

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 enterprise 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-economy/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.

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- 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 cooperativă | | | | 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. | Caras 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. | Constanța | 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 cooperativă | | | | Bănci cooperatiste | CAR-uri | UPA |
|-----|--------------|-----------------------|-------------|------------|--------------|--------------------|-------------|------------|
| | | Meșteșugărești | De consum | Agricole | Alte tipuri* | | | |
| 26. | Ifov | 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.

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 Bacau having 123.

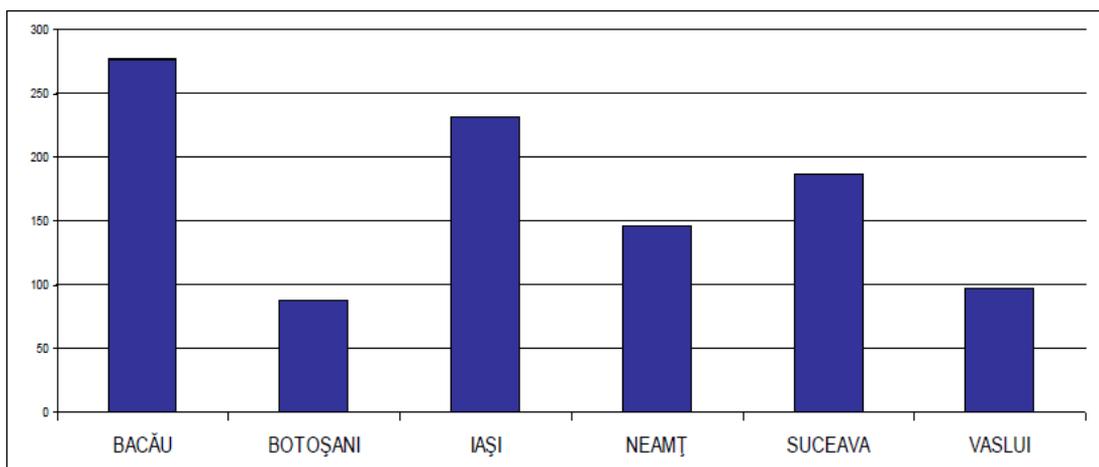
The largest UPA's number is registered in Bucharest (57), Suceava County having only 8 UPA's.

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 North-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 respire 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 Rădăuți* 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 1st 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* |

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| | | | | |
|---|--|---|-----|------------|
| 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

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❖ 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 thr democratization of society and social cohesion.

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