one of the promoters at national level of the concept of social economy, with three resource centers in the field in Iasi, Constanta and Tg. Mures and an online resource center www.ropes.ro (social economy product made in Romania). So far, the foundation developed 2 editions of the National Fair of Shelter Units which were attended by over 400 people; 3 trainings in the field of social economy attended by 125 people from Romania. In addition, ADV edited the first edition of the Catalogue of Shelter Units from Romania which was sent to the first 1000 companies from Romania according to the number of employees and organized study visits in its own shelter units, facilitating access in these locations to over 1000 people from Romania and from abroad. ADV developed the site www.unitatiprotejate.ro for presenting and initiating auctions for procurement of products and services from shelter units, expanded the site dedicated to shelter units creating the European platform www.socialeconomyeurope.eu; replicated in Chisinau – the Republic of Moldova 2 shelter units – IT and manual book-binding - and established a Youth Club following the pattern we have developed in the three counties in which the foundation is developing activities.

Four years ago, ADV Romania developed the first site with workplaces for disabled people - www.jobdirect.ro.

Other than the services in the field of social economy, ADV Romania offers:

- Direct services – psychological and social assistance; foster care; juridical assistance, school integration, social and professional integration; development of independent life skills at the Youth Clubs;
- Services of prevention of the HIV transmission in the community;
- Services for promoting and defending the rights of disabled people, including of HIV-infected people;
- Lobby and advocacy in the field;
- Services of professional development – trainings, symposia, summer schools, conferences, debates, fairs of shelter units from Romania, etc.

Details can be found at www.alaturidevoi.ro.

Cooperatives – Promoters of Social Economy in Romania¹

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Abstract

The present article makes an analysis of cooperatives in Romania in terms of their role in the context of socio-economic development of society by generating new jobs and social integration, by eradicating poverty and by inclusion of vulnerable groups and categories. Since the cooperative phenomenon has become a highly visible and present one in the European and Romanian public life, through this paper we want to answer a series of questions related to the occurrence and evolution of cooperatives at national and international level, the approaches to this phenomenon which have emerged at European level and which are the regulations governing their organization and operation in the Romanian space.

Keywords: Social Economy, Cooperatives, I and II Degree Cooperatives.

“Cooperative enterprises build a better world” - 2012 – The International Year of Cooperatives

1. Introduction

The dynamics and transformations of the society in recent years have led to the emergence of a new concept, the one of Social Economy (SE), which contributes to the sustainable and stable economic development and to the resolution of social problems (by numerous positive transformations determined in the communities around the world). This new term makes reference to a series of

¹ This paper is supported by the European Social Fund, Sectorial Operational Programme Human Resources Development 2007-2013, Priority Axis 1 Education and training in support for growth and development of the knowledge society; Area of Intervention 1.5. Doctoral and post-doctoral studies in support of research, Title of the project: Transnational network of integrated post-doctoral research in the field of science communication. Institutional building (post-doctoral school) and scholarship (Comm Scie). Identification number of contract POSDRU/89/1.5/S/63663. Beneficiary Alex. I. Cuza University, Iași.

collective initiatives which have a social purpose and which take place within the boundaries of the public, private and business sector.

With reference to Social Economy we can state that in Europe there is no uniform and universally accepted definition, but the term was tried to be explained by taking into account both the forms of organization it promotes, as well as its underlying principles.

A comprehensive definition is that given by the Walloon Council of Social Economy in Belgium (1990) according to which SE “*consists of economic activities undertaken by companies, especially cooperatives, mutual associations and other associations within which ethics is consistent with the following principles: the ultimate goal is rather in the members' or collectivity's service than in the service of profit, management autonomy, democratic decision making, priority in the distribution of income given to people and work over capital.*”²

In the Romanian legislation, the notion of social economy first appears in 2002 in a bill approving the National Anti-Poverty and Social Inclusion Plan (PNAinc) and is defined by two types of interventions: the first type refers to “*economic activities which, subsidiary and provided sustaining economic performance, include social objectives* (this definition is closer to the European sense of the term, but excludes activities of associations and foundations recognized at European level as key actors of social economy), and the second type of social economy activities is “*launching large infrastructure, territorial arrangements and including environmental programs. The investments in these fields may be both economic (part of the economic development of the country) and also actual social investments in the quality of life infrastructure (schools, hospitals, etc.)*” (HG 829/2002) (this definition is general and incomplete because programs or investments can be made in a large variety of forms, with only economic or only social objectives, thus excluding them from the sphere of social economy). Nationally, the tentaties to define Social Economy got attention again in 2008, with its inclusion as an eligible field for funding by the European Social Fund through the major area of intervention of the Human Resources Development Sectorial Operational Program in the Framework Implementation Document. Thus, SE is defined as “*the generically used term to make reference to a group of people who come together to take an active economic role in the social inclusion process, such as cooperatives, social enterprises, NGOs (foundations and associations) and other nonprofit organizations that have an important role in managing and consolidating activities*” (Minister Order 254/1169/2008). This

² http://www.encyclopedie-enligne.com/e/ec/economie_sociale.html.

definition covers only those activities that directly contribute to social inclusion, thus representing a limitation of the term used at European level where SE also broadly includes social activities.

Based on the definitions formulated at national and European level, we can emphasize that Social Economy is a fundamental factor for the development of a homogeneous society, of a participation spirit of citizens (who hold an essential proactive role in this context), and also a dynamic, very popular framework at international and national level that includes “entities which are different both from the public and private sectors of the economy.”³

FORMS OF ORGANIZATION OF SOCIAL ECONOMY

Many of the forms of organization of the Social Economy have emerged in recent years as a result of the insufficient involvement of the public sector and its institutions in solving social problems. In this respect, the main characteristic of Social Economy forms is that such activities are aimed at addressing the needs of people and not paying the investors. In other words, they are based both on the voluntary work and also on the paid work and dispose of a series of financial resources that were generated by the sale of the produced goods and provided services.

One of the most popular forms of Social Economy at European level is represented by cooperatives, mutual aid enterprises (mutual enterprises), foundations and associations and social enterprises.⁴ There are some differences among the organization forms of Social Economy and the organization forms characteristic to the business sector, both with regard to the pursued mission and to the profit allocation principles (which are based on solidarity and reciprocity), the manner of participation in the democratic decision-making process and the multitude of resources.⁵

In this paper we will only refer to cooperatives, which represent the only form of social economy which benefits from official recognition in the European Union, on the basis of “The European Status of Cooperatives”, which was adopted in 2003⁶ and are defined as those “*organizational forms capable of adapting to*

³ J. Defourney, *De la coopération à l'économie*, in Congreso de Co-opertivismo (University of Duesto and the World Basque Congress, 1988), 71-88; J. Defourny, Campos J. Monzon, *The third sector: Co-operative, mutual and nonprofit organizations* (Belgium: CIRIEC, DeBoeck University, Brussels, 1992).

⁴ <http://ec.europa.eu/enterprise/policies/sme/promotingentrepreneurship/socio-economy>.

⁵ Antonella Noya and Emma Clarence, *The Social Economy Building Inclusive Economies*, OECD, (Paris, Franc, 2007).

⁶ MMFPS (2010), 24

economic, social, cultural and political changes, due to their ability to reduce specific costs of trading caused by market failures in several sectors.”⁷

THE EMERGENCE OF THE COOPERATIVE MOVEMENT

The cooperative movement emerged in the second half of the nineteenth century in Western Europe, North America and Japan, by the association of several groups of workers and farmers as small local organizations. The one who founded this form of association, also considered the father of the movement, was Welshman Robert Owen who has experienced some early ideas of cooperation in the cotton mills of New Lanark, Scotland, which led to the opening of the first cooperative store. Following Owen's philosophy, the main objective of the first cooperatives was generating welfare and wealth without creating individual profits. The cooperative movement grew continuously along the nineteenth century and new models of cooperative organizing appeared, such as: The Rochdale pioneers (the first to successfully achieve sustainable and successful cooperatives), Schulze-Delitzsch (the one who established the principle of self-support) and Raiffeisen (founder of the first credit unions).⁸

Throughout their history, cooperatives have brought innovation in the field of management and were guided by a set of principles that emphasized the economic and social character of these entities. The cooperative principles are periodically reviewed and putting them into practice involves networking (teamwork), transparency, the implementation of a participatory management, a democratic decision making process, all these contributing to the growth and development of the social capital and entrepreneurship. The development of the cooperative phenomenon is based on four models of cooperation as follows:⁹

• *The mutualistic model* - which promotes only the interests of affiliated members and includes those organizations that are strongly oriented towards membership and are based on their economic interests. The cooperatives fitting this model are rather private companies (due to members' rights) with the economic role of correcting market failures and they do not necessarily have a social role. This model is particularly found in Germany and the United States of America.

⁷ C. Borzaga and R. Spear (eds.), *Trends and challenges for co-operatives and social enterprises in developed and transition countries* (Trento, Italy, 2004), 4.

⁸ Adapted from Dan Cruceru, *Cooperația în România (The Cooperative Society in Romania)*, (Bucharest: ARTIFEX, 2007).

⁹ Borzaga and Spear, *Trends and challenges*; Giulia Galera, *The evolution of the co-operative form: an international perspective*, in Borzaga and Spear, *Trends and challenges*, 18.

•*The sociological model* - characterizes more open cooperatives serving the interests of the community within which they operate. This model is not widely used due to “the weak mutuality” and lack of focus on its members.

•*The intermediary model* - refers to those organizations that promote the concept of mutual support for their members and for the community they live in. Such cooperatives are found in most European countries (Italy, Spain, France, Portugal, Belgium).

•*The quasi-public model* - where cooperatives are perceived as public companies and their governing rules are dictated by public authorities. This model is found in various forms in socialist and communist countries.

In conclusion, based on the analysis of the existing cooperative models, a number of changes that occurred during the coagulation of the field can be noticed,¹⁰ namely: social orientation has become a priority at the expense of the mutualistic one, in a great number of countries, an evolution towards the production of services of general interest can be observed and, not least, the provision of general interest services has been increasingly incorporated in the new forms of cooperation.

THE EMERGENCE AND DEVELOPMENT OF COOPERATIVES IN ROMANIA

As it can be seen, cooperatives have a crucial role in maintaining social solidarity due to organizational characteristics, the specific of activities and, not least, due to how profit is distributed. Romanian cooperatives operate in two main dimensions related to social solidarity support - providing benefits to their members and the community they belong to and involving people from disadvantaged groups.

In our country, the ideas of cooperation developed in the second half of the nineteenth century, under the strong influence of the Western world and by the involvement, support and promotion of the cooperative doctrine by a number of personalities of Romanian society of that century, including Nicolae Bălcescu, Ion Ghica, Costache Bălcescu, Ion Ionescu de la Brad, P. S. Aurelian, etc. In their view, cooperation was an essential element of Romania’s economic development and of improving living conditions for a range of social classes (peasants, workers and the petty bourgeoisie).

The first significant moment was recorded in the mid-nineteenth century, when the so-called *Statutes of Savings and Loaining House (1845)* were published. This project belonged to Costache Bălcescu, Nicolae Bălcescu’s older brother, an

¹⁰ Borzaga and Spear, *Trends and challenges*.

economist and politician and represents the first known attempt to establish a savings and loan house in Romania which officially marked the beginning of the development of the cooperative sector. In cities, the idea of cooperation got the form of savings houses, of associations of private credit cooperatives, of German inspiration, such as Raiffeisen and Schulze-Delitzsch systems. Thus, the cooperative movement emerged in urban areas where the associative spirit was more active and where the actions undertaken in this regard were more intense.¹¹

In rural areas, this idea of modern cooperatives was introduced and implemented by Ion Ionescu de la Brad (1818-1891), politician, economist, agronomist, statistician, who in 1860 founded a credit association, a scholar savings house and a popular bank in Brad village, Roman county. A partisan of the Schultz-Delitzsch model, he saw cooperatives as the only way to save the peasants from the cultural and economic regress.

A significant moment in the evolution of cooperative movement in our country is recorded in the late nineteenth century, specifically in 1895, when Romania participates as a founding member to the establishment of the International Cooperative Alliance (ICA). In 1898, Spiru Haret becomes the main supporter of the cooperative movement expansion and organization, him also being the initiator of the first law of cooperatives. Meanwhile, in his capacity as Minister of Public Instruction, he actively militated for the organization of popular banks, having been supported by the teachers and priests in rural areas.

Between 1887 and 1903 the operation of cooperatives was regulated by the *Code of Commerce*, and after the Union, the Law-Decree on the establishment of the *Central House of Cooperation and Villagers' Land Ownership* (1919) entered into force. Later, in 1928, the *Cooperative Code* was promulgated, which contained provisions on the organization and functioning of cooperative organizations and by Law 35/1929 on the organization of cooperatives, was stipulated the establishment of the *National Office of Cooperation* for coordination functions and the establishment of the *Central Cooperative Bank*, with the function of financing the cooperative sector. In 1935 the Law for organizing cooperatives was adopted, to which successive changes were made in the years 1938, 1939, 1940 and 1941, which included provisions on the organization, functions and activities of cooperatives.

After the communist regime setup in 1946, the cooperative sector experienced a major new reorganization by the adoption of the Decree 133/1949 on the organization of cooperatives, defining cooperative as mass organizations of

¹¹ Adapted from Cruceru, *Cooperația în România*.

the working people in towns and villages. A new development of cooperatives was made possible by Law 14/1968 on the handcraft organization and operation and by Law 6/1970 on the organization and operation of the consumer cooperatives.

However, it is noted that between 1947 and 1949 the civil society and many organizations in the cooperative field were abolished. A certain degree of autonomy was registered with reference to consumer and handcraft cooperatives which were often accused of promoting capitalist principles. After 1989 the Law-Decree 67/1990 on the organization and operation of consumer and credit cooperatives entered into force, detailing the legal status of these types of cooperative organizations. It was subsequently replaced by Law 109/1996 on the organization and operation of the consumer cooperatives and credit cooperatives and, not least, the promulgation of the last regulation on cooperatives, Law 1/2005 (adapted from the Preliminary Report on the cooperative movement, 2011).

2. The Legal Framework for the Organization and Operation of Cooperatives in Romania

2.1. DEFINITION AND PRINCIPLES OF ORGANIZATION OF COOPERATIVES

Since 2005 we have been witnessing a unification of legislation on cooperatives, the most popular forms to the general public being handcraft cooperatives and consumer cooperatives. According to Law 1/2005 a cooperative society is considered to be that “autonomous association of natural and / or legal persons, where appropriate, established on the basis of their freely expressed consent, in order to promote the economic, social and cultural interests of cooperative members, being jointly owned and democratically controlled by its members, in accordance with cooperative principles” (Article 7, paragraph 1/Law 1/2005). Analyzing this definition we can formulate a set of characteristics that underlie the establishment of a cooperative: autonomy (cooperatives are not part of the public sector), the freely expressed consent (it is not imposed by constraint), the promotion of economic, social and cultural interests for all members (not just profit is targeted, see private companies, but also social and cultural interests), joint ownership (it is not owned by any member) and the exercised democratic control (each member having one vote).

These features are particularly important because they distinguish cooperatives both from the public and the private spheres. According to the “European Status of Cooperatives”, the main objective of cooperatives is to “develop economic and social activities of members (...) for the provision of goods

or services or for the undertaking of works (...) to meet the needs of its members.”¹²

On the other hand, the law regulates a set of defining principles for the cooperative organization. These principles entirely fall in the spirit of cooperative movement and provide a more detailed explanation of the essence of cooperative and of its present attractiveness. The principles are the following (Article 7, paragraph 3/Law 1/2005): the principle of voluntary and open association, the principle of democratic control, the principle of the economic participation of cooperative members, the principle of autonomy and independence of cooperative societies, the principle of education and training of cooperative members, the principle of cooperation between cooperatives and the principle of the concern for the community. These principles stipulated by law are not normative, they serve only to interpret and apply the law.

2.2. FORMS OF ORGANIZATION OF COOPERATIVES

Law 1/2005 classifies cooperatives in first degree cooperatives (which include handcraft cooperatives, consumer cooperatives, capitalization cooperatives, agricultural cooperatives, housing cooperatives, fishery cooperatives, transport cooperatives, forest cooperatives and cooperatives of other forms), second degree cooperatives (which include first degree cooperatives, in their majority, and also other natural or legal persons) and unions (which include same form cooperatives and their associations at county, Bucharest and national level). These types are completed by credit cooperatives but which benefit from a special legal regime.

Conclusions

Cooperatives represent the juridical form specific to social economy, with a long historical evolution and a great potential for the employment market. Currently, cooperation represents a key factor strategically influencing the development of social economy, thus the need for more sustained promotion and development of cooperative movement in our country too.

