

BAROMETER OF THE SOCIAL ECONOMY IN ROMANIA

SPECIAL THEMES

The social economy in the age of digitalisation and sustainability:
circular and platform economy

Employment and integration of vulnerable workers in the social
economy

European funding for social enterprises

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Background

This report has been prepared under the project "SEEDing - Enterprising for Tomorrow", funded with a grant of 184900 EUR from Iceland, Liechtenstein and Norway through the EEA and Norwegian Grants 2014-2021.

The project's objective is to increase the competitiveness of at least 100 social enterprises in Romania, particularly in ICT and green industry.

The project is implemented by ["Alături de Voi" Foundation Romania \(ADV\) in partnership with Unikum Aktiv AS from Norway, the Association Workshops without Borders \(AFF\), the Social Finance Association \(SFA\) and RISE Romania - Romanian Social Economy Network.](#)

The report is based on official statistical data and the result of a survey of social economy enterprises.

● **The Barometer**, edition 2023 was conducted by RISE Romania - the Romanian Social Economy Network.

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Our thanks go to:

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- Members of the social economy cluster "Social Enterprise Accelerator" coordinated by ADV Romania;
- Social enterprises in Romania and economically active organisations that have responded to our request to provide data.

The Barometer would not have been possible without their solidarity – in this way, the report can provide as accurate a picture as possible of the social economy sector in Romania as a whole, and the perceptions of the leaders of organisations in the sector.

Abbreviations

- • INS - National Institute of Statistics
- SMEs - small and medium-sized enterprises
- AJOFM - County Agency for Employment

Barometer Summary:



„The social economy is a force in Romania, marked by a growing number of businesses, organizations, and employees, despite its low recognition by public authorities. The total number of entities has surged to 186,629, a notable increase from the 172,880 reported in the 2022 Barometer. Employment within the sector has also risen, with 171,434 workers, up from 151,729 previously.

Predominantly represented by non-profit organizations such as associations, foundations, and mutual aid houses, the social economy in Romania holds the largest share in terms of both the number of organizations and employers. These entities continue to expand rapidly, benefiting from a favorable fiscal and legal framework. They receive public funds through income and profit tax allocations and face fewer constraints compared to the relatively new status of social enterprises.

Despite the presence of entrepreneurial social economy enterprises engaged in production and service activities, which can also employ vulnerable workers, the employment rate remains low. This contributes to maintaining Romania's high poverty rate, one of the highest in the EU. A significant factor is the current legal framework, which regulates the sector but does not adequately support the development of social enterprises, particularly those focused on workforce integration, with necessary fiscal and non-fiscal incentives. Certification as a social enterprise and European funding do not ensure a sustainable sector; few funded initiatives achieve long-term sustainability and real social impact.

The Barometer, Edition 2023, conducted by RISE Romania—the Romanian Social Economy Network, owes its success to the solidarity of its contributors. Their collective effort has enabled this report to provide a comprehensive and accurate picture of Romania's social economy sector and the perceptions of its organizational leaders,” concluded the author of the research report, Ancuța Vameșu, president of RISE Romania.

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Theoretical Framework And Methodology

This report is based on official data and a survey conducted among social economy enterprises in Romania in September 2023 – Barometer of Social Economy.

- **Definitions and concepts used**

Social Economy – the term is used in accordance with the Social Economy Law 219/2015 and the European Social Economy Action Plan 2022, cf. Article 2 of the Act:

(1) The social economy is the set of private activities of an economic and social nature, serving the general interest, the interests of a community and/or personal non-pecuniary interests, by increasing social inclusion and/or providing goods, services and/or works.

(2) The social economy is based on private, voluntary and solidarity-based initiative, with a high degree of autonomy and responsibility, and limited distribution of profits or surplus, as appropriate, to associates or members.

According to Article 3 of the law, social enterprises—a category of social economy entities—can take the following types of legal personality and/or administrative certification:

a) cooperative societies operating on the basis of Law No 1/2005 on the organization and functioning of cooperatives, republished, as amended;

b) credit cooperatives, operating under Government Emergency Ordinance No 99/2006 on credit institutions and capital adequacy, approved with amendments and additions by Law No 227/2007, as amended;

c) associations and foundations, operating under the Government Ordinance no. 26/2000 on associations and foundations, approved with amendments and additions by Law no. 246/2005, with subsequent amendments and additions;

d) the employees' mutual aid houses, which operate on the basis of Law No 122/1996 on the legal status of employees' mutual aid houses and their unions, republished;

e) pensioners' mutual aid houses, which are established and operate on the basis of the Law No 540/2002 on pensioners' mutual aid houses, as amended;

f) agricultural companies operating under Law No 36/1991 on agricultural companies and other forms of agricultural associations, as subsequently amended and supplemented;

g) agricultural cooperatives operating on the basis of the Agricultural Cooperative Law no. 566/2004, as amended and supplemented;

h) any other categories of legal persons, regardless of the field of activity, which comply, according to the legal acts of establishment and organization, cumulatively, with the definition and principles of social economy provided for in this Law.

(2) Federations and unions of legal persons referred to in paragraph 1 may also be social enterprises.

Context

According to the European Social Economy Action Plan, Chapter 2 "Defining the Social Economy" includes:

The social economy comprises a range of entities with different business and organisational models. They operate in a wide variety of economic sectors: agriculture, forestry and fisheries, construction, reuse and repair, waste management, wholesale and retail trade, energy and climate, information and communication, financial and insurance activities, real estate, professional, scientific and technical activities, education, human health and social work activities, arts, culture and media.

In the context of the Action Plan and related EU initiatives, the social economy comprises entities that share the following main common principles and characteristics: the primacy of people as well as of social and/or environmental objective over profit, reinvestment of the majority of profits and surpluses to carry out activities in the interest of members/users ("collective interest") or society at large ("general interest") and democratic and/or participatory governance. Traditionally, the term "social economy" refers to four main types of entities that provide goods and services to their members or to society at large:

- cooperative.
- mutual aid societies.
- associations (including charities) and foundations.

They are private entities, independent of public authorities and with specific legal forms. Today, social enterprises, entities with various legal forms, are also generally considered to be part of the social economy.

Social Economy

Entities that Provide Goods and Services

FIGURE 1: SOCIAL ECONOMY ENTITIES BY CATEGORY OF BENEFICIARIES/CUSTOMERS



Social Economy in European Union

FIGURE 2: SOCIAL ECONOMY IN THE EUROPEAN UNION



Organisations and enterprises in the social economy in Romania have specific legal forms, as shown in Table 1.

TABLE 1 : FRAMEWORK LEGISLATION FOR LEGAL ENTITIES PART OF THE SOCIAL ECONOMY

Social Economy Entities - Legal Forms	Specific Legislation
Cooperative societies with sub-types of cooperatives with specific legislation	Law No 1/2005 on the organisation and functioning of cooperatives, republished
Credit unions	Government Emergency Ordinance No 99/2006 on credit institutions and capital adequacy, approved with amendments and additions by Law No 227/2007.
Agricultural cooperatives	Agricultural Cooperation Act No 566/2004.
Agricultural companies	Law No 36/1991 on agricultural companies and other forms of agricultural associations.
Associations and foundations - NGOs with sub-types	Government Ordinance No 26/2000 on associations and foundations, approved with amendments and additions by Law No 246/2005.
Employee mutual benefit funds;	Law No 122/1996 on the legal status of mutual aid funds for employees and their unions.
Mutual aid houses for pensioners	Law No 540/2002 on mutual aid houses for pensioners.
Owners' associations	Law No 230/2007 on the establishment, organisation and functioning of owners' associations.
Shrines and Composories	Art. 95 Associative forms of forest owners Forestry Code Law no.46/2008.
Commercial companies certified as social enterprises - temporary status - during the period they hold the social enterprise certificate	Law 219/2015 on social economy. Law 31/1990 on companies.

Social Economy in European Union

Associations, foundations, and cooperatives adhere to the principles of the social economy as outlined in the Social Economy Law no. 219/2015 through their organizational and operational statutes. However, it is important to note that in practice, some cooperatives in Romania, such as craft and consumer cooperatives, have experienced demutualization and, in some instances, privatization, leading to members losing control over their activities. Consequently, it is questionable to what extent these cooperatives still meet the A-D principles (see Figure 3).

However, **companies often do not comply** with many of these principles—especially the A-E principles related to purpose, collective nature, and member participation. These principles are not applicable to companies owned by a single individual shareholder. Thus, it is **debatable** to what extent they are part of the social economy. Law 219/2015 recognizes the role of companies in supporting the development of the social economy. However, their social character is considered **temporary**, limited only to the period of validity of the social economy certificate they hold.

An exception is made for **companies wholly owned by associations, foundations, or cooperatives**, whose purpose and profits are strictly dedicated to the organizations that own them and which, in turn, pursue a social purpose.

FIGURE 3: PRINCIPLES OF THE SOCIAL ECONOMY

- a) Priority given to the individual and social objectives over profit growth;
- b) Solidarity and collective responsibility;
- c) Alignment between the interests of associated members and the general interest and/or the interests of a community;
- d) Democratic control by members over the activities carried out;
- e) Voluntary and free association in organizational forms specific to the social economy sector;
- f) Distinct legal personality, management autonomy, and independence from public authorities;
- g) Allocation of the majority of profits/surplus to achieving general interest objectives, those of a community, or the non-material personal interests of members.

Social Economy in Romania - Legal Forms

Associations and Foundations
Homeowners' Associations
Commons and Community-Owned Properties



Cooperative Societies
Credit Cooperatives
Agricultural Cooperatives
Agricultural Companies

Mutual Aid Societies for Employees
Mutual Aid Societies for Pensioners

**Commercial Companies with
 Social Enterprise Certification**

Main data sources used

National Institute of Statistics - Tempo database

- Section "*Private administration organisations and average number of employees, by activities of the national economy at NACE Rev.2 class level and size classes by number of employees*", which includes non-governmental non-profit organisations - associations and foundations, organisations of religious cults established on the basis of Government Ordinance No 26/2000, Law No 62/2011, Law No 14/2003 and Law No 489/2006. Of these, trade unions and political parties have been extracted, namely the following NACE codes: 9420 - Activities of trade unions and 9492 - Activities of political organisations.
- Section '*Active enterprises by activities of the national economy at NACE Rev.2 section level and by legal forms*', which includes data from the statistical business register. The register classifies enterprises according to their legal form of organisation, distinguishing between commercial and non-commercial enterprises. The category of non-commercial legal forms includes institutions and non-governmental organisations.
- For the **Impact of associations and foundations** by field of activity, for social services, data on social service providers were used, classified by their form of ownership.

Eurostat - data on business demography by legal form, from the section *Business demography by legal form*, which includes co-operatives, non-profit organisations and joint ventures.

Single Register Of Social Enterprises, a tool administered by the National Employment Agency. Data from *Section D* were analysed. *Technical and financial data - total number of employees and total number of employees from vulnerable groups.*

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

We present an analysis of business demography data provided by the National Institute of Statistics (INS) on **private government** organizations, along with Eurostat data for enterprises with legal forms other than corporations and authorized natural persons, specifically **partnerships, cooperatives, and associations**. This classification is used as a proxy for categorizing cooperative social economy enterprises in the absence of other data.

The number of social economy organizations is increasing year by year, particularly due to the registration of a large number of associations and foundations.

According to the INS, the category of **private administration organisations** includes **non-governmental** non-profit organisations represented by:

- Trade unions, trade union confederations
- Parties, political parties, coalitions
- Professional and employers' unions/associations
- Foundations
- Cultural associations
- Sports associations/clubs
- Religious (cult) organisations
- Tenants/owners associations
- Shacks/boarded houses
- Mutual aid houses
- Other organisations

1.1 Private Administration Organisations

In 2022, the category of private government organizations comprised a total of 222,236 entities. Among these, associations and foundations constituted the majority, with a combined total of 180,232 organizations.

Throughout the review period, the number of trade union organizations remained relatively constant, hovering around 10,000 entities. Similarly, the count remained stable for political parties, with 60 organizations, as well as for employers' organizations, totaling approximately 11,000 entities.

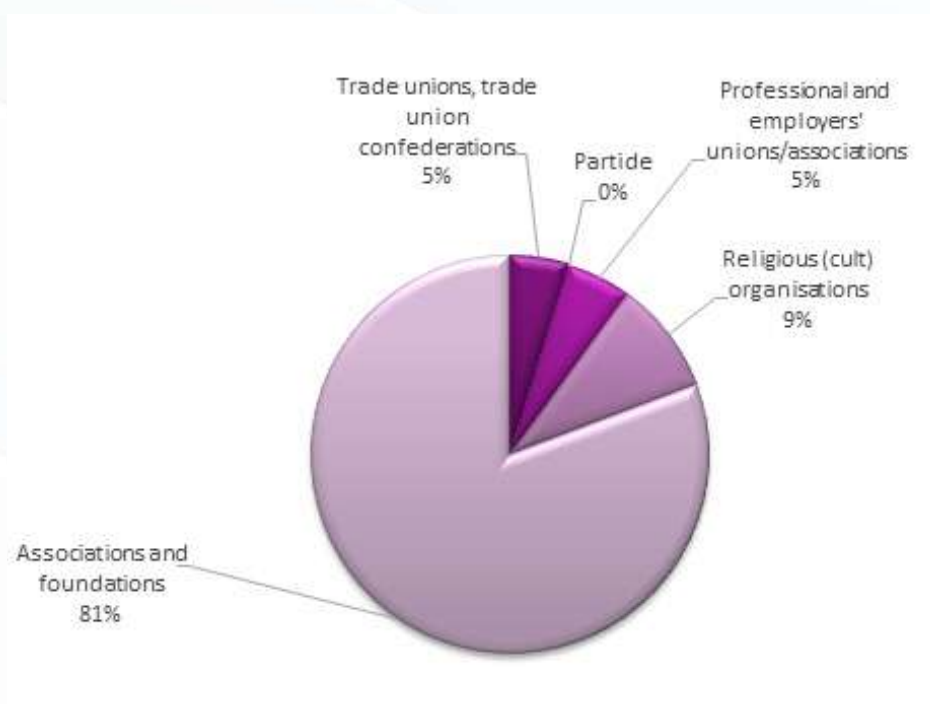
1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

**TABLE 2:
PRIVATE ADMINISTRATION ORGANISATIONS,
BY TYPE OF INS ORGANISATION, 2020-2022**

Type Of Organisation Private Administration (INS Categories)	Year		
	2020	2021	2022
	Number		
Total	210.400	216.418	222.236
Trade unions, trade union confederations	10.143	10.202	10.246
Parties	60	63	61
Professional and employers' unions/associations	11.421	11.399	11.439
Religious (cult) organisations	19.895	20.044	:
Social economy organisations of which	<i>168.881</i>	<i>174.710</i>	<i>180.323</i>
• Foundations	17.752	17.811	17.888
• Cultural associations	57.745	61.012	64.038
• Sports associations/clubs	15.315	16.055	16.921
• Tenants/owners associations	60.913	62.307	63.773
• Shacks/boarding houses	3.132	3.111	3.097
• Mutual aid houses	5.258	5.216	5.134
• Other organisations	8.766	9.198	9.472

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

FIGURE 4: PRIVATE ADMINISTRATION ORGANISATIONS BY TYPE % 2021



Source: National Institute of Statistics - Tempo online database (author's processing)

Among private administration organizations, associations and foundations constitute the majority at 81%, with the most substantial annual growth of over 6,000 new registrations. However, studies by the Civil Society Development Foundation indicate a low activity rate for these entities.

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

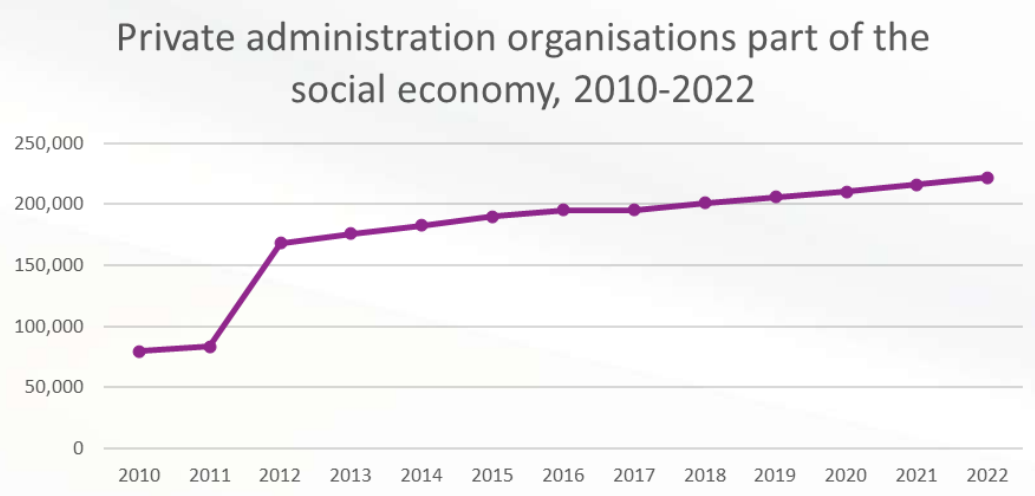
1.2. Private Administration Organisations Part Of The Social Economy - Associations, Foundations, Mutual Aid Houses, Communes And Composesorates

Among *private administrative organizations*, we've included in the social economy sector only those entities that correspond to the legal forms outlined in the Social Economy Act. These include foundations, cultural associations, sports associations/clubs, religious (cult) organizations, tenants' or landlords' associations, communes or composesorates, mutual aid houses, as well as 'other organizations'. With the exception of religious organizations, the category 'other organizations' falls under the umbrella of *associations and foundations*, as they adhere to specific legislation, namely Ordinance 26/2000.

In the following, we present a detailed analysis of the data regarding the total number of organizations, their distribution by types and sectors of activity, the dynamics of private administrative organizations within the social economy, and their evolution in recent years.

FIGURE 5: PRIVATE ADMINISTRATION ORGANISATIONS PART OF THE SOCIAL ECONOMY

NUMBER OF UNITS, 2010-2022



Source: National Institute of Statistics - Tempo online database (author's processing)

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

In 2022, Romania had **180,323 social economy organizations** within the private administration sector. By contrast, in France, according to data from *the Atlas of the Social and Solidarity Economy*, which includes associations, cooperatives, mutual societies, foundations and commercial companies with a social purpose, there are almost *150,000 employing structures* - entities with at least one employee, and *1.5 million active associations*¹.

Between 2010 and 2022, the number of registered organizations saw a near-constant increase. This growth, from 83,222 in 2011 to 168,233, was largely due to a change in the INS methodology for classifying entities in this category. Beginning that year, the INS reclassified several entities previously categorized elsewhere, including homeowners' associations, mutual aid houses, societies, and composesorates. This decision acknowledged the significant economic role of these entities, integrating them more clearly into the social economy.

Next, we will analyze the dynamics of the sector over the last ten or three years, excluding religious organizations due to their distinct characteristics. Religious organizations often receive consistent public funding, which can result in only partial alignment with the principles of the social economy, particularly in terms of their independence and autonomy of operation.

TABLE 3: EVOLUTION OF THE NUMBER OF PRIVATE ADMINISTRATION ORGANISATIONS PART OF THE SOCIAL ECONOMY, TYPES OF ORGANISATIONS, 2012, 2019-2022

Type Of Organisation Private Administration	2012	2019	2020	2021	2022	Variation 2012-2022	Annual Growth Rates 2012-2022	Change 2020 - 2022	Annual Growth Rates 2020-2022
	Number					%			
Private Administration Organisations Part Of The Social Economy									
Total of which	131.956	164.955	168.881	174.710	180.323	37	3,7	6,8	3,4
Foundations	17.442	17.800	17.752	17.811	17.888	3	0,3	0,8	0,4
Cultural associations	35.980	55.502	57.745	61.012	64.038	78	7,8	10,9	5,4
Sports associations/clubs	9.807	14.943	15.315	16.055	16.921	73	7,3	10,5	5,2
Tenants/owners associations	51.658	59.773	60.913	62.307	63.773	23	2,3	4,7	2,3
Communes /composesorates	3.120	3.177	3.132	3.111	3.097	-1	-0,1	-1,1	-0,6
Mutual aid houses	5.781	5.458	5.258	5.216	5.134	-11	-1,1	-2,4	-1,2
Other organisations	8.168	8.302	8.766	9.198	9.472	16	1,6	8,1	4,0

Source: National Institute of Statistics - Tempo online database (author's processing)

¹ <https://chorum.fr/actualite/atlant-2023-de-leconomie-sociale-et-solidaire-est-disponible>

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

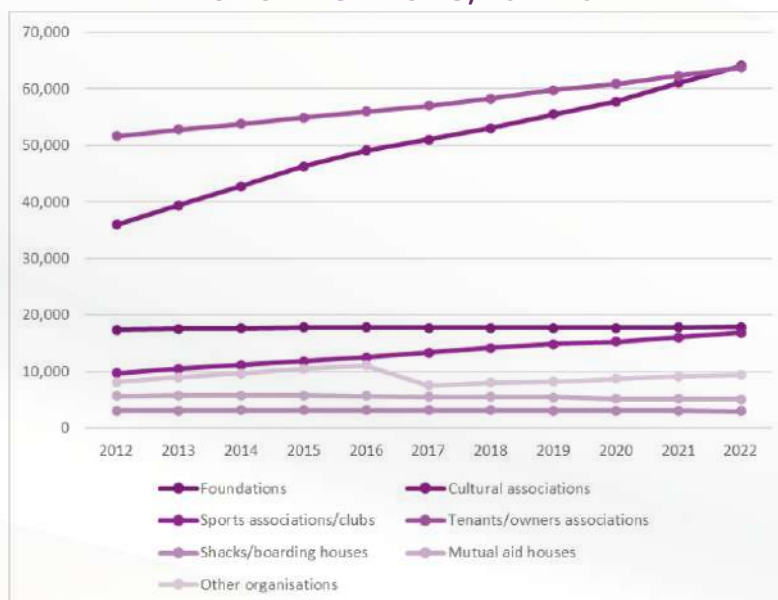
Over the last ten years, spanning from 2012 to 2022, the sector has experienced a notable increase of 37% in the number of organizations. However, the average annual growth rate has declined over the past two years, dropping from an average of 3.7% to 3.4% annually.

The most dynamic segments during this period were **cultural and sports associations**, which displayed average annual growth rates of 7.3% and 7.8%, respectively. Nevertheless, their growth has decelerated over the last two years, with annual rates of 5.4% and 5.2%, respectively.

Mutual aid societies stand out as the sole segment experiencing a decrease in the number of organizations. This trend is propelled by their strategy of consolidation and mergers, essential for enhancing operational capacity and ensuring survival in a fiercely competitive financial services market.

Furthermore, it's noteworthy that over the past two years, foundations have slightly intensified their growth in terms of the number of organizations, from an annual growth rate of 0.3% to 0.4%. Could this potentially signify a maturation of the philanthropic sector in Romania?

FIGURE 6: EVOLUTION OF THE NUMBER OF PRIVATE ADMINISTRATION ORGANISATIONS PART OF THE SOCIAL ECONOMY, TYPES OF ORGANISATIONS, 2012-2022



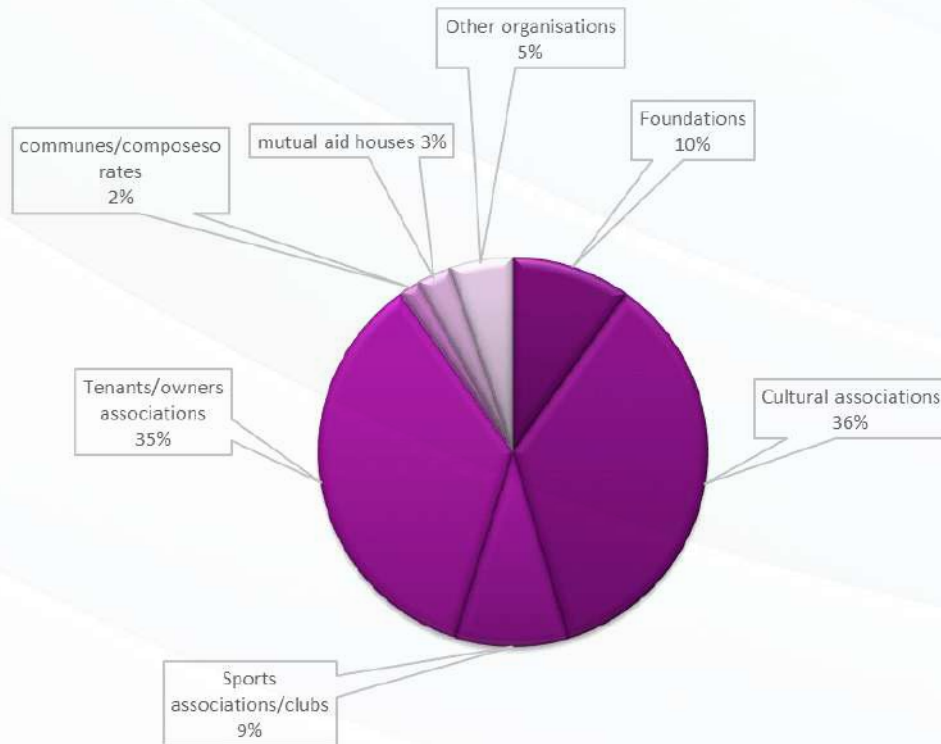
Source: National Institute of Statistics - Tempo online database (author's processing)

The share by type of private administrative organizations classified according to the INS typology as part of the social economy is depicted in Table 3 and Figure 6. Notably, the most prominent categories include cultural associations, comprising 36% of the total share, followed closely by owners/tenants associations at 35%.

