SOCIAL ECONOMY – A FORM OF INCLUSION AND OF „REACTIVATING” OF LABOR IN THE CONTEXT OF THE CURRENT CRISIS

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Summary
In the context of the cohesion policy, solidarity must represent a support for development. For that purpose, solidarity can be seen as a help for self-help and its success depends a great deal on the capacity and the training of the people to whom the support of making maximum profit out of these addresses to. This support does not mean exclusively financial support, although it is necessary and important but, of all things, it means an exchange of experiences and cooperation, the development of capacity through training, open discussions with the interested factors and last but not least a critic, but a constructive dialogue between the various levels of government: European, national, regional, local. In other words, a functional labor market should represent a catalyst for the general objective of the European Union – social and economical cohesion – because it has in view the connections with the different markets of the services and of the goods and generates the necessary income for supporting the participation of the individuals, bringing them together, placing them in collaborations. In this context, the starting points for promoting the inclusion through the activities of social economy have in view: adapting the institutional environment, developing the public-private partnership, developing the social dialogue between players, investments in the human capital and supporting the exchange of good practices within the European Union.

Key words: labor market, social protection, social economy, passive measures, socioeconomic cohesion.

The cultivating, through different social policies, especially through the “ideologization of the values”, of the contempt for the real, productive work represents a major problem. Only one country in the world set the objective – within the constitution – to not spend more

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than they produce, which means “over the real incomes” obtained through social work. (Văduva, 2004). We are talking about New Zealand. Most countries present important “sovereign debts”, an increasing deficit between incomes and expenses, practical risks of making new loans that bring them close to the “insolvency” area or to bankruptcy (The European Commission, 2010). Such a process is explained by the confusion between the exigencies of social economy – based on work – and the passive social protection policies, which ignore or place labor “between brackets”. Instead of the minimum guaranteed salary, some irrational social policies have promoted the minimum guaranteed income, independent from the work resources of the beneficiaries, poverty is perceived as a state characterizing the majority (Vîrjan 2012, p.117). Successes, but also limits recorded in the labor market today are similar to those defining the reform of the Romanian economy as a whole (Aceleanu and Cretu 2010, p.23), marked by a public-private partnership are organizationally weak and frail, the tensions between labor market structures and mechanisms that interfere with legislative-institutional tensions.

Social economy involves both the protection and also the labor, the useful activity, being an alternative form of development based on a set of socio-economical values and principles different from the market economy and from the welfare state (Ministry of Labor, p.13), of passive social assistance.

The protection of jobs within some enterprises, cooperatives, forms of economical associations, constitute an efficient social policy, totally different from the policies that give for free tens of aids, in default of any professional insertion or participation on the labor market. A positive role is played, in this sense, by the public-private partnership (Petrescu 2006), through the implementation of forms the social economy forms, including the NGOs, with the involvement of the local authorities and, of course, with the help of the state. We operate, in this sense, with modern concepts: social enterprises, participation in the labor market, professional inclusion, non-profit sector, social services.

In the context of the current crisis, social economy becomes an essential strategy, not only for the “economical survival”, but also for ensuring a real protection for the disadvantaged population (Petrescu
2007, p.419) by promoting the third sector (different from the business sector and also from the public sector).

The American sociologists prefer the term non-profit sector, while the European sociologists, especially the French ones, develop the concept of social economy, adopted also by the institutions of the European Union. (Miftode 2004, pp.281-297).

Despite the exigencies of the European Union regarding the active inclusion, which means to ensure labor markets for those looking for a job and for the disadvantaged persons”, in several countries (Greece, Portugal, Romania, etc.) some passive policies were promoted, resource consuming, outside the system of social economy, that have aggravated the local crises and have extended the global crisis of the current society (European Commission 2008, p.5).

The essence of social economy is the inclusive function of the labor market through which “the different forms of social economy that exist in the member states can play a role in the overcoming the crisis, especially in the creating of jobs, including in social services field” (Opinion of the European Economic and Social Committee on the post-2010 Lisbon Strategy 2009, p.7).

Promoting different forms of social economy determines the reduction of poverty (due to the active inclusion) and, in the same time, the development of human real solidarity within the sectors of cooperatives, mutual funds and associations.

The Carta of Social Economy promotes the values and the principles of responsibility, of equal opportunities and of mutual respect in the perspective of “real solidarity and social cohesion”. The interest for social inclusion, the insertion on the labor market and the creation of new jobs are all significant issues. (EESC 2007, p.8).

The pressure of the social protection demands, especially in the last two decades, has determined the enacting of some intervention policies and strategies that proved to be insufficient, but especially inefficient at local, national and European level.
Within the Romanian space, the orientation of the policies and of the strategies was mainly negative, fact proved by the **deepening and the expansion of poverty**, on one hand and by the lack of a significant network of social economy units (cooperatives, mutual funds, foundations, associations and social enterprises), on the other hand.