As we have seen, cooperatives promote an operation model based on an economic and a social component although it can be pointed out that they are too economically oriented to be included in the non-profit sector and, in the same time, too socially oriented to be considered organizations which are aimed at obtaining profit. Because of this, a series of controversies and ambiguities may arise because

¹² MMFPS (2010), 24.

there is no clear demarcation regarding their orientation for profit or non-profit. The non-profit feature of cooperatives traditionally relies on equality criteria (“one member, one vote”) and proportionality criteria (to each person according to its participation in the organization’s activity) or, in other words, these organizations can distribute part of their income in a proportionate manner, without having any connection with profit sharing based on the invested capital. In this respect, cooperatives can be considered economic enterprises and, at the same time, non-profit organizations. Being based on the socio-economic duality, cooperatives are seen as “atypical organizations”, by combining voluntary and commercial elements. The option of surplus sharing does not necessarily deprive cooperatives from their non-profit nature, because it is done in concordance with the proportionality of the members’ patronage, regardless of the type and amount of capital invested. Cooperatives are considered to be “entrepreneurial initiatives of the middle and lower class, leading to the creation of small economic enterprises that address their social needs.”¹³

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Social Intervention Strategies for the Protection of Children from Underprivileged Social Environments

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Abstract

The need to develop a strategic project of intervention in the area of social protection of children is based on the identification of the specific difficulties of this social category. In this project we develop a series of specific strategies regarding the cases of children coming from underprivileged backgrounds.

The aim of the study is the understanding of specific priorities in terms of social policies applicable to the area of interest. We have considered the following categories of children: children from families with educational or material problems, children discriminated at school or based on race, other categories. Social intervention strategies are a necessity in contemporary Romanian society.

Keywords: *Intervention, Social Intervention, Strategies, Special Children.*

General presentation

The analysis of child rights issues has its conceptual benchmark in the existing state of affairs of contemporary Romania, after December 1989, corresponding to the developments in the social, economic, political, cultural fields. We have witnessed a sinuous, complex and puzzled evolution over time, and the changes of the value systems have created real gaps in the thinking and practice of the social life. Recent years have represented, in terms of the rights and freedoms specific to children, a great leap backward characterized by a series of unfavorable aspects of life, health, education of various categories of children and youth.

In the same vein, we have witnessed the degradation of the traditional value systems, the family values crisis being in fact the best argument in this respect. There are a number of social groups socially vulnerable: children, elderly people, people with disabilities, etc. This shows that the social disadvantage is visible for various social groups.

Children in the contemporary Romanian society are along with the elderly the social category most affected by post-revolutionary transition challenges, and more recently, by the global economic crisis. Any analysis of the situation of today's children should involve the understanding of the protection of their rights in different situations, and also from a more general perspective. Referring to the general perspective in matters of protection of children rights means analyzing the legislation element, the degree of observance of laws and the individual, casual situation of the various categories of children in a state of social vulnerability: children from broken families, children with disabilities, children subject to physical or mental violence, etc.

There is a high level of social risk for certain categories of vulnerable children, meant to disadvantage or affect their specific rights. What are the main categories of social risks for children?

a. *Social risks on growth, education and training of children.*

- Neglect of children by their family, at school or in the society. Socio-educational education of children is a basic necessity in the future life of the adult.
- Lack of normal living conditions, due to unfavorable social status, for example children belonging to families with low living standards. We shall make mention that we refer to both families from disadvantaged backgrounds and families with a low educational standard.
- Negligence in the home environment, by this we mean the lack of concern for children's lives. For example, we refer to children with disabilities who do not receive appropriate care in the area of origin.
- The situation of children discriminated at school, such as the case of the Roma children who are marginalized on racist criteria.
- Children in a state of social exclusion. The lack of means necessary for the daily living is the most striking example in this respect.¹

b. *Social risks regarding the children's family.* In these cases we mention the following possible social situations:

- Numerous families in which children do not receive normal care, education or life conditions.
- Families where children are subject to various forms of physical or emotional violence which damage their personal rights.

¹ In accordance with *Law no.1/2011* it has been agreed that compulsory education should be of 10 grades.

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- Children whose parents are absent or temporarily abroad, children from families who are consuming toxic substances, alcohol, drugs, in this case the children will adopt imitative behavior provided by the family of origin.

c. Social risks for children from vulnerable backgrounds.

- Children from large families whose material condition and education is poor.
- Children from families who do not have normal life conditions: unemployed parents, lack of housing or parents living in unsanitary conditions.
- Children from disadvantaged areas of the country, in this case to ensure their welfare state is the most important element of life.

The analysis, understanding and prevention of social risks for socially vulnerable children are the main goals in the harmonious development of the future adult configuration. Deprivation and abuse suffered by an adult during childhood represents an inconvenience for a normal life, whose boomerang effect is usually unpredictable.

Social risk and vulnerability for children coming from underprivileged backgrounds

Poverty and poverty by vulnerability among children has become a social plague in today's Romania. Young people from different underprivileged social groups, especially from rural areas, have to deal with "the social prejudices of the decadent contemporary culture". From the perspective of family life, it must be noted that an unfavorable social environment creates the premise of a faulty integration of the young people against normal, constructive values.

Vulnerability in underprivileged environments is characterized by cultural events represented by anti-value, subculture, in other words young people from such backgrounds are easy prey for deviant tendencies. Also, we note that the harmful effects of such socio-cultural influences are manifested in the real depreciation of general human values.

According to an official statistics² we have identified a number of categories of children from underprivileged backgrounds, whose legitimate interests are harmed by the fact they are part of such backgrounds.

- Children who are not integrated into education systems, in this case we mention: children from poor disorganized families belonging to the Roma minority.

² Data presented by the National Institute of Statistics according to <http://www.Insse.ro>.

- Children who have left school; the main consequence is the increase of illiteracy.
- Children from remote rural areas who do not have the necessary schooling conditions.
- Children abused in the family environment who are forced to quit school due to ill-treatment; also, children subject to forced labor who will have an unsuitable life direction proven by improper primary socialization.

Due to the obstruction of access to education, we witness the development of various forms of social discrimination, of inequality of life opportunities. For example, one of the consequences is the incapacity of the future adult to have a job in accordance to their skills and personal vocation. Meanwhile, we point out the non-inclusion situation resulting in the development of deviant antisocial behavior. Especially children from broken or dysfunctional families, orphans or abandoned children are affected by these hypothetical situations. The option for deviant, dangerous social behavior is considered against positive and constructive social values.

From a causal point of view, we have identified the following specific items for children coming from underprivileged backgrounds:

- The existence of dysfunctional families unable to work towards normalizing the children's life.
- Domestic violence.
- One-parent families, a single parent playing the role of educator and primary social factor.
- Degradation of the family institution.
- The influence of the negative social environment.
- The attraction produced by entourages whose behavior is antisocial, deviant.
- Abandonment of the family.
- Children's departure from specialized institutions.

The dynamic of the social phenomenon related to children living or coming from vulnerable social backgrounds should be analyzed in terms of the social interactions developed by them, and the fundamental role of the environment of origin and of affirmation, in this case we're talking about school environment which represents the development pillar of the social life of children. Children tend to construct a symbolic world in accordance with the social representations considered; this is actually the specific way of children's understanding.

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There is a category of children affected by the more evident state of poverty in the Romanian society, that of street children. Any contingency plan for vulnerable children coming from this category involves the identification of specific variables:

- The family of origin or of provenance, the social life of children; they should be set in practice by social surveys carried out individually.
- Abandoned children who are now part of the category of street children.
- Children who have left home for various personal reasons, such as: their parents are abroad, violent parents abusing their children, parents consuming alcohol or drugs, parents in conflict with the law.

In the same vein, we should mention that there is a series of factors determining the increase children's vulnerability by poverty. The issue of this form of vulnerability is a topic discussed extensively from a theoretical perspective on the European level in recent years. Since 2008 there has been a study³ of the European Union which synthesized a series of data on poverty among children. According to these data, about 19 million children lived below the poverty line. There are several drivers of this situation. According to this study, in terms of specific variables, namely: age, educational level, household characteristics, they found a number of indicators showing the risk of poverty among this social group.

First of all, the family, its composition, is a contributing factor for the development of dangerous situations.

- 13% of children living with one parent are in this situation.
- 20% of families with three or more children have an average risk of poverty of 25%.

In the same vein, the age and education of parents is an aggravating factor for children vulnerability.

- 27% of children have higher risk of vulnerability through poverty, if the mother is under 30 years.
- 19% in case of mothers aged 30-39.
- 16% when it comes to mothers aged 40-49 years.

In terms of the educational level, we note that in case of 30% of poor children with no parent has reached secondary school level. There are exceptional situations regarding the employment of parents with children with high risk of vulnerability by poverty.

- 10% of cases, no parent has a stable job.

³ http://ec.europa.eu/employment_social/psi/child_poverty_en.htm=childpoverty.

- 13% of cases, parents work, but do not have adequate income to support the family.

Intervention strategies for children from underprivileged backgrounds

Social integration of children from underprivileged backgrounds is a priority of social protection policies in contemporary Romania. The interest for developing some forms of social inclusion suitable to the needs of children from underprivileged backgrounds has become a vector in the society, given the increasing number of cases in recent years. Any intervention strategy, whether we talk about projects developed by public or private organizations, starts from pragmatic reasons, useful for those interested.

The educational component is defining for children or young persons; social vulnerability, characteristic to the social environment of origin or inclusion, can generate a low level of life integration. From the perspective of social integration through education we have identified some categories of vulnerable children:

- Children suffering from chronic diseases, with poor educational integration capability.
- Children without a fixed address or street children.
- Children belonging to populations or social groups without a fixed address.
- Children who have passed school age, not participating in the educational environments insertion.

Obviously, access to education for this category of children is limited⁴. In recent decades, an important role is played by the allocation, in terms of educational policies, of inclusive education systems, whose purpose is to eliminate any barriers of vulnerability among young people and consequently of social exclusion.

In the category of children with high vulnerability degree fall the children with physical or mental disabilities; they face socio-professional integration difficulties, therefore this social category must fundamentally benefit from the necessary requirements of a special education, the only one likely to provide a suitable alternative of socio-professional insertion. By avoiding labeling and marginalization, the inclusion of children in a normal course of life involves removing specific social marginalization and exclusion situations. The concept of

⁴ The study is carried by the Organization for Economic Cooperation and Development in Europe Policies in education for students at risk and for those with disabilities in South-East Europe, according to <http://www.oecd.org/>

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special educational support reflects, and at the same time, supports the orientation of the categories of children with disabilities towards special education formulas, especially for children with mental, physical, sensory, language, socio-affective disabilities, etc.

The specific growing, education or socio-professional training needs should be adapted to the potential of these children marked or characterized by a high degree of social vulnerability. The need for affirmation and development of an individual adapted to the normal social values determines the prioritization of the appropriate action strategies for this social category.

First, we must consider the priority of inclusive education by ensuring access for all students to the educational process in any community, which means social integration capacity and adequate training of the students with special needs. In this case, we shall consider the following aspects:

- Acceptance and valuing of social diversity, the fundamental condition for each student with special needs or requirements.
- Compliance with specific rights.
- Provide equal opportunity to this social category.
- Appropriate professional development and support.
- Compliance with environmental social culture of origin of the young.

We note that intervention and social action strategies are made permanent by the conditional character of the social integration of children in the appropriate social environment; the main obligation of organizations and individuals who have expertise in the field is to eliminate any tendency aimed to socially marginalize or exclude that person, characterized by social vulnerability.

The inclusive education should be based on a social basis of premises anchored in the social reality; the valuing of children based on their skills and options is a priority in this direction. In this context, in terms of education systems, the creation and adaptation of a system of education adapted to the needs of children with special needs and the orientation by forming groups of students, based on proven skills, is an element in the configuration of a specialized intervention strategy. In parallel, there is a need to enhance awareness and participation of students with special needs in appropriate curricular and extracurricular activities.

Education through social inclusion requires special educational policies whose purpose is the social integration of the young people in the active life. First of all, we have to consider, through institutions, specialized structures belonging to

the Ministry of Labour and Social Solidarity or the Ministry of Education, a series of social policies in line with the needs, interests and dates of origin of children from underprivileged backgrounds.

The importance of proper training of specialized teachers is the main condition for social, professional and educational training for life of the students from vulnerable social groups or of those with special needs. Teachers working in special schools should be involved in a training specific to the mass education, while beyond this level it is necessary to achieve a specialized training in order to deal with children with special needs. At school, it is necessary to set the following action program:

- Create classes or specialized centers for students with problems of social integration, using for this purpose EU funds.
- Evaluation of students from a mental-intellectual, motivational, emotional and vocational point of view to assess their needs and interests. A preliminary assessment is mandatory and must be followed by successive, gradual evaluations.
- Establishment of the inventory of physical and mental disabilities and organization of the special groups of students. This priority would target problem-children from disadvantaged backgrounds.
- Ensure educational curricula in accordance to the vocational needs of students.
- Motivational development of students by identifying interests and skills and preferences expressed by young people in such specialized centers.
- Gradual assessments of students from these specialized centers in order to have a continuous assessment of the young people of this kind, and with the purpose of monitoring their educational journey.

A legitimate question that interferes in the analysis of the systems of social integration of young people from disadvantaged backgrounds who have difficulties of social integration is: What is the best alternative for the social integration of a child who belongs to this category? The answer is relative and differs from the social context in which that child is found. First of all, we can talk about social integration by means of compulsory education, by special classes for students with physical or mental deficiencies or by mainstream education for the category of students coming from underprivileged backgrounds. At the same time, we mention that the differences between mainstream education and special education are clear.

Secondly, there is a possibility of a normal trajectory by usual education of the young, regardless of the origin or specific needs of children. In this case, there

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is risk of social vulnerability for children belonging to these categories; from this perspective, future effects can be harmful.

Conclusions

We emphasized the analysis based on considerations aimed to ensure intervention in underprivileged social environments. There are many differences between the rural environment and the urban one, and the perspective of integration and support of children with problems from the rural areas, is especially an overriding need in terms of the socio-economic crisis in contemporary Romanian society. Interventionist strategies in underprivileged environments are an accumulation of needs meant to improve the situation of children from these backgrounds at present, but especially in the future.

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9. http://ec.europa.eu/employment_social/psi/child_poverty_en.htm=childpoverty.
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The Development of Social Entrepreneurship – The Key to an Inclusive Society through Social Businesses.

Case Study – A Farm of Roses from Alba County, Romania

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Abstract

The current international context, marked by the economic crisis and by the expansion of social problems, placed the concept of social economy and that of social entrepreneurship as being an effective tool in solving certain problems of socially excluded or under social risk persons, with real impact on their social inclusion and labour market integration. Regardless the goods or services produced or their price, the social economy organisations operate in a competitive environment, together with the classically organized enterprises, with the mention that their principal purpose is in equal measure to obtain profit and the labour market integration of vulnerable persons, as well as their empowerment and development of some self-marketing skills, for a self-determined life.

In the present article, I will address as practical example of social business, a farm of roses from Alba county, situated in the Sâncrai village, belonging to the municipality of Aiud, an area known in Romania for the specific agricultural activities of cultivating roses, as well as other plants or shrubs. The development of such a viable social business, having as specific this activity, represents a great opportunity offered to vulnerable persons or to those who are in social risk in Sâncrai area and in the surroundings, by the fact that this offers a chance for a better life and for their social and labour market inclusion, but also for acquiring certain professional abilities, as well as human ones, in the same time with the development of a local brand namely the culture of roses.

Keywords: *Social Economy, Social Entrepreneurship, Farm of Roses, Clustering.*

Introduction

Given the current international context, marked by the financial crisis and by the expansion of social problems, the approach of certain directions addressing the implementation of some social economy programs or projects, which lead to the development of social entrepreneurship spirit, is a subject worth taking into

account, for solving different socio-economic problems. Because of this aspects, these directions of economic and social development are addressed increasingly more pregnant, both by specialists in social, political and economic sciences, but also by the political class.

The concept of social entrepreneurship within the development framework of some social economy projects should be the strategic objectives of social problems solving in any state and also it must pay a special attention to these issues. One of the main arguments in this sense is represented by the contribution that the social economy brings to increase employment, especially for vulnerable groups. Regardless of goods or services offered or of their price, the social economy organisations operate in a competitive environment, alongside of classical firms.

A society is truly respectable if it is responsible to its citizens, by creating a legislative framework allowing the development of traditional business, but also the development of social business. These last ones are realised when there are an entrepreneurial spirit in terms of what social economy represents, innovativeness and persuasion in achieving some objectives regarding the labour market integration of vulnerable persons, social risk or disabled persons.

Each of these persons have the right to life, to a paid job, from which to ensure their existence and especially they have the right to social inclusion. Even in society there is a certain reluctance as regards the creation of some successful business in which to activate vulnerable or in social risk people, in this world there are plenty of examples showing that these persons can be successfully activated on the labour market and that performance can be achieved.