Foundations, operating across various sectors of the economy, contribute 10% to the total, while sports associations/clubs represent 9%.

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

FIGURE 7: PRIVATE GOVERNMENT ORGANISATIONS ASSOCIATIONS AND FOUNDATIONS, BY TYPE 2022



Source: National Institute of Statistics - Tempo online database (author's processing)

An analysis of the balance sheet data of associations and foundations, including their sector of activity and corresponding NACE code (see Table 4), reveals the challenges these organizations face in accurately identifying the NACE codes that correspond to their activities.

Sports organizations and those in the financial sector, well-represented by both NACE codes and the INS typology, exhibit the best alignment. However, within the INS typology, it is challenging to ascertain the share of private administrative organizations in crucial sectors such as education, health, social, and socio-medical assistance. Therefore, for analyses covering these areas, we have relied on the use of NACE codes.

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

TABLE 4: NUMBER OF PRIVATE ADMINISTRATION ORGANISATIONS PART OF THE SOCIAL ECONOMY, BY TYPE OF INS AND SECTOR OF ACTIVITY NACE - 2022

NACE Rev.2 Activity Sectors Of Private Administration Organisations	Number Of Units	Types Of Private Government Organisations - Associations And Foundations (Other Than Political, Trade Union, Professional And Religious Employers' Organisations)	Number Of Units
Total	178.117	Total	180.323
Activities of other organisations n.e.c. 9499	138.932	Foundations	17.888
		Other organisations	9.472
Renting and subletting of own or leased real estate 6820	198	Tenants' / owners' associations - <i>most can be found in NACE Activities of other organisations n.e.c. 9499</i>	63.773
Sport 931	18.201	Sports associations/clubs	16.921
Other lending activities 6492	5.007	Mutual aid houses	5.134
Cultural activities	2.146	Cultural associations - <i>most can be found in NACE Activities of other organisations n.e.c. 9499</i>	64.038
Forestry 02	510	Shacks/boarding houses	3.097
Health 86	1.423	They can be found at foundations, other organisations	
Agriculture and livestock 01	1.260		
9329 Other amusement and recreation n.e.c.	1.158		
Social and socio-medical assistance 87	4.928		
Education 85	4.354		

Source: National Institute of Statistics - Tempo online database (author's processing)

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

1.3 Cooperatives - Social Economy Enterprises With Other Legal Forms

The European Action Plan for the Social Economy, adopted by the European Commission in December ²⁰²¹, highlights that the diversity of enterprise forms within the social economy enhances the overall diversity of enterprises in Europe, offering consumers more choices and higher quality products and services.²

We analyzed the share of enterprises with other legal forms (partnerships, cooperatives, associations) based on Eurostat indicators. These enterprises constitute 6.8% of all enterprises at the EU level, with the highest representation in Germany at 14.5%, and the lowest in Slovakia and Romania at 0.3% each.

Compared to 2020, there has been a notable decrease from an EU average of 7.2% to 6.8%, with Romania reflecting this trend by dropping from 0.4% to 0.3%.

² Communication from the European Commission Building an economy that works for people - an action plan for the social economy

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

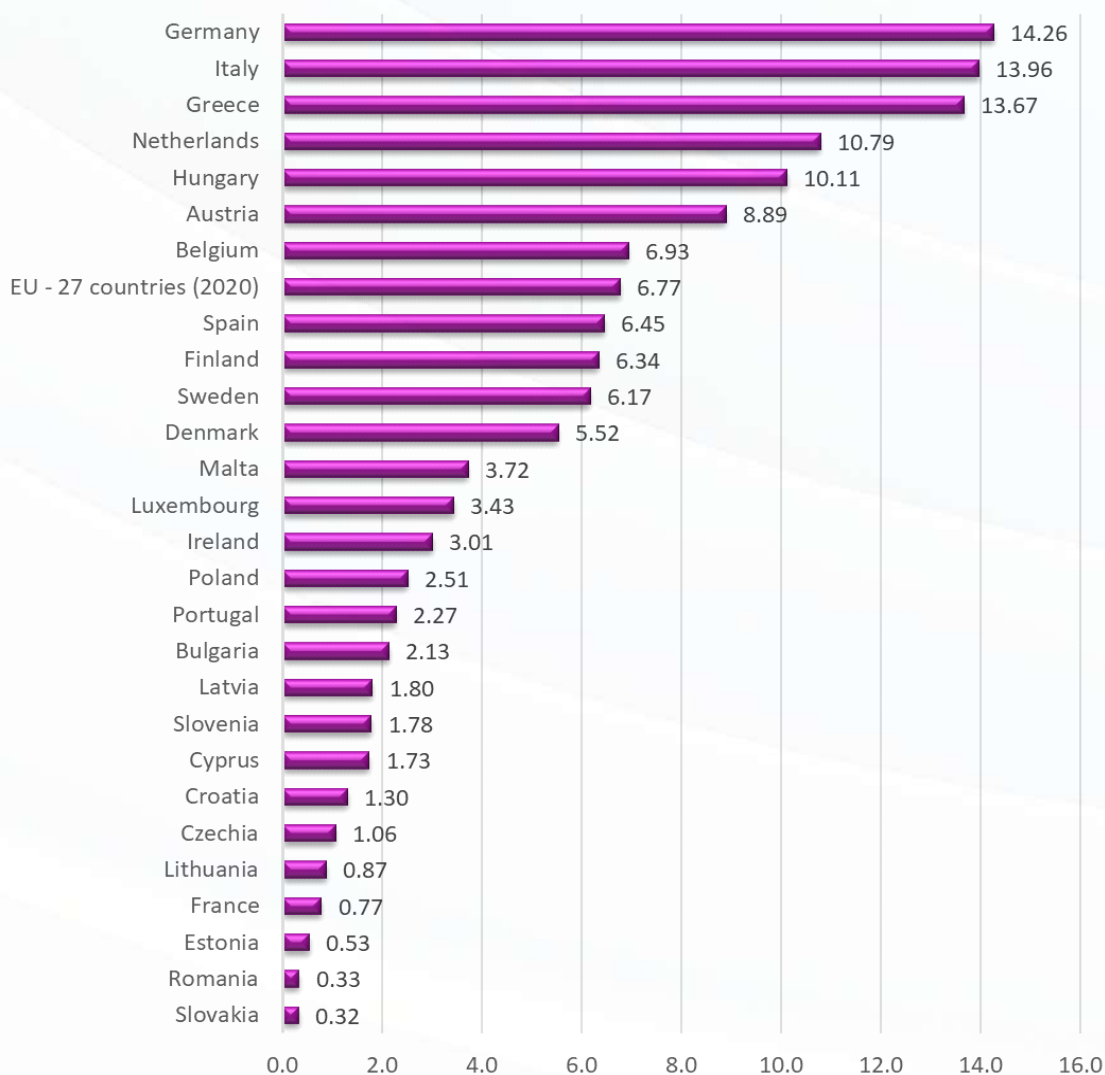
TABLE 5: ENTREPRENEURS WITH OTHER LEGAL FORM - PARTNERSHIPS, COOPERATIVES, ASSOCIATIONS, EU, 2021

Country	Number of enterprises, EU 2021	Number of enterprises with other legal form - partnerships, cooperatives, associations, EU - 2021
Austria	589.615	52.441
Belgium	843.146	58.470
Bulgaria	382.086	8.150
Croatia	217.553	2.830
Cyprus	83.062	1.438
Czech Republic	1.251.853	13.268
Denmark	291.188	16.082
Estonia	136.867	728
European Union - 27 countries (from 2020)	31.508.884	2.134.435
Finland	429.231	27.214
France	4.827.641	37.317
Germany	3.145.703	448.627
Greece	880.349	120.317
Hungary	949.587	96.009
Ireland	373.309	11.222
Italy	4.462.146	623.071
Latvia	138.359	2.485
Lithuania	300.182	2.621
Luxemburg	41.841	1.434
Malta	52.095	1.938
Netherlands	2.052.683	221.501
Poland	2.665.170	66.857
Portugal	1.231.887	27.953
Romania	934.417	3.050
Slovakia	595.131	1.932
Slovenia	185.655	3.296
Spain	3.416.248	220.518
Sweden	1.031.880	63.666

Source: Eurostat, Business demography by legal form (author's processing)

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

FIGURE 8: SHARE OF ENTERPRISES WITH OTHER LEGAL FORM - PARTNERSHIPS, COOPERATIVES, ASSOCIATIONS, EU, 2021 (%)

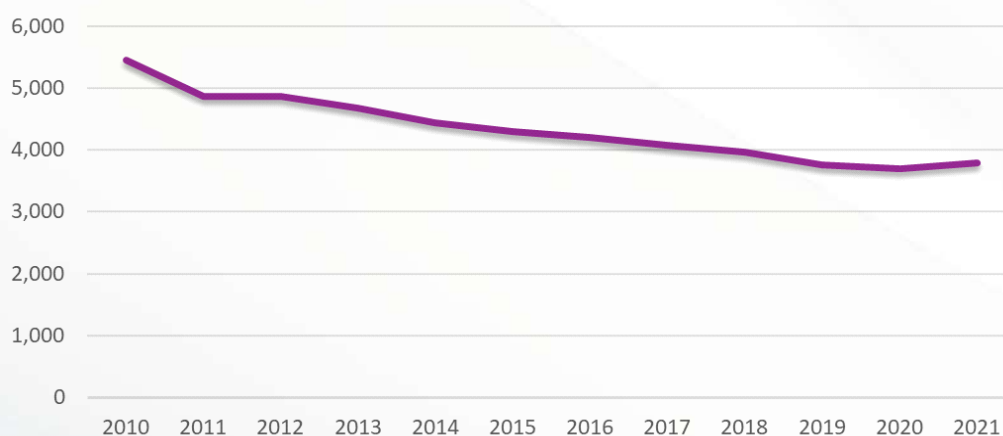


Source: Eurostat, Business demography by legal form (author's processing)

These statistics primarily reflect cooperatives, which represent only a small segment of the social economy sector.

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

FIGURE 9: NUMBER OF ACTIVE ENTERPRISES - OTHER LEGAL FORMS (PARTNERSHIPS, COOPERATIVES, ASSOCIATIONS), 2010-2021



Source: National Institute of Statistics - Tempo online database (author's processing)

In contrast to private administration organisations part of the social economy, which generally show positive dynamics (see figure 6), cooperatives are in decline in Romania.

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

1.4 Social Enterprises And Their Financing

In this sector, we include enterprises structured as trading companies, which can be categorized as:

1. **Companies owned and controlled by social economy entities**
2. Organizations and commercial and cooperative companies with a **social enterprise certificate**, according to the Law on Social Economy no. 219/2015. These private law entities that engage in social economy activities, hold a social enterprise certificate, and adhere to the following **principles** outlined in the law:
 - a) Prioritizing individual and social goals over profit growth
 - b) Solidarity and collective responsibility
 - c) Convergence between the interests of associated members and the general interest and/or community interests
 - d) Democratic control by members over the activities carried out
 - e) Voluntary and free association in forms of organization specific to the social economy
 - f) Separate legal personality, management autonomy, and independence from public authorities
 - g) Allocation of the majority of financial profit/surplus to the achievement of objectives of general interest, community benefit, or the personal non-pecuniary interest of members

The certificate is granted to those social enterprises which have the following **criteria** in their articles of association and operating documents:

- a) Act for a social purpose and/or in the general interest of the community;
- b) Allocate a minimum of 90% of its profits to the social purpose and the statutory reserve;
- c) Commit to transferring the assets remaining after liquidation to one or more social enterprises;
- d) Apply the principle of social equity towards employees, ensuring fair pay levels, with differences not exceeding a ratio of 1 to 8.

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Social enterprise with certificate shall respect during the period of holding this certificate

Principles of social economy:

- a) Prioritizing individual and social goals over profit growths
- b) Solidarity and collective responsibility;
- c) Convergence between the interests of associated members and the general interest and/or community interests;
- d) Democratic control by members over the activities carried out;
- e) Voluntary and free association in forms of organization specific to the social economy;
- f) Separate legal personality, management autonomy, and independence from public authorities;
- g) Allocation of the majority of financial profit/surplus to the achievement of objectives of general interest, community benefit, or the personal non-pecuniary interest of members;



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1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

As of December 2023, there were 2,915 organisations and companies listed in the **Single Register of Social Enterprises**³ that had been certified as a social enterprise at some point in their existence.

Among them:

- 29 attestations were **expired** - for businesses that were attested during 2015-2018 and chose not to renew their attestation.

According to Law 219/2015, the certificate is valid from the date of the decision of the Executive Director of the AJOFM for a period of 5 years.

- 427 had their licence **withdrawn** - some of them after a period of suspension.

According to Law no. 219/2015, art. 8, the withdrawal of the social enterprise certificate is executed by the employment agencies when the enterprise violates at least one of the criteria provided for by law or at the request of the AJOFM, if the social enterprise does not rectify the causes underlying the suspension measure and does not provide proof of payment of the imposed fines.

- 5 with **suspended** social enterprise certificate
- 2,454 with **valid** social enterprise certificate

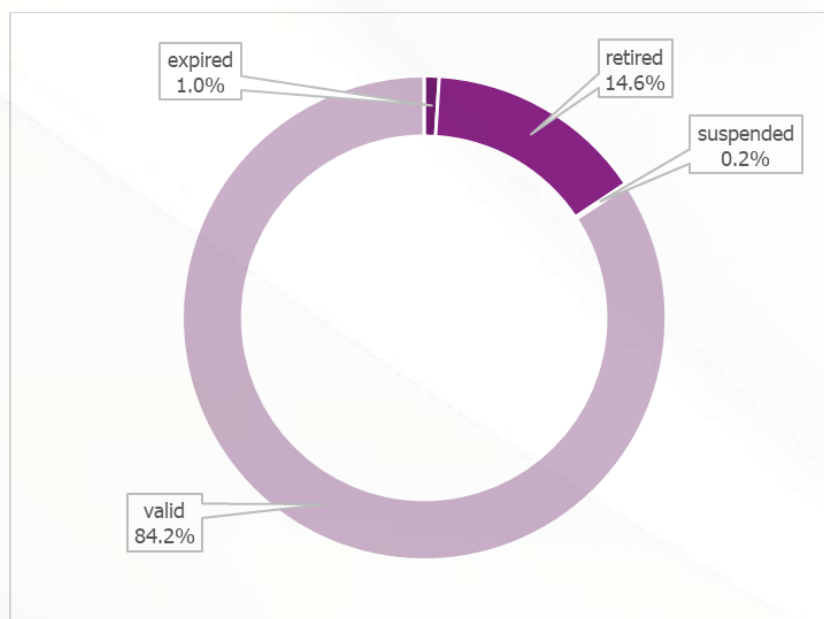
It is noted that a significant 15% of social enterprises have had their certificates suspended by county employment agencies.

³Single register of social enterprises -extra-actualised December 2023

<https://www.anofm.ro/index.html?agentie=&categ=9&subcateg=1&idpostare=28571>

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FIGURE 10: SOCIAL ENTERPRISES IN THE SINGLE REGISTER OF SOCIAL ENTERPRISES, CERTIFIED STATUS - DECEMBER 2023



Source: Single register of social enterprises - updated extract, December 2023 ANOFM (author's processing)

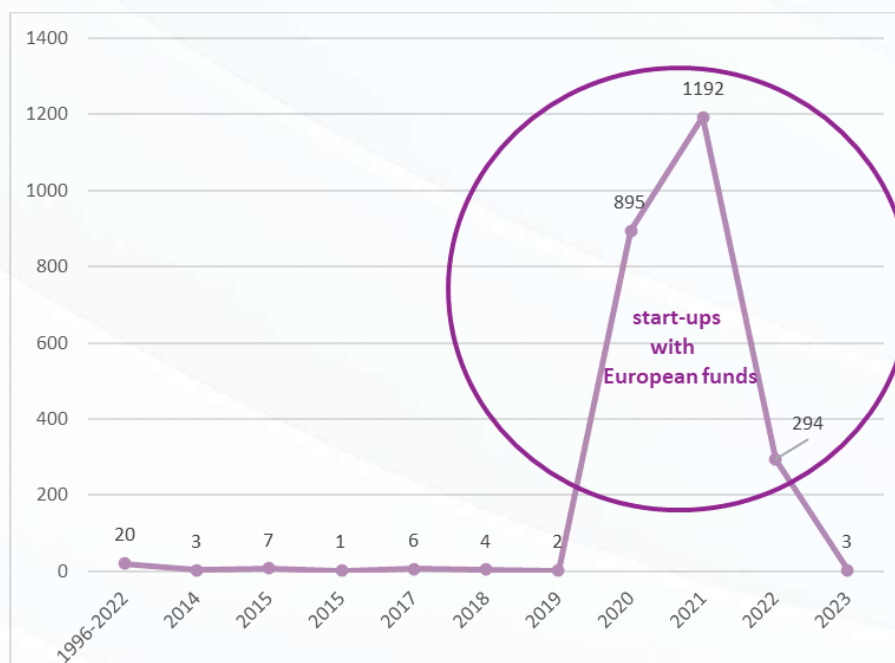
Dynamics Of The Certification Of Enterprises As Social Enterprises

In Romania, as of December 2023, there were 2,454 organizations and companies with a valid social enterprise certificate. The total number of enterprises registered in the Single Register of Social Enterprises (RUIS), which includes all those that have ever held a certificate, was 2,915. This represents a slight increase compared to March 2022, when 2,596 enterprises were listed in the register.

The majority of companies with valid certificates (98%) are start-ups, most of which are financed by European funds. These organizations and companies were established between 2020 and 2023, as illustrated in Figure 11.

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FIGURE 11: NUMBER OF ORGANISATIONS WITH A VALID CERTIFICATE, BY YEAR OF ESTABLISHMENT - 2023



Sursa: Registrul unic de evidență a întreprinderilor sociale – extras actualizat decembrie 2023, ANOFM (prelucrarea autoarei)

It is important to note that many legal entities certified as social enterprises already existed at the time of the adoption of the Law on Social Economy. Specifically, 23 of these certified enterprises were established before 2015.

Additionally, **there has been a significant number of social enterprises set up during the period 2020-2022**, most likely through the Human Capital Operational Programme (POCU), where certification as a social enterprise was a prerequisite for obtaining funding.

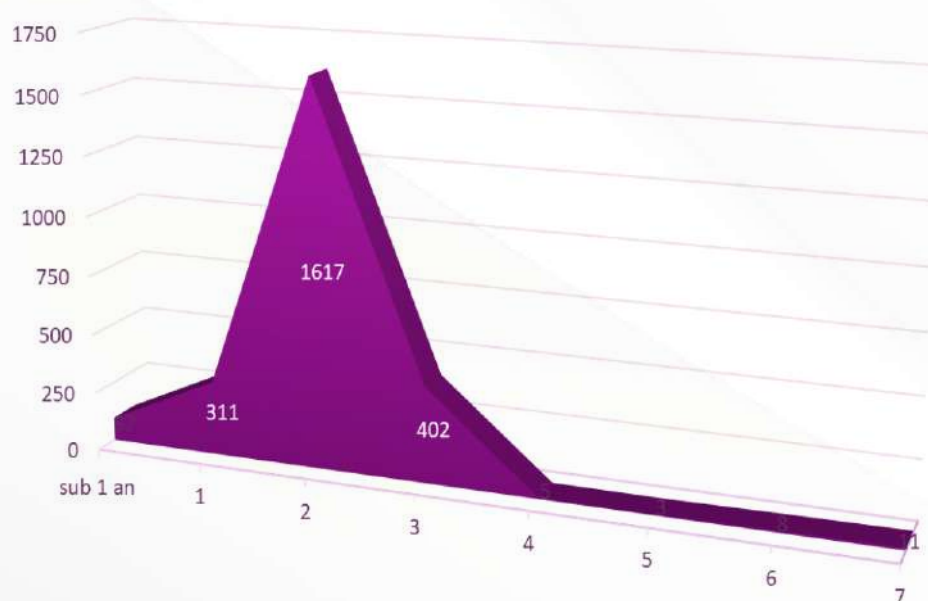
According to data from the impact assessment report, 2,899 social enterprises were established by April 2023 through the POCU funding calls. This indicates that at least 445 of these EU-funded social enterprises withdrew their accreditation less than a year after the end of the projects, given that by December 2023, only 2,454 enterprises still had valid accreditation.⁴

Most companies in the market have been certified for less than three years, according to official data as of December 2023.

⁴ Ministry of Investment and European Projects "Implementation of the Evaluation Plan of the Human Capital Operational Programme 2014-2020 Lot 1: Evaluation of Social Inclusion Interventions" Contract No. 36273 / 05.05.2020 - Evaluation Report - October 2023 (final version)

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FIGURE 12: LENGTH OF TIME HOLDING A VALID SOCIAL ENTERPRISE CERTIFICATE - YEARS NUMBER OF ENTERPRISES



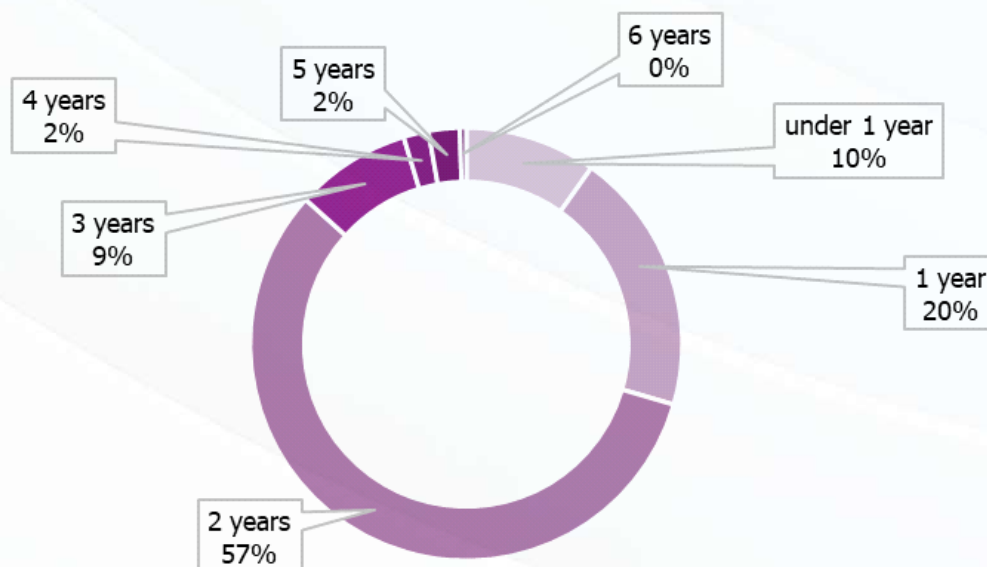
Source: Single register of social enterprises - updated extract December 2023, ANOFM (author's processing)

As shown above, more than 15% of enterprises have already relinquished their social enterprise certificates, with the majority (70%) doing so two years after obtaining them (see Figure 12). This trend suggests a potential wave of withdrawals in the coming period, given that many enterprises have surpassed the two-year mark.

Additionally, a significant number of enterprises relinquish their certificates earlier: 20% before reaching two years and 10% before one year. This indicates a low motivation to either establish a social enterprise or maintain their social enterprise status, possibly due to the relationship between the legal requirements and the support measures they receive.

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FIGURE 13: DURATION OF OPERATION WITH CERTIFICATE (YEARS), % OF WITHDRAWN CERTIFIED ENTERPRISES



Source: Single register of social enterprises - updated extract December 2023, ANOFM (author's processing)

1.4.1. Financing Social Enterprises

Start-Up - European Social Fund National Human Capital Programme 2014-2020. The Key Role of Grant Administrators

The Human Capital Operational Programme 2014-2020 had specific objective 4.16 *Strengthening the capacity of social economy entities to operate in a self-sustainable way*, aimed at contributing directly to Investment Priority 9v *"Promoting social entrepreneurship and vocational integration in social enterprises and the social and solidarity economy to facilitate access to employment"*.

From the POCU/449/4/16 (urban) call launched in 2018, the 113 contracted projects cumulate a value of around €294 million, i.e. 4 times more than the initially allocated amount of around €70 million.

Under the POCU/879/4/16 call launched in 2020, actions were focused on rural areas (less developed regions) and the Danube Delta ITI. Unlike previous calls, it introduced a new mandatory stage: ensuring the sustainability of business plans after the end of the project implementation period, eliminating the possibility to select activities aimed at developing the social economy sector.

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TABLE 6: CALLS UNDER THE HUMAN CAPITAL OPERATIONAL PROGRAMME 2014-2020 SPECIFIC OBJECTIVE 4.16 STRENGTHENING THE CAPACITY OF SOCIAL ECONOMY ENTITIES TO OPERATE IN A SELF-SUSTAINABLE WAY

Eleven projects were funded from this call, including one project from the Danube Delta ITI region, covering the financial allocation of €30 million.

