

CREATING OF SOCIAL ENTERPRISES FOR A SUSTAINABLE DEVELOPMENT - TO BE EFFICIENT BUT AND HUMAN –

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ABSTRACT:

SOCIAL FIRMS CREATED FROM THE NEED TO GIVE A REAL CHANCE TO DISADVANTAGED PEOPLE, WHO GENERALLY HAVE POOR WORK PERFORMANCE. THE PURPOSE OF SOCIAL FIRMS IS NOT TO ACHIEVE ECONOMIC SUCCESS, BUT TO CREATE JOBS FOR VULNERABLE PEOPLE. TYPICAL EMPLOYEES OF SOCIAL ENTERPRISES ARE MAINLY THE UNEMPLOYED WITH DISABILITIES, WHOSE PERFORMANCE AT THE WORKPLACE IS GOOD ENOUGH (SO THAT NO RETIREMENT PENSION SHOULD BE JUSTIFIED), BUT WHO CANNOT HAVE A JOB WITHOUT ADAPTATION, AND APPROPRIATE HELP.

IN ORDER TO CREATE ADEQUATE JOBS AND TO COMPETE WITH EXISTING BUSINESSES ON THE MARKET, A SPECIFIC MANAGEMENT IT IS NECESSARY FOR SOCIAL ENTERPRISES, TO KEEP THE BALANCE BETWEEN ECONOMIC AND SOCIAL STRATEGIES. IF THE SOCIAL ENTERPRISE CREATES A POSITIVE CLIMATE, WHERE RESPECT IS GIVEN, AND WHERE SOME WORK LIMITATIONS OF EMPLOYEES ARE ACCEPTED, EMPLOYEES CAN SURPRISE BY HAVING A HIGH LEVEL OF PRODUCTIVITY.

THE PAPER PRESENTS THE IMPORTANCE OF THE SOCIAL ECONOMY FOR A SUSTAINABLE DEVELOPMENT OF SOCIETY, AND PRESENTS WHAT IT MEANS TO BE EFFICIENT BUT ALSO HUMAN, AS A SOCIAL ENTERPRISE MANAGER.

KEYWORDS: SOCIAL ENTERPRISE, SUSTAINABLE DEVELOPMENT, MANAGER OF SOCIAL ENTERPRISE, EFFICIENCY

1. INTRODUCTION

Today's society has become a society of any kind organizations in which goods produced and services provided for satisfaction of all the needs of society: economic, education, social security, environmental protection etc.²

It is necessary for our society to pay more attention to the health of individuals, to keep their health³, because only a society with healthy people can prosper, it can develop.

The social economy has emerged and developed from the need to solve especially the social problems of humanity. It also called "solidarity economy" or "third sector". The social economy contributes to satisfaction the needs of community members that ignored or insufficiently covered by the public or private sector⁴.

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² Drucker, P. F. – Management - tasks, responsibilities, practices, TRUMAN TALLEY BOOKS / E.P. DUTTON / New York

[http://icmbpl.com/Management%20-](http://icmbpl.com/Management%20-%20Tasks,%20Responsibilities,%20Practices%20by%20Peter%20Drucker%20e%20book.pdf)

[%20Tasks,%20Responsibilities,%20Practices%20by%20Peter%20Drucker%20e%20book.pdf](http://icmbpl.com/Management%20-%20Tasks,%20Responsibilities,%20Practices%20by%20Peter%20Drucker%20e%20book.pdf)

³ Herzberg, Frederick, The managerial choice: To be efficient and to be human -

<https://archive.org/details/managerialchoice00herz/page/n15>

⁴ <http://www.ies.org.ro/ce-este-economia-sociala-1>

The evolution of the social economy will strongly influenced by the changes that appear in the environment in which it operates ⁵.

The social economy includes various forms of organization: cooperatives, associations, foundations, etc.

If the main purpose of a market economy is to generate profit, the aim of the social economy is to improve living conditions, provide new opportunities for disadvantaged or vulnerable people⁶. The vulnerable group includes people or families who are at risk of losing their ability to satisfy their daily living needs due to illness, disability, poverty or other situations that lead to economic and social vulnerability.⁷

Persons with disabilities are people with long-lasting physical, mental, intellectual or sensory impairments, which, in interaction with various barriers, can limit the full and effective their participation in society on an equal footing with others.⁸

The social economy contributes to the sustainable development of society. Sustainable development has as a general objective: to continuously improve the quality of life for present and future generations, to create sustainable communities. These communities must be able to manage and use resources effectively to ensure prosperity, environmental protection and social cohesion.⁹

Sustainable development contributes to reducing economic, social and environmental disparities in a universal and integrated manner ¹⁰.

It is necessary that the benefits of economic development be higher than costs, for the progressive improvement and maintenance of the welfare of the population, in accordance with the requirements of rational use of resources and the preservation of ecosystems¹¹.