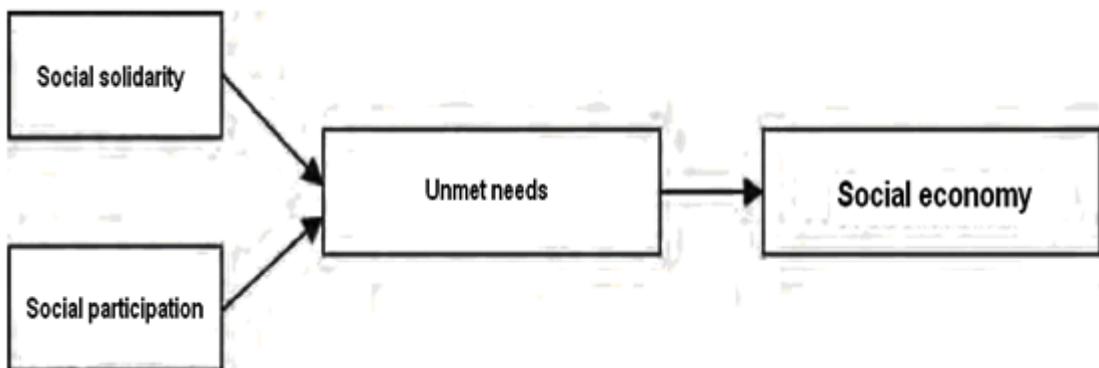


Figure 1 – *The sociological assessment of social economy potential – a hypothetical model* (Source: R. Asiminei, “Social economy – conceptual delimitations,” *The Journal of Social Economy*, no. 1, vol. 2 (2012): 19.)

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The social business, developed by social entrepreneurs, must be an integral part to contribute to the welfare of society, alongside with classical business. In this framework, the human resources that work in both types of business, are the most important, because it influences the performance of these business and implicitly the welfare of society after all. Even if within social economy business type, in some cases the gains are not as great as in the classic business, where the focus is on profit, however the satisfaction of certain vulnerable or in social risk vulnerable people integration on labour market remains a gain of this type of business, increasing the self-esteem of these persons, giving them the courage to develop themselves even on their own, after the acquisition of knowledge and experience. Below, I summarized the factors that a society must take into account, train and develop for ensuring its welfare, having as raw material the entire human resource available within its borders, whatever this would be or whatever environment comes from.

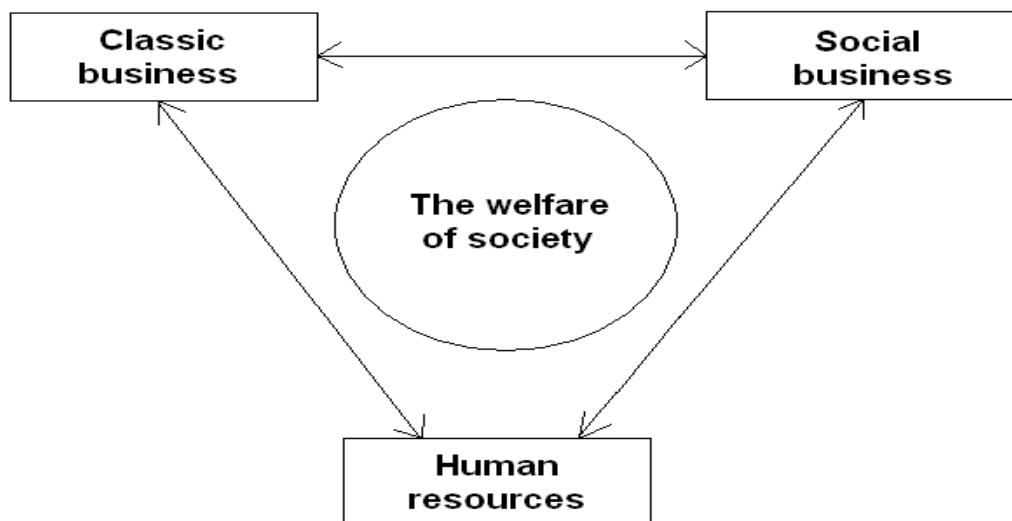


Figure 2 – *The factors that ensure the welfare of society by integrating all persons on the labour market*

2. Related aspects to the general European development framework of social economy

According to Lallement,¹ the industrial revolution that marks the Europe by the end of the eighteenth century culminated with the invention of the social

¹ M. Lallement, *The history of sociological ideas* (Bucharest: Antet Publishing House, 1997), 61–63.

paradigm. The industrialization coupled with urbanization, which has known a real explosion in this period, caused the destrukture of the traditional social ties and the break away of the economy of the society, operating autonomously. In this context a new social state is delimited – which is “unstable and sometimes rebellious”², characterized by social problems such as heavy conditions of work, promiscuity and lack of hygiene, alcoholism, prostitution, delinquency and so on. For solving this problems, the political and scientific authorities have made efforts to learn more about the social context in which are taken both empirical studies, but also theoretical elaborations. As a consequence of this aspect, it can be said that the ideological foundations of social economy are rooted in social and philosophical approaches from that time.

From the ideological point of view, the specific ideas of social economy are circumscribed both to a left orientation (socialism), because it promotes the equality and the rights of all citizens to get involved in political, economic and social activities, but also to a right orientation (liberalism), which promotes the welfare maximization on the freedom background. Despite a leftist ideological baggage which is much richer, the current trend of defining the social economy is for adopting a right approach. Anyway, the main idea revolves around the fact that it must be realised a compromise between these two ideologies, in the sense that the essence of social economy and of the social entrepreneurship is at the intersection of these ones, according to the figure below.

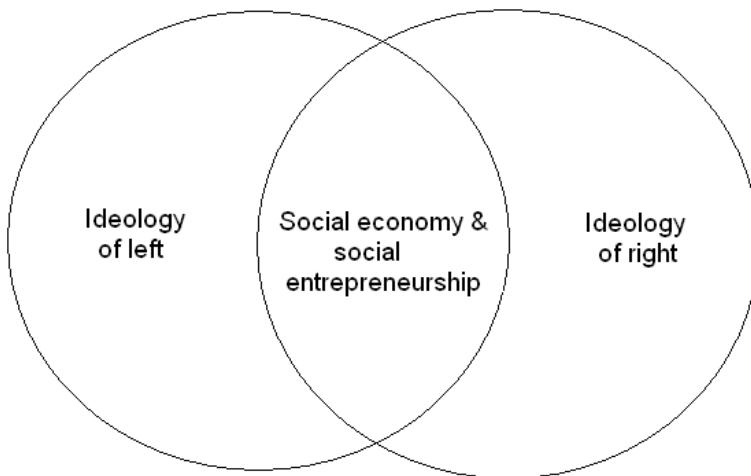


Figure 3 – *The essence of social economy and of social entrepreneurship*

² *Ibidem*, 61.

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Referring to the figure above, The Economic and Social European Committee insists that organizations working in the sector of social economy are not primarily profit-oriented, but it must be economically efficient, in such a way that they can use the financial surplus for achieving the objectives.

In 2009, The European Parliament adopted a resolution regarding the social economy, through which was stressed the fact that the social economy plays an essential role in the European economy, combining the profitability with solidarity, creating quality jobs, strengthening the social, economic and regional cohesion, generating social capital, promoting the active citizenship, the solidarity and a type of economy that gives priority to people and supports the sustainable development and the social, technological and environmental innovation. At the same time, the document states that the social economy is based on a social paradigm that corresponds to the fundamental principles of the social and welfare European model, because the social economy currently has a key role in preserving and strengthening this model. By this resolution, The European Parliament requires to the European Union and to its member states to support this new field through a series of concrete actions: the recognition of social enterprises and the elaboration of a legal framework to define their legal status, the facilitation of access to credits and the provision of fiscal incentives to organizations that will carry out such activities.

3. The social entrepreneurship – the balance between the innovativeness in business and the labour market integration of vulnerable persons

The business models such as entrepreneurial initiatives can solve a lot of critical social problems from local communities in which these initiatives of social enterprises occur, this being a long-term approach for solving the concerned social problems. The innovativeness in social business in conjunction with labour market integration of vulnerable persons represents the balance of success of social entrepreneurship models.



Figure 4 - *The balance of success of social entrepreneurship models*

Therefore, the balance of success of social entrepreneurship models consists in the correlation of innovativeness in business related to the entrepreneur capacity to find a high-quality product-market couple, which brings profit, with successful labour market integration of vulnerable persons.

In the view of the NESsT Romania organisation, by the voice of Mrs. Damaschin-Țecu, the director of development of social enterprises within this, the way in which we define the social enterprise is very simple: “any business that has as main purpose solving the critical social problems”. The social problem relates to what is relevant for the local community. In some contexts it is about poverty, in rural communities is about facilitating access for small producers to market sales or in other contexts refers to universal human rights. A model focusing heavily on theorizing, legislative frameworks, denominations and restrictive criteria, would greatly complicate the work of those who wish to open social enterprises and would diminish their creativity, initiative and enthusiasm. In the same time, it should be a legal framework allowing the creation of social enterprises just like any other enterprise.³

In order to realise a coherent strategy concerning the labour market integration of vulnerable persons within social enterprises, the state must be open to initiatives of social entrepreneurs, acting as “think tank” / advocacy

³ Gh. Pascaru and A. Dobos, “Interview with Roxana Damaschin-Țecu, enterprise development director at NESsT Romania,” within conference “*The Social Economy – innovative model to promote active inclusion of disadvantaged people*,” held on 12-14 October 2012 in Bucharest, *The Journal of Social Economy*, no. 1, vol. 2 (Bucharest: Hamangiu Publishing House, 2012), 137-143.

network/support network. The Romanian state pays monthly on social assistance budgets a lot of money, because it believes that those people can not work and should be assisted. On the other hand, a social entrepreneur can create a business in which to include this people for them to become then active persons (to obtain a salary, to pay taxes, contributions to pensions, etc.), thus that from absorbers of money from state budget, they turn into contributors to the same state budget. Therefore, the social entrepreneurship contributes to the state economy and the social business can successfully take over the burden of supporting this social assistance system.

Of course that in creating and developing a business, there are certain risks and uncertainties, therefore either the creation of social business involve such phenomena. One of these refers to the fact that as a start-up, help is needed with regard to operational losses, until is reached threshold of profitability, so that the state could give this money as a grant from the economy that such a business can achieve it, thus contributing on long term to the sustainability of this type of business and eliminating from the expenses of social assistance programs. In Romania there are enough money, but they are not effectively administered.

Besides state support, as an alternative of financial support in the development of social entrepreneurship it could also be the European funds. In this sense, the European Union finance such type of activities through the European Social Fund, The Sectorial Operational Programme of Human Resources Development 2007-2013, The 6 Priority Axis “Promoting social inclusion”, The Major Field of Intervention 6.1: “The Development of Social Economy”.

Another way of funding social business and through this of materialization of the ideas of social entrepreneurs, consists in the help offered by the large companies through the Corporate Social Responsibility programs (CSR). In this regard, Vișinoiu⁴ recalled that in October 2011, The European Commission redefined the Corporate Social Responsibility (CSR), as “the responsibility of companies for their impact on society”, encouraging the enterprises to implement processes in order to integrate in their operations and strategy the social, environmental or ethical concerns, related to human rights and to consumer, in close collaboration with co-interested parties. “The European Union Strategy 2011-2014 with respect to corporate social responsibility” emphasizes the significant contribution of business environment to the achievement of European

⁴ C. Vișinoiu, “Strengthening the capacity of Romanian companies to develop social partnerships – the corporate social responsibility,” *The Journal of Social Economy*, no. 1, vol. 2 (2012): 194-198 (Bucharest: Hamangiu Publishing House, 2012).

Union objectives of sustainable development and to the creation of a competitive market economy, by integrating the international principles of CSR. In order to maximize their added value, the enterprises should adopt a strategic approach, on long term, of CSR and explore the opportunities of developing of some innovative products, services and business models, that contribute to society welfare and lead to high quality standards and to much more productive jobs. CSR supports the objectives of “Strategy of Europe 2020” for an intelligent economy, sustainable and favourable to inclusion, among which an employment rate of labour equal to 75%.

Vișinouiu⁵ specifies that beyond of charity and voluntary action, CSR is overlapping today increasingly more with business sustainability – a welcome development which places the social responsibility in the strategic core of business operations. CSR today is referring on how to do business and it is based on the assumption of reality according to which the businesses can be sustainable and can create value through partnership, involving all relevant stakeholders, by focusing on real progress and on sustainable innovation in business operations and not considering social responsibility in marginal terms. This means that in order to ensure its sustainability, a company must satisfy its customers, make profit and meet people's expectations that affect them or affecting it in some way or another, such as employees, suppliers and / or the community in which it activates. In this context, the managers and entrepreneurs must be supported in recognition that operating in a responsible manner from a social point a view, can add direct business benefits and can ensure long term strategic competitiveness, by resolving the problems in a proactive and innovative way and by creating a support team that maximizes the opportunities.

Following the above mentioned aspects, we can say without hesitation that there are a lot of assumptions of ensuring a proper framework to support social entrepreneurship, but these must be continuously doubled by the perseverance and continuous innovation of social entrepreneurs.

4. Practical case of social entrepreneurship manifestation – the farm of roses Sâncrai, Alba county

In Alba county of Romania, through the Alba County Council which is the beneficiary, is being carried out a strategic project of social economy, through a grant equal to 98% of project value, respectively POSDRU/84/6.1/S/53560 –

⁵ *Ibidem.*

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“Social inclusion and on labor market through social enterprises”. The project contains 8 modules of activity, respectively five community resource centers and another three social enterprises, among which stands out mainly the farm Sâncrai, within which are cultivated roses.

The mission of this social enterprise is the active inclusion of vulnerable groups by creating jobs, by professional reconversion, by free labor market reintegration, developing a local brand – “The culture of roses”. In the same time, it aims to support the process of development of social and self-marketing skills of vulnerable persons, all these under the spectrum of development and sustainability of activities within Sâncrai farm.

The farm of roses is located in the Sâncrai village, belonging to the Aiud municipality, in the Alba county. This area is very well known because of the specificity of its activities, respectively those of cultivating of roses, of fruit trees or vines. The agricultural area cultivated within the farm is 2.2 hectares, in the first year here being a production of about 40.000 cuttings of roses. It should be mentioned that the market of roses is not saturated, but is open, depending on the ability of each enterprising to find that niche for sale.

The population living in this area contrasts in the social status, respectively there is a part of it which has very high financial possibilities, because of their undertaken activities that I previously mentioned, but also exists a very poor part of population, without a job, persons in social risk, dependent on alcohol or from institutionalized system. Some of these benefit of social aids, but they don't have a constructive mentality or a discipline of life in order to create something, in the sense of acquiring a self-determined life.

The social economy project conducted within Sâncrai farm, whose economic activity is in consonance with the specific of the area, is coming to help these vulnerable or in social risk persons, providing them the opportunities for activating within farm, providing training and knowledge for acquiring self-marketing abilities. Besides the agricultural land on which are cultivated the roses, this farm has its headquarter in a 200 years old castle, where until 15 years ago functioned a home for the institutionalized children.

If we consider the things from a broader perspective, if in the past here where institutionalized children, who were receiving education and food, nowadays, these children, how many of them remaining in the area, can be educated further, within the same location, for their professional, social and human development? Regarding this aspect, on the farm is working a 30 years old man, who grew up in the institutionalized system from this place and who is enjoying

now the services and the opportunity offered within this farm. Besides him, on the farm are periodically employed with journeyman contract, vulnerable persons from area, jobless, who are working alongside with the specialists of Sâncrai farm on the agricultural work required in the cultivation of roses. Simultaneously with their work, these persons learn a lot about the cultivation of roses, from their planting and until to their effective removal from soil in order to sale them. This aspect is very useful for these persons, in the purpose of acquiring certain knowledge and skills to cultivate these plants even at their particular home, with a perspective from them to create and develop small business with roses, which could ensure a consistent income, because why not, is has to be mentioned the selling of roses is profitable.

Beside this agricultural experience that they acquire within the activation on the plantation of roses, in addition to the money that they gain, these persons will follow this year a course of qualified farm workers, with a CNFPA accreditation, within which they will receive a sum of money for their participation, course that is very useful in further finding a job both in country as well as abroad. Besides these material and professional benefits, these persons will also receive counseling from specialized assistants and psychologists, in order for that people to build a self determined life and to acquire certain self-marketing abilities, in the perspective of being more responsible, creative and with initiative.

Making a summary of the ideas mentioned above, the Sâncrai farm through the social economy project within it activates, represents a strategic pawn of training and inclusion on labor market of some vulnerable groups of persons in the area, offering them the opportunity to develop certain business in the field, because of the expertise and entrepreneurial spirit which they will inherit by activating within this farm. Strategically speaking, Sâncrai farm is proposing to be a catalyst of stimulating the professional and human development of vulnerable persons from the area, by educating and stimulating their entrepreneurial spirit. In the same time, it aims to achieve profit in the perspective of reinvestment a part of this profit every year for ensuring the sustainability of activities of Sâncrai farm.