	Call 75	Appeal 449	Appeal 879
Launch date			
Budget	Launched in 2016 as a <i>de minimis aid scheme</i> with a total allocated budget of €20 million and a maximum value per project of €100,000. The targeted objective was to strengthen the capacity of existing social economy entities.	Launched in 2018, <i>competitive call</i> dedicated exclusively to less developed regions, with a total budget of €70 million of which at least 70% is allocated to <i>de minimis aid</i> schemes for start-up social enterprises. The total value of contracted projects is more than 4 times higher.	Launched in 2020 competitive call dedicated exclusively to less developed rural regions, with a total budget of 30 million euros, of which at least 21 million euros allocated for expenditure related to <i>de minimis aid</i> schemes (min. 70%), an allocation of 3 million euros dedicated to the ITI Danube Delta area for start-up social enterprises.
Beneficiary regions.			
Maximum amount of <i>de minimis aid</i> :	100.000 EUR per enterprise	100,000 EUR per enterprise (minimum 5 jobs created)	200,000 EUR per enterprise (minimum 7 jobs created, of which 5 jobs are filled by young NEETs)
Number of jobs to be created.			
Eligible applicants	Existing social economy entities	Higher education institutions, enterprises (micro, small, medium, large), public institutions, public authorities, NGOs, chambers of commerce	Social economy entities, networks, unions, federations in the social economy sector, accredited public and private vocational training providers/employment services, social service providers, trade unions and employers' organisations, professional associations, chambers of commerce and industry, NGOs, central or local public authorities, exclusively as partners.

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Eligible NACE codes:		All NACE codes with some exceptions (fishing and aquaculture, primary production of agricultural products, processing and marketing of agricultural products, road freight transport activities, etc.).	At least 60% of social enterprises with processing and marketing of agricultural products in relation to the total number of social enterprises established.
Number of applications and projects funded	57 funding applications, of which 51 were rejected for administrative compliance reasons. A contracted project.	113 projects were contracted under this call.	Eleven projects were contracted under this call (10 from the regions and one project from the Danube Delta ITI area).

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

<p>Conclusions recommendations evaluators ⁵</p>	<ul style="list-style-type: none"> • Lack of capacity of beneficiaries to prepare eligible applications. • Low interest of existing social economy entities to certify themselves for the purposes of Law 219. 	<ul style="list-style-type: none"> • The contribution of the POCU to the establishment of certified social enterprises in Romania is essential, with more than 97% of them (i.e. more than 2,770 social enterprises) being established with financial support received under the SO 4.16 intervention. However, it is important to note that the number of social economy structures operating in Romania without being certified is very high. Therefore, while the number of social enterprises set up with POCU support is relatively high in absolute terms, it still represents a small percentage of the total number of social economy structures in Romania. • However, considering the tens of thousands of social economy structures that have been operating in Romania for many years without being certified under Law 219, the overall impact of the POCU intervention remains limited within the broader social economy sector. • Both calls were aimed at setting up new social enterprises and not at strengthening existing ones. • The importance of informing about the concept of social economy and social entrepreneurship, as there is still confusion about this concept. • Beneficiaries of de minimis aid found the support of the grant administrator beneficial. However, some beneficiaries felt that certain administrators introduced too many additional conditionalities beyond those in the applicant's guide. They developed working methodologies that complicated the process, required an excessive amount of supporting documents (e.g., in the case of public procurement), and more. Beneficiaries believe that such grant schemes should be managed by administrators with experience in the social economy. • Not all administrators provided support for business development, instead focusing primarily on "progress reports and document collection"
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Source: Evaluation Report - "Implementation of the Evaluation Plan of the Human Căpital Operational Programme 2014-2020 - Evaluation of the interventions of the POCU in the field of social inclusion" ⁷

⁵ Source Evaluation Report - "Implementation of the Evaluation Plan of the Human Capital Operational Programme 2014-2020 - Evaluation of the interventions of the POCU in the field of social inclusion"

⁷Ministry of Investment and European Projects "Implementation of the Evaluation Plan of the Human Capital Operational Programme 2014-2020 Lot 1: Evaluation of Social Inclusion Interventions" Contract No. 36273 / 05.05.2020 - Evaluation Report - October 2023 (final version)

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

<p>The author's conclusions and recommendations.</p>	<ul style="list-style-type: none"> • Lack of understanding by POCU evaluators of how a social economy entity operates and failure to meet administrative criteria. • The small size of the grant and the highly bureaucratic procedure for awarding it. • It is recommended to implement a simplified procedure similar to those in calls for enterprises administered by the Ministry of Economy. 	<ul style="list-style-type: none"> • The calls provided limited support to social enterprises with a certificate and not to all social economy entities - associations, foundations with economic activity, cooperatives, mutual aids houses; • Unfortunately, many social enterprises financed as start-ups by European funds abandon the certificate and the social mission after the end of the sustainability period of European projects (see section on social enterprises). • Thus, this funding does not make a sustainable contribution to the development of the social economy sector. Instead, it creates an artificial sector dependent on European funds, as noted by program evaluators. It is recommended either to make funding conditional on maintaining social enterprise status indefinitely or to amend the Social Economy Law so that social enterprise status is not optional but a separate legal form. This way, those who opt for this status can no longer relinquish it, except through liquidation, in which case the law's provision regarding the transfer of assets to an existing social enterprise would apply. • These calls did not take into account the objective of the Programme "<i>Strengthening the capacity of social economy entities to operate in a self-sustainable way</i>", funding only start-ups with very low sustainability and not the development/scaling up of successful enterprises in the sector. ⁶ • Grant administrators often lack the sector-specific expertise and institutional capacity necessary to adequately assist beneficiaries in their development. It is recommended that clear criteria for social economy expertise be introduced, and that companies wishing to be administrators be required to be certified as social enterprises. Additionally, it is recommended that grant administrators who hold the status of an authorized social enterprise be awarded additional points in the evaluation process. • To enhance the professionalization of administrators and the efficiency of their support activities for social entrepreneurs, it is recommended to select 1-2 administrators in each region and to conduct the calls regionally.
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⁶ Moreover, existing social enterprises that do not have the legal form of a company or cooperative do not have access to funding - associations, foundations due to their non-inclusion in the category of eligible enterprises and applicants on calls for enterprises.

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

We have made an in-depth analysis of the call POCU/449/4/16/ - Strengthening the capacity of social economy enterprises to operate in a self-sustainable manner - "Support for the establishment of social enterprises".

The call had an initial total allocation of €70 million. A total of 307 projects were submitted under this call, with a cumulative value of €813.21 million. The distribution of these projects is as follows:

- 116 projects scoring 92 points or more, with a total value of €325.82 million;
- 62 projects scoring below 92 points, with a total value of €159.58 million;
- 129 rejected projects.

The projects selected for funding, which scored 92 points or more, entered the contracting process, resulting in a final allocation to the sector of over €300 million—more than four times the initially allocated amount.

Although the axis was titled *Strengthening the Capacity of Social Economy Enterprises to Operate in a Self-Sustainable Manner*, the funding was, in fact, allocated exclusively to the *establishment of new social enterprises*, as existing social economy organizations and enterprises were not eligible.

The success or failure of this funding initiative, and the impact ultimately generated, is largely determined by the **administrators of the grant schemes**. They play a crucial role, being responsible for the selection and training of entrepreneurs, as well as providing ongoing training and counselling.

In terms of legal organization, most of them are non-governmental non-profit bodies (private legal persons without a profit motive), representing 43% of the total. These are followed by SMEs—commercial companies—comprising 39%, with micro-enterprises and small enterprises predominating in this category.

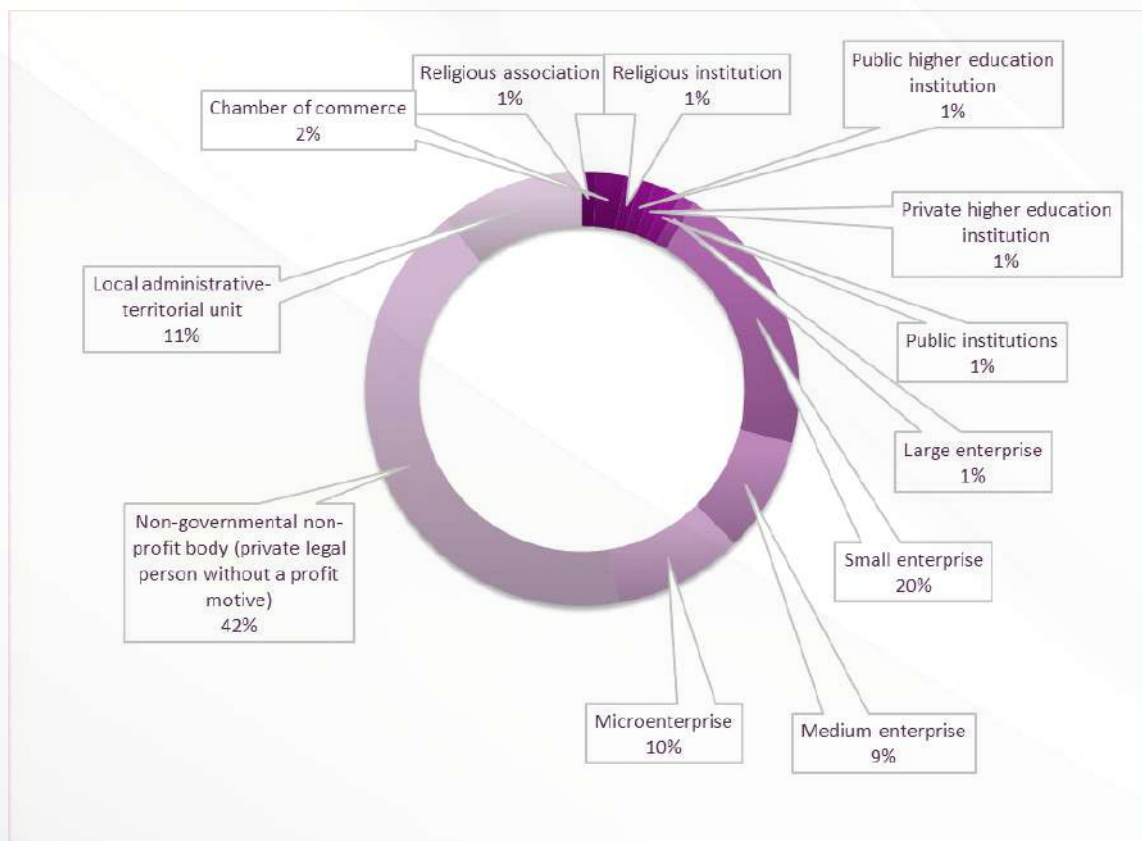
It should be noted that the AMPOCU (Managing Authority for the Human Capital Operational Programme) adopts the national definition for the categorization of enterprises, which includes only commercial and cooperative companies. This contrasts with the European definition of an enterprise, which extends to any legal form.

According to the European definition, an enterprise is "any entity engaged in an economic activity, regardless of its legal form." This definition aligns with the terminology used by the Court of Justice of the European Union in its rulings. The key factor is the economic activity, not the legal form. In practice, this means that self-employed persons, family businesses, partnerships, associations, or any other entities regularly engaged in an economic activity can be considered as undertakings. An economic activity is typically defined as "the sale of products or services at a given price in a given/direct market."

Source: User's Guide to the SME definition, European Commission, 2019.

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FIGURE 30: CATEGORY OF LEGAL ENTITIES – ADMINISTRATORS OF SOCIAL ENTERPRISE GRANT SCHEMES UNDER POCU 2014-2020



It is worth considering to what extent **micro-enterprises** are able to administer such grant schemes, given that, according to the European definition, they have less than 10 employees (or 9 employees according to national legislation) and an annual turnover or annual balance sheet total below €2 million. However, 10% of grant administrators are micro-enterprises.

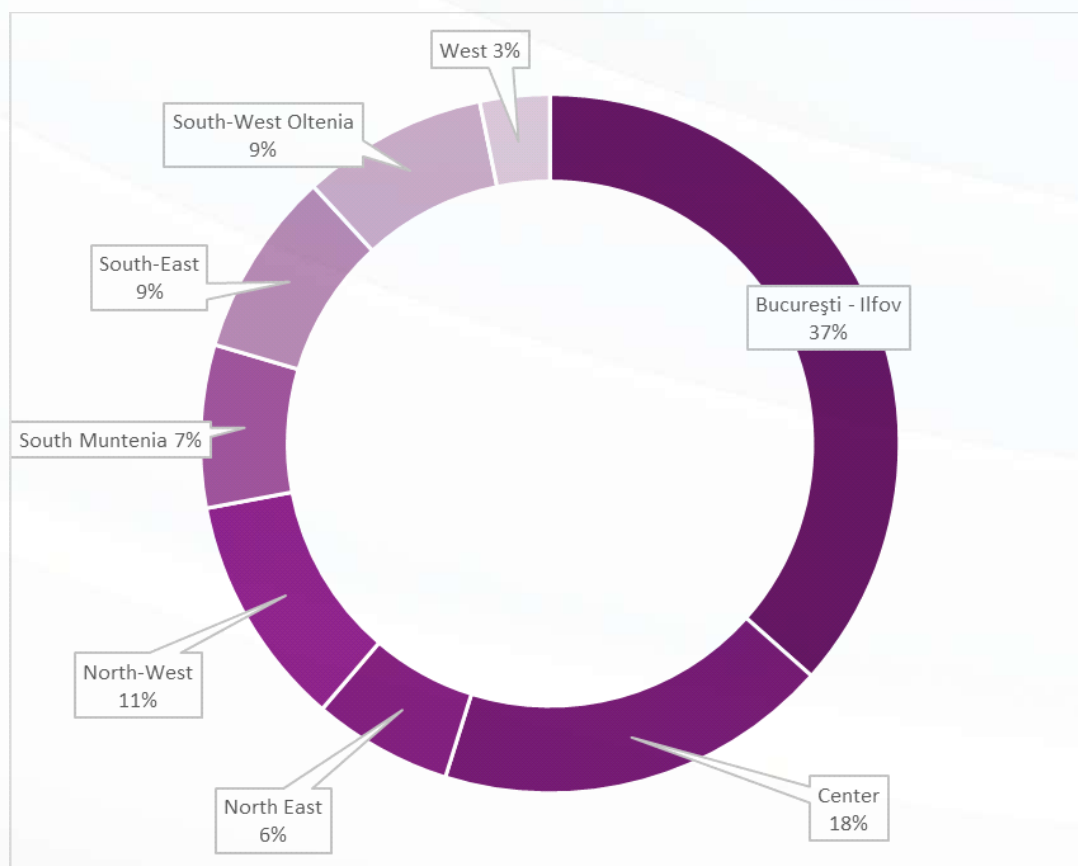
- Small businesses, with fewer than 50 employees and an annual turnover or annual balance sheet total of less than €10 million, accounted for 11% of grant administrators;
- medium-sized enterprises, with fewer than 250 employees and an annual turnover below EUR 50 million or an annual balance sheet total below EUR 43 million, accounted for 11% of grant administrators.

Thus, non-profit NGOs and SME companies controlled 82% of social enterprise grant schemes.

We note the large share of entities from the **Bucharest-Ilfov** region, which control 37% of the grant schemes in the country, followed by those from the **Centre** region with 18%. Administrators from these two regions control more than half (55%) of the total schemes implemented under this programme.

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FIGURE 15: ADMINISTRATORS OF SOCIAL ENTERPRISE GRANT SCHEMES BY REGION, POCU 2014-2020



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We conducted an analysis of the main areas of activity of companies that had projects approved as administrators of social economy grant schemes. The results are presented in Table 7.

TABLE 7: DISTRIBUTION OF GRANT ADMINISTRATOR FIRMS, BY NACE CODE - TOTAL PROJECTS ADMINISTERED BY FIRMS WITH NACE CODE

NACE - main field of activity of the company grant administrator	No. of projects - total - grant administrator firms with respective NACE
70 Activities of directorates (head offices), central administrative offices; management consultancy and management activities	8
85 Education	6
41 Construction of buildings	5
73 Advertising and market research activities	5
32 Other industrial activities n.e.c.	2
42 Civil engineering works	2
46 Wholesale trade, except of motor vehicles and motorcycles	2
56 Restaurants and other food service activities	2
08 Other mining and quarrying	1
17 Manufacture of paper and paper products	1
25 Manufacture of fabricated metal products, except machinery and equipment	1
43 Special construction works	1
62 Information technology service activities	1
78 Labour force service activities	1
79 Activities of travel agencies and tour operators; other reservation and support service activities	1
81 Landscaping and building service activities	1

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Most social economy projects were managed by consultancy firms specializing in the management of European funds (NACE 70). It is evident that their expertise in European fund management has enabled projects to comply with the Managing Authority's procedures. However, their expertise in the social economy remains to be demonstrated.

It is surprising to find among grant administrators firms with NACE codes in sectors where the presence of social economy enterprises or organizations is unusual or unlikely, such as extractive activities or advertising.

It is also worth examining the extent to which a firm active in a different sector, such as building construction, possesses combined expertise in European fund management and the social economy.

1.5 Employment And Integration Of Vulnerable Workers In The Social Economy

Employment in the social economy can take the following aspects into account:

1. Employment in the **social economy sector** - in private administration organisations part of the social economy;
2. Employment in cooperatives - **worker cooperatives**, a specific type of social economy enterprise, strictly dedicated to the employment of certain socio-professional categories who choose these forms of association to exercise their profession;
3. **Platform economy - digitised;**
4. Employment in social enterprises and socio-occupational integration of vulnerable workers in **social integration enterprises**.

1.5.1 Employment In The Social Economy Sector - In Private Administration Organisations Part Of The Social Economy

The average number of employees, according to the INS, is calculated as a simple arithmetic average. This is determined by dividing the sum of the daily headcount of employees for the year by the total number of calendar days. It includes only those who held an employment contract and received remuneration in the form of wages.

We also conducted an analysis based on the NACE codes of private administration organizations. Some differences can be observed due to the INS's classification methods. However, we believe that the NACE code is the most accurate indicator.

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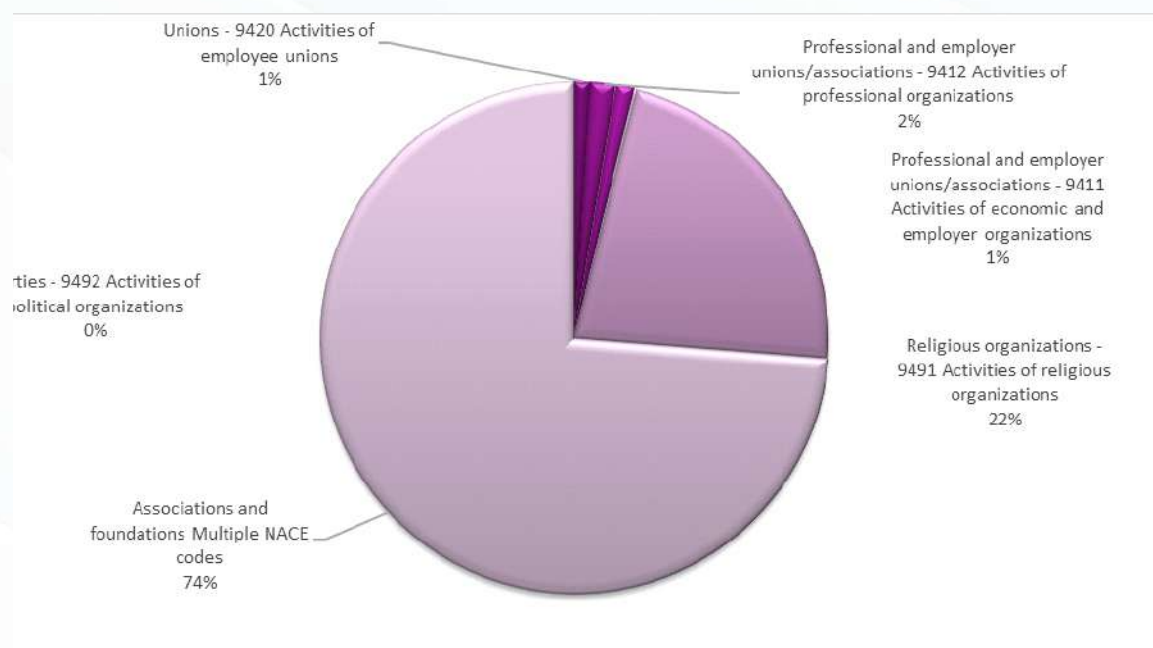
TABLE 8: AVERAGE NUMBER OF EMPLOYEES BY CATEGORIES OF PRIVATE ADMINISTRATION ORGANISATIONS ACCORDING TO INS, CORRELATED WITH NACE - 2022

Category of private government organisations according to INS	NACE Rev.2 - (activities of the national economy - classes)	Average number of employees
Trade unions, trade union confederations	9420 Activities of employees' trade unions	1.938
Professional and employers' unions/associations	9412 Activities of professional organisations	3.113
	9411 Activities of business and employers' organisations	2.185
Parties	9492 Activities of political organisations	480
Religious (cult) organisations	9491 Activities of religious organisations	43.495
Associations and foundations	Multiple NACE codes	143.805

Source: National Institute of Statistics - Tempo online database (author's processing)

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FIGURE 16: SHARE OF SOCIAL ECONOMY ORGANISATIONS IN PRIVATE ADMINISTRATION - NUMBER OF EMPLOYEES 2021 %



Source: National Institute of Statistics - Tempo online database (author's processing)

Associations and foundations, which account for 81% of the total number of private administration organizations, make up 74% of the total number of employees in this sector. On the other hand, religious organizations, representing 9% of all organizations, contribute 22% of total private sector employment in 2022.

If we use the average number of employees as an indicator of organizational capacity, we find that the strongest are parties, with an average of 8 employees per organization, and religious organizations, with an average of 2.2 employees per organization. In contrast, trade unions have only 0.2 employees per organization. Associations and foundations, with an average of 0.6 employees per organization, fall somewhere in the middle.

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TABLE 9: PRIVATE ADMINISTRATION ORGANISATIONS IN ROMANIA - AVERAGE NUMBER OF EMPLOYEES BY ACTIVITIES OF THE NATIONAL ECONOMY ACCORDING TO SPECIFIC NACE REV.2 CLASSES FOR INS 2021 CATEGORIES

Private administration organisations INS categories		Private administration organisations by NACE codes related to INS categories		Average number of employees	Average no. of employees/organisation INS classification	Average no. of employees/organisation NACE classification
INS category of private administration organisations	Number of organisations	NACE Rev.2 - (activities of the national economy) for the main categories INS	Number of organisations			
Total	216.418		216.418	164.579	0,8	0,8
Professional and employers' unions/associations	11.399	9411 Activities of business and employers' organisations	6.629	1.268	0,4	0,2
		9412 Activities of professional organisations	3.967	3.206		0,8
Trade unions, trade union confederations	10.202	9420 Activities of employees' trade unions	9.277	1.861	0,2	0,2
Religious (cult) organisations	20.044	9491 Activities of religious organisations	20.899	46.802	2,3	2,2
Parties	63	9492 Activities of political organisations	1.028	538	8,5	0,5
Associations and foundations - multiple categories	194.754	Associations and foundations - multiple NACE	174.618	110.904	0,6	0,6

Source: National Institute of Statistics - Tempo online database (author's processing)

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Associations and foundations constitute the most important segment of the social economy in Romania, both in terms of the number of organisations and the dynamics of the staff employed.

TABLE 10: PRIVATE ADMINISTRATION ORGANISATIONS AND AVERAGE NUMBER OF EMPLOYEES, BY ACTIVITIES OF THE NATIONAL ECONOMY AT NACE REV.2 CLASS LEVEL

NACE Rev.2 - (activities of the national economy - classes)	Ani		
	2020	2021	2022
	Number of persons		
Total	163.620	164.579	195.016
9411 Activities of business and employers' organisations	1.617	1.268	2.185
9412 Activities of professional organisations	3.161	3.206	3.113
9420 Activities of employees' trade unions	1.895	1.861	1.938
9491 Activities of religious organisations	46.882	46.802	43.495
9492 Activities of political organisations	570	538	480
Other private government organisations - associations and foundations 1-(2+3+4+5+6)	109.495	110.904	143.805

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Employment in private administration organisations part of the social economy is significant: in 2022, a total of 143,805 people were employed in this sector, a figure that exceeds the employment in sectors such as *Financial intermediation and insurance* (with a total of 96,600 employees) or *Water distribution, sanitation, waste management, decontamination activities* (with a total of 104,100 employees).

The sector of private administration organisations part of the social economy is an extremely diverse sector in terms of areas of activity, as shown in Table 11 and Figure 17.

A large number of organisations, in total 138,932, are not classified in a specific field of activity, using NACE code 9499 - Activities of other organisations n.e.c. These entities provide employment for 68,870 workers.

If we extract this category of organisations from the analysis, the most important sectors in terms of number of employees are: education (33% - 25,010 workers), social and socio-medical assistance (25% - 18,931 workers), mutual aid houses / other lending activities (11% - 8,378 workers), sports associations/clubs - sports & recreational activities (9% - 6,529 workers) and cultural associations - information & communication - publishing, cinema, radio & TV, press, cultural activities (5% - 4,066 workers), forestry associations/consortia (3% - 2,639 workers), health (3% - 2,492 workers).

Also of note is the significant number of employees in the sector in areas such as real estate (1,965 workers), agriculture and related services (1,843 workers), consulting activities (1,077 workers).