Efficiency implies the existence of effects in relation to the efforts made to achieve them. Being efficient means getting results with minimal effort.

2. SOCIAL ECONOMY, SOCIAL ENTERPRISES FOR SUSTAINABLE DEVELOPMENT

The social economy has grown in number and size in the last decades in the Member States of the European Union. Overall, there are about 2 million social economy-specific entities at European level.¹²

Social Economy ¹³ has emerged in order to serve the general interest, the interests of communities, helping to increase the employment of the persons belonging to the vulnerable groups. The social economy based on private, voluntary and solidarity initiatives.

⁵ Monzón, José Luis; Chaves, Rafael - *Economia socială în Uniunea Europeană - Raport*
https://www.eesc.europa.eu/resources/docs/a_ces11042-2012_00_00_tra_etu_ro.pdf

⁶ <http://www.ies.org.ro/ce-este-economia-sociala-1>

⁷ Legea nr. 292 din 20 decembrie 2011 - Legea asistenței sociale

⁸ Legea nr. 292 din 20 decembrie 2011 - Legea asistenței sociale

⁹ Strategia Națională pentru Dezvoltarea Durabilă a României 2030, <http://www.mmediu.ro/articol/strategia-nationala-pentru-dezvoltarea-durabila/2687>

¹⁰ <https://www.eesc.europa.eu/ro/policies/policy-areas/sustainable-development>

¹¹ Strategia Națională pentru Dezvoltarea Durabilă a României 2030, <http://www.mmediu.ro/articol/strategia-nationala-pentru-dezvoltarea-durabila/2687>

¹² Ministerului Fondurilor Europene, Autoritatea de Management pentru Programul Operational Capital Uman, apelul competitiv „Sprijin pentru înființarea de întreprinderi sociale” AP 4/PI 9.v/OS 4.16
<http://www.fonduri-ue.ro/presa/noutati-am-oi/details/6/523/am-pocu-lanseaz%C4%83-apelul-de-proiecte-%E2%80%9Esprijin-pentru-%C3%AEnfiin%C8%9Barea-de-%C3%AEntreprinderi-sociale%E2%80%9D-ap-4-pi-9-v-os-4-16>

¹³ Legea nr. 219/2015 privind economia socială –
<https://lege5.ro/Gratuit/g4ztombzqg/legea-nr-219-2015-privind-economia-sociala>

The basic principles of the social economy are¹⁴:

- priority given to the individual and social objectives towards profit growth; - solidarity and collective responsibility;
- the convergence between the interests of the associated members and the general interest and / or the interests of a community;
- voluntary and free association in the forms of organization specific to the social economy;
- allocation of the largest part of the profit for the achievement of objectives of general interest or of a community.

The objectives of the social economy are considered be the following¹⁵:

- ✚ strengthening economic and social cohesion;
- ✚ employment;
- ✚ development of social services.

The main activities of general interest that can realized within the social economy are¹⁶:

- the production of goods, the provision of services that contribute to the welfare of the community or a part of it;
- promoting, in particular, activities that can generate or provide jobs for people belonging to vulnerable groups;
- developing training programs for people belonging to vulnerable groups;
- development of social services to increase the capacity to integrate people belonging to vulnerable groups into the labor market.

We point out that people belonging to vulnerable groups are people or families who are at risk of losing their ability to satisfy their daily living needs.¹⁷

The objectives of social enterprises are to produce a social impact, an impact on the environment, but also an impact on society as a whole¹⁸.

Social enterprises are those businesses that¹⁹:

- provide social services, goods for a vulnerable population (e.g. access to housing, medical care, assistance for the elderly or disabled, childcare, etc.);
- through production of goods or services aim at achieving a social objective (e.g.: social and professional integration through access to work for disadvantaged people due to their poor qualifications or social or professional problems that cause exclusion and marginalization).

The social enterprise represented by any private legal organisation who carries out activities in the field of social economy. It holds a certificate of social enterprise and complies with the principles of the social economy.

The social enterprise acts for a social purpose, in the general interest of the community, allocates at least 90% of the profit obtained for social purposes, transfers the remaining assets

¹⁴ Legea nr. 219/2015 privind economia socială – <https://lege5.ro/Gratuit/g4ztombzqg/legea-nr-219-2015-privind-economia-sociala>

¹⁵ Legea nr. 219/2015 privind economia socială – <https://lege5.ro/Gratuit/g4ztombzqg/legea-nr-219-2015-privind-economia-sociala>

¹⁶ Legea nr. 219/2015 privind economia socială – <https://lege5.ro/Gratuit/g4ztombzqg/legea-nr-219-2015-privind-economia-sociala>

¹⁷ Legea nr. 219/2015 privind economia socială – <https://lege5.ro/Gratuit/g4ztombzqg/legea-nr-219-2015-privind-economia-sociala>

¹⁸ https://ec.europa.eu/growth/sectors/social-economy_en

¹⁹ Comisia Europeană - Comunicare a Comisiei către Parlamentul European, Consiliu, Comitetul Economic și Social European și Comitetul Regiunilor - Inițiativă pentru antreprenoriatul social. Construirea unui ecosistem pentru promovarea întreprinderilor sociale în cadrul economiei și al inovării sociale, Bruxelles, 25.10.2011

following liquidation to one or more social enterprises, and applies the principle of social equity to employees, of fair pay²⁰.