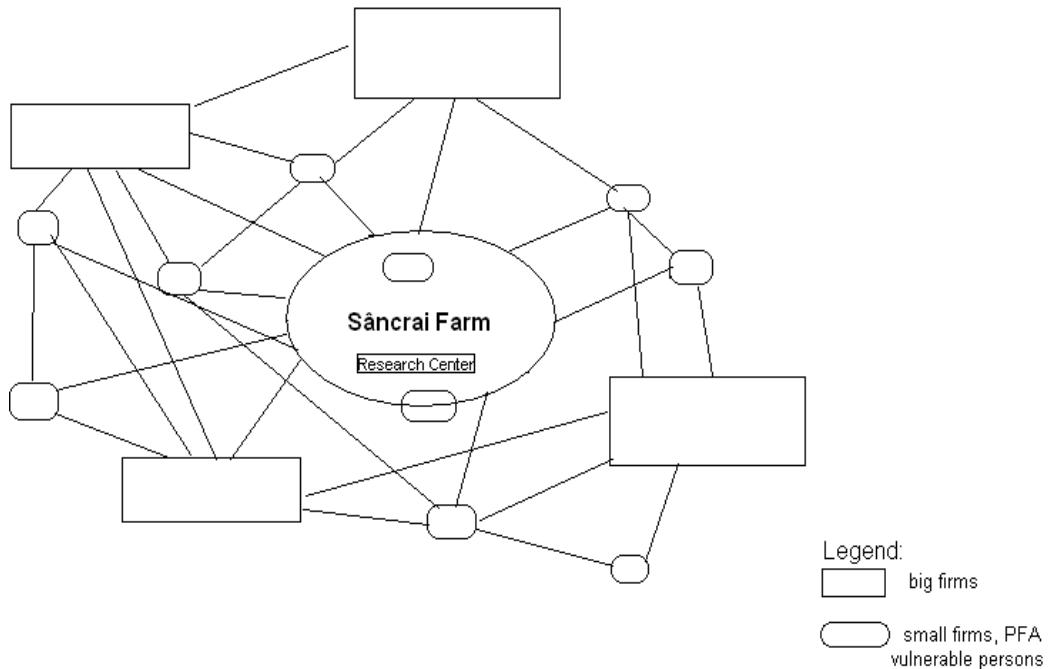


Figure 5 – The implementation of a regional clustering in the production of roses in which to operate the big firms, the Sâncrai farm social enterprise and the small entrepreneurs vulnerable persons

The people who will work on the farm will be able to build a business in the field of cultivation of roses or other related field, at a highest or smaller scale depending on the conditions and possibilities they have. If they will not find a channel in order to sell their products, these people could sale their products within Sâncrai farm, which will distribute them further on the market. Also the big companies represent an alternative for sale of this small entrepreneurs, because they already have distribution channels and a well defined market. In this way, the entire area could become an area with an increased productivity and reputation, in which most of the people will cultivate roses, besides the big firms that are already exist in the area, thus being able for creating a small regional cluster in the field of production of roses, as it can be seen in figure 5, within which there may be links between all its actors.

The headquarter of Sâncrai farm, a castle that has over 200 years old which is currently in rehabilitation, could be in the future a research center in the field of roses, that brings together all the entrepreneurs from area interested in the research area. At the same time, its image represents a strong point for Sâncrai farm within its marketing strategy.

In this context, the Sâncrai farm represents a strategic catalyst for boosting and spreading the entrepreneurial spirit in the area, especially within those vulnerable, without education and without a job persons, who activating a period within Sâncrai farm, will get and will some specific professional, human and social abilities and they will be able to build a life based on self determination and as a consequence of this fact they will be able to implicitly develop a business in the field.

5. Conclusions

The development of social entrepreneurship within social economy represents the most feasible solution in the present conditions of economy and of social aspects faced today, here referring to the problems of finding a job for the vulnerable and in social risk persons, as well as their reintegration into the labour market and the acquisition by them of certain professional, human and self-marketing abilities.

The creation and development of a social enterprise like Sâncrai farm, which have as economic object of activity the cultivation of roses, which otherwise is a specific brand of area in which it activates, can boost the vulnerable people from community in the same directions with the big producers of roses from area, after acquiring within Sâncrai farm of some knowledge, expertise and experience in the field, doubled by social and human abilities. These aspects can contribute not only to the human welfare in the area who develop such business at a lower or highest scale, but can be a catalyst factor for the development of the entire area by creating a truly local brand – the rose culture, within a small cluster of profile.

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Vulnerability and Violence. Social Economy as a Form of Social Responsibility

Poverty is the worst form of violence (M. Gandhi)

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Abstract

Today's society, marked by a prolonged economic crisis, feels at all levels the "chain" effects of deprivation. In fighting this crisis, certain groups vulnerable to physical, economic and moral violence are analyzed, the solving of this problem being one of the goals of the society, directed towards achieving the collective welfare. The socially disadvantaged classes are among the first facing the high risk of vulnerability to crisis, whereas social business development in this context could be one of the solutions for meeting specific needs. In this article we will focus on the problems faced by certain socially disadvantaged groups, on the methods of social rehabilitation, employability and economic integration, but also on a framework that allows the development of new businesses to meet community needs. Social rehabilitation of vulnerable groups through social economy activities may involve, directly or indirectly, the promotion of collective action by means of social services development, of the local support for specific development policies and of the implementation of public-private partnerships. Consequently, we emphasize the role of social responsibility and, therefore, the necessity of promoting social economy as a relevant factor not only in the integration of vulnerable groups in the local development by generating jobs, but also in terms of life quality, fight against violence and sustainment of social cohesion.

Keywords: Vulnerability, Violence, Social Responsibility, Social Cohesion, Social Economy, Social Rehabilitation.

Introduction

The global economic crisis entails the re-elaboration of the entire system of economic organization and social functioning. The European Union – a project of global society - must face the challenges produced both by the new economic and social policies of the superstructure and by the management of crisis effects in the EU Member States. The economic and social rebalancing plans are designed at the macro level, according to the global interest, and they are subsequently adapted and re-assessed by the constituent regions. All these new market economy challenges add new vulnerabilities both for societies, communities as well as for individuals. “Although at the main level the emphasis is on indicators showing features for the individual level, many of the development measures still refer to global features of systems, which are difficult to interpret in terms of the impact on living conditions at the individual level.”¹ Thus, conditioned to quickly adapt to changes in the socio-economic context, the individual often complains that he feels aggression on behalf of state instruments. Although the new regulatory system of transition societies serves as a guide for individual and collective modes of action,² a coercive aspect intervenes, that is felt by individuals because they relate to an outdated representation of the welfare status.

Depending on the involvement and on the contribution, efficiency and effectiveness of results over time, a person may receive additional services brought by the development of the society. The compliance with the new standards without a proper understanding, an assuming and an internalization of the socially desirable norms can turn that person into a victim of the system. He / she may be a victim because of some gaps in the process of understanding, learning and adaptation or because of some disabilities / neurological, physical, functional or situational deficiencies (independent of him). Considered in terms of efficiency, utility, sustainability and equally focused on human capital development, the new society, seen as a wealth generator for all its members, reassesses the role of the citizen. It attempts to reduce the number of socially disadvantaged categories and transform social assisted groups in agents actively involved in decision-making. In

¹ C. Zamfir & L. Stoica, *O nouă provocare: Dezvoltarea Socială* (A New Challenge: Social Development) (Iași: Polirom Publishing House, 2006), 328.

² L. Vlășceanu, *Sociologie și modernitate* (Sociology and Modernity) (Bucharest: Polirom Publishing House), 149: “Nu statul dictează strategiile de viață ale indivizilor, ci aceștia optează pentru deschiderile oferite; adesea forțează deschideri și, prin strategiile personalizate de viață, modelează societatea” (“It is not the state that dictates life strategies of individuals, but they themselves opt for openings offered; they often force openings, and by means of personalized life strategies, shape society”).

other words, it appeals to both social responsibility (in terms of state perspective) and to the rational assuming of the social actor's actions. This implies a more rigorous analysis of the vulnerability state, of inclusion of individuals / families / communities within the category of people requiring specialized assistance from state: “vulnerability is related to individual eligibility to receive services.”³

Choosing “vulnerability” instead of insecurity, risk, inequality or poverty was determined by the fact that these notions are already part of the dynamic concept of vulnerability: “In developing a concept of social vulnerability, it (ECLAC⁴) focuses upon both the «perception of risk, insecurity and defencelessness» and also on «the quantity and quality of the resources or the assets controlled by individuals and families» and the opportunities they have to use them in the new economic, social, political and cultural circumstances. These resources and assets include work, human capital, productive resources, social relationships and family relationships.”⁵

The vulnerability affects both individual and society as a whole. With a wide area of coverage, this concept includes all categories with an increased risk of victimization. Between the concepts of violence, power and vulnerability, interdependencies are created.

Vulnerability and Violence

On the one hand, the concept of *violence* cannot be separated from the concept of *power*, while on the other hand *vulnerability* is equated to *lack of power*. Peadar Kirby⁶ argues: “the term *vulnerability* may be a much more appropriate category to capture the distinctive ways in which the economic, social, political, cultural and environmental changes associated with the term *globalization* are impacting on all of us, especially the poor, while the term *violence* constitutes both a cause of vulnerability and also an expression of it.”⁷

The concept of *vulnerability* includes forms of economic, financial, social and environmental vulnerability. Vulnerabilities can be linked to poverty, age, mental or physical health, work capacity or labor market integration respectively, illiteracy, ethnicity, location – geographical area / territorial affiliation, access to

³ Vasile Miftode (coord.), *Populații vulnerabile și fenomene de automarginalizare (Vulnerable Populations and Self-marginalization Phenomena)* (Iași: LUMEN Publishing House, 2002), 52.

⁴ The UN Economic Commission for Latin America and The Caribbean, (2000) *Social Panorama of Latin America 1999–2000* (Santiago: ECLAC)

⁵ Peadar Kirby, *Vulnerability and Violence. The Impact of Globalisation* (London: Pluto Press, 2006), 9.

⁶ *Ibidem*.

⁷ *Ibidem*, 3

information, education, health services, to cultural and political life, etc. In assessing the poverty status of individuals, families or groups, one takes into account both the material resources and the cultural and social resources, by reporting them to the minimum accepted level in the society in which they live. Although vulnerability is generally seen as a dimension of poverty, it is not reduced only to affected groups but can affect any group in the society, as long as it restricts the group's access to integration and participation in the economic, social and cultural life.

Both social and cultural standards and the economic context produce specific needs. Consequently, vulnerability may be represented by the exposure to risks and uncertainties and by the reduced ability to cope with them. The lack of any means to satisfy these needs (a longer time), associated with the unemployment, with difficulties in adaptation, may lead to frustration and generate aggressiveness. By means of emotional aggressiveness, the person's actions are directed against the others, with the risk that this accumulated aggressiveness takes extreme forms of expression, such as the anti-social behavior and the violence. The state of vulnerability and risk degree may be perceived differently, while known and real risks may not correspond with peoples' perception on their own vulnerabilities. Consequently, vulnerability can be considered "the incapacity of individuals or groups to act, or failure to adapt their actions to the structural requirements of the social system, caused by inadequate individual interpretations in relation to certain common and socially accepted interpretations."⁸ The vulnerability state can also be understood as a state of dependency, domination, in which a person is (or feels) defenseless, helpless or endangered. Whether we talk about incapacity or failure to integrate into a system / or several systems, all these vulnerabilities show as well a risk of discrimination, social exclusion and abuse. As long as these deprivations occur independently of the ability, desire and will of the individual, they can endanger both the physical and mental integrity and the integrity of consciousness.

Any change starting from a system considered dysfunctional or requiring improvement and adaptation to the new global market requirements involves risks, social and psychological costs respectively. "Risk is the mobilizing dynamic of a society which relies on change, which wants to determine its own future rather than leaving it to the religion, to tradition, or the vagaries of nature. Modern capitalism differs from all previous forms of economic system in terms of its

⁸ řtefan Cojocaru, *Metode apreciative în Asistenă Socială – ancheta, supervizarea și managementul de caz* (*Methods in Social Work –Inquiry, Supervision and Case Management*) (Iași: Polirom Publishing House, 2005), 31.

attitudes towards the future.”⁹ The attitude towards the future largely depends on the model and on the value system that society has imposed or generated, on the consistency or inconsistency of economic and social policies. It depends on the respect with which the citizen was educated to pay to rules in general and to society goals, but also on the way the society protects and represents the image and interests of its citizens.

Changes in the labor market involve insecurity of both employment and quality of life, and the stress accumulated as a result to these problems subscribes to a vicious cycle of conflict and aggression: “The stress induced by unceasing pressures for greater productivity and worries about job security can heighten tensions in the household and on the street. It would be difficult to demonstrate precisely that flexibilization has fuelled domestic strife, uncivil driving, hooliganism, and other forms of violence; and no doubt other factors have also played their part. However, it seems reasonable to say that insecurity at work has fed insecurity elsewhere.”¹⁰

Risks posed by vulnerability could also be represented in parallel by exposure to natural disasters, crime, marginalization.

Despite the efforts made by government structures, in partnership with nongovernmental structures, with the purpose to give social stability, new unmanageable forms of certain social phenomena occur. It is the case of increasingly more complex forms of manifestation of the violence phenomenon: “But the «new wars» of a globalised world are only one way in which people's lives are becoming more vulnerable to violence.”¹¹ Such failures are felt both at intra and interpersonal level, at family, community, organizational level but also in what concerns one's attitude towards power and the understanding of the notion of authority. The aggressiveness, connected to instinct, could be managed by self control. But aggressiveness can turn into violence in a given context which implies: low intelligence, low self esteem, gaps in education, faulty social and behavioral models, reference to a normative value anomic / confusing system, lack of empathy, predisposition to addiction, intolerance to frustration, etc. Accordingly, in addition to the forms of violence that are based on meta-conflicts, the types of structural and cultural violence should also be taken into account.

The antisocial phenomena extend on the background of the lack of individual / family / community prospects, confusing social policies,

⁹ Anthony Giddens, *Runaway World: How Globalisation is Reshaping our Lives* (London: Profile Books, 1999), 24.

¹⁰ Jan Aart Scholte, *Globalization: A Critical Introduction* (Basingstoke: Palgrave, 2000), 223.

¹¹ Kirby, *Vulnerability and Violence*, 10.

unemployment, poverty, income sources, differential associations, membership to deviant subcultures, and / or of gapped social learning. A concerning increase in interpersonal violence (domestic violence, sexual violence, murder), economic violence (fraud, etc.) has occurred, in the context of a culture that often legitimizes violence – through ignorance and social tolerance. Incongruence of social norms and lack of cultural information is likely to cause confusion between indulgence and tolerance. Tolerance appeals to reason, wisdom and consciousness, to the understanding of human multiculturalism and diversity (including the understanding of physical, psychical and social dysfunctions which are independent of the personal choice) by comparing individual actions to a solid referential framework of values. Indulgence appeals to the emotional side, to the acceptance of the others' behaviors, based on an item it has in common with tolerance – uniqueness of human being, the right to express itself in its most representative way. Thus, making use of this item, not always one does correctly assess the degree of risk that certain individual / group actions put for community and society. What a person considers as good for himself does not automatically imply social, ethical and moral correctitude. The social actor status is not acquired only through membership in a social environment but also involves taking rational decisions, the desire for active involvement in community life and constructive approaches for personal and professional, family and community development (the distinction being made here between people able who are to act and those requiring specialized guidance and assistance). Both roles in the family and in the society are learned. Consequently, the educational policies in society and the promoted social models are defining parameters, and it is equally essential to discourage anti-social actions by means of programs, projects, national and community prevention strategies. Because social cohesion is directly affected by the amplification of some negative phenomena, attention falls on the importance of social responsibility. Responsibility to prevent, manage and bring viable solutions, adapted to problems generating destructive conflicts. Resolution, reconstruction and reconciliation should always be considered. The first one is to resolve the initial conflict, the second one to repair the damage caused by the conflict and reconciliation to resolve meta-conflicts.

Meta-conflicts can arise as retaliation against past aggressions, on the background of suffering that has not been overcome and resulted in the accumulation of frustrations. How to prevent or resolve conflicts and how to manage their effects are issues that have to be learned throughout life. Needs, but also interests, values, principles and cultural referential framework may change in

time, so that intervention methods and techniques must be adapted to the peculiarities of the actors involved. The state, as a social construct, cannot handle all civil society issues, and thus encourages the development of some concepts adapted to new socio-economic needs as well as their implementation. The correct identification of social problems involves improving systems, encouraging decentralization, public-private partnerships, training of professionals, etc. The assessment of vulnerability status of a person / family / local community is performed at the local level, taking into account the national employment standards. Referring to social rehabilitation, employability and economic integration of vulnerable groups, an important role is played by the development of social economy.