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

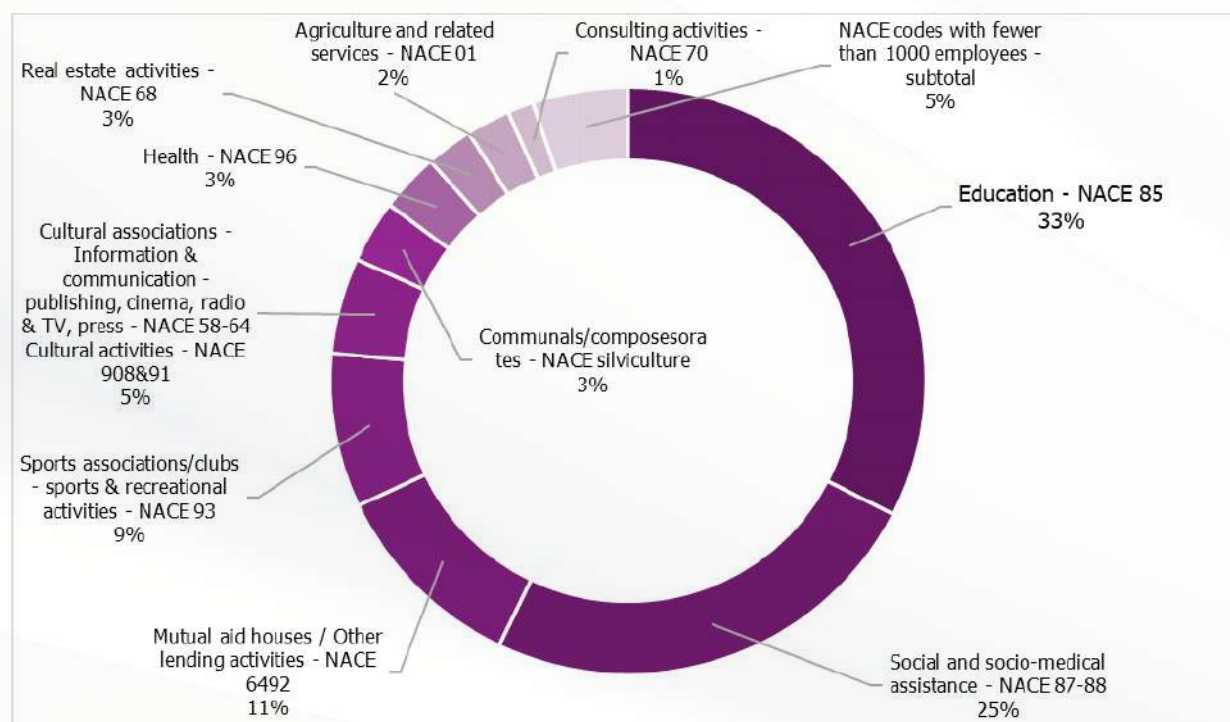
TABLE 11: AVERAGE NUMBER OF EMPLOYEES IN PRIVATE ADMINISTRATION ORGANISATIONS PART OF THE SOCIAL ECONOMY - MAIN SECTORS OF ACTIVITY NACE 2022 & INS CATEGORIES

NACE Rev.2 - (Activities of the national economy - classes) / Category of private administration organisations according to INS (where they exist)	Average number of employees of associations and foundations 2022
9499 Activities of other organisations n.e.c.	68.870
Education NACE 85	25.010
Social and socio-medical assistance NACE 87-88	18.931
Mutual aid offices NACE 6492 Other lending activities	8.378
Sports associations/sports clubs NACE Sports & recreation activities 93	6.529
Cultural associations - Information and communication - publishing, cinema, radio & TV, press NACE 58-64 Cultural activities NACE 90&91	4.066
Forestry NACE forestry	2.639
Health NACE 96	2.492
Real estate activities NACE 68	1.965
Agriculture and related services NACE 01	1.843
Consulting activities NACE 70	1.077
Wholesale and retail trade NACE 45, 46, 47	907
Hunting NACE 0170	448
Other professional, scientific and technical activities n.e.c. NACE 7490	406
Transport, hotels and restaurants NACE 49, 52-56	340
Veterinary activities NACE 7500	245
Other financial intermediation n.e.c. NACE 6499	213
Legal activities 6910	199
Other business support service activities n.e.c. 8299	104
Activities of organising exhibitions, fairs and congresses 8230	100
<i>NACE codes below 100 employees - subtotal</i>	<i>1029</i>
Total	143.805

Source: National Institute of Statistics - Tempo online database (author's processing)

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

FIGURE 17: PRIVATE ADMINISTRATION ORGANISATIONS - ASSOCIATIONS AND FOUNDATIONS - MAIN NACE ACTIVITY SECTORS BY NUMBER OF EMPLOYEES 2022



Source: National Institute of Statistics - Tempo online database (author's processing)

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

1.5.2 Employment In Cooperatives

Any category of professionals, whether in industry or services, can join together in **worker cooperatives**. These cooperatives help streamline various costs, especially those associated with labor relations, in sectors characterized by instability or seasonality. Examples include construction, where conditions often lead to undeclared work, and fields like the arts, crafts, and other self-employment.

Worker cooperatives, known for their democratic management, offer a specific worker-owner-enterprise relationship. This management style naturally balances flexibility and job security. Workers actively participate in enterprise decisions and take responsibility for their choices, enjoying working conditions that are similar to or better than those in other companies. Additionally, jobs in worker cooperatives are generally more secure.

Worker ownership in such cooperatives and other types of employee-owned enterprises offers a solution to the *security-flexibility* equation. It is well known that productivity and competitiveness—essential for sustainable employment—are directly influenced by worker participation, both financial and decision-making.

Employment policies in cooperatives, particularly worker cooperatives, can also be linked to broader policies related to worker participation in enterprise decision-making, benefit sharing, workers' rights in cases of bankrupt or non-successor enterprises, and more recent developments such as **platform enterprises**.

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

TABLE 12: EMPLOYMENT IN ENTERPRISES WITH OTHER LEGAL FORM - PARTNERSHIPS, COOPERATIVES, PARTNERSHIPS ROMANIA 2021

Country	Number of employees in total EU enterprises 2021	Number of enterprises with another legal form - partnerships, cooperatives, associations EU 2021
Austria	3.590.035	521.010
Belgium	3.767.002	331.558
Bulgaria	2.128.319	50.669
Croatia	1.214.659	25.726
Cyprus	352.839	10.471
Czech Republic	4.116.495	168.992
Denmark	2.146.203	171.098
Estonia	536.379	7.746
European Union - 27 countries (2020)	153.913.334	20.626.966
Finland	1.666.284	88.682
France	20.363.589	676.902
Germany	35.305.616	9.099.813
Greece	3.234.412	717.995
Hungary	3.260.757	231.682
Ireland	2.314.605	481.510
Italy	17.619.514	3.272.111
Latvia	690.510	81.461
Lithuania	1.179.956	17.446
Luxemburg	397.733	28.492
Malta	225.050	17.459
Netherlands	8.286.820	1.852.365
Poland	11.385.265	1.141.460
Portugal	4.116.533	170.477
Romania	4.496.685	25.967
Serbia	1.741.873	2.618
Slovakia	1.773.569	46.373
Slovenia	753.050	26.602
Spain	14.978.481	1.135.442

Source Eurostat Business demography (author's processing)

As can be seen, the number of enterprises with legal forms other than companies and authorised natural persons is steadily decreasing - this decline is most likely due to the decline of cooperatives, as this legal form is becoming less and less known.

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

1.5.3 Employment in Social Enterprises

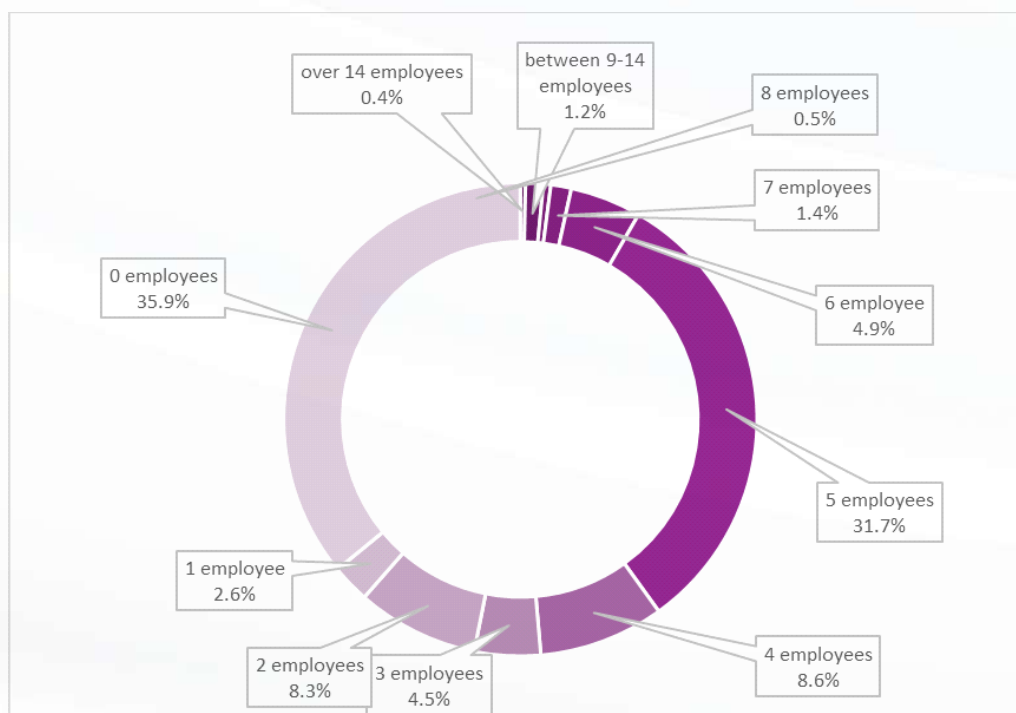
In December 2023, certified social enterprises had a total of 7,250 employees, a significant increase compared to our last Barometer in March 2022, when they had 1,662 employees.

Of all social enterprises in the register, over 36% (923 enterprises) had no employees. Almost 32% of social enterprises had 5 employees, the minimum number of jobs required by the EU funding programme.

Additionally, 617 registered social enterprises (24.1% of the total) had between 1-4 employees, suggesting a possible decrease in the number of employees after the end of the EU funding sustainability period.

Only 7.7% of the enterprises had more than 5 employees, including enterprises other than those set up with EU funds, which had already been on the market for several years.

FIGURE 18: NUMBER OF SOCIAL ENTERPRISES BY ENTERPRISE CLASSES BY NUMBER OF EMPLOYEES 2023 %



Source: Single register of social enterprises - updated extract December 2023
ANOFM (author's processing)

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

In a top ranking of the largest social enterprises by number of employees, the "Zi deschisă" Foundation ranks first with 80 employees. However, this ranking would change if we consider the following two enterprises together, as they belong to the same group of social enterprises: the "Alături de Voi" Foundation Romania and its wholly-owned commercial company, UtilDeco Group. Together, these entities employ a total of 81 people, making them the largest social enterprise employing vulnerable workers.

The majority—six of the nine enterprises in this top list—were established before 2015, demonstrating that these existing organizations have well understood and internalized the principles of the social economy and the criteria for recognition as a social enterprise. This highlights the need for experience and organizational capacity to generate and maintain a significant number of jobs in the medium and long term.

It is also worth noting the small number of members, or a possible misunderstanding in the completion of this indicator by the companies in the register (e.g., associations are legally required to have a minimum of 3 members).

TABLE 13: TOP EMPLOYERS OF SOCIAL ENTERPRISES WITH A CERTIFICATE - NUMBER OF EMPLOYEES >20

Name of legal entity	Date of establishment	County	Total number of employees at the end of the year	Total number of members at the end of the year	Number of employees / members of vulnerable group
Zi Deschisă Foundation	21.12.2009	Vrancea	80	4	0
Foundation Alături de Voi Romania	19.12.2001	Iasi	41	0	0
UtilDeco Group SRL	31.10.2007	Iasi	40	0	20
Federation of Non-Governmental Organisations for Social Services	13.08.2014	Iasi	34	0	0
Mutual Aid Solidarity Braila - Association	21.02.1997	Braila	27	6.262	0
Verifield SRL	19.02.2015	Bucharest Municipality	23	0	0
Association for Social Assistance Children's Universe Special	16.10.2020	Argeş	22	4	0
SC Begli Event SRL	04.05.2015	Alba	21		7
Caritas Association Câmpulung	01.09.1999	Argeş	20	0	10

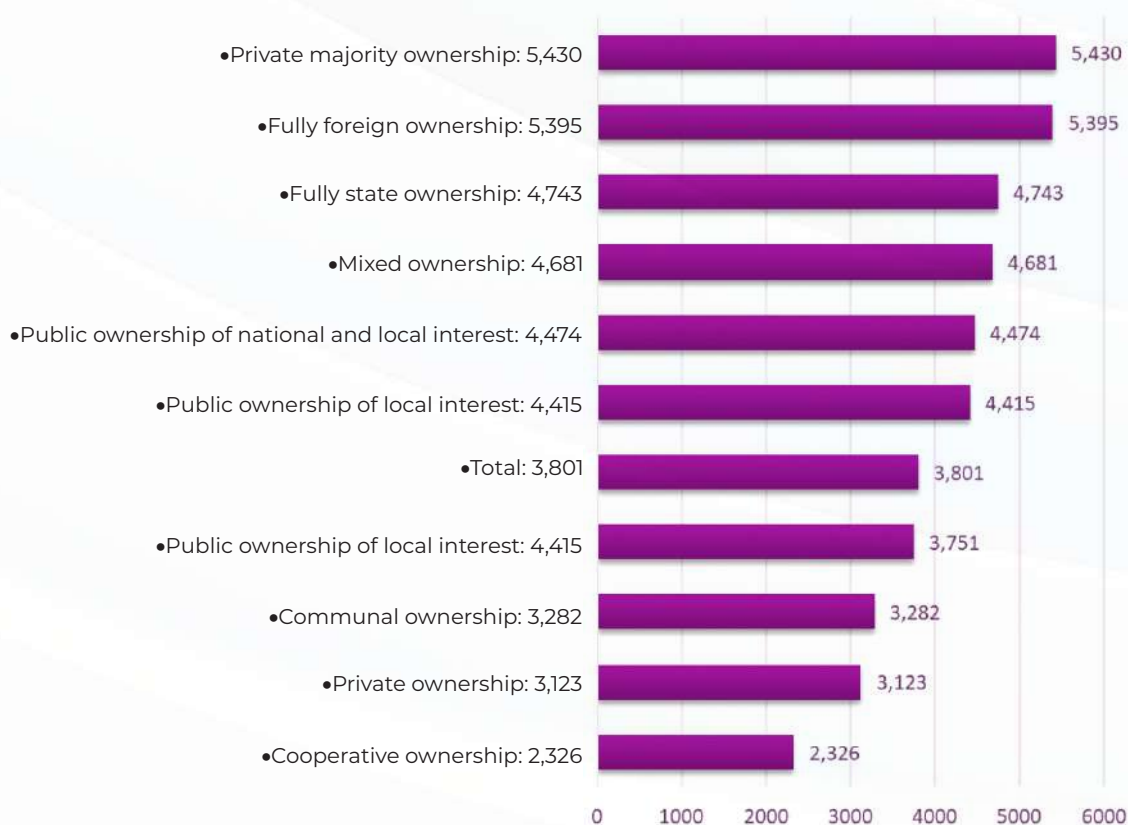
Source: Single register of social enterprises - updated extract December 2023 ANOFM (author's processing)

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

1.5.4 Earnings In The Social Economy Sector

According to the annual Labour Cost Survey 2022, conducted by the INS, wage earnings in the social economy sector are below the national average wage. That in the non-profit - public ownership sector is slightly above the private sector average, while that in the cooperative sector is significantly below the private sector average (see Figure 19).

FIGURE 19: AVERAGE NOMINAL NET MONTHLY EARNINGS BY FORM OF OWNERSHIP 2022



Source: National Institute of Statistics - Tempo online database - Annual Labour Cost Survey (author's processing)

According to the Nomenclature of Forms of Ownership⁸, for majority forms of ownership, based on the type of capital, we have: in the case of majority state ownership, a state share capital of more than 50%, and in the case of majority private ownership, a private, including cooperative, share capital of more than

⁸INS Metodologia Ancheta anuală asupra costului forței de muncă

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

1.5.5 Certified Social Integration Enterprises: Evolution of the Sector and Top Social Integration Enterprises

The Dynamics Of The Certification Of Work Integration Social Enterprises With The Social Label

By December 2023, **a total of 224 social integration enterprises had been certified in Romania.** The evolution of the number of certifications is shown in Table 14. Out of these, 158 social enterprises still held valid certifications..

TABLE 14: NUMBER OF CERTIFIED SOCIAL INSERTION ENTERPRISES IN ROMANIA BY YEARS 2016-2023

Year	Number of social insertion enterprises with certificates per year		Retention rate of the social mark after release
	Issued	valid	
2016	2	1	50%
2017	7	2	29%
2018	4	0	0%
2019	3	0	0%
2020	12	6	50%
2021	113	74	65%
2022	73	66	90%
2023	10	9	90%
TOTAL	224	158	71%

Source: Register of certified social enterprises, ANOFM, December 2023

Businesses find it difficult to maintain their social label, for reasons that we have investigated in previous editions of the Barometer, which we revisit in section 3.

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

There are only three companies active in the market for more than 3 years: Asociația Solidară Emmaus Satu Mare (since 2016), Asociația Caritas Câmpulung and Emmaus Integrare SRL (since 2017) - two non-profit organisations and one SRL owned by one of the two non-profit organisations. All of them are therefore set up or owned by **non-profit organisations / associations active in the social field** - or companies owned by them (Emmaus Integrare SRL - owned by Emmaus Association).

One of the reasons for the lower dynamics in the sector of social integration enterprises compared to social enterprises as a whole is that only a portion of the European funding allocated from 2019-2022 was aimed at integrating vulnerable groups into employment.

The Employment and Human Capital Programme 2014-2020 placed much less emphasis on the employment of vulnerable workers (see Table 15). This resulted in a low share of enterprises taking on the mission to integrate vulnerable workers into employment and applying for recognition of this mission by obtaining the social label.

TABLE 15: MAIN CALLS UNDER THE EMPLOYMENT AND HUMAN CAPITAL PROGRAMME 2014-2020 FOR THE SOCIAL ECONOMY - EMPLOYMENT ASPECTS

	Appeal 449	Appeal 879
Maximum amount of de minimis aid:	100,000 euro per enterprise (minimum 5 jobs created).	200,000 euro per enterprise (minimum 7 jobs created, of which 5 jobs for young NEETs).
Number of jobs created.		
Categories of employees:	There were no conditions imposed by the guidelines, only references to compliance with the provisions of Law 219.	Employment of unemployed young NEETs from rural areas, aged 16-29, already registered and profiled at AJOFM, in correlation with the amount of de minimis aid received and the total number of new jobs created.

Source: Evaluation Report - "Implementation of the Evaluation Plan of the Human Capital Operational Programme 2014-2020 - Evaluation of the interventions of the POCU in the field of social inclusion"⁹

⁹ Ministry of Investment and European Projects "Implementation of the Evaluation Plan of the Human Capital Operational Programme 2014-2020 Lot 1: Evaluation of Social Inclusion Interventions" Contract No. 36273 / 05.05.2020 - Evaluation Report - October 2023 (final version)

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

Top Of The Work Integration Social Enterprise

We can say that the only companies that have proven their **sustainability** are those certified at least three years ago—specifically, the ten certified at least three years ago. What can we notice about these companies?

All of them were **established by experienced organizations, which were founded before (sometimes long before) their certification as a social enterprise**. The oldest organization that chose to certify a social integration enterprise is Caritas Câmpulung, established in 1999, followed by the "Alături de Voi" Romania Foundation, established in 2002.

„Alături de Voi” (ADV) Romania Foundation appears in the table with the social integration enterprise UtilDeco Group SRL, to which it transferred its economic activity in 2022. The SRL is wholly owned by the foundation.

This indicates that an enterprise needs prior entrepreneurial experience and economic and social activity to launch a viable work integration program.

TABLE 16: TOP WORK INTEGRATION SOCIAL ENTERPRISE 2023 - NUMBER OF VULNERABLE EMPLOYEES >5

County	Name of legal entity	Date of establishment	Field of activity	Social enterprise category	Total number of employees	Total number of employees in vulnerable group	% working time employees in vulnerable group of total working time employees
Iasi	UTILDECO GROUP SRL	31.10.2007	social services	Other categories of legal persons	40	20	52,6%
Argeş	Caritas Association Câmpulung	01.09.1999	social or personal well -being	Associations	20	10	45,00%
Satu - Mare	Emmaus Solidarity Association Satu Mare	22.06.2010	social services	Associations	16	5	31,25%
Satu - Mare	Emmaus Integrare Srl	19.03.2015	Approved sheltered unit	Other categories of legal persons	12	9	75,00%
Vaslui	SC Boierilor Inn SRL	01.09.2020	employment and training	Other categories of legal persons	12	5	40,86%

Source: Register of certified social enterprises, ANOFM, December 2023

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

1.6 Social Impact Of The Social Economy In Selected Areas: Social Services

One of the most important sectors of social economy activity in Romania, as in most EU Member States, is the services of general interest sector, which includes social services, education, training, employment and health. Beyond the provision of services, this sector contributes significantly to the development of social cohesion¹⁰. Of these, social services play the most important role, working in a mix of the four sectors' involvement in the social care eco-system¹¹:

- a) **Informal sector**, which includes social assistance provided free, but not always voluntary, by family, friends, neighbours, colleagues.
- b) **Associations and foundations sector** - nonprofit
- c) **The public sector**, which comprises services provided by central, regional and local public authorities - and other public services: health, education, can play a role in providing social services.
- d) **For-profit sector**, which has been growing in size and importance in some EU countries; in Romania, under current legislation, it has a role in social services for the elderly.

Social service providers are natural or legal persons, public or private.

Public social service providers can be:

- a) specialised structures within or subordinate to local public administration authorities and executive authorities of administrative-territorial units organised at commune, town, city and district level;
- b) central public administration authorities or other institutions subordinated to or coordinated by them, which have been established by law to provide social services for certain categories of beneficiaries;
- c) health units, educational establishments and other public institutions developing integrated social services at community level.

Private social service providers can be:

- a) non-governmental organisations, i.e. associations and foundations;
- b) the legally recognized cults;
- c) natural persons authorised under the law;
- d) subsidiaries and branches of international associations and foundations recognised in accordance with the legislation in force;
- e) economic operators, under special conditions laid down by law.

¹⁰Social Services in Romania - The Role of Social Economy Actors, Gabriela Dima (coordinator), Cristina Barna - Institute of Social Economy Foundation for Civil Society Development ²⁰¹³

¹¹Idem

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

In order to provide social services in Romania, social service providers, regardless of their legal form, must be accredited under the law.

According to *the Single Electronic Register of Social Services*, on 6 September 2023 there were 3788 accredited social service providers, of which 1535 were public providers and 2253 private providers (1666 non-governmental organisations; 165 legally recognised cults; 422 for-profit economic operators, under special conditions provided by law).