3. TO BE EFFICIENT BUT AND HUMAN, AS A SOCIAL BUSINESS MANAGER, FOR SUSTAINABLE DEVELOPMENT

We need to use the limited resources that we have at our disposal. A more efficient use of resources and pollution control can be important factors that can generate economic growth.

We need to change how we meet people's needs, new business models, or goods and services that require less resource input.

The social economy brings together the characteristics of the two types of organizations: non-governmental organizations (operating in the social area) and enterprises (operating in the economic area and whose activity, aimed at generating profits).

To activate in the social economy²¹, the organization must apply a realistic, ambitious business plan to address social issues. The social goals of the business must be of equal importance to the economic as well as the environmental impact. This balanced of the business goals is the first element that makes a manager become a manager of an organization of the social economy.

As manager of a social enterprise, is necessary to look at both the social impact of the business and the realism of the financial projections over the next years, the potential for self-sustainability. It is necessary to analyze the potential of the target market, study the internal structure of the organization, the management team. Other elements such as the potential to create good practice models, the values of the organization (transparency, ethics at work, environmental impact and social responsibility) are also important.

Social enterprise managers have the opportunity to add value to the enterprise's business by cooperating with investors that wish to get involved in the social field.

Social enterprises are encouraged to invest in market niches that are not very profitable for large firms but cover new needs arising during the ongoing process of economic change.²²

As for any manager, and for the manager of a social enterprise, it is important to know the environment, in which he works, to be inform about existing initiatives.

For good functioning, social enterprises should focus on company planning. Often, there is a tendency to think that an idea is good to apply only because it looks good to the organization without a market analysis, financial analysis, etc. It is necessary to assist organizations in the development of social enterprises. The existence of a support system for them is in order to avoid waste of resources, deviation from the mission of the organization or the emergence of business models that do not bring significant financial or social benefits.

Ideally, social enterprises should supported on a long-term basis and encouraged in their commercial efforts, providing them technical and financial assistance. Thus, the social enterprise would benefit from even greater support, even from society. It is necessary to promote more the concept of social enterprise, and society should be educated about the positive aspects of the social enterprise in order to avoid the wrong perceptions that may arise, especially the question: why a non-profit organization is it necessary to sell a product or a service?

Social enterprises are mission not only to resolve critical social issues. They are working in a sustainable way to create long-term benefits for the community. Thus, in some situations, social enterprises provide jobs for their beneficiaries, in other cases provide services and products for marginalized or low-income communities, or sometimes the social impact

²⁰Legea nr. 219/2015 privind economia socială –
<https://lege5.ro/Gratuit/g4ztombzgq/legea-nr-219-2015-privind-economia-sociala>

²¹ <http://www.romaniapozitiva.ro/featured/interviu-nesst-modele-de-intreprinderi-sociale-in-romania/>

²²<http://www.areas.ro/economie-sociala/>

manifested by the way, in which the profit generated by the activity is used. The structure of staff, technical equipment and work processes can be adapted to the needs of employees, that are, most of them, persons with disabilities, vulnerable persons.

Social enterprises are suppliers of products and services, generating revenue that complements those earned, for example from fundraising activities.

Being a social enterprise manager²³ is an option, like any other options: to become, why not, volunteers in social enterprises, to become customers of these enterprises, to promote the products or services of social enterprises among friends and known persons. The shopping that we do anyway, can become, if we do from social enterprises, responsible to our communities, even of today, for the sustainable development of society as a whole.

CONCLUSIONS

It is necessary for social enterprise managers to be encouraged, be sustain and qualified in order to adapt to the requirements of free and competitive entrepreneurship that is on the market. Financial support to social enterprises can only contribute to the ongoing process but can never be a basis for a competitive economy.

If adequate financial support guaranteed, social enterprises can be successful. They are encouraged to invest in market niches that are not very profitable for large firms. Another success for social enterprises is to provide services that cover new needs arising during the ongoing process of economic change. Thus, it cannot establish areas of activity in which to work disabled employees. It is more important to carefully observe the local market and identify the products and services that are necessary.

For a sustainable development of society, it is necessary to combine harmoniously all the categories of organizations that operating on different markets so that the society to prosper and all needs to be satisfied.

It is necessary for the social enterprise manager to be effective but also human in his work, to generate sustainability, durability of his work.

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