Social Economy as a form of social responsibility

Social Economy is a concept recently introduced in Europe. Depending on life's cultural patterns, the European social economy through specific organizational forms and great diversity, attempts to develop solutions to the current crisis, introducing new offers on the labor market. Thus, social economy aims at: "promoting with priority certain activities that may generate or secure jobs, activities that refer to the employment of increasingly more people belonging to vulnerable groups and not short-term profitability, the promotion of creation of jobs adapted to specific needs of people from vulnerable groups, the development of effective training programs dedicated to people from vulnerable groups and the development of social services customized to increase employability in the labor market of vulnerable people."¹²

Social economy also appears as a boost of innovative entrepreneurship development through continuous training and education required by the labor market and high economic performances. In this context, "any action taken to improve the situation and facilitate inclusion need must be related to the identification of needs, accomplished within an actual frame with clear criteria. This requires an administrative reform, the training of professionals, the development of collaborative networks and the support between public authorities at different levels of administration and between the public and private sectors."¹³

¹² Project Law concerning the social economy, accessed August 17, 2012, www.mmuncii.ro.

¹³ A. M. Preoteasa, D. Arpinte, I. Hosu, S. Cace and A. V. Georgescu, *Economia socială și grupurile vulnerabile (Social Economy and Vulnerable Groups)* (Bucharest: Sectoral Operational Programme Human Resources Development, 2007-2013, 2010). Project: Participation of vulnerable groups to social economy POSDRU/14/6.1/S/9, p. 124.

In order to define the concept of social economy, the activity concerning this issue is still being carried on at the European level, in order to give it an unitary meaning. Among the specific items of social economy, one can mention the social entrepreneurship and the social enterprises. *Social entrepreneurship* is “the type of private initiative leading to the emergence of new activities, with social impact and/or social mission, but whose organization and development takes place in the entrepreneurial style with regard to innovative practices, leadership, dynamism and efficiency.”¹⁴ Social enterprises involve certain business strategies that are based on social objectives involving beneficiaries who face difficult situations in adaptation and integration into the labor market on the medium and long term: disabled people, unemployed people, mothers from maternal centers, institutionalized youngsters or young people that have left the protection system, etc.

Social Economy – a way to rehabilitate people and vulnerable groups

The social economy is seen as a task for organizations that have both economic and social aims, and where social goals prevail. The social economy covers the gap that traditional businesses cannot overcome because of the lack of an adequate profitability. Social economy institutions are businesses or social entities operating in all sectors and which can take different forms: banking cooperatives, mutual insurance, cooperatives, guarantee funds, regional development agencies, associations and foundations. These types of institutions are active in key areas: social protection, social services, healthcare, banking, insurance, farming, handicrafts, household sector, services for citizens, training and education, culture, sport and leisure. Although a variety of legal forms can be identified, one can highlight a group of common features for these entities: “priority of individual and social goals over profit, voluntary and transparent participation, democratic control of members, accomplishment of the members’ or service users’ needs, a management that is independent and autonomous from public authorities; generating profit leads to fulfillment of specific purposes, such as sustainable development, services for their members, etc.”¹⁵

¹⁴ ASSOC, *Ocuparea persoanelor cu dizabilități. Psihologia angajatorilor cu privire la angajarea acestora (Employment of Disabled People. The Psychology of Employers on Hiring Them)* (2012). Sectoral Operational Programme Human Resources Development) 2007-2013. Bucharest, Project: Integrated social services and vocational formation for disabled people POSDRU/96/6.2/S/ 54702, p. 20.

¹⁵ S. Cace (coord.), V. Nicolăescu and A. N. Scoican, *Cele mai bune practici în sectorul economiei sociale în Grecia și alte state ale Uniunii Europene (Best Practices in the Sector of Social Economy in Greece and other Countries of the European Union)* (Bucharest: Expert Publishing House, 2010), 144.

With the purpose of rehabilitating vulnerable groups, one of the social economy's objectives is the foundation of social enterprises, these institutions being considered primarily as businesses that are based on social purposes. "The social enterprise is an opportunity for innovation, a way to emphasize the corporate social responsibility and an alternative for conducting business activities; the purpose of the social enterprise is oriented towards successful activities with social objectives through various business strategies. Partial solutions to the current needs of enterprises can be given by the long-term unemployed, but also by people with disabilities."¹⁶

Social enterprises may open new paths towards the employment of people who can be excluded from the labor market. In order to satisfy a wide range of needs of vulnerable groups, social enterprises have diversified their offer, so that while some companies operate temporarily from social to formal economy, other social enterprises provide permanent jobs for people who cannot meet the requirements of the existing labor market.

The key areas where social economy has developed its interest in opening social enterprises are the ones linked to the field of social inclusion policies for vulnerable population. These areas directly target "health and medical social services like health, social insurances and social security insurances, education and training services, agriculture, banking and cultural environment services, leisure activities, neighborhood services for the poor and for those with marginalization risk or for those who want a safe, profitable business for them and the community."¹⁷ Going into the depth of the social economy development area, we mention the existence and importance of sheltered workshops. They represent the space properly adapted to the needs of vulnerable people, in which they conduct work activities in accordance with people's professional skills and capacity.

Social Economy opens up punctual possibilities for policies of employment and social inclusion for vulnerable people. These include:

the launch, at the national level, of a combined package of alternative economic development strategies responsive to social problems, directly related to social inclusion policies; the imposition of punctual measures, actively focused on social policies, with proper support of priorities in the field of occupation, education and professional training; labor market integration of disadvantaged groups by stimulating their motivation for employment and decreasing welfare services dependency; the creation of complex services

¹⁶ *Ibidem*, 132.

¹⁷ E. Zamfir and S. Fitzek, *Economia socială o soluție la incluziunea socială pe piața muncii (The Social Economy a Solution for Social Inclusion on Labour Market)* Social Innovation Magasine no. 2 (Bucharest: Life Quality Research Institute, Romanian Academy ICCV, 2010), 4, www.inovatiasociala.ro.

*from the viewpoint of diversity and social utility, by means of the modern mechanisms of social economy, the promotion in the decision making process of experts / technocrats, as well as of political democracy representatives; the formulation of active measures to reduce the serious phenomena of social exclusion, with the concern of their eradication in time, the development of a modern infrastructure in the social economy based on organizational constructions socially oriented and on an adequate legislative framework which should support them, the stimulation of certain human resources and superior human capacities which should propose successful models for economic development, with direct social and human impact in the process of social inclusion.*¹⁸

In other words, social economy can play an important role in solving problems related to the socio-economic integration of vulnerable groups, by promoting active citizenship and solidarity, democratic participation respectively. It takes care of the local dimension of development, focusing on the social, individual and collective welfare, aiming to surpass the situations generating social exclusion or other forms of violence. Thus, social economy appears both as a boost of entrepreneurship development through professional training and continuous education, as well as a product that imposes a new policy of social inclusion of vulnerable people. In this context we can refer to a possible model for sustainable economic development at the local, regional, community and family level, close to normal living environment requirements of the individual, thus imposing a certain behavior and a different approach in what concerns the reintegration of disadvantaged people and the perception of their condition. Organizational forms of social economy can take in time a significant amount of the paternalistic state's welfare and social protection obligations, thus becoming a real support for the social inclusion policies of vulnerable people and groups.

Conclusions

Globalization has the effect of reshaping national systems and human life implicitly. Global policies and implementation of the proposed standards should be also adapted to national peculiarities: at the economic, cultural, educational and demographic level, etc. Legislative coherence and the proper application of work methodologies on the one hand and of sanctions on the other, gives a sense of safety, predictability, continuity and sustainability to the social actor, who feels that he is an active part in the progress of society. Thus, having the motivation, he is likely to assume more responsibly his roles in society, fight against discrimination and marginalization of social disadvantaged groups and support social cohesion.

¹⁸ *Ibidem*, 16.

The anomaly of transition societies produces increased vulnerability to forms of violence. Not only does it cause economic, financial and social vulnerabilities but also moral ones. Any economic crisis implies a social crisis which in turn produces a moral crisis difficult to quantify and manage. The relationship to the other risks to be established depending on the utility it implies or on the help and assistance it requires. Discrimination and labeling based on real dysfunctions, on the medium or long term, are forms of abuse and violence. Provided that vulnerability can be represented by the exposure to risks and uncertainties and a reduced ability to cope with them, education plays an extremely important role in development: personal, familial, community, organizational development... The lack of education and personal will, the lack of education and constructive desire of those who stand for the image of the citizen generate an actor likely to be both victim and abuser. Social economy measures are not sufficient without change in mentalities, without consistent support from the state, without developing support networks. Social economy is just a form which appeals to social responsibility.

Any person can be at a time not only vulnerable but also a victim of some form of violence. Even more, this would require awareness, the understanding of real problems of society and the Other, the reassessment of interpersonal and intergroup relations, the reevaluation of the personal role in the development of community and society. Cultural poverty, educational and awareness poverty are reflected in the individual, the community and nation as much as the forms of economic poverty. Starting from the perception of the Other as equally important as yourself, new strategies might develop, referring to conflict prevention, social inclusion, human capital development, understanding of what social responsibility essentially is.

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The Tolerance as the Ethic Foundation of Social Economy into the Perspective of the “Included Third” in the Contextuality of Transmodernity

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Abstract

The tolerance is the form of the ethics, but the uninherent manifestation of the religious moralities, it develops socially profoundly, representing a pale projection of the christian ideal (challenge) of the principle of “love all people as you love yourself” through an avatarized perspective of an immanent transcendence which is produced by the desacralization on the onthical level cliving to “uncharmed world”, where the “man” participates actively to the edification of the City of God. The social economy in its primordial form was revealed in the Utopia of Morus, then it will circumscribe in the utopical socialism of saint-Simon and in the architecture of the idealistic community represented by the Phalenstère of Fourier, but now it constitutes an ultimate hypostasis into the Europe 2020 Strategy.

The recrudescence of the utopias with homocentral values can be eluded only by democratical systems, through the replacement of the “new man” by the citizen, whom he substitutes in a civic role, where he is perceived like a persona by the other actor, living a profoundly process of atomization, happened from the standardization which we discover into the actual phase of the marketplace economy, that is tributary to the hystorical capitalism yet, but through its social form can be percepted like a ethic panacea of the necessary protection of the imminent victims of any kind of revolution. The present society which is in the moment of a deep revolution that is marked by the evolutionary progress of modernity, passes away by its humanized period through the intrusion into the collective imaginary of an archetype which was increased by the postmodern era, that could suffer a transmutation from the intrusive Lupasco’s trialectic, as an appeal of transdisciplinarity where the ethics, the politics and the social can represent the onthological coordinates, whereupon the aporethical antinomies inhesion to mundanity are retrospected it, but the tolerance has a sotiorological function ant act as “T-state”, being the unifier principle of them.

Keywords: *Utopia, Ethics, Dystopy, Transmodernity, Cyclicity, Social Economy, Tolerance, Included Third.*

If the origins of social economy are said to be found in the need to dream of the oppressed masses during the Industrial Revolution, and if tolerance emerged as a counteracting principle of fanaticism in the humanistic era only to then develop into an ethically social behavior once the masses became emancipated in the face of progress, we can then say that trans-modernism is a status quo generated by the changes at the level of ethos within the axiological pantheon of the human history.

Saint-Simon was one of the pioneers of social economy. However, his vision, removed from being a system per se, represents in fact a manifestation of a conceptual state within the program-revolution, which belongs to the organic times preceding the revolutions of the critical times, thus defined by his disciples, who advocated “(...) for progress in history through, on the one hand the extension of brotherly love and religion, and on the other hand the extension of science and industry (...) Society must be governed by great minds, by science and its application, which is industry. That will be the day when prosperity and happiness shall reign. The lazy ones must be replaced by specialists. Political governance will then become futile in itself when society will have the appearance of a self-governed association.”¹

The rudimentary concept of tolerance in a socialist sense, which is based on the transformation of society into a family, and therefore doesn't seek violent social reform via annihilation of the masses, can be seen in the view of Saint-Simon disciples in the general rule of the idea of progress, where association is subordinated to antagonism, with the latter being defined as a form of exploitation of the kin. The ideal portrayal of society that the Saint-Simon disciples predicted was based on social cohesion of the exploited. “In their progressive doctrine, the moral factor emerges, and it takes precedence over the economic factor. Without being egalitarian or democratic in their political views, they never lose sight of social fairness, which was a foreign concept for their mentor. They protest against the status quo, not only as a means of profiteering and gaining advantages, but also as a way of seeking equality and justice.”²

We can only speak of a social economy in the real sense of the word when we refer to Fourier's phalanstery, where the citizens become co-proprietors of the citadel, actively engaged in collectivist production, and their redistribution disappears, being replaced by their participation in the fruit of the labor. We shall

¹ Mihail Ralea, *Ideea de revoluție în doctrinele socialiste (Studiu asupra evoluției tacticii revoluționare)* (*The Idea of Revolution in the Socialist Doctrines (Study on the Evolution of Revolutionary Tactics)*) (Bucharest: Albatros, 1997), 66-67.

² *Ibidem*, 77.

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not explore in depth the differences between Charles Fourier's vision and that of Saint-Simon and his disciples as this is not within the scope of our current research. However, we will take a look at the architecture of the phalanstery, a collectivist complex made of 1500 to 1600 people, with a view to reveal man's captivity in relation to its own creation within the contemporary urban rituality, regarded as a mimetic sum of the collective imagination of a presupposed Civitas Dei, albeit reversed from the perspective of a theologian axiology.

It's apodictic that the social economy stems from the pre-Marxist socialist utopias, meant to reinstate a certain behavior within collectivism that would run parallel to the industrial progress, and that which meant a societal proto-form of the principle of tolerance as the antidote to the evil generated by the disappearance of social classes that were about to be abolished. However, even today we cannot speak of the ultimate concept of tolerance, but only of a tolerance of the marginal that comes from standardizing the theoretical notions of power within the nation state, if we are to take into consideration only the democratic territory of society. “In the common acceptation, tolerance is said to be a relation of inequality in which the tolerated individuals or groups are seen as inferior. Tolerating someone is an act of power; being tolerated means accepting one's weakness. We should aim for something superior to this dichotomy, something above tolerance, something that closely resembles mutual respect.”³

Although these utopian forms of ideal cohabitation of all members of the collectivist society are seen as a common body, they could be traced back to a biblical paradise of the commoners, approached from a mimetic angle but wrongly applied in comparison with the division of labor and the interrelationships within the monarchal settlements, we can still maintain that they have set the groundwork for the beginnings of the modern bio-political thought. The utopian rupture of fields such as economy, social psychology and politics constituted the source of inspiration for the instatement of the subsequent totalitarian political religions. These, in turn, have influenced not only socialism and communism, but also the national-socialism, according to Michel Foucault. “It is the industrialization of state control over the economy, the industrialization of even the analysis of economic phenomena that neo-liberals call «the eternal Saint-Simonism» which gives naissance to this sort of whirlpool that affects the liberal art of governance and which forces it to look for a principle of curbing, of restriction, in an attempt to apply to society the scheme of rationality intrinsic to nature. This principle will

³ Michael Walzer, *Despre tolerare (On Tolerance)*, (Iași: Institutul European, 2002), 47.

eventually have led to the Nazi mindset. It seems then that from Saint-Simon to Nazism there is a cycle of rationalities which attracts interventions, and these interventions lead to a disproportionate growth of the state, which in turn leads to a form of governance that rules according to these types of technical rationalities, and which constitutes the genesis of Nazism throughout the history of capitalism dating back two centuries ago, or at least one and a half centuries ago.”⁴

Tolerance, as an exalted form of the layman’s Christian acceptance, which has its ethical matrix in *imitatio Christi*, is manifested collectively in a practical way through extroversion; as for tolerating, that “(...) will most likely work best when the civil religion will look less like a ... religion.”⁵ Therefore, just as the *homo religious* in his initiating ritual inherent to the ontic and ephemeral adventure uses the mundane model of Christ to guide himself, in the same way the citizen surrenders to a so-called *civil religion*, as an ethic manifestation of the collectivist norms instituted within the Civitas terrena sive diaboli, without genuinely being capable of reaching tolerance in his relations with others, but doing so only to the extent to which it means facing oneself in the mirror when relating to The Other. From this perspective, the individual is only capable of conforming to tolerating. If for the Christian, the transcendent truth means epiphany, by extrapolating this to the individual, the citizen, it follows that the latter would relate to others through tolerance only when at the level of community there is a societal *satori*??? which would concur with the end of history, the time of perpetual peace when the human being lives in the lost paradise projected like hopelessness by the ultimate progress of technology.

One of the key proponents of the principle of tolerance, J. Locke criticizes the dogmatic restrictiveness of the Church which had repercussions on the psyche of the masses, being the generator of the collective imagination with its mitologemas and old habits of hatred, of the diachronic world as a whole which revealed itself as a geo-strategy of the secularized religion to give authority to the institutionalized Church over the State, thus producing a multitude of victims. “In this context, the issue of tolerance is a political issue which takes on the following meaning: what opinions can be banned by the political powers? The problem isn’t about the Church, it’s about the political powers. We must find a principle that works to determine, among the variety of opinions, the ones that can have legal status; consulting the religious authorities in matters they might consider as

⁴ Michel Foucault, *Nașterea biopoliticii. Cursuri ținute la Collège de France (1978-1979)* (*The Birth of Bio-Politics. Lectures at the Collège de France (1978-1979)*) (Cluj: Idea Design & Print, 2007), 117.