According to the latest data reported to the Ministry of Labor and Social Protection by social service providers, in 2021 there were 435,405 unique beneficiaries of social services, of which 331,010 in the public system and 104,395 in the private system. Of these, 91,761 were in social services with accommodation.¹²

TABLE 17: NUMBER OF LICENSED SERVICES BY FORM OF OWNERSHIP - SHARE OF SOCIAL ECONOMY/PRIVATE OWNERSHIP % - 2022

Categories of social services	Number of licensed services / form of ownership		Share of social economy/private ownership %
	Publish	Private - majority social economy	
Total	2685	2288	46,0
Residential recovery/social rehabilitation and detoxification centres for people with various addictions: drugs, alcohol, other toxic substances.	0	4	100,0
Day centres for adults with disabilities.	2	31	93,9
Residential care and assistance centres for the elderly.	124	605 ¹³	83,0
Home care services for elderly, disabled, dependent people.	109	253 ¹⁴	69,9
Residential care and support centres for other categories of dependent persons.	7	16	69,6
Day centres for the homeless.	1	2	66,7
Community services for adults with disabilities.	72	93	56,4
Day centres for children: children in families, children separated or at risk of separation from their parents.	60	76	55,9
Street intervention services for homeless people, people with various addictions, victims of domestic violence, victims of disasters.	168	202	54,6
Social services without accommodation.	1009	1160	53,5

¹²STATEMENT OF REASONS Law for amending and supplementing certain normative acts in the field of social assistance Ministry of Labour and Social Protection 2023

¹³Includes companies

¹⁴Idem

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

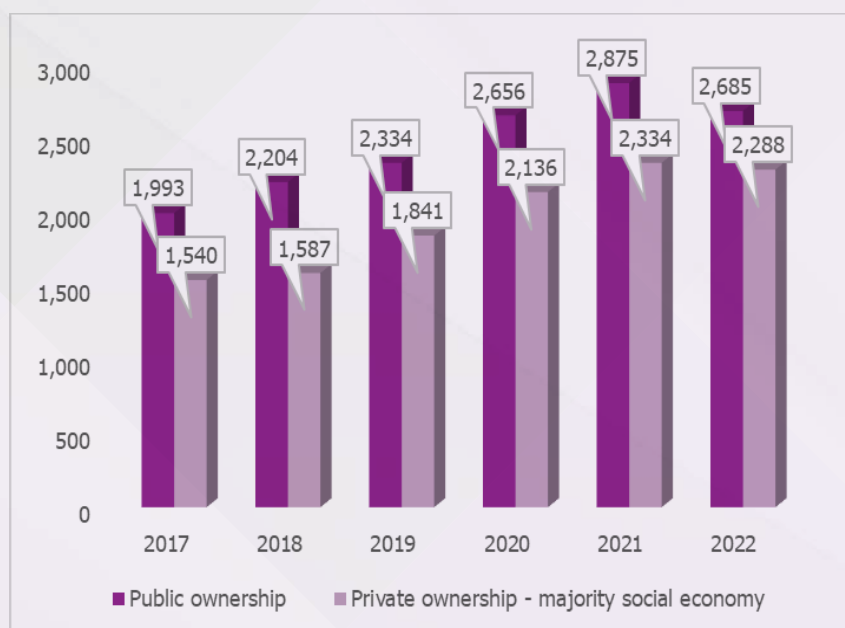
TABLE 17: NUMBER OF LICENSED SERVICES BY FORM OF OWNERSHIP - SHARE OF SOCIAL ECONOMY/PRIVATE OWNERSHIP % - 2022

Day centres for victims of domestic violence and perpetrators.	56	61	52,1
Day centres for families with children.	355	359	50,3
Food preparation and distribution centres for people at risk of poverty.	4	4	50,0
Residential centres for young people in difficulty.	23	16	41,0
Social services with accommodation.	1676	1128	40,2
Residential care and assistance centres for victims of trafficking.	3	2	40,0
Day centres for drug addicts for people with various addictions: drugs, alcohol, other toxic substances, etc.	24	15	38,5
Day centres for the elderly.	112	58	34,1
Day centres for assistance and support for others.	4	2	33,3
Residential care and support centres for homeless people.	55	19	25,7
Residential centres for adults with disabilities.	322	110	25,5
Residential centres for children in the special protection system.	962	325	25,3
Residential care and medical-social assistance centres for elderly, chronically ill and terminally ill people.	64	12	15,8
Residential care and support centres for mother and child.	46	8	14,8
Residential care and support centres for victims of domestic violence.	70	11	13,6
Day centres for victims of human trafficking.	36	4	10,0
Regional centres for procedures and accommodation of asylum seekers and those granted a form of protection in Romania.	6	0	0,0

Source: National Institute of Statistics - Tempo online database (author's processing)

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

FIGURE 20: NUMBER OF LICENSED SERVICES BY FORM OF OWNERSHIP - SHARE OF SOCIAL ECONOMY/PRIVATE OWNERSHIP % - 2022



Source: National Institute of Statistics - Tempo online database (author's processing)

TABLE 18: NUMBER OF LICENSED SOCIAL SERVICES BY FORM OF OWNERSHIP (2017-2022)

Total number of licensed social services operating at the end of the year by form of ownership	Years					
	2017	2018	2019	2020	2021	2022
Forms of ownership						
Public property	1.993	2.204	2.334	2.656	2.875	2.685
Private ownership - majority social economy	1.540	1.587	1.841	2.136	2.334	2.288
Share of social economy % of total	43,6	41,9	44,1	44,6	44,8	46,0

Source: National Institute of Statistics - Tempo online database (author's processing)

1. EVOLUTION OF THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES IN ROMANIA BETWEEN 2022-2023

The number of licensed social services increased steadily between 2017 and 2021 in both the public and private sectors, with the majority of these services being part of the social economy.

The share of the private sector—primarily represented by the social economy—has steadily increased from 43.6% of all licensed services in 2017 to 46% in 2022, with the exception of 2018.

The economic nature of private social services is evident from the high proportion of their income derived from contributions and fees paid by beneficiaries or their relatives.

TABLE 19: SOURCES OF SOCIAL SERVICES REVENUE BY TYPE OF OWNERSHIP - SHARES IN TOTAL %

Social services forms of ownership	Sources of revenue - shares in total %				
	State budget	County budget	Local budget	Beneficiary contributions, including dependants	Donations, sponsorships, own funds, other income
public	17,87%	49,91%	27,66%	3,18%	1,38%
private	5,46%	5,11%	7,81%	35,14%	46,48%

Source: Explanatory memorandum, Law for amending and supplementing some normative acts in the field of social assistance, Ministry of Labour and Social Protection, 2023

2. SOCIAL ECONOMY IN THE AGE OF DIGITISATION AND SUSTAINABILITY

2.1 Platform And Collaborative Economy

The collaborative economy, sometimes called the sharing economy, covers a wide variety of sectors and is growing rapidly across Europe. Many people in the EU have already used or are familiar with collaborative economy services. These range from sharing homes or cars to domestic services. The collaborative economy offers new opportunities for innovative citizens and entrepreneurs, but at the same time it has also created tensions between new service providers and existing market players.¹⁵

What is the collaborative economy?

According to **the European Commission Communication - A European Agenda for the Collaborative Economy of 2016**, the term "collaborative economy" refers to business models in which activities are facilitated by collaborative platforms that create an open market for the temporary use of goods or services often provided by individuals. The collaborative economy involves three categories of actors:

- (i) Asset owners or service providers sharing assets, resources, time and/or skills
- (ii) their users; and
- (iii) intermediaries who connect - via an online platform - providers with users and facilitate transactions between the two parties ("collaborative platforms").

Transactions in the collaborative economy generally do not involve a transfer of ownership and can be carried out **for profit or not for profit**.

Innovations in digital technologies are transforming every part of our lives, including the world of work. Digital platforms mediate and facilitate the exchange of labour between different users, such as businesses, workers and consumers, offering various types of services (e.g. Uber and Upwork). Platforms have created a dual labour market, with a small, core workforce directly employed by the platform and a large, outsourced workforce whose work is mediated through the platform. Workers in the first category have a dependent employment relationship, while workers in the second category are often classified by platforms as self-employed or independent contractors, the vast majority of whom do not have an employment relationship but often have to pay various types of fees to access work or orders.

Those working under an employment relationship tend to be responsible for the operation of the platform and represent a relatively small proportion of the platform's workforce. For example, the independent PeoplePerHour platform employs around 50 people while mediating work for 2.4 million skilled workers. The working conditions of these workers are governed by the platforms' terms and conditions of service agreements, which regulate workplace protection and rights.¹⁶

¹⁵https://single-market-economy.ec.europa.eu/single-market/services/collaborative-economy_en

¹⁶Digital platforms and the world of work in G20 countries: Status and Policy Action, International Labor Organisation (2021).

2. SOCIAL ECONOMY IN THE AGE OF DIGITISATION AND SUSTAINABILITY

Digital Work Platforms (DWPs) are privately owned internet-based companies that act as intermediaries, with varying degrees of control, for on-demand services requested by individual or corporate consumers. The services are provided directly or indirectly by individuals, regardless of whether these services are provided physically or online.

The economy of the DWPs in the EU-27 has grown almost fivefold, from around €3.4 billion in 2016 to around €14 billion in 2020. Most of this activity is in **taxi and food delivery** services, both of which have been strongly affected by the COVID-19 epidemic (-35% and +125% respectively). The income of people working through platforms only increased by about 2.5 times over the same period, from about €2.6 billion in 2016 to €6.3 billion in 2020.¹⁷

The employment status of the vast majority of people working through the DWPs in the EU-27 can be classified as self-employed (92%). The remainder of people working through the platforms have various types of employment contracts, including full-time, part-time, temporary agency work and zero-hours contracts.

The vast majority of DWPs active in the EU are for-profit companies. However, there are also some not-for-profit companies that are part of the social economy, such as cooperatives, which account for 6% of active DWPs and less than 1% in terms of revenue. In the EU,³¹ cooperatives have been identified as active DWPs, most commonly found in Spain, France, and Belgium. These cooperatives almost exclusively deliver food through a platform set up by the CoopCycle association. These structures operate according to a different logic compared to profit-maximizing DWPs, as the workers themselves run the platform.

Social economy organisations contribute to the collaborative economy and offer fairer, more participatory and more sustainable alternatives to platforms owned by businfor-profit esses.¹⁸

EXAMPLES:

- **Fairmondo:** Launched in 2013 in Germany and expanded to the UK, Fairmondo is a cooperative online marketplace that promotes used and sustainable products. It charges lower commissions to suppliers of fair and sustainable products. By 2016, Fairmondo had attracted 15,000 users, including 2,100 members, each of whom bought a €10 share in the company.
- **The Mobility Factory:** This European electric car-sharing platform was created in 2018 through a collaboration between three cooperatives. The platform provides web-based software and tools for car-sharing fleet management. As of 2019, the Mobility Factory platform has been used by twelve electric car-sharing cooperatives operating in Belgium, Germany, the Netherlands, and Spain.

¹⁷Digital labour platforms in the EU Mapping and business models FINAL REPORT - A study prepared by CEPS for the European Commission, Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) May–2021

¹⁸Policy brief on Making the most of the Social economy's Contribution to the Circular economy OCDE/Uniunea Europeană, 2022

2. SOCIAL ECONOMY IN THE AGE OF DIGITISATION AND SUSTAINABILITY

Within the social economy, new digital business models are emerging in the **collaborative economy and platform** sector. Platform cooperatives are an example of participatory governance businesses, using digital platforms to facilitate citizen engagement, sell locally produced goods, and provide locally produced services to create better working conditions for their members.

More broadly, digital technologies can act as a lever, facilitating the replication and expansion of successful social economy initiatives across Member States and within the Single Market. Additionally, digital technologies can help improve work processes within social economy entities. However, data processing, management and collection are not yet widespread practices within social economy entities.

At the same time, innovative digital social enterprises facilitate the digital transition by making technologies adaptable, affordable and accessible. This can be achieved through digital commons and open-source technologies.

2.2 Social Economy In The Green Transition And Circular Economy In Romania

Many social economy organisations contribute to the green transition. Their specific business models and practices make them particularly well suited to structuring **local and collective initiatives** that generate benefits for both the environment and society. Among these, the most important are in the fields of circular economy, renewable energy and sustainable agri-food systems

Social Economy: Pioneer Of The Circular Economy

Social economy organizations have been pioneers in adopting circular business models and practices, focusing on repair, reuse, and recycling activities for decades. With extensive experience in sectors recognized as priorities for the circular economy—such as electronics, food, plastics, and textiles—these organizations have demonstrated the economic potential of these activities. They have particularly thrived in areas where private finance capital would not find sufficiently attractive returns, despite the clear social and environmental benefits.

Moreover, these organizations have contributed to unlocking and structuring sectors crucial for promoting the circular economy. They participate in circular value chains and work to minimize the negative environmental impact of economic activities.

2. SOCIAL ECONOMY IN THE AGE OF DIGITISATION AND SUSTAINABILITY

Participatory And Sustainable Energy Systems

Energy cooperatives have been around for a long time. They are part of the larger category of utility cooperatives - a type of co-operative whose job is to provide utility services to its members: electricity, water or telecommunications. Profits are either reinvested in infrastructure or distributed to members in the form of "patronage" or dividends paid for a member's investment in the cooperative.

In energy cooperatives, each customer is a member and owner of the business, which gives all members equal individual authority under the cooperative principle of 'one man - one vote', regardless of the shareholding weight - unlike utilities owned by investor-controlled firms, where shareholding is governed by the number of shares held. Like co-operatives operating in other sectors, these co-operatives conduct their business according to co-operative principles.

There are two types of electricity cooperatives: distribution cooperatives and generation and transmission cooperatives. Distribution cooperatives serve end-users, such as households and businesses, who are members.¹⁹

The development and decentralised access to renewable energy technologies such as solar panels, wind turbines and small hydropower plants has been accompanied by the emergence of **renewable energy cooperatives** and other forms of community enterprise.

REScoops are energy cooperatives, a business model in which citizens jointly own and participate in *renewable energy or energy efficiency* projects. At the European level, they are united under the REScoop.eu network, which takes a holistic view of the energy system, including energy efficiency, energy saving, energy sobriety and energy solidarity. The aim is to achieve a balance between consumption and production from renewable sources. Energy efficiency also means encouraging responsible investment by members so that they can save money on their energy bills (kilowatt-hours), especially those who are most vulnerable.

These initiatives give citizens the opportunity to become owners of their own renewable energy generating units, directly benefiting from the economic results created by energy generation and participating in the related decision-making processes. The REScoop.eu network includes 2,250 cooperatives operating across Europe and together representing more than 1.50 million cooperative citizens.

¹⁹ https://en.wikipedia.org/wiki/Utility_cooperative

2. SOCIAL ECONOMY IN THE AGE OF DIGITISATION AND SUSTAINABILITY

In Romania there is only one energy cooperative, called CooperativadeEnergie.ro. According to data published by the organisation, it had 942 members as of February 2024 and supplied a total of 2GWh of electricity in 2023.²⁰ The legal form of the cooperative is a European cooperative society with limited liability.

Founded in 2019, the cooperative has not yet reached a significant turnover, as the financial results of the cooperative are still modest. The cooperative supplies green energy through Cooperativadeenergie Furnizare SRL, a licensed company.

TABLE 20: FINANCIAL RESULTS COOPERATIVADEENERGIE.RO SCERL (RON)

Year	Business figure	Net Profit	Debts	Fixed Assets	Current Assets	Equity capital	Employees (no. medium)
2022	12551	-36708	2467127	1559513	2227961	511801	0
2021	497725	304125	1945161	1767257	687956	642510	1
2020	0	-78083	8668	811	182242	174385	1
2019	0	-5333	1735	1426	179076	178767	0

Source: listaфирme.ro

Sustainable Agri-Food Systems

Social economy organizations have been instrumental in shortening agricultural supply chains by bringing food production—often organic—closer to consumers. Examples include 'community supported agriculture' models, which aim to restore direct relationships between consumers and producers, allowing them to share the risk of farming. This guarantees fair payments to producers and ensures that consumers have access to high-quality food.

Such initiatives are often structured as social economy organizations, such as consumer associations and agricultural cooperatives. They have a significant impact in promoting healthier lifestyles and supporting local producers in the transition from conventional, input-intensive production systems to organic and/or resource-efficient farming systems.²¹

In Romania there are several models of short chains involving both producers and consumers.

²⁰<https://cooperativadeenergie.ro/despre-ce/>

²¹Policy brief on Making the most of the Social economy's Contribution to the Circular economy OCDE/Uniunea Europeană, 2022

2. SOCIAL ECONOMY IN THE AGE OF DIGITISATION AND SUSTAINABILITY



ASAT (Association for the Support of Peasant Agriculture) initially began as an informal consumer group with a local producer, piloting a community supported agriculture partnership in 2008. Subsequently ASAT was incorporated in 2014 as a legal entity in the form of an NGO.

Community Supported Agriculture (CSA) is a partnership between a farmer and a consumer group, based on mutual commitment for the duration of the collaboration, payment of a subscription, and distribution of agricultural products. Consumers pay part of the annual subscription cost upfront, thereby supporting production costs and creating financial stability for the small-scale farmer. In return, the farmer is supported by the consumer group for an entire season and provides them with a weekly basket of vegetables from his own garden.

This firm commitment between the parties (for an entire farming season), coupled with collective management, transparency, fair pricing, and payment in advance, ensures that both the benefits and the risks of responsible and local agricultural production are shared between consumers and the farmer. Consumers benefit equally from the harvest of a given agricultural area, cultivated agro-ecologically and transparently by the small producer. This form of cooperation between urban and rural citizens aims to increase access to healthy and locally produced food through traditional, agro-ecological, or even certified organic farming practices.

Over its 13 years of activity, ASAT has supported a total of 22 producers, including 11 women, to develop solidarity partnerships with urban consumers.

Source: www.asatromania.ro

2. SOCIAL ECONOMY IN THE AGE OF DIGITISATION AND SUSTAINABILITY



The bio&co farm is a project of the Association Workshops Without Borders, founded in 2015 with the aim of providing stable jobs to marginalized people in rural areas who have extremely limited opportunities on the labour market and to create an organic agriculture, healthy for the soil and the environment, as well as for the consumer. In 2018, the farm received organic certification for its 5 hectares of farmland on which it grows around 80 varieties of vegetables.

The employees of the farm are people living in the village of Ciocănari, Niculești commune, adults with various vulnerabilities, used to working the land and who enjoy growing vegetables in a natural way, following the organic farming model. The vegetables are picked every week just before delivery day, grouped in single or family baskets. Deliveries are made exclusively to subscribers in a closed circuit (at partner delivery points in Bucharest and Ilfov county), and each basket, ordered on a subscription basis, has between six and eight varieties of vegetables.

The Bio&Co project has generated:

- 20 new jobs for people in difficulty, employees from the local community and extremely disadvantaged people from Bucharest, referred to Workshops Without Borders by partner institutions and NGOs providing medical-psycho-social services. These individuals receive an individualized socio-professional accompaniment path carried out by insertion specialists
- 5 hectares of agricultural land and 4000 m² of garden plots for a production of 52 weeks per year;
- 80 varieties of vegetables grown according to the principles of organic farming and preservation of biodiversity;
- 160 consumers subscribed and actively involved in supporting Bio&co's business - short circuit distribution directly to subscribers;
- 1 pilot project on food waste reduction and food solidarity;
- 1 educational farm (on healthy eating, biodiversity, waste reduction, environmental protection) and sensory discovery for children.

2. SOCIAL ECONOMY IN THE AGE OF DIGITISATION AND SUSTAINABILITY

Producer-owned agricultural production and marketing cooperatives are also a growing segment.

The social economy contributes to the green transition through the development of sustainable practices, goods and services for industrial development, in the areas such as **circular economy**, organic farming, renewable energy, housing and mobility. In this way, the social economy also increases acceptance of behavioural changes that contribute to climate change mitigation.

Many of these solutions are inclusive, focusing on those most affected by the green transition or facing the most difficulties in adapting. These solutions include training and retraining of workers, providing employment opportunities in environmentally friendly fields, developing products and services that meet the needs of local communities. This is a key contribution, as commercial enterprises pay insufficient attention to adaptation issues.

The social economy plays a crucial role in the development of the circular economy by supporting activities and business models that extend the life of products and materials, reduce waste, lower costs for citizens and generate local jobs, with a focus on repair, reuse, sharing and recycling activities.

This potential can be further promoted by raising awareness of the benefits of these practices, strengthening partnerships with traditional businesses along value chains, and fostering public-private partnerships involving public authorities, research institutes, industry, and social economy entities.

The Commission will issue guidelines on how to support the uptake of the circular economy and circular economy partnerships between social enterprises and other actors, including traditional enterprises. Additionally, the Commission will raise awareness of the social economy in the context of the European Circular Economy Stakeholder Platform, the European Enterprise Network, and other networks.

The social economy has proved to be a pioneer of the circular economy in Romania in several areas, such as paper collection and recycling through the Recicleta programme of Viitor Plus, management of electrical and electronic waste through the educlick programme of the Workshops Without Borders Association in Bucharest, or furniture refurbishment through the social enterprise of insertion Emmaus Satu Mare Association.

2. SOCIAL ECONOMY IN THE AGE OF DIGITISATION AND SUSTAINABILITY



Educlick is a program initiated by Workshops Without Borders Association in 2008, with the establishment of the association and the first workshop for socio-vocational insertion. Today Educlick is a platform where used computers become useful computers for digital education in schools, NGOs and institutions working with disadvantaged communities. The donated computers are compatible and of sufficient quality to be used in various educational projects, from upgrading computer labs to non-formal education and digital literacy activities.

Used and scrapped computers are collected under an environmental permit and ISO 14 001 Certification and prepared for reuse in one of the association's socio-occupational insertion workshops. These workshops are designed for vulnerable individuals who are capable of working but require a transition period to integrate into the labor market. While professionally managing waste and refurbishing used IT equipment, the association assists these individuals with social stabilization, learning work skills, and job preparation.

The processes in the workshop are conducted under the close supervision of team leaders to ensure that the refurbished computers meet quality standards and have the longest possible service life. For companies educlick offers:

- FREE pick-up of electrical and electronic waste (in Bucharest and surrounding counties) in MAXIMUM 5 working days from order placement;
- Calculation of the environmental impact according to the WEEE handed in;
- Compliance with legislative requirements on the management of waste electrical and electronic equipment, according to Law no.211/2011 and GEO no. 5/2015 on the waste electrical and electronic equipment regime;
- Expert advice through a dedicated WEEE collection person;
- Guaranteed data confidentiality through a high-performance data erasure or destruction (double-drilling) system on request.

2. SOCIAL ECONOMY IN THE AGE OF DIGITISATION AND SUSTAINABILITY

14 years of EDUCLICK



+500.000 of beneficiary

students and teachers



25.000 of Pc's

refurbished and donated



+2500 schools

with access to a digital education



2. SOCIAL ECONOMY IN THE AGE OF DIGITISATION AND SUSTAINABILITY



Viitor Plus is a non-profit organization founded in 2006, which runs programs in social entrepreneurship, infrastructure and environmental education, volunteering: Atelierul de Pânză, BinePrimit, Recicleta, Recycling Map, Adopt a Tree and Eco Challenge.

Recicleta is a licensed collector organized as a non-profit social enterprise that provides transportation services for the collection of recyclable materials such as paper, cardboard, PET01, HDPE02, LDPE04, aluminum cans and metal cans. It uses clean transport and offers green jobs.

Results achieved:

1154000	17250	4230	800	10
Kilograms of material did not end up being landfilled or incinerated.	Mature trees saved from felling by recycling.	Tons of CO2 not emitted into the atmosphere through electric transport and recycling.	Business entities, staircases, schools ~ 75,000 direct active beneficiaries in 2023.	Green jobs, cargo-recyclers and support.

Atelierul de Pânză (The Canvas Workshop) is a project of the association, organized as a legal entity. The workshop started its activity in 2009, with 3 beneficiaries and a specialized employee (for training the beneficiaries and organizing the production). Since 2014, Atelierul de Pânză has the status of a sheltered unit, which means that a large part of its staff is made up of people with disabilities. Currently, out of a total of 15 employees, 11 are people with disabilities who have a dignified and stable job.

In terms of economic activity, Atelierul de Pânză aims to reduce the consumption of plastic bags and offers consumers an alternative to them - cloth bags. Thus, the workshop produces reusable, long-life products: bags or accessories made from 100% cotton fabric, as well as accessories made from fabric scraps. Atelierul de Pânză is a promoter of the circular economy using textile waste as raw material in the production process - the Puzzletex product line. Currently, the company operates three production lines: bags/trawls/accessories made of 100% natural cotton fabric; accessories made of scrap material (promoting the circular economy); reusable textile masks.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

3.1 Methodology and Respondents

RISE Romania, the Romanian Social Economy Network, conducted an online opinion poll between September and October 2023 through the European Commission's survey platform [EUSurvey](#). The survey targeted accredited entities, such as social enterprises primarily linked to European funds, and entities that are de facto part of the social economy without being accredited as social enterprises, such as associations and foundations, cooperatives, and mutual aid houses.

All entities included in the National Register of Social Enterprises in Romania at the time of the survey were contacted. Additionally, 371 cooperatives with email addresses in the listafirme.ro databases and 4,213 associations and foundations with email addresses in the same databases were contacted.

For the mutual aid houses, support and cooperation were provided by the National Union of Mutual Aid Houses of Employees in Romania, which has 1,000 member houses. For the mutual aid houses of pensioners, support was provided by the CARP Omenia Federation, which has 150 member houses.

For the agricultural cooperatives, support was provided by UNCSV - National Branch Union of Cooperatives in the Plant Sector and CoopRo, the federation of agricultural cooperatives unions in Romania.

Members of RISE Romania and the social economy cluster "Accelerator of Social Enterprises" coordinated by ADV Romania were also contacted.

TABLE 21: BAROMETER RESPONDENTS (LEGAL FORMS)

Organisations/companies	Registered	Contact	Contact rate %	They replied	Response rate %
Cooperatives	3.050	471	15	5	1,06
Associations and foundations	175.189	4.213	2	54	1,28
Mutual aid houses	5.134	1.150	22	37	3,22
Other - companies with social enterprise status	2.454	2.432	100	37	1,53
Total	185.827	8.288	4	133	1,61

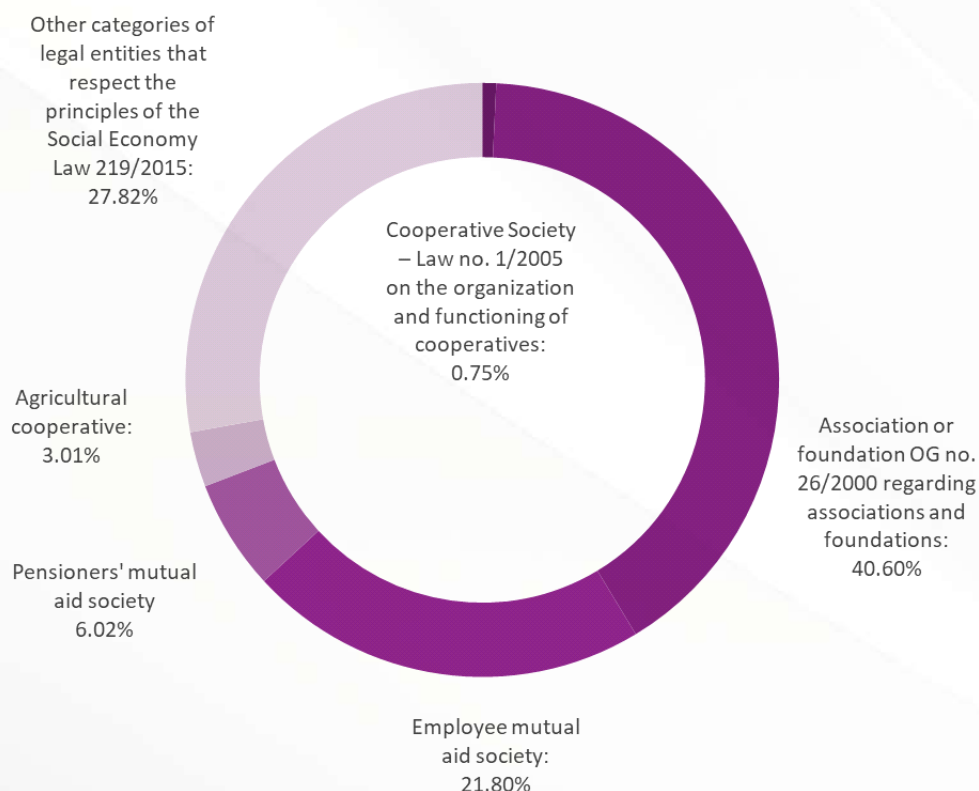
The Barometer reflects the diversity of social economy actors, both with and without social enterprise status. The highest response rate was recorded by mutual aid societies (3.22%), followed by companies with social enterprise status (1.53%). Cooperatives had the lowest response rate (1.06%), followed by associations and foundations (1.26%).