⁵ Walzer, *Despre tolerare*, 68.

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deviating from the dogmas should no longer be necessary. Their position is, in fact, quite predictable. The issue of tolerance needs to be regarded not as a religious problem, but as a theological one, as a political one, as a civic problem.”⁶

In a secondary context, replacing the Christian moral, which overlaps to some extent with the civil religion advocated by J. J. Rousseau, has the purpose of manipulating the masses and subjugating them by the powers at work in various situations. Indeed the mélange of these two types of manifestation is referential to the axiology inherent in the collectivist spectrum of community, leading to a dangerous cleavage in what could be the incubation of political religions of totalitarian nature. Within the ecclesia of the polis as a form of estheticism of subordination, the civic spirit which incubates the principle of tolerance has the effect of a narcotic promised freedom for the man seduced by his own values artificially created. In this *disenchanted world*, the constant fabrication of these ethical inventions of bio-politics results in our resignation to the social status, with its hierarchical stratification, by the invisible power of administration. The ethics, the politics and the philosophies of the community, when they existed (and they always have existed, even when they were reduced to talk about fraternity or productions on the theme of «inter-subjectivity») followed their paths or their humanistic impasses without the knowledge that these singular voices were advocating for community, and they were potentially only talking about community without realizing that a «literary» or «esthetic» experience was rooted in the experience of the community and it was about the community.”⁷

The de facto estheticism of politics as Walter Benjamin was to perceive it in Mussolini’s fascism*, and as it would later be reflected in other forms of totalitarianism, transgressed the level of community by renouncing to the overt conflict between the power opponents, even as back as the time of the Cold War where the masses were offered another participatory ideal, an equally atrocious one albeit a more bearable one due to manipulation with an element of play. Thus, Alain Badiou, starting with an analysis of Brecht’s destiny and the influence of eras on human creations, maintained that “(...) nowadays people think that the theater must change – it has to become the celebration of a democratic and moral consensus, a sort of a brooding choir that laments the misfortunes of the world and

⁶ Dominique Colas, *Genealogia fanatismului și a societății civile (Civil Society and Fanaticism)* (Bucharest: Nemira, 1998), 254.

⁷ Jean-Luc Nancy, *Comunitatea absentă (The Absent Community)* (Cluj: Idea Design & Print, 2005), 31.

* Walter Benjamin, *Iluminări (Illuminations)* (Bucharest: Univers, 2000), 142-144.

praises their humanitarian counterpart. We can't talk of heroes, of typical conflict or of thought; we can only talk of unanimous bodily emotion."⁸ We can see that the creational forms of humanity are influenced in order to implement new ethical and moral values in the collective mind according to the political strategies pertinent to each era. If modernism offered us the *hero* with a soteriological function as a justification of the cathartic atrocities, falsely justified as expiating of certain sins and invented by the totalitarian regimes of the first half of the 20th century, and postmodernism had the role of offering us an exacerbated freedom transformed in an anomic libertarianism, then trans-modernism will achieve the task of instituting order, albeit not in a manner similar to modern totalitarianism but in a way that gives birth to a different type of *new man* by attributing the role of hero to the marginal created as a result of the seism produced by the preceding *aiones*. That would represent a compromise between modernism and postmodernism, reflected in the trans-modernist values, as an escape from the recrudescence of totalitarianism as well as the institution of the much needed order that was lost with the arrival of postmodernism. We can maintain that whereas the bio-politics of modernity with its totalitarian regimes led to countless human victims, the postmodernism invented new systems of enslaving the masses, much more subtle and sophisticated.

Democracies are characterized by diluted ideologies which inoculate to the man the idea that he is the master of his own destiny, whereas totalitarian regimes have concentrated ideologies where the man is subject to a process of atomization, he possesses an avatar pertinent to the system and is alienated either from the state or from the image of the leader. The diluted ideologies are impregnated by the imaginaries which reveal themselves through the effortless and grobian needs of the ethos, whereas the totalitarian ideologies develop out of the vital necessities, the frustrations and the unfulfilled ideals in a state of ebullition and marked by a punctum saliens identified in a revolution which manifests entropically in its climax until the deletion of all the energy emanated by the masses, and through the upheaval of the preceding values within the context of various historical intrigues, recreating a new social order meant to instate a status immutable to the previous one (as an example we should mention the perpetual revolution which has a purely theoretical impact with an anarchic projection). This immutable status of the order is versatile as it can be found in both democracies and totalitarian ideologies since the history of humanity consists of binary pairs alternating infinitely, in Gnostic key according to the vision of I. P. Culianu, under various divided hypostases in

⁸ Alain Badiou, *Secoulul (The Century)* (Cluj, Idea Design & Print, 2010), 47.
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which it is customary to associate the first with the Evil and the latter with the Good. This approach asserted to the variable empirical norms is promoted by none other than the secret forms of manifestation inherent to the sphere of political power.

From a kaleidoscopic perspective, history reveals that the valences of power, either totalitarian or democratic, remain unchanged, and the same system of imposing the mechanism of power over the masses is manifested in an itinerant and recrudescence manner. In fact, these two forms of political powers with a major social impact are hypostases created artificially in the immanence of the collective imagination with a view to distract the public opinion from the true intentions of the political power. The coercing mechanism of democracy impacts the masses in insidious ways, eroding the will of the people over a longer period of time than the violent terror instated by totalitarian rule while still having as a final goal the same potentiating impulse. Whereas the political modernism of the 20th century sought to implement fear through warfare, postmodernism, with its explosive technology, imposed the slavery of work as man's only form of salvation. In this context, tolerance emerges as an indubitably necessary outcry, “(...) as the sole resolution to avoid conflict among people, cultures and civilizations that could endanger the very future of mankind, a future that is being built or denied at present – thus it becomes a necessary cultural act of informing a new moral paradigm that today's reality invites.”⁹

For Karl R. Popper, if the fight against poverty and the idea of equality of chances didn't come true, that would reflect a fiasco of the general welfare state, inherent to Western culture which still offers a model worthy of copying on the way to the ideal, albeit still perfectible, society. Karl R. Popper thus proposes the involvement of each individual in his or her own social growth with a view to eliminating the involvement of the state in the life of the citadel; this can be achieved through mechanisms of social assistance which would lead to an etatic bureaucracy similar to that of totalitarian rule. “In this light, the success of our Western economic system seems to me of primordial importance. If we can't make poverty into a rare occurrence, then we stand to lose our freedom to the bureaucracy of the welfare state.”¹⁰

⁹ Sorin-Tudor Maxim, *Toleranța. Dreptul la diferență* (Tolerance. The Right to Difference). (Bucharest: Didactică și Pedagogică, Publishing House, 2004), 67.

¹⁰ Karl R. Popper, *În căutarea unei lumi mai bune* (In Search of a Better World) (Bucharest: Humanitas, 1998), 236.

Ultimately everything comes down to the welfare of each individual vis-à-vis the state, and the political hypostases are molded onto the ideals of the masses in order to further facilitate the manipulation of the masses by the powers at play. Of course, we can see that the Western design of this ideal type of welfare state hasn't materialized, or at least not under the sanctions it initially envisioned. The impulse, otherwise known as the fundamental social catalyst to creating a welfare state is maximized when everyone contributes to their own growth and when the necessary supports are created to protect the marginalized classes within the society. We can identify the same impulse from a historical perspective in the utopian models, which constructed their hierarchical systems in their own pragmatic immanence depending on the role of each member of the social contract that bound all members together.

In an attempt to describe the failure of the general welfare state through the establishment of a dominant role of the state over the individual as well as the triumph of bureaucracy, we shall now look at the panoptic model of Bentham, which at the present time (and we say this without assuming a conspiratorial view on history) has reached its peak through the virtual techniques of postmodernism which changed science into ethics, the really dangerous process that continues into trans-modernism only this time under the guise of the rupture between progress and tradition. Under the pretext of protecting the individual from the disturbing elements within society, Bentham created in 1885 the model of the Panopticon, or the House of Inspection. This anti-utopian political model has its ethical grounds on the socially moralizing role of work, having as coercing resort the punitive observation. The subjects of this experiment are the marginalized social classes gathered from prisons, factories, warehouses, social nursing homes, mental institutions, etc.* The Panopticon is a trans-disciplinary model with an architecture that takes on ethical valences. From an architectural standpoint, Bentham's model has the circular design resembling the Citadel of the Sun depicted by Campanella, only that instead of the temple of sun at its center, it has the prisoners' surveillance tower. Michel Foucault describes it as follows: “(...) a circular construction on the outside; in the middle, a tower with large windows overlooking the inside of the outer ring; the outer building is divided into cells which stretch over the entire width of the construction; these cells each of two windows, one facing in towards the tower windows and one facing out enabling the light to shine all through the cells. In this scenario, it's sufficient to place a surveying person in the main tower

* The Works of Jeremy Bentham, vol. 4, William Tait (Edinburgh, 1843) *apud* Zygmunt Bauman, *Libertatea (Freedom)* (Bucharest: DU Style, 1998), 38.

and in each cell locking a mad man, a sick man, a convict, a working man or a school kid. Due to the *contre-jour* effect of the tower, the little silhouettes in the cells of the construction are clearly visible in the light. There are as many theaters as cages, where each actor is alone, perfectly individualized and visible at all times. The Panopticon design arranges the space into units that enable continuous visibility and instant detection.”¹¹

Extrapolating this model to the macro-social level, the surveillance or tight control of the masses by an externalized political body, which has the function to eradicate in a subtle manner the instances of social accession, are exercised through invisible political mechanisms employed by the coercing political systems and administrations with the ultimate goal of keeping the social asymmetry among members in the same pre-determined harmony of the societal chain. In this way, the subjects, particularly the social representatives who are the messengers of the community in the relationship with the authorities, capable at any time of social upheaval, are monitored by this externalized political body which is situated in a subsidiary decisional layer that gives it an air of secrecy which enables it to easily manipulate the masses. “Any relationship between people or groups is characterized by the presence or the absence of the secret and its nature; for, even when the other fails to notice the secret, the behavior of the secret keeper and therefore the relationship between the two is determined by the existence of the secret. The historical evolution of society is characterized in many ways by matters of public interest having fallen under secrecy, and vice-versa, namely secret matters having lost their protection and which became exposed – this development can be paralleled to the evolution of the spirit where what used to be done consciously changed into an involuntary mechanical instinct, whereas what used to be unconscious and instinctual became conscious. It wasn’t until much later that it was acknowledged that this development differs from private life to public life, and that evolution leads to more adaptable conditions in such a way that the secret, initially clumsy and undiscriminating, becomes too extended too often, making everyone aware of the benefits of keeping the secret; it wasn’t until later that the relationship between the importance or the insignificance of the secret, its dimension and its consequences was to be acknowledged – all these factors bring

¹¹ Michel Foucault, *A supraveghea și a pedepsi: nașterea închisorii* (*Discipline and Punish: The Birth of the Prison*), Pitești: Paralela 45, 2005), 255.

under scrutiny the significance of the secret within the structure of human reciprocity.”¹²

The current thesis doesn't propose to analyze in depth the influence of architecture on the ethos in general, starting from proto-realists such as Loos, Perret and Garnier. It will however look at the vision full of intensity of Le Corbusier, who, in his typically austere style, proposed new urbane and utopian values. For instance, in the Voisin design for Paris, Le Corbusier ordered the social hierarchy according to the urban center. The high central buildings are reserved for the economic elite (the entrepreneurs), whereas the smaller apartments with gardens in the suburbs were designed for the subordinate / lower classes. Thus, a person's status could be measured by his or her proximity to the center. However, just like in a well -managed factory, all the inhabitants of the city would have the “collective pride” of a working team that manufactures the finished product. (...) Le Corbusier considered urban planning to be a giant effective engine with countless finely tuned pieces. As a result, he assumed that the citizens of such a city would proudly accept a modest role within this urban machinery built on scientific principles.”¹³ By resorting to discipline and using the architectural system as a form of coercion on the social hierarchy, evaluated according to an ultra-modernist authoritarianism design that imposes the respect inherent to tolerance in the form of resignation in a well-defined state, the urbanite ergonomics represented the pretext to divide daily life according to production, disregarding the complex individual necessities. The austere architectural style that Le Corbusier proposed to the inhabitants of the citadel, with its large areas that make them easy to survey, represented the conceptual trans-disciplinary origins of the current panoptic dystopia and the development of privacy-invading systems such as Big Brother with the goal of depersonalizing the individual and transforming him into a machin.* This reifying of the individual reached its climax

¹² Georg Simmel, *Despre secret și societatea secretă (On Secrecy and Secret Societies)* (Bucharest: Art, 2008), 38-39.

¹³ James C. Scott, *În numele statului: modele eşuate de îmbunătățire a condiției umane (Seeing Like a State: How Certain Schemes to Improve the Human Condition Have Failed)* (Iași: Polirom, 2007), 150-151.

* “Any machin» is endoubted with operational virtues. If the machine proclaims its function through the name itself, the «machin» remains an undetermined term in the functional paradigm, with the pejorative connotation of a «thing without a name», or something that cannot be named (the imorality of an object the use of which is unfamiliar to us). And despite all this, the object functions. An uncertain parenthesis, an object separated from its funtion, the «machin» – or the «trick» as some call it – hints at a vague, endless functionality which is more likely a mental image of an imaginary functionality.” Jean Baudrillard, *Sistemul obiectelor (The System of Objects)* (Cluj: Echinox, 1996), 76. In my view, this is the final phase in the denial of the human being where the

in the postmodernist era only to be continued at present. However, unlike the precedent model where science was given precedence over tradition, nowadays, due to the proposed reconciliation through tolerance as an ethic foundation among individuals of the gregarious system, we can identify in our proposed theory, the T state inherent to the trialectic of Lupasco, of the “included third” principle. In fact, this acts as a link between the two ontical and social dimensions, that of science and that of tradition (religion) that we would place at points A and non-A, regarded independently as antinomic, just as it happened in postmodernism.

Social economy is participatory in that all the members of the community are all involved with solidarity in this social utopia where the state, as the foundation of social protection, becomes the individual's guardian and in doing that it accedes to a position of invincibility which, in a democracy manifests itself preventively, or else in a manipulative manner, whereas in totalitarianism it manifests itself through repression.

Utopias are cosmopolitan – keeping in mind the etymology of the term which comes from *kosmos* – univers, *polites* – citizen, and as such they can foster the universal. It's ironic nonetheless that, in this universal milieu, the marginalized and not the majority are given precedence.

In the trans-modernist dystopia, there is a dissolution between the individual and the citizen as the two situations in which the man without a destiny engaged in the construction of his own instrument of torture, namely in edifying the sacerdotal encampment of the mystical state, made up of the rupture between science and tradition / religion. At present, science is in a hipertelic state, that refracts on the entire socio-political scene, and the institutionalized church is a reflection of the hiatus between the mundane and the transcendental. The civic aspect of a democratic culture replaced the traditional and it has become or is about to become a political religion. The trans-political as Jean Baudrillard sees it has a devastating connotation not only for the political structures but also for the man himself, representing the end of the ontic. “The trans-political is the transparency and the obscenity of all structures in a structure-less universe, the transparency and obscenity of change in a history-less universe, the transparency and obscenity of

being is completely reified in the trans-modern dystopia, prophesied by Fukuyama, concomitant with the *death of history* which will trigger not the death of the species at a physical level but at an existential one. If Baudrillard employs this concept of the *machin* beyond the dimensions an object can take on through its well-defined functionality, it is my opinion that a transformative de-humanization would be accomplished through the apotheosis of science in conjunction with attributing work an axiological value with an ultimate soteriological function, where the human being must expiate the sin of complete knowledge.

information in an event-less universe, the transparency and obscenity of space in the promiscuity of networks, the transparency and obscenity of the social in the lives of masses, of the political into terror, of bodies into obesity and genetic cloning... The end of the historical scene, of the political scene, of the fantastic scene, of the bodily scene – an overflow of the obscene. The end of secrecy and the deluge of transparency.”¹⁴

In the same order of things, if we look for instance at social factories, which represent the projection of this type of economy at the practical level, we will notice that often disabled citizens have been used for labour with a view to integrate them socially through work under the pretext that it is a form of therapy; all this is reminiscent of the concept of super-human, and society as a whole is a true Lebensborn where these marginalized individuals become prototypes of overcoming the human limitations and even of the capability of human nature in general. From a Christian moral stance, these people should be the protégés of social reforms since they are stigmatized, and Christianity, as a model of Western culture empathizes with those in need. Jove’s submission is soteriological through the concatenation of the human immanence with transcendence; at the same time, the state, in its desire to be ubiquitous present in all forms of social structures, overcomes its limitations and transgresses into the divine.

Work isn’t the highest purpose of mankind; it’s not through work that humans find their redemption. Social economy in its contemporary acception isn’t the source of social protection but only another form of surrender to the totalitarian conditions of the bio-power.

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The Non-Ethics in Business

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Abstract

The business environment involves, like all the human existence, the difference between what it should be in relation to ethics and what it often is in the real plan. So the reality of the business environment frequently offers the image of a universe in which non-ethical mentalities dominate. The paradigm of the jungle, of the war, of the machinery, of the virtual environment or of the game are a few metaphorically named situations in which the businessmen are addressing to their own company and to foreign companies, to their own employees and to employees of other companies or to public consumers from the positions of a deeply non-ethical perspective, perspective which is lacking any assumption of the respect, tolerance and compassion for the other.

Keywords: *Business Environment, Non-ethical Business, Company, Darwinist Perspective, Mechanized Vision, Conflict, Virtual Reality, Competition.*

The concept of *business* involves multiple valences which are not only economic, political or social, but also *ethical*. The moral problems and dilemmas appear everywhere where the mark of action and reflection is the human being. Despite the appearances, the dynamics of the business environment has not as central operating unit the financial systems but the *human person* with his positive and negative potential, with his defects and his qualities. From the human paradigm is enlightened any political and economic vision which can dominate the evolution of a nation or of a group of nations, which may decisively influence the entire course of history. This human paradigm is the base for different social mentalities and economic policies, it is the basis of visions of the world that can generate a general sense of the development of human society. Any economic and political vision can develop, can improve only if there were produced essential changes at the level of the mentality and of the existential and moral perspective which is the basis of such a vision. Thus, any policy and approach in business is directed and shaped according to the essential ethic perspective of those who develop such a policy. Success or failure, the ascendance or the decay of a political

vision of business substantially depend on the general ontological vision, on the option and on *the moral conduct* of actors who build and apply such a vision. In this respect, a business which is based on principles of respect for the other will be the one that falls in the area of ethical procedures while a business which departs from the premises of the gain acquired without taking into account the other's interests, without the valuation of these interests is located outside any positive moral bench-marks. From an economic point of view, the term business designates a *commercial transaction* in which is effectuated a purchase or a sale effective for all the actors involved in such a transaction. The ethical principles require that such businesses rely on mutual trust and respect, on the faithfulness and the confidentiality of the information, as well as on the balance of the involvement of all parties anchored in the process of economic exchange. If ethical principles are absent here, we are witnessing the emergence of a range of negative statuses among of which the most frequent are the lack of trust, the manipulation, the use of false information in order to cheat on the others, the attempt to discredit and destroy the reputation of the other business partners, the steps to sabotage the actions of other actors involved in the business. This kind of negative approach of the business domain is based on a wrong mentality, malefic from a moral point of view. It is about the way in which some businessmen can understand the inter-human relations, about the perspective which they assume as regards the other, a business partner or an ordinary subordinate. In this respect, one of the most prestigious analysts who tackled the theme of the need for ethics in the business, Robert C. Solomon identifies a few paradigms of erroneous mentalities, negative from the ethic point of view, that can be found in the world of the business dynamics. It is about a few ways to interpret and discuss businesses, implicitly the inter-human relationships thereto, in a deeply *non-ethical* manner.

One of these paradigms is based on the tendentious interpretation of the Darwinist theory on the evolution and the selection of species. Thus, from such a perspective, the businesses shall be regarded as actions taken in a reciprocal fight for survival, the most powerful and adapted one exterminating the inferior one. Here, the priority is given to the techniques of harsh and non-ethic competitiveness in the sense of non-compliance with moral principles in the relationships with the other business partners. They are looked at like an inferior species that should be assimilated and subsequently destroyed. *The aim justifies the means*, the aim being only one's own survival and the extinction of capabilities that belong to other companies or businessmen, companies and entrepreneurs that are regarded as rivals and opponents who destroy or are destroyed. The business environment is

seen, in this context, like a *jungle* in which each one is fighting for himself and against all others. This paradigm is not only denaturing, presenting the business environment in a false manner but it is also dehumanizing, excluding the most important factor in the complexity of business dynamics, namely *the human being*, with his feelings, options, and ideals. The constructions in the political and business environment can reach higher levels only in the cohesion of the human community, in inter-connecting and not in the blind conflict of endless competitions. The human being is supposed, from the point of view of ethic rules, to raise above the instincts of his species, thus proving, through the balance of wisdom, of compassion and inter-cooperation among the humans, he is superior to the other categories of the animal kingdom. Another paradigm governed by the non-ethics of businesses is that of *the war*. Here the business environment is thought to be a battlefield, a battlefield opened to the toughest and inhuman operations. The purpose of any company, in such a vision, must be the defense of the territory, that is *the segment of the market* which has conquered it. Therefore, a different company that gets nearer to this territory should be regarded as an opponent, an enemy in relation to whom any negotiations are excluded, only his defeat being the sole option. The employees of that company look like a group of soldiers in a state of maximum mobilization, the war being unavoidable. This metaphor of the war shows a deep immoral understanding in relation to the business environment, where the human being is regarded as a simple pawn on a board of a conflict that does not know the bench-marks of respect and compassion. The extermination of the other at any cost, his defeat and annihilation represent here the sole purpose. The adoption of such a vision does not actually allow a significant advancement for any company or businessman. The conflict, the violence and the lack of relating with the other partners may give rise to the self-destruction of their own structures. All the destructive energy re-launched on the others returns to the source which generated it by striking it decisively in such a way that the tackling of businesses as a broad war cannot bring to any actor in the business world consolidated benefits in the long term but only ephemeral gains followed by extensive unrecoverable dissolutions.

Another paradigm, another non-ethic positioning of the businessman or of a company is constituted by the vision of businesses as a *machinery* having as a sole purpose the fast production of huge financial benefits. A company regards itself, in this context, as a machinery system like a clock which should be as accurate as possible. Here the employees of the company look like mechanical parts to be used, operated to their maximum potential as long as they are efficient. When such

a component part is showing signs of fatigue it must be immediately replaced by another one. All that is human, everything about feelings, and thoughts, about personality features, wishes, ideals and affection is cancelled in this context. Actually the human being is regarded without its defining element: the consciousness. This one is totally neglected, being replaced by assuming an attitude of blind submission which becomes mechanical within the framework of a complex mechanical design. When this complex is no more effective it must be *restructured*, enhanced, the human sacrifices being understood only as a mere act of replacement of the parts of a motor which is no more powerful.¹ Although the metaphor of the machinery may sometimes be tempting by the induction of the illusion of control and of the efficient performance, its application has proved to be every time in the history of humanity as a source of incredible imbalances and atrocities. Considering the human being as a simple part of a mechanical system is equivalent to the rejection of human nature and its replacement with a dangerous falsity that can serve as a first step towards the loss of the human species identity by cancelling its meditative, emotional and creative freedom. The idea of a perfect mechanical human organization would also induce the image of a world that would have in its centre an improved human being, a much more powerful and more efficient *over-man*. The danger of such an image was also evoked by F. M. Dostoievski who considers that, if in a first phase, this over-man will impose his principles ensuring a strict harmony of the world,² he will subsequently lose his fragile equilibrium, becoming a slave, a beast, a criminal.³ So that completion of the man by the appearance of the over-man,⁴ that progress so strongly evoked by Nietzsche represented for Dostoievski an ontological throw away of the human being, a substantial side-slip of the man towards a dangerous fiction, unnecessary from the point of view of the human species evolution. Also, Martin Heidegger will evoke, in his turn, the dangers of anchoring of man in a highly-technological society, a society in which the machine model proves to be supreme. For Heidegger the assimilation of man in such a social mechanism is equivalent to the full forgetfulness of the *Being* as a basis of the world and with the location of the human existence under the tyranny of the impersonal Se. So, the man behaves in a certain manner, for that is the way in which he has to behave, that is the way in

¹ Dan Crăciun, Vasile Morar and Vasile Macoviciuc, *Etica afacerilor (Business Ethics)* (Bucharest: Paideia Publishing House, 2005), 272-276.

² F. M. Dostoievski, *Frații Karamazov (The Brothers Karamazov)*, vol. II (Bucharest: Univers Publishing House, 1982), 445.

³ Ion Ianoși, *Comentariu la Frații Karamazov - F.M. Dostoievski (Comment on The Brothers Karamazov - F.M. Dostoievski)* (Bucharest: Univers Publishing House, 1982), 660.

⁴ Friedrich Nietzsche, *Voința de putere (Will to Power)* (Oradea: Aion Publishing House, 1999), 5.

which everyone behaves. Here intervenes the avoid of the identification of the conceptual trio *nothingness-nothing-death* and the placing of the man under the collective naivety, under the spectrum of the automatism of the everyday banalities and of the excessively used technology.⁵

Another extremely risky perspective on the business environment is the one in which is made the analogy with the *IT-virtual environment*. Here, any procedure in business is considered as a computer program and its protagonists are deemed as simple calculation factors that can be adjusted or replaced. The business is regarded as a simple operation carried out in the virtual environment, the environment that is opened to all opportunities of permanent change and transformation. In such a context, the human factor is excluded again. Also, the ethical principles of the inter-relationing with the others are non-existent. Just like a *Videogame*, a business has its characters that can be easily deleted from the program, being replaced, and the problem of moral damages is excluded. What is forgotten, in such a perspective, is the fact that people have not been created for computers, but vice versa, these ones are constructed to support the human activities. Also, modernity knows a great inflow of information but what is missing is its ability to filter and organize this information. Such a capacity is not related to the resemblance with the computer systems of calculation but, on the contrary, arises from the human consciousness, the computers holding a certain degree of intelligence, but being incapable to reach that particular human feature, namely the *wisdom*. Mistaking the business environment for the virtual reality also means replacing the real human being with a complex of graphics directed through a wide, but limited program. It is a path by which a man may lose the awareness of his identity, becoming a virtual chimera without spiritual expression.

The metaphors of the jungle, of the war, of the machinery or of the virtual reality represent non-ethical ways of action and reflection in the business world. These metaphors often indicate an attitude free of any inter-correlation with the imperatives of respect and compassion towards the others, employees of one's own company or activating within other rival companies. What these paradigms lack is the responsibility for the human factor, they reveal a total absence of reporting on the other, an incapacity for *empathy*, of transposition in the situation of the other. In the case of these positioning what matters is only the self-interest, the reaching of the target established at any cost and regardless of any possible negative ethical results. Compared to these above-mentioned metaphors, the

⁵ Martin Heidegger, *Ființă și timp (Being and Time)* (Bucharest: Humanitas Publishing House, 2003), 250-254.

metaphor of *the game* may appear much more human. The approach and the understanding of business as a funny game could be interpreted as ethical attitudes imperatives which comply with the imperatives of compassion for the others. In reality, however, this paradigm is proving at least as harmful as the other contexts already mentioned. Thus, considering and interpreting the business environment, one's own company or other companies, as well as their respective employees from the perspective of a metaphor of the game means to calculate and operate aiming to obtain only *the score and the victory*. Also, competitors must only be overcame, defeated, the possibility of negotiation with them being excluded. Also, this creates a radical delimitation between players who are relatively few in number and the general public who is not entitled to participate effectively in the game but only to assist supporting a team or the other. These features indicate that also the paradigm of the game is a situation belonging to the non-ethics of business. Moral rules provide for the field of business dynamics, in contradiction with the paradigm of the game, the fact that the other competitors are co-participants with which may be build complex and profitable businesses. Therefore it is not against them, and not in opposition to them, not looking for a table of the a score that does not take into account the means but only the finality that may be build a durable construction, an ethics of the business. Also, in the business environment there is not a mere dividing line between a wide audience and the protagonists of a game on a limited land. On the contrary, in the business environment we are all players in the sense that the manner in which they develop is a reflection of our own elections of conduct at the level of the society and of the nation. A nation that assumed the order and discipline in the act of thinking and of the labour will determine a harmonious and progressive political and business environment. The results and benefits of this environment will be useful in the first place for that people. Here is running a circularity of the recompense, a dialectics of the action and of the retroaction. Therefore, in politics or business we are all players, more exactly, actors, our elections, our choices and actions determining the subsequent situation of the nation we all are part of and also of each and every one of us. This environment is much too important to the life of a society to be considered a game, to be addressed to from the positions of following a good score or a detached victory.

The absence of ethics from the dynamic world of business, more exactly, the intense presence of the non-ethics, of an immoral axiology in which are postulated and imposed the imperatives lacking the respect and compassion towards the others, regardless of their social position and status, lead to an irreversible falling,

towards fatal dissolutions, which are irretrievable even if they often result in special and momentary benefits. An attitude at a political and business level which assumes these paradigms of the jungle, of the war, of the machinery, of the virtual world or of the game will determine, in the long term, the involution of a society, and the construction of a sick, corrupted economy, incapable of spectacular leaps, of progressive ascendances that would ensure the prosperity and the civilization of a nation. The dilemma that reveals here is not *how can we fight* against these benign forms of the political and business environment but rather *what we need to do* in order that such socially malefic paradigms not to appear at all, in what way we must act for not to create the soil conducive, fertile for such negative mentalities. The answer to this decisive question is still long in coming.

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History of an Issue – Property

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Abstract

Property becomes a issue of philosophy and political reflections owing to Platon’s “Republic”. In this dialogue, the military class of his political Utopia is obliged not to possess goods. So that the Republic is more important than their interests. For this reason the military class is obliged not to have family. The interest of Republic is more important than the individual interests.

David Hume thinks the right comes from the property (the two concepts have developed correspondingly). Property is a result of human natural needs. The needs are complied with the property. Human nature implies the property.

John Locke affirms property comes from work, so it is a moral right.

J.J. Rousseau thinks the property is the origin of social and political inequality, in contrast with natural equality of human beings.

Karl Marx affirms property is the origin of alienation. Property is the origin of estrangement of human beings from themselves. “Marxist humanism” implies to regain the dignity of work and the social dignity.

Other philosophers think the property is a warrant of freedom.

Property was tied to social interests (Platon), to morality (Thomas Morus, John Locke), to human nature (J. J. Rousseau, David Hume, Karl Marx) and freedom.

Keywords: *Property, Nature, Culture, Ethics, Liberty.*

Property became an issue which was examined by philosophers and political thinkers in the modern epoch, with two remarkable exceptions: Plato and Thomas Morus.

In the dialogue “Republic”, Plato examines the problem of property when he discusses about the class of soldiers from his ideal State. The soldiers should not have the right to property (and also they should not have family) because the good of the State must be more important than their own good. Property and the care for property are synonymous with their personal interest which are opposite to the interest of the State (or it can be opposite to the interest of the State). Property is at the basis of the conflict between the citizen and the State, between individual and

society. Therefore the soldiers must not have family (they must not have wives and the education of their children must be entrusted to the State). The domain of private life, the domain of family and property is an inferior domain from Plato's point of view.

Property and family are the domain of the individual (the private life of the individual aims and interests), which can prevail over the general interests of the State. Property and family are the origin of the power of individual against the power and the interest of society.

Since the beginning, the dispute about property acquired an important place.

Middle Ages did not take into account the issue of property, but the Christian thinkers expressed negative opinions about it. Poverty was one of the virtues of the Christians and an obligation for the monks. The situation influenced the thought of Thomas Morus, the author of the work "Utopia" and an important personality of English Catholic Church. "The personality of Thomas Morus surprises someone concerning his destiny because in 1886 the Catholic Church canonized him and before Marx the thought of Thomas Morus as a source of his own thought, and Engels, in his turn, in some works (some of them after 1886) referred highly to Thomas Morus and considered him a source of socialism advanced by Engels himself"¹. "Utopia" contains two parts – the first part is a criticism of the English society which had problems determined by polarizing of wealth (terrible poverty for many people, accumulation of means of a few by the textile industry), England at the beginning of industrialization when "the sheep was eating the man"; the second part is a description of an imaginary society, a society of justice and equality. The two parts of the "Utopia" must be correlated, and the second part can be understood as an answer at the problems of England described in the first part. In "Utopia" Thomas Morus proposes the renunciation at private property and the replacement of private property with collective property, which brings on justice and equality. The latter terms are key-words concerning the future debates about property. The difference of wealth leads to injustice (the abuses of wealthy men, the suffering of the poor, the unequal chances – all these are realities and consequences of difference of wealth). The economic inequality is considered an injustice (and economic equality is possible only through collective property). Moral defects which the economic differences bring on in society (both wealth and poverty can bring on moral evil) can't be otherwise liquidated from the point of view of Thomas Morus. Justice and equality are arguments for renunciation at

¹ Gh. Al. Cazan, *Introducere în filosofie (Introduction to Philosophy)* (Bucharest: Universitară Publishing House, 2006), 389-390.

private property which will be invoked both in the XIXth century (the century of Karl Marx) and in the XXth century (the century of communist totalitarianism). The ideal of justice related with to economic equality, the economic inequality and private property as reasons of suffering and injustice are new ideas in the political thought and they appeared because of the extreme poverty caused by the beginning of industrialization of the English population. Until Thomas Morus nobody considered the society marked by injustice and economic inequality; they were considered natural. Injustice was related only with moral field, and equality was not a theme of political thought. A literary writing as “Utopia” of Thomas Morus changed the theoretical framework of debates about property.