The representation of enterprises by legal form among Barometer respondents may indicate both the extent to which they consider themselves part of the social economy and the strength and credibility of the message coming from federated structures. For example, the associations and foundations sector is characterized by extreme fragmentation and weak or non-existent federation structures.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

- **Legal Forms And Membership Of The Social Economy**

FIGURE 21: BAROMETER RESPONDENTS 2023 - LEGAL FORM %



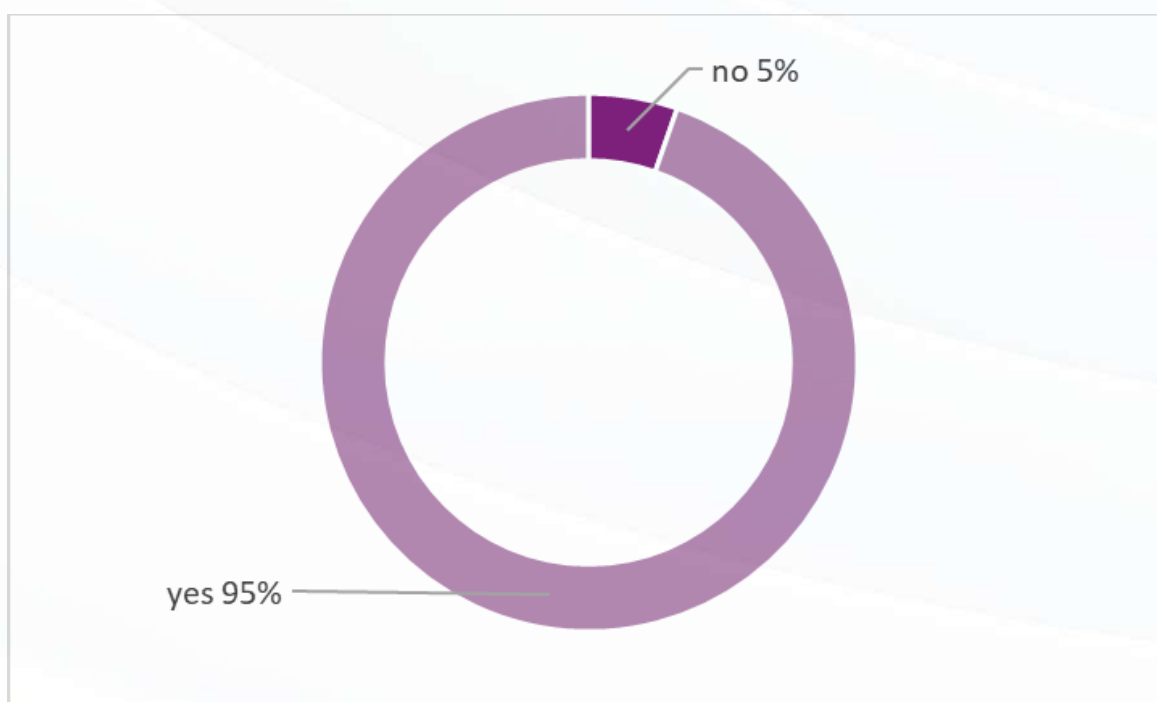
In fact, when asked "Do you consider your organisation to be part of the social economy?", 93% of respondents said yes. Of the 5% who answered no, 28.5% are mutual aid houses and the rest associations or foundations. The reasons given by them include:

- We are a non-profit association;
- We are a Public Utility Association;
- We don't think it's a viable model yet on a general level, on the other hand our beneficiaries being children, we don't consider social enterprise a priority for our beneficiaries;
- We run educational projects;
- We carry out only lending activity according to the NACE code.

These responses indicate that many misunderstandings still persist among associations and foundations, both about the possibility of carrying out economic activity for profit not for profit, and about the supposedly limiting nature of the areas of activity of the social economy, which would exclude activities such as education or credit.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

FIGURE 22: DO YOU CONSIDER YOUR ORGANISATION TO BE PART OF THE SOCIAL ECONOMY?



- **Geographical distribution**

The Barometer included respondents from most counties, except Covasna and Olt counties. The majority of the respondent organizations **operate at the county level**. Among the respondents, 8 operate either at the national level only or at both the national level and the level of their county of residence, 7 operate in 2 counties, and one operates in 3 counties and another in 4 counties.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

TABLE 22: Geographical distribution of the area of action of the respondents

	1 county	National and one county	2 counties	3 counties
Gorj	11		1	
Iasi	10	2		
Sibiu	7			1
Arges	6			
Brasov	6			1
Bucharest	6		4	
Neamt	6			
Buzău	5			
Harghita	5			
Prahova	5		1	
Bacau	4			
Dolj	4		1	
Teleorman	4			
Timis	4		1	
Cluj	3	1	1	
Vrancea	3			
Arad	2			
Braila	2			
Dâmbovița	2			
Giurgiu	2			
Satu Mare	2			
Valcea	2			
Bihor	1		1	
Bistrita-Nasaud	1			
Botoșani	1			
Caras-Severin	1		1	
Calarasi	1			
Constanta	1			
Galati	1			
Ialomita	1			
Maramureș	1			
Suceava	1			
Tulcea	1			
Vaslui	1			
Alba	1			
Mures				1
Ilfov			2	
<i>National</i>	5			
<i>National and one county</i>	3			
<i>2 counties</i>	7			
<i>3 counties</i>	1			
<i>4 counties</i>	1			

There is a higher share of businesses also operating in rural areas, with the proportion of respondents operating exclusively in urban areas decreasing from 63% to 52%.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

FIGURE 23: ENVIRONMENT IN WHICH SOCIAL ENTERPRISES RESPONDING TO THE BAROMETER OPERATE

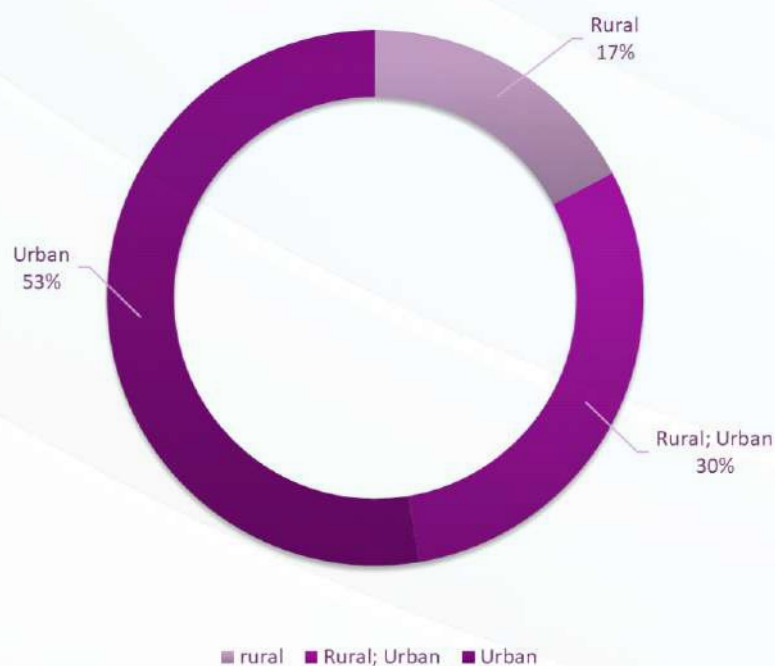


FIGURE 24: MAIN ECONOMIC ACTIVITIES OF SOCIAL ECONOMY ENTERPRISES



3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

3.2 Main Results

3.2.1 Social Character - Governance

We evaluated the extent to which the respondent social economy enterprises comply, through their ownership structure and decision-making and control mechanisms, with the principles of the social economy as provided by law in Article 4, paragraphs a) – g), which, by their wording, refer to enterprises with a collective character:

TABLE 23: CORPORATE NATURE – CAPITAL STRUCTURE / SHAREHOLDING / COLLECTIVE CONTROL - LEGAL PROVISIONS AND PRACTICAL OPERATIONALIZATION

Legal provisions	Operationalisation in the organisation and functioning of the enterprise
Principles of social economy Law 219/2015 art.4	
b) solidarity and collective responsibility;	Capital / shareholder structure - multiple shareholder/members.
c) convergence between the interests of the associated members and the general interest and/or the interests of a community;	Corporate governance - who controls/ provides governance - collegial body / vs individual leadership.
d) democratic control of the members, exercised over the activities carried out.	

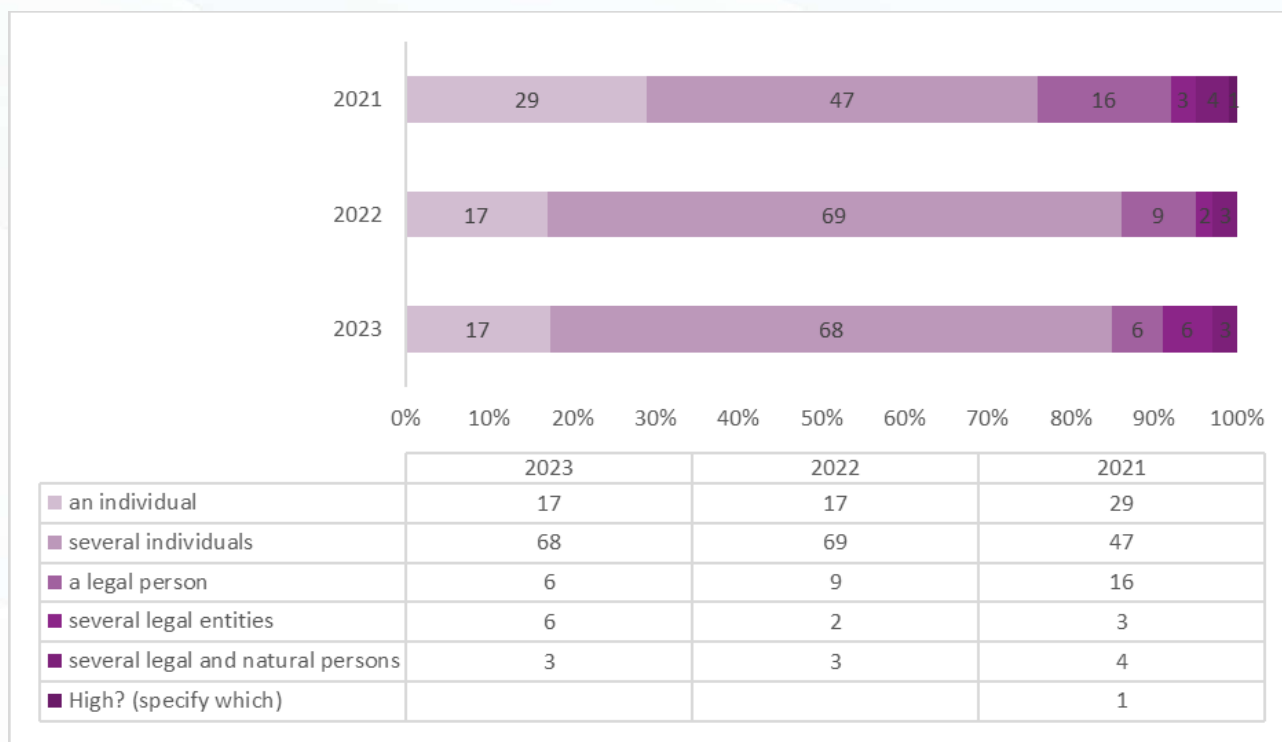
The majority of respondents have an ownership/decision/control structure involving *several individuals or legal entities*, being democratically controlled by members or governed by collective decision-making bodies.

In cases where the enterprise is controlled by a single natural or legal person, the social economy law is only partially respected—these enterprises do not comply with the principles of the social economy.

An exception is made for social economy enterprises controlled by another legal person if the latter is a non-profit entity, such as an association or foundation.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

FIGURE 25: CAPITAL STRUCTURE - OWNERSHIP / GOVERNANCE IN RESPONDENT COMPANIES % 2021-2023



23% of businesses are *controlled by a single person* (down slightly from 26% in 2022 and 35% in 2021). These businesses cannot comply with principles b) and d) set out in the extract from the law in Table 23.

3.2.2 Mission (Purpose) and Social and Environmental Impact – Main Areas of Social Impact

According to Law no. 219/2015, art. 2, the social economy comprises activities organized independently of the public sector with the purpose of serving *the general interest, the interests of a community, and/or personal non-pecuniary interests*. Therefore, only an enterprise acting for a social purpose, in the general interest, in the interests of a community, and/or in the personal non-pecuniary interests of its members can be considered part of the social economy.

Additionally, to obtain the social enterprise certificate, the first criterion established by law is that the enterprise acts *for a social purpose and/or in the general interest of the community*.

The social mission of the enterprise is also reflected in two principles of social economics. These principles highlight the **social purpose and objectives**, as well as the **non-profit or limited-profit** nature of these enterprises, describing the allocation of profit made by these enterprises and emphasizing that profit is not their primary purpose.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

TABLE 24: MISSION - PURPOSE, SOCIAL OBJECTIVES, NON-PROFIT CHARACTER

<p>General provisions for social economy enterprises and social enterprises.</p> <p>Social Economy Framework Law.</p>	<p>Operationalisation in the organisation and functioning of the enterprise.</p> <p>Specific laws governing the operation of legal persons by type.</p>
<p>Principles of social economy Law 219/2015 art.4</p>	
<p>a) priority given to the individual and social objectives over <i>profit</i> growth;</p> <p>g) the allocation of the greater part of the financial profit/surplus to the achievement of <i>objectives of general interest, of a community or in the personal non -pecuniary interest of the members.</i></p>	<p>Enterprise profit is for social economy enterprises a means not an end (see Fig. 42).</p> <p>The legal form guarantees compliance with these principles for:</p>
<p><i>For social enterprises.</i></p> <p>Criteria for certification as a social enterprise - Article 8(4)</p>	<p>- associations, foundations, <i>non-profit</i> organisations: the profit is 100% reinvested in the social mission of the company;</p>
<p>The certificate is granted to those social enterprises that have the following criteria in <i>their articles of association and operating documents:</i></p> <p>(a) act for a social purpose and/or in the general interest of the community;</p> <p>b) allocate a minimum of 90% of its profits to the corporate purpose and the statutory reserve;</p> <p>(c) undertakes to transfer the assets remaining after liquidation to one or more social undertakings.</p>	<p>- Cooperatives and RACs : the limit - "most" - needs to be set;</p> <p>- companies: express statutory provisions are needed and guaranteed to be maintained throughout the life of the company - companies can now change their articles of association, their mission statement.</p>

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

The degree of awareness of the social mission among the organizations responding to the Barometer is quite high. As shown in Figure 42, a majority of 67% of the companies participating in the Barometer consider that they act with a social purpose to a *"great and very great extent."* Unfortunately, however, there has been a decrease in the share of respondents who consider that a social or general purpose defines their company to a *"great or very great extent,"* dropping from 76% in 2021 to 67%.

Of the 2% who categorically said *"no"* to acting for social or community purposes, 75% are mutual aid houses and 25% are licensed commercial companies. Mutual aid societies act according to their own law and statutes in the interest of their members, thus serving a community. Most respondents who opted for *"to a small extent"* were registered companies (45%), CARs (27%), agricultural cooperatives (18%), and even an association.

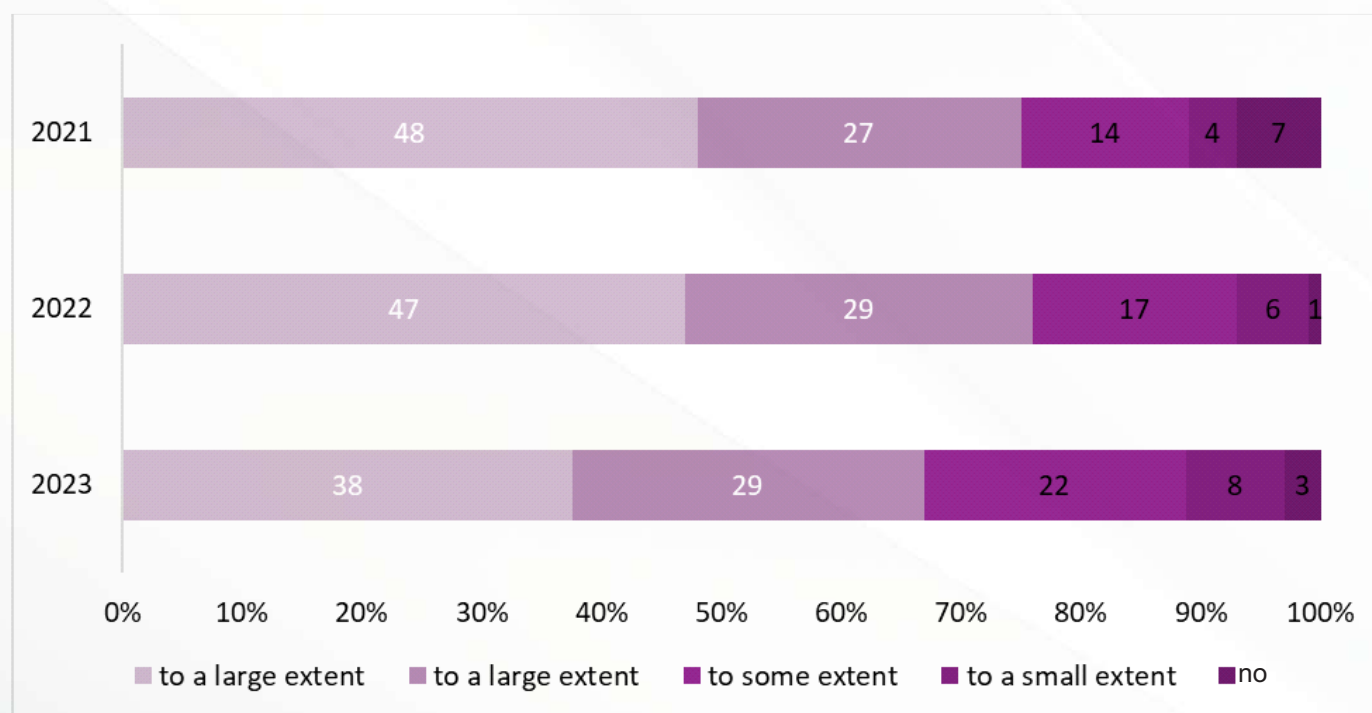
However, a growing number of participating businesses are somewhat uncertain about the social nature of their enterprise. About 11% of them consider that they act *"to a small extent"* or *"not at all for social purposes,"* and 22% say *"to some extent."*

The law on social economy does not provide a clear framework for the organization and functioning of companies as social enterprises, which, according to their law of organization and functioning (Law 31/1990), are set up **for profit and not for social purposes**. To comply with the principles of the law on social economy, we believe it is necessary to create a new legal form of **commercial company with a social purpose**.

Additionally, the law does not recognize the social/non-profit character conferred by the laws governing the organization and functioning of associations and foundations.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

FIGURE 26: AWARENESS OF SOCIAL PURPOSE AMONG SOCIAL ECONOMY ENTERPRISES 2021-2023 %



Social impact

Respondents were asked which category or categories best fit their mission and the positive social or environmental impact they are pursuing through their business.

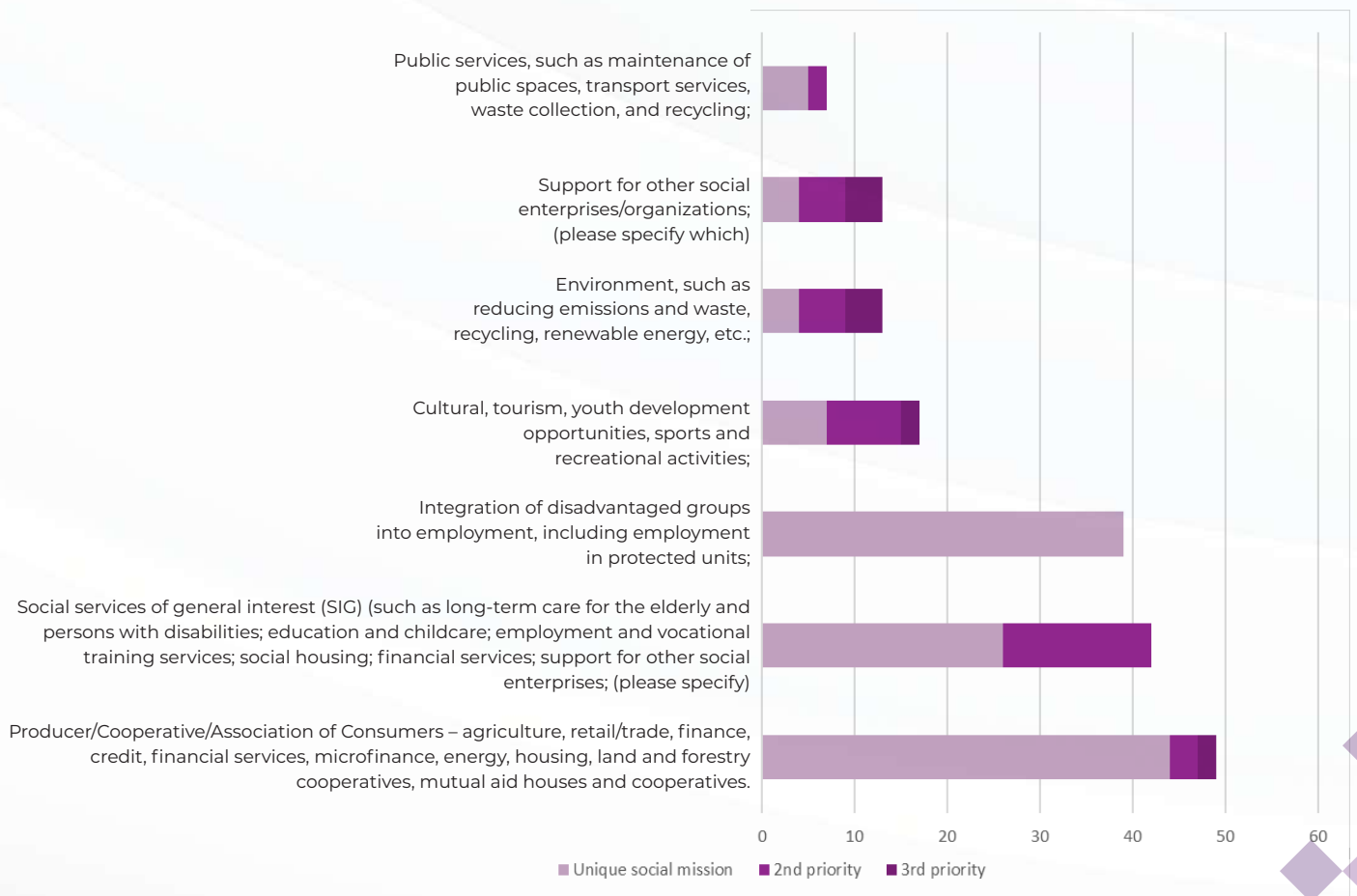
Most businesses fall into the category of producer-consumer organizations or enterprises, which includes agriculture, retail/trade, finance, credit, financial services, microfinance, energy, housing, land and forestry cooperatives, and cooperatives, including mutual aid houses and cooperatives.

The second largest category is the "*Integration of disadvantaged groups into employment, including employment in sheltered units*" and "*Social services of general interest (SGI)*"²², which are a second priority for many organisations.