David Hume considers that property appeared as a result of natural needs of the man, therefore the right to private property is a natural right. From property (as possession and a complex of rules associated with possession) come the rules of justice in society. Since he considers property a natural right (though it is not named so), Hume brings a new accentuation in the debate: property as a right of men (not as a merit due to work and not as a right of the first arrive, concerning the land). Property is simply a right of every person which is justified by natural needs of every person. Besides this, society developed due of property.

John Locke considers property a merit, a right acquired by work, but it is restricted by the harm that property can bring to other persons. It is an ambiguous standpoint: it is not sure that property is a natural right (in my opinion it isn't; Locke affirms clearly that property is a right acquired by work) and the restriction of right to property of a person when his property brings harm to other persons shows that other rights may restrict the right to private property. State has the right to settle the private property, to conciliate the right to property with other rights of persons.

J. J. Rousseau considers property the origin of social and political inequality, in contrast with the natural equality of men.

All the debates about right to property made evident the different implications of the standpoints. The debates about the problem of property have motives and consequences which make it a theme as difficult as other themes such as liberty and rights, fundamental themes of political thought. Perhaps the reflections are partial, but the theoretical frameworks of the reflections show that the meditations about right to private property have wide implications.

We shall examine another theory about property, Karl Marx's theory, from his early works.

According to Lawrence Wilde “the essence of the political thought of the young Marx can be found in the notion of essence itself or, more precisely, in the notion of human essence”² and “the great theme of the writings from 1844-1845 is the theme of alienation (Entausserung) or estrangement (Entfremdung)”.³ The essence of man is the liberty which he lost because he was caught in a complex of social relations which are in relation of property. Liberty is “the development of human forces which is its own aim”⁴ affirms Wolfgang H. Pleger.

Marx thought “modern worker lives four forms of alienation. First, the alienation concerning the product of his work, which doesn’t belong to the worker, but to the employer. Secondly, the alienation concerning the act of production in the framework of the process of work, since the work is forced and is lived with pain and weakness. Thirdly, the alienation concerning the existence as species (Gattungswesen), a term from Feuerbach which refers to what is characteristic of mankind. Marx refers frequently at dehumanization of the worker, with the implication that this system of production deprives him of something which belongs to him as human being. (...) The fourth aspect of alienation – a consequence of the others – is «the alienation of the man concerning the man».”⁵ Marx comes to the conclusion that emancipation of the workers include “the universal emancipation of the man, because the whole human servitude is implicated in the process of production”.⁶

The abolition of private property is the answer, from the point of view of Karl Marx, because the relations of property and the estrangement of the product of work, of the work, the dehumanization because of the estrangement and the loss of the relation with men (because of dehumanized social relations and the fulfillment of the ideals in religious ideologies), have as base the private property. As Feuerbach, Marx considers that (Lawrence Wilde) “the essence of the man is only in community and in the union of human being with human being”. Commencing from this postulate, the social injustice because of the private property, the replacement of human relations with relations of production and property (which are the basis of the social relations), which transformed the creative work in merchandise and simple source of subsistence, led to the loss of the human essence.

² D. Boucher and P. Kelly (eds.), *Mari gânditori politici (Political Thinkers: From Socrates to the Present)* (Bucharest: ALL, 2008), 373.

³ *Ibidem*, 375.

⁴ Ferdinand Fellmann (ed.), *Istoria filosofiei în secolul al XIX-lea (History of Philosophy in the 19th century)* (Bucharest: ALL, 2000), 173.

⁵ Boucher and Kelly, *Mari gânditori politici*, 375.

⁶ *Ibidem*, 377.

It is a complex analysis of the relations of property and of the right to private property, but even the consideration of the human essence as a social essence and the reduction of the society at the relations of property were strongly criticized. Because he thought that his philosophy must be transformed in action, Karl Marx was the founder of the communist ideology which led to the historical disaster of XXth century – the communist totalitarianism.

The right to private property must be defended. But the debate extended and became more difficult. The philosophical inheritance of the problem of property may be turned, from our point of view, to Plato, with an inverse approach – the private property is a guarantee of autonomy and the power of the individual in his relation with society and the other individuals.

In the history of political philosophy, property was connected with the good of society (Plato), justice, equality and morality (Thomas Morus, John Locke), human nature (J. J. Rousseau, David Hume, Karl Marx) and liberty. It was a theme which was subordinated to other themes of political philosophy or it was a central theme of political philosophy.

History will bring new debates on this theme, such as the problem which was intuited by John Locke, if a right (even the right to private property) can be limited by another rights and in which situations.

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ESSAYS
PRESENTATIONS
REVIEWS

Social Economy, Trend or Reality.

The Event¹

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The CEFEC 2012 International Conference “Social Economy, Trend or Reality”, organized by The Regional Association for Adult Education Suceava, ended on Saturday, 22nd of September 2012. The European Network of Social Firms Europe CEFEC celebrated 25 years of uninterrupted activity in the field of social economy. This year, we had approximately *150 participants from 15 countries*: Austria, Belgium, Switzerland, Finland, Germany, Greece, Italy, Japan, Lithuania, Poland, Portugal, Republic of Moldova, Romania, Ukraine, and Great Britain. AREAS had the honor to host a representative of the European Commission, Mrs. Oana Ciurea, desk officer at DG Employment and a representative of the Ministry of Labor, Family and Social Protection Romania, Mrs. Cristina Filip, the counselor of the minister Mariana Campeanu. The Ministry of Labor, Family and Social Protection of Republic of Moldova was represented by Mrs. Djulieta Popescu, interim chief of the Directorate of Social Policy.

The *CEFEC 2012 Conference was organized in partnership with* the Institution of the Prefect of Suceava County, County Council of Suceava, Suceava City Hall, “Ştefan cel Mare” University from Suceava, CFCECAS Romania, Die Querdenker Austria and the Social Psychiatry Association from Romania. Among *the collaborators who supported the organization* of the CEFEC Conference, we mention: Pro Mente Upper Austria, FDSC, Alba County Council, Structural ConsultingTM Group, SEVA Association, Hachi Motors, FARA Foundation, Natanael Farm, ACDC Association, CENRES Suceava, KULT-ART Association, CEM “Origini Verzi”, Bucovina Institute, Europe Direct Nord-East Centre, ADR

¹ 25-th Anniversary Annual European Conference, “Social Economy, Trend Or Reality,” Suceava, Romania: 20th - 22nd September 2012.

Nord-Est, Cozonac Bujor Suceava, Civitas Foundation, Produs în Bucovina Association.

General conclusions

After 3 days of plenary sessions and interactive workshops, in which participants from abroad and from Romania took part, an academic session at “Stefan cel Mare” University and, a premiere for Suceava, the Social Economy Fair where social economy enterprises from Romania, Ukraine, Republic of Moldova and Austria participated, we can present the following conclusions:

- In Romania, it is necessary *a legislation in the field of social economy*, favorable to the inclusion on the labor market of disadvantaged persons;
- In the current draft legislation it is stipulated that institutionalized young people and adults are not considered as beneficiaries of social economy;
- *Scientific research should increase substantially* and be directed to several areas of interest of social economy;
- The necessity of *creating in Romania social economy structures within public institutions* (for example, sheltered workshops could be transformed into such structures) and to transfer support services from public institutions to private organizations working in this field, for increasing access to the labor market of vulnerable persons;
- Need for *specialized consultancy services* and oriented to the labor market integration of vulnerable people;
- For a better integration of vulnerable people on the labor market, it is necessary to establish *effective communication channels* between users and promoters of social economy;
- At the level of organizational forms, we find a variety of structures involved in social economy projects (companies, different types of NGOs or public institutions). There isn't a legal framework (like in Western European countries: Austria, Germany, etc.) for social economy type structures – there are only legislative initiatives. The vast majority of social economy type structures are functioning as NGOs: associations, foundations, cooperatives, mutual societies or as firms, having advantages and disadvantages from an operational point of view.

CONCLUSIONS FROM THE WORKSHOPS

*A1. Public-private dialogue and partnership: a must for social economy development?*²

Description: the workshop started with discussions about entrepreneurial initiatives and types of support that can be given to potential entrepreneurs. The moderator presented details about the project entitled *Social and labour market inclusion through social enterprises*, which aims to create a functional and integrated social economy and social inclusion model destined to support people with disabilities and people under social risk. There were also discussions about the limits and legislative opportunities for social economy in Romania and it was mentioned that social economy includes, but it is not limited to activities involving vulnerable groups.

*B1. Types of organizations and institutions that are more likely to embrace the objectives of social economy.*³

Description: information on the dimension and importance of social economy entities in the national economy. There were presented general information about the actors of social economy: NGOs with economic activity, credit unions (for employees and also for retirees), cooperatives, data which represented the number of entities, specific activities, revenues, surplus, assets, employability. At the end, the workshop participants were asked to present examples of social economy models from their own country.

*C1. Big Impact with Low Resources.*⁴

Description: presentation of the project and the social business Agro Plus (in Stejarisu, Romania); more than 20 people were qualified in agricultural production, masonry, carpentry, but there were also qualified electricians, installers, roofers, tillers, blacksmiths. The old German school has been renovated and used for workshops (in the beginning), now there are 4 guest apartments for tourists. The project “Combating poverty” started in 1990.

² Moderator: Dan Barna, manager Structural Consulting Group – 17 participants from: Romania, UK, Republic of Moldova, Austria, Greece, Italy, Portugal, Japan, Belgium.

³ Moderator: Mr. Adrian Secal, Civil Society Development Foundation, Romania – 17 participants from: Romania, Republic of Moldova, Greece, UK, Austria, Lithuania.

⁴ Moderator: Mr. Herbert Paulischin, CEFCECAS, Romania – 16 participants from: Romania, UK, Finland, Austria.

*A2. European networking for social firms: role, challenges and opportunities.*⁵

Description: presentation of the Linz Appeal, part B. There were discussions about the CEFEC conference and the Lithuanian group said that this conference has been focused more on people with disabilities and maybe it should focus also on other vulnerable groups. The moderator asserted that the social firms from different countries help people with different disabilities. For example, 70% of the persons that were incarcerated have mental health problems, but not all of them want to be helped. Social economy can function if the conditions are created and also, people with disabilities have to be able to obtain jobs not just in social firms, but also in other enterprises.

*B2. The principles governing the activity of the enterprises of social economy (with examples of good practice): total commitment to local development, giving priority to the cohesion and stability of the people).*⁶

Description: the representatives from Greece presented their situation and affirmed that establishing new social firms is very hard now because of the economic crisis and this situation is even harder because there isn't a good cooperation among the existing social firms. Nevertheless, there are laws that support people with disabilities to be hired in private firms. So, for first two years the state has to pay their salary. In Switzerland, there are approximately 20-30 social firms, but only 5 or 6 can be truly named social firms. There is a competition between private and social firms because the private ones consider that the social firms are in advantage because they benefit from different funds. But this is not the real situation because the social firms become independent in a few years.

*C2. Social Economy Model for Romania (frameworks).*⁷

Description: presentation of the emergence of the social economy concept in Romania; description of the funds available for projects related to social economy; presentation of legal forms of organization; description of the CIVITAS project entitled "Fructele tradițiilor / The Fruits of Traditions". With this project they developed the concept of community enterprise, in which the community assumes

⁵ Moderator: Christiane Haerlin, BAG - Society of Social Firms Germany, member of Social Firms Europe CEFEC, Germany – 26 participants from: Republic of Moldova, Romania, UK, Greece, Finland, Japan, Austria, Poland, Portugal

⁶ Moderator: Mr. Tom Zuljevic-Salamon, Die Querdenker, Austria – 27 participants from: Republic of Moldova, Romania, UK, Greece, Poland, Portugal, Switzerland.

⁷ Moderator: Mr. Marton Balogh, General Director of Civitas Association, Romania – 13 participants from: Republic of Moldova, Romania, Greece, Germany.

its functioning, so that it generates profit (the Local Council offered them the building and CIVITAS the equipment).

*A3. Innovation and development: social economy in the near future.*⁸

Description: presentation of different definitions about social economy; presenting some aspects about Plymouth Mind. The moderator stated that all the processes get in the way of providing the best services and we forget that the most import thing that we have to ask is about what the service users want. He explained the STEPS model developed in Scotland and based on the needs of the beneficiaries. He brought forward a new concept (*The Open Book of Social Innovation*, written by Robin Murray, Julie Caulier-Grice, and Geoff Mulgan): “Communities researching themselves”, to identify their own needs and solutions to those needs. This is based on the premise that people are best placed to identify their own needs. Networking is something the social economy sector does well, or needs to, if it is going to survive in the 21st Century.

*B3. Job creation through social entrepreneurship: examples of jobs, domains and legal provisions – Social economy as an alternative to the creation of employment.*⁹

Description: presentation of the project “Perspective. Patient and Public Engagement for the Future”. The aim of the project is to establish an employment agency model for service users and carers which will safeguard both their interests and will be run as a social enterprise. The moderators presented a Pilot undertaken at a health centre; the service users and carers completed 156 questionnaires to evaluate the services offered at the health centre. The co-ordinator produced a report following the evaluation outlining the views of the public on the new facility. The results: the evaluation has been produced by the service users and carers on time and on budget; the commissioning organisation were able to provide an independent evaluation for their services; patients and public accessing the health centre were able to offer their views on the new health centre.

*C3. Succesful stories of social entrepreneurship.*¹⁰

Description: discussions about what they developed in Câmpulung-Moldovenesc – greenhouse, a social centre with multi-functional destination for

⁸ Moderator: Mr. Graham Nicholls, Plymouth and District Mind Association, UK – 27 participants from: Republic of Moldova, Romania, Greece, UK, Austria, Lithuania, Germany.

⁹ Moderators: Mrs. Grete Smith and Mrs. Christina Lyons, University of Central Lancashire, United Kingdom – 41 participants from: Switzerland, Romania, Republic of Moldova, Greece, UK, Finland, Italy, Portugal, Japan, Austria, Germany, Lithuania, Belgium.

¹⁰ Moderator: Mrs. Alina Ciupercovici, “Orizonturi” Charitable Foundation Câmpulung-Moldovenesc, Romania – 38 participants from: Romania, Japan, Portugal, Lithuania, Belgium, Italy.

helping people in need (housing, day centre, sheltered employment workshops). They hope that after these social enterprises develop, they can reinvest the profit in creating new social firms. The participants form the workshop identified the main benefits of a social firm: more jobs for people and reducing the unemployment rate among people with psychiatric disabilities; developing a social network in the community which will address the problem of social inclusion of this group; reducing discrimination; integration and active participation in the community. The moderator explained that, unfortunately, they can barely pay the salaries of employees with the products they sell and that they would need the help of investors, sponsors and volunteers to better develop these social enterprises.

THE SOCIAL ECONOMY FAIR

During the Congress, A Social Economy Fair was organized with the help of our partner, CFCECAS. For the three days, 21 workshops and social economy enterprises exhibited promotional materials and products, such as: handmade jewelry, organic products (syrup, jam, tomato paste, honey, etc.), wood toys, and flowers.

CONCLUSIONS FROM THE UNIVERSITY ACADEMIC SESSION

There were participants from the Universities of Suceava, Bucharest, Iași, Cluj, Timișoara and members of Social Firms Europe CEFEC from Austria, Greece, Italy and Romania.

Main Themes and Topics:

- Austrian's Rehabilitation system for vulnerable people;
- Aspects of social economy in Greece and Italy;
- The difference between social support in Alba, Cluj and Suceava counties;
- The relation between support services and social affairs and the opportunity for public institutions from Romania to develop social-economic structures;
- The antinomic status of social economy between business and social services;
- Integration of Romania institutionalized persons on labor market;
- Methods for assessing work potential of persons with disabilities in Romania and other countries.

Conclusions:

- In Romania a new legislation, more inclusive regarding vulnerable persons who could benefit from social economy. It was stated that in the current project of Law, youth and adults who currently are in institutions are not included as beneficiaries;

- Scientific research should be substantially increased and directed towards more areas of interest in the social economy;
- The necessity to create in Romania the possibility to set up structures of social economy within the public institutions. As an example, sheltered workshops could be transformed in such structures;
- The necessity to transfer support services from public institutions to private organizations working in the field, in order to increase the access of vulnerable people to the labor market;
- The need of support services specialized and directly oriented toward integration of vulnerable people on labor market;
- For better integration of vulnerable people in the labor market, setting effective communication channels up, between users and promoters of social economy, is required;
- In Romania is it necessary, besides the individual assessment system of assessing the degree of disability, to be developed an evaluation system for establishing the person's potential.