²²Includes services such as long-term care for the elderly and disabled; education and childcare; employment and training services; social housing; medical and health services, temporary housing for the homeless rehabilitation of ex-offenders, other social and economic services for disadvantaged and excluded people, other social and community services, etc.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

FIGURE 27: SOCIAL AND ENVIRONMENTAL IMPACT OF BAROMETER RESPONDENT COMPANIES - NUMBER OF COMPANIES REPORTING THIS TYPE OF IMPACT 2023



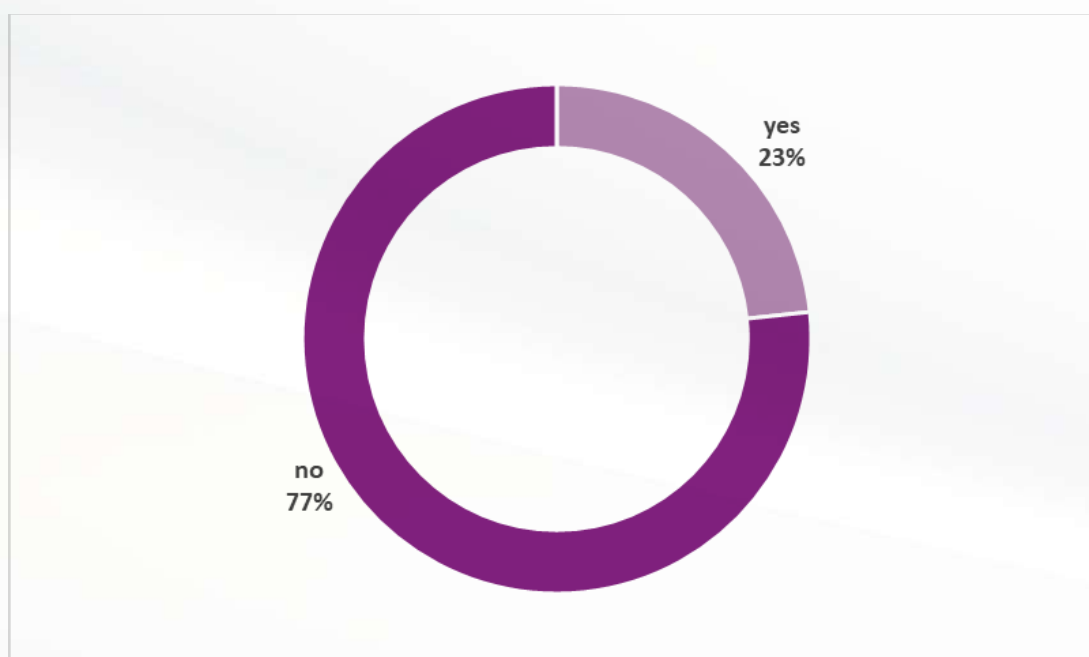
3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

3.2.3 Work Integration Of Disadvantaged Groups In Social Economy Enterprises

As can be seen from Figure 28, more than 30% of the respondent enterprises (down from 51.46% of respondents in 2022) have as their sole mission "*Integration of disadvantaged groups into employment, including employment in sheltered units.*" 23% of the respondent enterprises carry out this mission in-house, currently employing vulnerable people, but the number of enterprises that certify themselves as social integration enterprises is much lower.

Vulnerable persons include individuals with disabilities, victims of domestic violence, homeless people, individuals with various addictions (e.g., alcohol, drugs, other toxic substances, internet, gambling), victims of human trafficking, persons deprived of liberty or under the supervision of probation services, individuals with mental disorders, people in isolated communities, and the long-term unemployed.

FIGURE 28: SHARE OF SOCIAL ECONOMY ENTERPRISES EMPLOYING PEOPLE FROM VULNERABLE GROUPS



3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

3.2.4 Accreditation And Support For Social Economy Enterprises From Central Authorities, Local Authorities And Public Social Services

The majority of the respondents have at least one licence, accreditation or authorisation. Of the respondent enterprises, 60% have at least one such administrative recognition specific to the social sector—a rather strictly regulated sector with numerous administrative barriers to operation—but also to other sectors such as financial services, in which mutual aid houses or [AFIN NFBFI](#) operate. Some companies hold several such recognitions, and 28.8% of those surveyed intend to obtain (more) such recognitions in the future.

As expected, most of the enterprises have *social enterprise status*. Commercial companies are mainly certified, as they need recognition of their social mission, which is not strictly given by their legal form.

However, it is worth noting that only around 45% of respondents opted for certification—an increase from previous years, as the Barometer attracted more respondents from the category of certified social enterprises this year than in previous editions.

The next category of recognition is that of a *non-bank financial institution*, which is necessary for mutual aid houses to operate in the financial services market regulated by the National Bank of Romania.

Many social economy enterprises—40% of Barometer respondents—operate without a social enterprise certificate, as official recognition by the authorities through the certificate does not bring them any practical benefit, except for the possibility to access European funds, which is primarily an option for start-ups.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

FIGURE 29: SHARE OF ENTERPRISES HOLDING A LICENCE, ACCREDITATION OR AUTHORISATION % 2022-2023

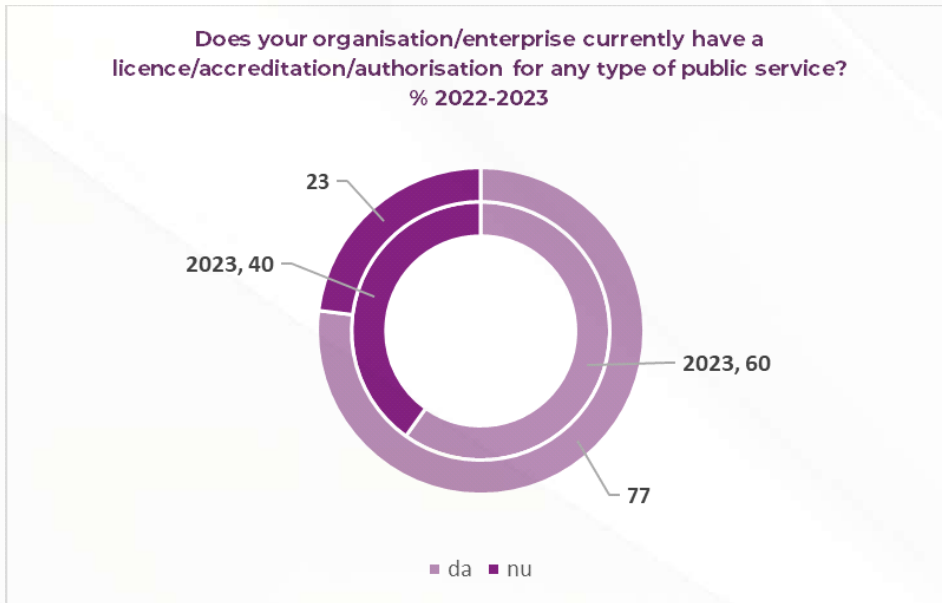
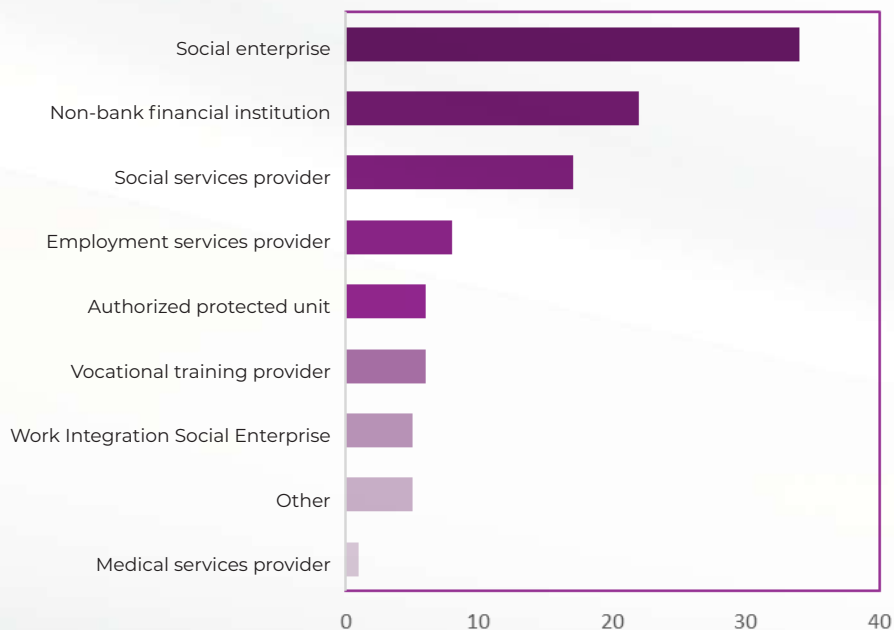


FIGURE 30: NUMBER OF ENTERPRISES BY TYPES LICENCES, ACCREDITATIONS, AUTHORISATIONS

Accreditations, authorizations, licenses held by respondent social economy organizations/enterprises
Barometer 2023 - number of enterprises



3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

In the "other" category, enterprises mentioned public transport licenses. For example, among the respondents, there were associations of local public authorities for intercommunity development.

It is noted that the number of *approved sheltered units* is higher than that of *social integration enterprises*, given the more favourable financial tax regime for the former. Although many more enterprises have as their mission the integration of vulnerable workers into employment, the proportion of those that obtain certification as an *insertion social enterprise* is very low. This status, provided for by legislation, lacks support measures and imposes operating constraints.

19% of the responding enterprises intend to obtain accreditation, both from those with at least one accreditation and from those who do not currently have such certifications. This trend is most pronounced among those who already have such recognition (88%), as previous administrative practice is, of course, useful. Such recognitions are necessary to be able to operate effectively, especially in areas requiring diverse skills, such as the integration of vulnerable workers into employment.

- **Support for social economy enterprises from central authorities, local authorities and public social services**

Nearly half of the social economy enterprises surveyed still do not understand the importance of partnership and collaboration with public authorities - or perhaps understand in a narrow sense the importance of their autonomy from them. Their expectations of support from public authorities and services are very low.

49% of the social economy enterprises surveyed consider that *it is "not the case"* that *central authorities and their deconcentrated services* support them. This share drops to 42% in the case of *the Central Administration and Decentralised Services of the Ministry of Labour and Social Protection - subordinate agencies - AJOFM*, although these entities are directly responsible for the social economy field and for solving social and labour integration problems.

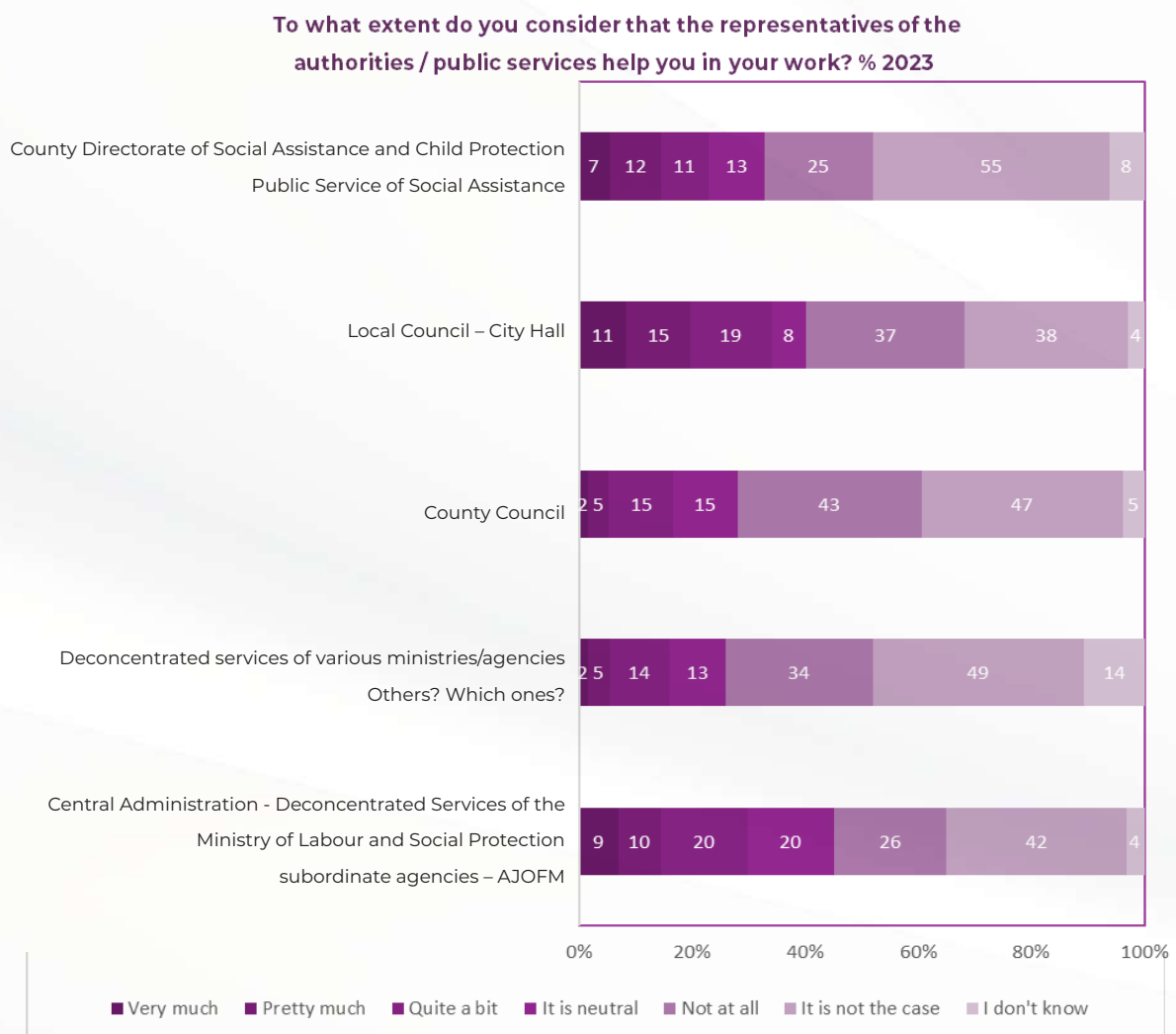
Expectations decrease even more with regard to *the County Directorate of Social Assistance and Child Protection / Public Service of Social Assistance*, where 55% of respondents (up from 43.6% in 2022) consider that they should not receive support. In the case of county councils, the percentage is 47% (up from 43% in 2022), and 38% in the case of local councils.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

As can be seen from Figure 24, over 66% of enterprises consider that the deconcentrated services of the main authorities in the field - the Ministry of Labour and Social Protection and the National Employment Agency - help them "to a small extent" or "not at all", or are "neutral" towards their activity.

26% of social economy enterprises consider that they receive "quite a lot and very much support" from local public authorities and 19% from county and local social services. Another 19% of enterprises also receive support from the central administration - deconcentrated services of the Ministry of Labour and Social Protection - subordinate agencies - AJOFM.

FIGURE 31: SUPPORT FOR SOCIAL ECONOMY ENTERPRISES - CENTRAL PUBLIC AUTHORITIES - DECONCENTRATED SERVICES (BAROMETER RESPONDENTS' ASSESSMENT)



Local and central public authorities provide support to social economy enterprises only to a limited extent—either because they are unaware of the concrete ways they could support them, or because they consider that European funding is sufficient public support for those who benefit from it.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

3.2.5 Assessment Of The Legal Framework For The Social Economy

The Organisation for Economic Co-operation and Development (OECD) has developed a tool to assess the national framework for the existence and operation of the social economy, with the aim of developing better public policies for this sector.

1. Culture of social entrepreneurship
2. Institutional framework
- 3. Legal and regulatory frameworks**
4. Access to finance
5. Access to markets
6. Skills and business development
7. Impact measurement, management and reporting

Barometer responders were asked to evaluate the extent to which the legal framework in Romania meets the quality standards proposed by the OECD in the matrix for general legal and regulatory frameworks and sector recognition.

Respondents felt that "*Romanian legislation effectively recognises, differentiates and supports **social economy** enterprises to a small extent*". To the question "*Is the content of the legislation adequate to the needs and realities of your organisation/enterprise?*", respondents consider that the current general legal framework recognises, supports, differentiates *only to a small extent*, rather not supportive and not adequate to the needs of the majority of respondents.

Respondents find it beneficial that the legislation allows several legal forms to be considered part of the social economy, and that "*Social economy enterprises/organizations in Romania can operate effectively in various legal forms provided by law.*" However, they are less satisfied with the statement that "*Information on administrative procedures concerning the social economy is easy to understand.*" This is not surprising, given that Law 219/2015 mostly refers to social enterprises, leaving other types of legal entities without clear recognition as belonging to the social economy.

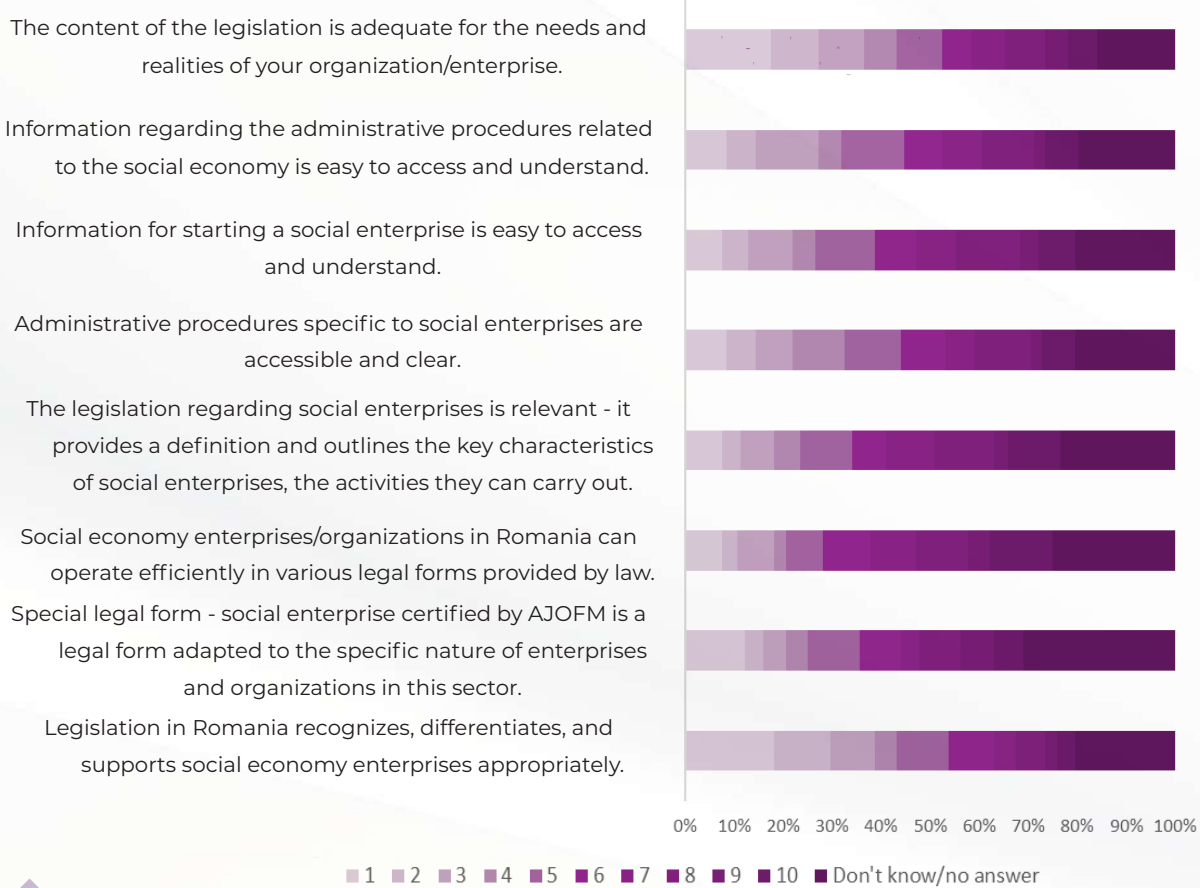
Regarding the "**Special legal form - social enterprise certified by AJOFM**" respondents considered that:

- Information for setting up a social enterprise is relatively "easy to access", but that "*administrative procedures specific to social enterprises are only partially accessible and clear*".

The legislation on social enterprises is *to a lesser extent "relevant - it provides a definition and sets out the key characteristics of social enterprises, the activities they can carry out"*, but it is a legal form somewhat adapted to the specificities of enterprises and organisations in this sector.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

FIGURE 32: ASSESSMENT OF THE ROMANIAN LEGAL FRAMEWORK FOR THE SOCIAL ECONOMY AND SOCIAL ENTERPRISES BAROMETER 2023



3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

Respondents were asked to explain their assessment and offer suggestions for improvement. The comments received are included here:

- **Administrative procedures of social enterprises, social economy departments of AJOFM**
 - ✓ *" Staff employed in the social economy within state institutions need to be better informed. We often don't get clear answers."*
 - ✓ *"Simplifying reporting for social enterprises, how to justify 90% social purpose".*
 - ✓ *"The institutions responsible for the social economy do not support social enterprises with anything at all and hinder them with excessive controls and the burdensome statements they demand from social enterprises".*

- **General legal framework**
 - ✓ *"Implementation of legislation is a problem, we have no Council to monitor and zero benefits".*
 - ✓ *"Automatic recognition of associations and foundations as social enterprises would be appropriate! Associations and Foundations that are WISEs should be able to automatically access all banking products, guarantee funds and funding for the economic environment, even if the economic activity is provided through NGOs."*
 - ✓ *"Improving/simplifying legislation".*

- **Support measures, tax advantages**
 - ✓ *"Correlation of legislation: there are many inconsistencies between the social economy law and the many pieces of legislation that make it unenforceable, for example tax exemptions."*
 - ✓ *"They should be exempt from corporate tax".*
 - ✓ *"The legislation is ambiguous and provides accredited social enterprises with only obligations and no benefits."*
 - ✓ *"Legislation needs to be changed with the involvement of actors directly involved in the social economy".*
 - ✓ *„Certification as an social enterprise brings bureaucracy and certain obligations and no real benefit".*

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

- **Other issues**

- ✓ *" Too many unknowns; without guidance, it's difficult to navigate."*
- ✓ *"There should be facilities for employing people (especially disadvantaged people)".*

- **Support measures by public authorities, including those provided for by the Social Economy Law**

Although the Social Economy Law provides for a number of support measures, many organisations either do not know about them or do not apply for them. However, the number of those who are aware of the support measures has increased significantly. The number of those who do not apply remains very high. The reasons can be many: access procedures do not exist, they are unclear, the chances of obtaining them are very low, etc.

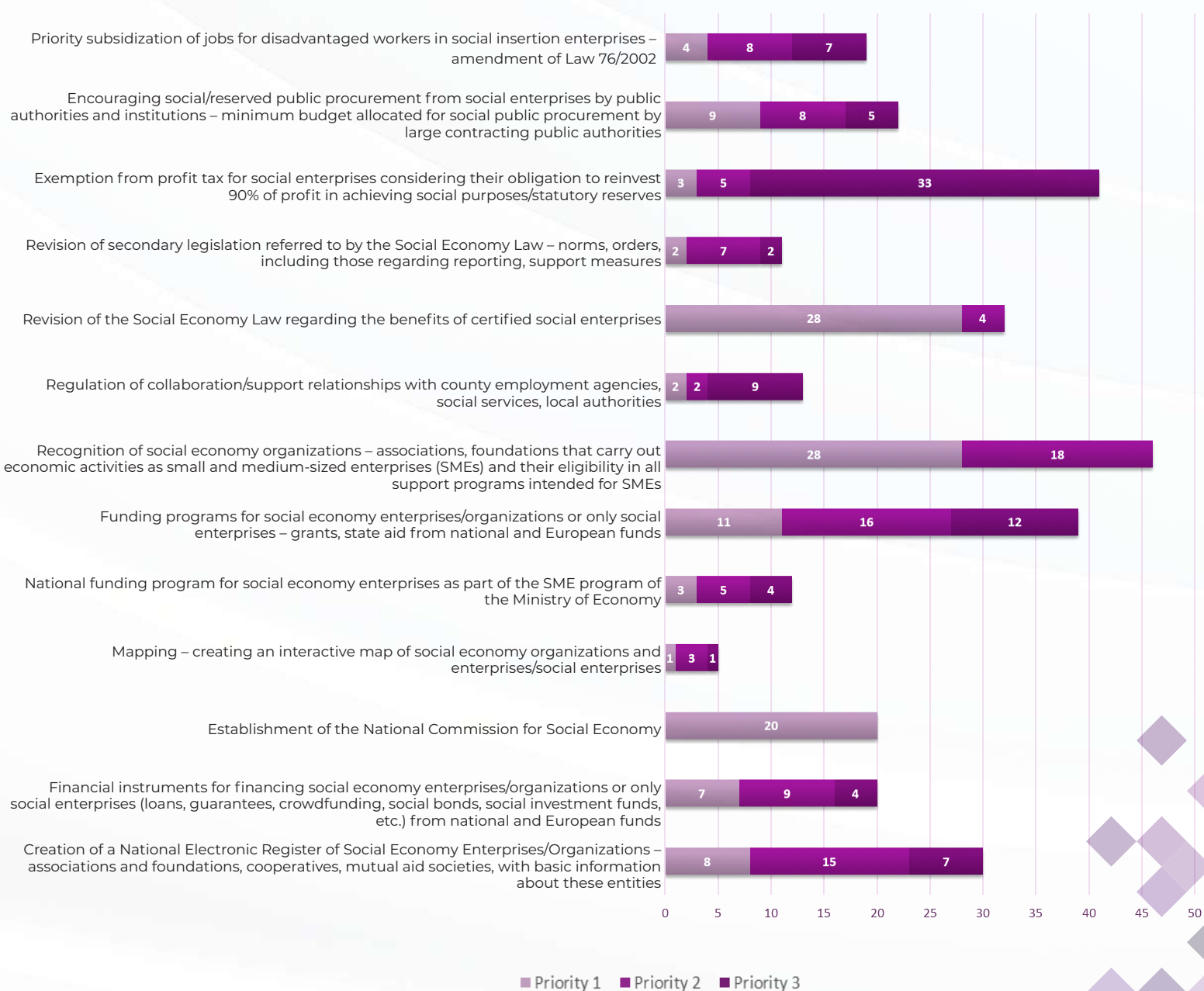
Most enterprises benefited from two of the measures, namely:

- ✓ *"Elaboration of the implementation of the County Plan for socio-vocational insertion in collaboration with AJOFM - DGASPC" and "Support in the promotion of tourism and related activities, by enhancing the local historical and cultural heritage".*
- ✓ *Also encouraging is the slightly increased access to "Subsidisation of employment of disadvantaged workers - labour costs e.g. payment of contributions for them, provision of sufficient budget for all employment agreements with disadvantaged workers concluded Law 76/2002" and "Subsidisation of social or employment services provided to vulnerable groups".*

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

Legislative priorities

FIGURE 33: LEGISLATIVE PRIORITIES IN THE SOCIAL ECONOMY (BAROMETER 2023 RESPONDENTS)



3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

The main legislative changes needed in the respondents' view are:

- **For all social economy actors:**
 - ✓ *Recognition of organisations that are part of the social economy - associations, foundations, mutual aid houses - as small and medium-sized enterprises (46);*
 - ✓ *Funding programmes for social economy enterprises/organisations or social enterprises only - grant, state aid from national and European funds (39);*
 - ✓ *Creation of an electronic National Register of social economy enterprises/organisations - associations and foundations, cooperatives, mutual aid houses with basic information on these entities (30).*

- **For social enterprises:**
 - ✓ *Exemption from corporate income tax for social enterprises given their obligation to reinvest 90% of profits in the social purpose/statutory reserve;*
 - ✓ *Revision of the Social Economy Law regarding the benefits of social enterprise with a certificate.*

- **Recognition of social economy organisations/enterprises as SMEs**

The most important legislative priority supported by most respondents is one that concerns all sectors that are part of the social economy: "*Recognition of organisations that are part of the social economy - associations, foundations, mutual aid houses as small and medium-sized enterprises SMEs (cooperatives are recognised as SMEs)*".

Public policy for the social economy sector in Romania falls under the regulatory purview of the initiating ministry, the Ministry of Labour and Social Protection. Social economy enterprises are often not considered in the policy-making process for enterprises, which falls under the regulatory field of the Ministry of Economy. Among social economy entities, **only cooperatives** are included in enterprise policies, specifically as small and medium-sized enterprises (SMEs). In fact, an agency for SMEs has been operating continuously within the Ministry of Economy, under the title of the Agency for SMEs and Cooperation.

The national framework law for enterprises, "*Law No. 346/2004 on the stimulation of the establishment and development of small and medium-sized enterprises,*" includes in Article 1 a **restrictive definition** of enterprise. It limits the definition to forms of organization of economic activity, autonomous in terms of property for **profit**, and to the following legal forms: "*commercial companies, cooperative societies, natural persons carrying out economic activities independently, and family associations.*" This definition contradicts the definition given by the European Commission for SMEs as found in Recommendation 2003/361/EC. A draft law amending Article 2 of the law to include all legal forms was rejected in Parliament in 2015.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

TABLE 25: COMPARISON BETWEEN THE DEFINITION OF THE COMPANY IN THE ROMANIAN SME LAW AND THE EUROPEAN RECOMMENDATION ON THE SUBJECT

Regulations - recommendations - European practice	National legislation Romania
<p><i>Recommendation No 361/2003 concerning the definition of micro, small and medium-sized enterprises</i></p> <p>... in accordance with Articles 48, 81 and 82 of the Treaty, as interpreted by the Court of Justice of the European Communities, any entity, regardless of its legal form, engaged in an economic activity should be regarded as an undertaking, including, in particular, entities engaged in craft activities and other activities of an individual or family nature, partnerships or associations normally engaged in an economic activity.</p>	<p><i>Law No 346/2004 on stimulating the establishment and development of small and medium-sized enterprises Art. 2</i></p> <p>Enterprise means any form of organisation of an economic activity, independent in terms of assets and authorised according to the laws in force to carry out commercial acts and deeds, with the aim of making a profit, under competitive conditions, namely: commercial companies, cooperative societies, natural persons carrying out economic activities independently and family associations authorised according to the legal provisions in force.</p> <p>Paragraph (2) states "<i>The provisions of this law are also applicable to associations and foundations, agricultural cooperatives and agricultural companies carrying out economic activities</i>".²³</p> <p>This paragraph is ignored in practice by all authorities with SME support programmes.</p>

A provision of the Framework Law 219/2015 to include social enterprises in a special programme under SME funding programmes has never been implemented.

²³Article 2 was amended by paragraph 1 of Article I of Law no. 62 of 30 April 2014, published in the Official Gazette no. 328 of 6 May 2014.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

TABLE 26: LEGAL FRAMEWORK FOR SUPPORT PROGRAMMES FOR SOCIAL ENTERPRISES UNDER NATIONAL PROGRAMMES FOR IMM

Social Economy Framework Law - Law No 219/215	Framework law for small and medium-sized enterprises - Law No 346/2004 on stimulating the establishment and development of small and medium-sized enterprises
<p>Art. 21.</p> <p>(3) Social enterprises and social integration enterprises may benefit annually from the programme for stimulating the establishment and development of micro-enterprises in the social economy in accordance with the provisions of Article 25¹ letter d) of Law No 346/2004 on stimulating the establishment and development of small and medium-sized enterprises, as amended and supplemented, concerning the national programmes for financing small and medium-sized enterprises, which are implemented by the central public authority responsible for small and medium-sized enterprises.</p>	<p>Art. 25. -</p> <p>(1) The Government shall approve annual programmes to encourage and stimulate the establishment and development of small and medium-sized enterprises on the basis of programmes drawn up by the National Agency for Small and Medium-sized Enterprises and Cooperation, in consultation with organisations representing the interests of small and medium-sized enterprises.</p>

In practice, this provision turns out to be much weaker than the one in the Cooperative Framework Law 1/2005, which states that *Cooperative Societies benefit from all measures promoted by the Romanian State for commercial companies* (Art.108).

In the absence of such a provision, social economy organisations and enterprises do not benefit from a **level playing field**. The law on SMEs, which favours these enterprises, excludes social economy organisations from its benefits, thus affecting the ability of these players to compete fairly in the market.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

3.2.6 The Social Economy And The Green And Digital Transition

Climate change and environmental degradation pose an existential threat to the European Union and the world. To counter these challenges, the EU has launched the European Green Pact, Europe's new growth strategy, which focuses on competitiveness and resource efficiency. The European Green Pact aims to make Europe climate neutral by 2050 by stimulating green technologies, promoting sustainable activities in industry and transport, and reducing pollution. The social economy has a key role to play in turning climate and environmental challenges into opportunities through a fair and inclusive transition for all.

Parts of the social economy contribute to the dual green and digital transition by providing sustainable goods and services and bridging the digital divide. Their participatory business models, which consider the needs of citizens, employees, and other stakeholders, help to ensure the equity of these transitions.

In the Barometer (2023 edition) we examined the trends and challenges facing social economy enterprises, particularly regarding the adoption of more sustainable business models and the digitization of operations. We assessed the engagement of social economy enterprises and organizations in measures for the green transition, using the same dimensions tracked by the Flash Eurobarometer on small and medium-sized enterprises (SMEs), resource efficiency, and green markets conducted by the European Commission in 2021.²⁴

The results show that Romanian social economy enterprises and organizations are already undertaking numerous substantive actions to transition their operations to environmentally sustainable ones. In fact, all enterprises responding to the Barometer are taking at least one of the actions listed in the survey to become more resource efficient.

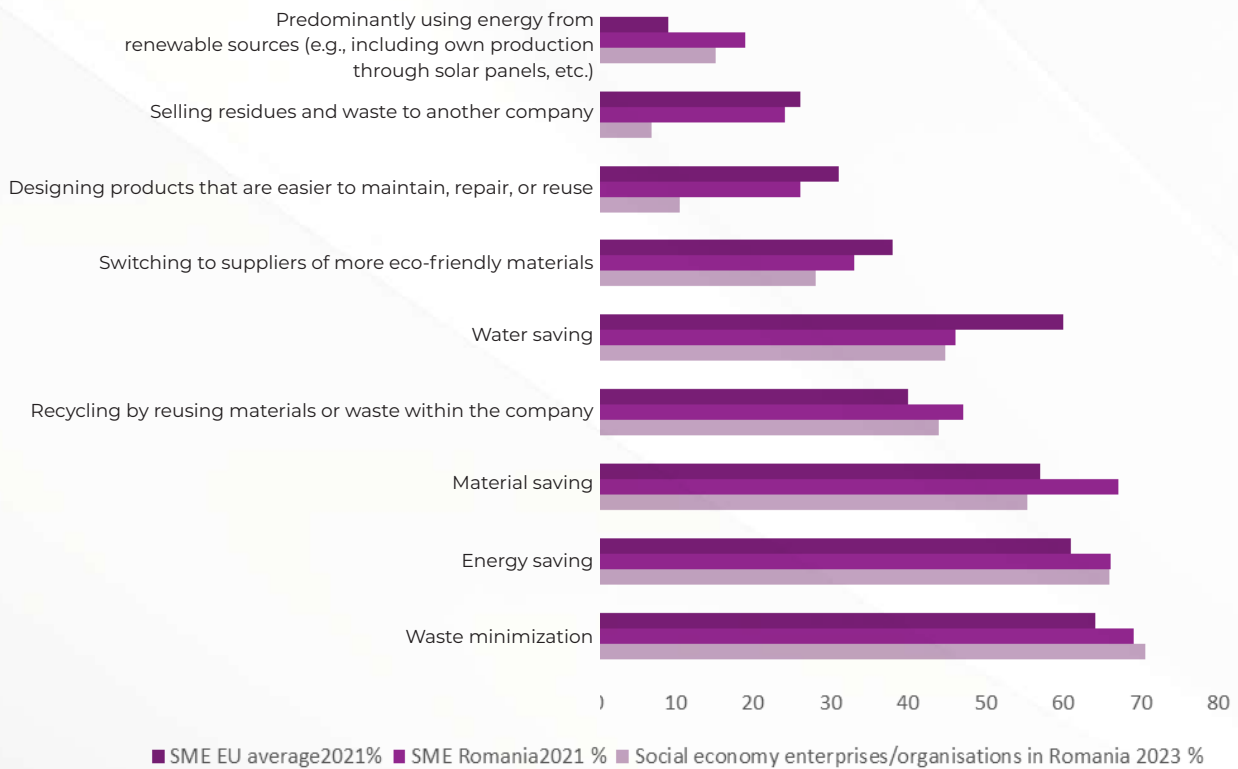
The survey analyzed the performance and actions of social economy enterprises and organizations in their efforts to become more resource efficient. It was observed that the share of actions taken by social economy enterprises and organizations is close to that of SMEs in Romania and the EU, and in some cases higher or equal (*Waste minimization* and *energy saving*). However, in most cases, the share is lower.

These results are likely influenced by the sectoral composition, with the social economy sector being dominated by services rather than production.

²⁴Flash Eurobarometer 486 European Commission 2021

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

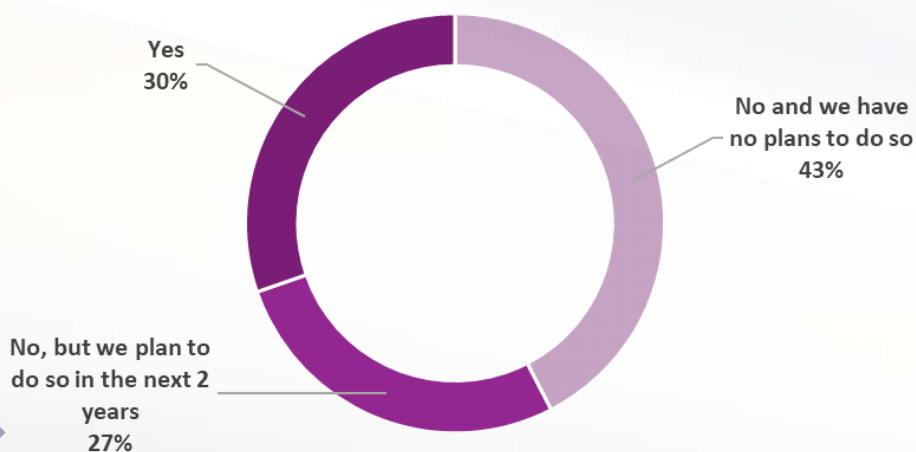
FIGURE 35: GREEN AND CIRCULAR ECONOMY - SOCIAL ECONOMY ENTERPRISES - BAROMETER RESPONDENTS 2023 %, SME ROMANIA AND EU % 2021 FLASH EUROBAROMETER 486



Green products and services are those products and services whose main objective is to reduce environmental risks, pollution and resource consumption.

FIGURE 36: GREEN PRODUCTS AND SERVICES - RESPONDING SOCIAL ECONOMY ENTERPRISES BAROMETER %

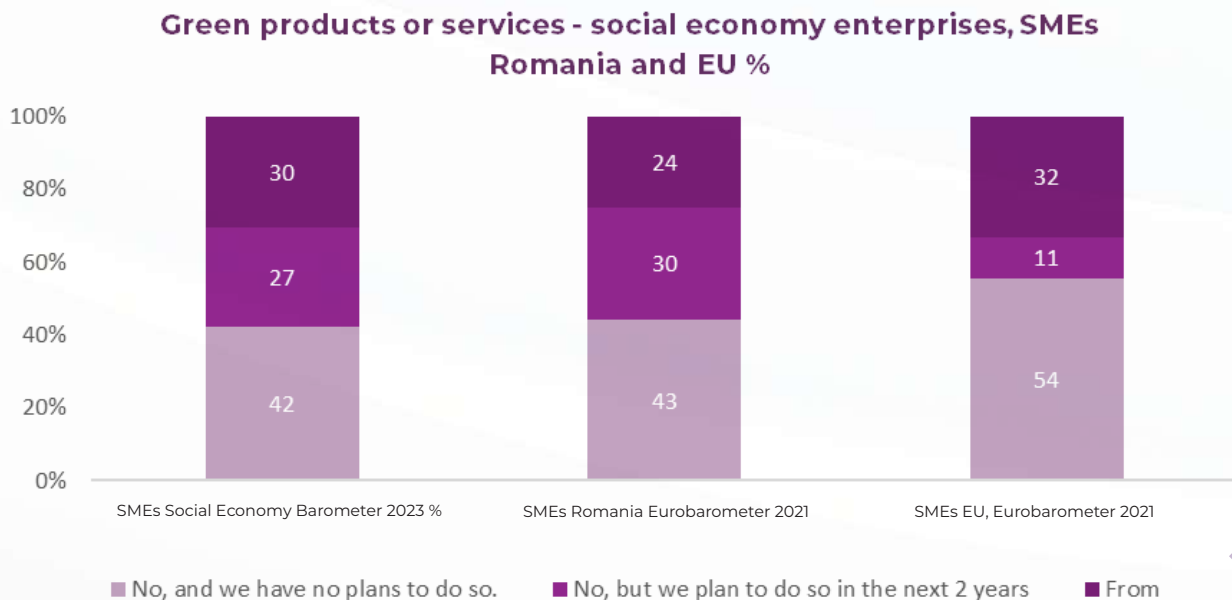
Does your company offer environmentally friendly products or services?



3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

In 2023, approximately one-third of social economy SMEs in Romania (30%) offered green products or services, and another 27% intended to do so in the next two years. The share of social economy enterprises offering green products in 2023 was higher than the average in the Romanian SME sector, but slightly below the EU average. In conclusion, we can say that the social economy sector in Romania is generally 'greener' than the SME sector as a whole.

FIGURE 37: GREEN PRODUCTS OR SERVICES, SOCIAL ECONOMY ENTERPRISES, SME ROMANIA AND EU %



3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

• Digitisation Of Social Economy Enterprises

Digital technologies have enormous potential for growth, opening up a new generation of opportunities for businesses. However, it is crucial that the digital transformation of society and the economy benefits everyone, avoiding the creation of new inequalities or the exacerbation of existing ones. There are digital solutions that prioritize people and their needs, providing businesses with access to new opportunities for social innovation.

The European Commission monitors the digital progress of Member States and publishes annual reports on the Digital Economy and Society Index (DESI). In the Barometer of Social Economy 2023, we included part of the questions asked to all SMEs in Europe in the European Commission's Digital ScoreBoard 2023—specifically, indicators on e-commerce and e-business.

For *websites with more sophisticated functionality*, this included having product catalogues or price lists on the website (webacc), allowing visitors to customise or design products (webctm), tracking orders available online (webot) or personalised content on the website for regular/repeat visitors (webper).

In *ecommerce*, it was assumed that at least 1% of all sales would be made through any sales computer network (websites, and other means of electronic data transfer, excluding manually typed emails).

Social economy enterprises perform better than the average SME in Romania on two of the four indicators measured: owning a website and using social media. However, their level of sophistication is lower, with only 16.7% of social economy enterprises having a website with advanced functionalities, compared to 46.3% of the Romanian SME average.

Both social economy enterprises and the average SME showed a decrease in 2023 compared to the pandemic period—2022 and 2021 respectively. Additionally, the volume of online sales for social economy enterprises is significantly lower and has dramatically decreased compared to 2022.

3. BAROMETER OF SOCIAL ECONOMY 2023 RESULTS

TABLE 27: DIGITAL TECHNOLOGIES USED BY RESPONDENT ENTERPRISES

What digital technologies does your company currently have/use?	Social economy enterprises % Barometer 2022	Social economy enterprises % Barometer 2023	SMEs 2021 Eurostat %	SMEs 2023 Eurostat %
The company has a website with more sophisticated functionality	21.1	16,7	48,1	46,3
Ecommerce	32.1	9,1	10,2 ²⁵	11,5
The company has a website or its own page	68.8	59,8	51,2 ²⁶	49,8
The company uses social media	76.1	67,4	36,1 ²⁷	40,5 ²⁸

²⁵

https://ec.europa.eu/eurostat/databrowser/view/isoc_ec_eseln2/default/table?lang=en&category=isoc.isoc_e.iso_c_ec

²⁶https://ec.europa.eu/eurostat/databrowser/view/isoc_ciweb__custom_10367706/default/table?lang=en

²⁷

https://ec.europa.eu/eurostat/databrowser/view/isoc_cismt/default/table?lang=en&category=isoc.isoc_e.isoc_cism

²⁸dem

4. SOCIAL ECONOMY IN ROMANIA - SUMMARY DATA, MAIN CONCLUSIONS, CHALLENGES AND RECOMMENDATIONS

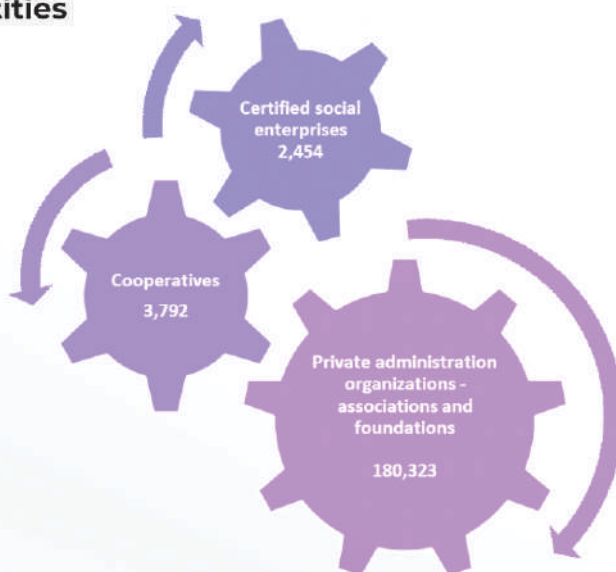
• Social Economy - A Major Employer In Romania

The social economy is an important force, with a large and growing number of businesses, organizations, and employees—even if its recognition as a sector by public authorities is low.

The total number of entities reached 186,629²⁹ (up from 172,880 in the 2022 Barometer) and with a total of 171,434 employed workers (up from 151,729 previously).

The social economy in Romania is mostly represented by non-profit organisations, with associations, foundations and mutual aid houses having the largest share among social economy organisations, both in terms of number of organisations and the number of employers.

Social Economy in Romania (2023) Number of entities



The associations and foundations sector boasts the largest share of employment, with 143,805 workers, up from 112,656 previously, marking an increase to 83.9% of total employment in the social economy sector, compared to 74% previously. Despite this growth, the practice of economic activities by associations and foundations remains uncommon—a frequency we were unfortunately unable to assess. Nonetheless, by European definition, associations and foundations remain integral to the social economy.

Cooperatives, though far fewer in number, maintain a significant presence. They account for 15% of social economy employment, a notable decline from the 25% reported in the previous Barometer.

²⁹186,629 entities - data includes all associations, foundations and cooperatives - other legal forms according to NSI in 2021, social enterprises in 2023

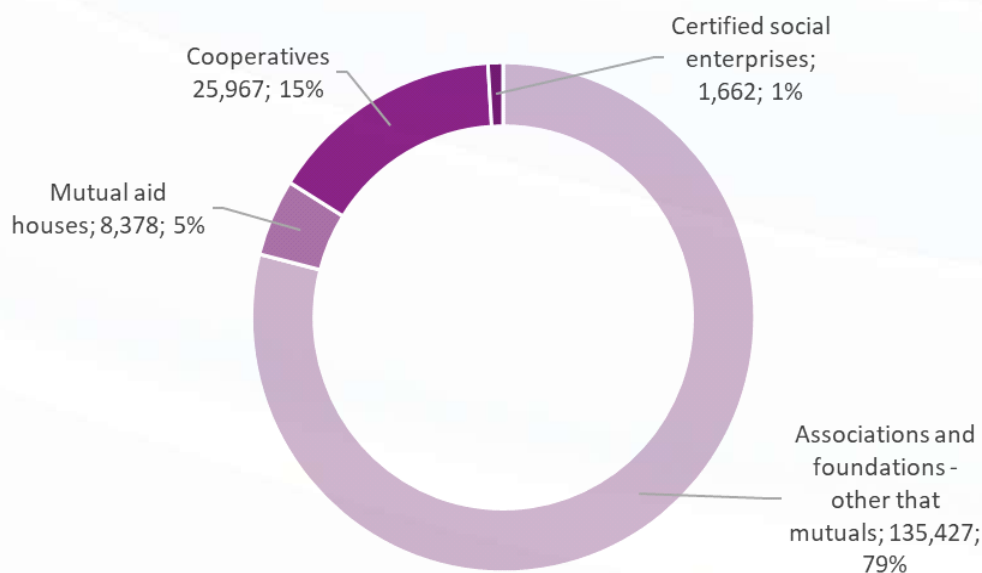
4. SOCIAL ECONOMY IN ROMANIA - SUMMARY DATA, MAIN CONCLUSIONS, CHALLENGES AND RECOMMENDATIONS

TABLE 28: NUMBER OF SOCIAL ECONOMY ENTITIES, BY TYPE (2021-2023)

Entity type	2021	2022	2023
Associations and foundations - non-profit non-governmental organisations, of which:			
Mutual aid houses	5.216	5.134	
Cooperatives	3.792		
Social enterprises		2.514 ³⁰	2.454
Total			

Source: Tempo database, INS - private administration organisations for associations and foundations, other legal entities - cooperatives, Register of certified social enterprises, ANOFM (December 2023)

FIGURE 38: NUMBER OF EMPLOYEES, SOCIAL ECONOMY, BY TYPE OF ENTITY (2021)



³⁰ ANOFM Social Enterprises Register March 2022

4. SOCIAL ECONOMY IN ROMANIA - SUMMARY DATA, MAIN CONCLUSIONS, CHALLENGES AND RECOMMENDATIONS

- **Certification as a social enterprise, strictly linked to accessing European funds as a start-up, does not guarantee the continuation of the social mission after the funding's sustainability period ends.**

Only 0.9% of social economy organizations choose to be certified as social enterprises, a percentage that has remained constant since the previous report. This suggests that certification does not provide sufficient motivation and is not accompanied by any support measures after the start-up phase financed by European funds. Most of the certified social enterprises are commercial companies, the only legal form that requires explicit certification of the social purpose through an administrative act. Unfortunately, many give up the certification and the social mission after the end of the sustainability period of European projects. Thus, this funding does not make a sustainable contribution to the development of the social economy sector.

Other legal forms, such as associations, foundations, mutual aid societies, and cooperatives, do not need to have their social purpose certified, as this is enshrined in their organizational and operational laws. Social enterprises have uneven development and a high degree of dependence on European funds. Many social enterprises registered as social enterprises are among those financed by European funds, while others do not opt for this status. With 1,682 workers, the share of social enterprises as employers is still very low at around 1%.

Many of the social economy enterprises participating in the Barometer are involved in integrating disadvantaged people into employment, but to a lesser extent than in the previous report—an indication that employment policies are failing to mobilize the sector to address employment issues. However, very few of these enterprises choose to obtain the social label of social integration enterprise, and this status remains unattractive to the sector.

The analysis presented in Chapter 2 of the report underscores the urgent need for a thorough review of current legislation. Romania has not yet aligned with European policies in this field, with Romanian policymakers focusing only on the narrow regulatory framework for certified social enterprises and the administration of European funds exclusively for start-ups of this type. This approach is unsustainable for the long-term development of the social economy, which continues to progress positively through its own efforts and resources.

The social economy sector faces many difficulties, operating within an ecosystem far removed from that recommended in the European Action Plan and the recently adopted OECD Recommendation—an organization Romania aspires to join. The emergence of the European Action Plan in favor of the social economy should radically change the paradigm and vision of decision-makers and social economy actors in our country.

The sector needs support to align with and benefit from the green and digital transition that the social economy is capable of achieving, given the diversity of actors it encompasses, as highlighted in this report.

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The Romanian Social Economy Network (RISE) - was founded in 2013 and its mission is to promote the social economy, develop social economy enterprises and promote the social, professional and economic integration of people in difficulty in Romania.



[Fundația "Alături de Voi" România \(ADV Romania\)](#)

"Alături de Voi" Foundation Romania (ADV Romania) was established in 2002 and its mission is to promote the social economy and the socio-professional integration of young people with disabilities and other vulnerable groups.

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