The only form of social economy recognized at European level is the cooperative and this became concrete with the organization of the European Cooperative Society (1992) and of the European Status of Cooperatives (2003), without this being materialized also in Romania! The physical destruction of the agricultural cooperatives and of some urban craftsmanship cooperative networks left hundreds of people without jobs, and therefore without resources. The ideology and, especially, the “ideologization of the economical”, of the labor or of the **active protection** has generated poverty, “pushing away from labor” the individual, especially the vulnerable and disadvantaged people, and as a consequence, has extended the **social dependency**.

This structure that could resolve much of the problems of the disadvantaged or vulnerable population is underdeveloped or marginalized in the official Romanian politics.

**Picture 1. The structure of social economy in an ideal plan**
Therefore:
- the associations and the foundations are bureaucratically consuming significant resources without resolving the objectives provided in their operational statute and regulation;
- the protected units or the U.P.A. (authorized protected units) have an insignificant share both in relation with the dimension of the beneficiary groups and in relation with the practical efficiency of their involvement in the social life ensemble;
- the small and medium enterprises (SMEs) are deeply affected by the bureaucratic system and by the 200 taxes and wages that they must pay. In the last two, three years, hundreds of SMEs went bankrupt due to the burden of the costly periodical authorizations and also because of the financial exigencies provided in the “Financial Code”;
- the lack of a rural network of agricultural farms, deposits and “non-banking financial institutions” (IFN) able to provide loans for the development of the “agricultural space”, offer an image of rural “underdevelopment and social misery” (countrymen selling their products on the wayside or in front of the gate, etc.)
- the quasi-total disappearance of economy in the rural space – cooperatives/craftsmanship workshops, a process that has increased the unemployment rate among the small handymen and within the rural areas (Otiman 2012, p.340).

The worst situation, in the system of social economy, is the case of cooperatives, whose share in the Romanian society is insignificant or anyhow lacking visibility in comparison with the tens of thousands of cooperatives that were functioning two decades ago. After the deconstruction and their bankruptcy, the following are still “alive” (Constantinescu, 2012):
- 958 consumer cooperatives;
- 857 craftsmanship cooperatives;
- 127 agricultural cooperatives;
- 75 credit cooperatives.

In relation with their efficiency regarding the real protection of the vulnerable population, the hierarchy of the cooperative types is inadequate. Because the greatest share of the poor and disadvantaged families is in the rural-agricultural space, where the productivity of
labor is the lowest, objectively speaking the emphasis must be placed on the agricultural cooperatives and on the development of some cooperative networks for the selling and the processing of products, where the interest and the support of the state should be priorities.

A wrong orientation and a lack of interest for the development of these main forms of active protection of the disadvantaged persons can be seen both in the reduction of the beneficiaries of these social economy forms and also through the absence of such cooperatives in the areas most affected by poverty and social resources. The number of the cooperatives within the craftsmanship production units, for example, has decreased to 19.872 in the year 2007, from 23.013 in the year 2006. It is a severe fact, for example, that in the county of Vaslui there is no agricultural cooperative and in the country of Giurgiu, another area with “social problems”, operates only one agricultural cooperative (although, “back in the days” there were tens of these).

![Graph: The current hierarchy of the cooperative types](image)

**Picture 2. The current hierarchy of the cooperative types**

We must mention the fact that the „cooperative phenomenon” is not of communist origin, but it belongs to a modern development of a society where the values and especially human solidarity have a general interest.

Social economy presents, in the case of Romania, a specific matter: reclaiming the agricultural activities “on large areas, encouraging the food farms and, by this, the labor market insertion of the entire active population, and therefore reducing the “socially assisted persons” who are fit for work. In an absurd way, there are today, in our opinion, entire communities who live exclusively from social aids (which means from the work of others), although “in the area” there are unused pastures or hundreds of hectares of agricultural land, of an excellent productive quality, not worked for years. If, in the urban space, social economy leads to a reduction of unemployment and of the labor market instability, the objective in the rural space is, in essence, to have “an optimal employment” of the active population and to prevent the social exclusion of the disadvantaged persons or even of those with special needs, but who are motivated and fit for work.

The poor state of social economy in Romania is shown in fact by the great majority share of vulnerable families or “problem-families” where nobody is working, living 100% from the resources provided by the state, therefore from the „work of others”. These aspects are emphasized in the Research Report regarding Social Economy (Ministry of Labor 2011, p.115) that presents the beneficiaries:

- 88% Roma families, including the beneficiaries of the minimum guaranteed income;
- 85% single parent families;
- 69% persons with disabilities.

In this context, the trend that considers social economy, in the whole of the European Union, to be the fundamental strategy for the labor market insertion of the disadvantaged or vulnerable groups is something positive. This fact constrains the decision makers to abandon the passive social protection policies (for example the minimum guaranteed income) in the favor of some social economy active policies, therefore getting back the motivation or the interest for work of the individual, of the poor families and of the local communities.
Paradoxically, social economy was developed in Romania since the 18th century, especially through an efficient cooperative sector that was spread into a network of non-profit organizations, mutual aid funds (CAR) and authorized protected units (UPA) that were promoting social cohesion and the spirit of innovation and solidarity. After the communist period of “ideologization”, came a tragic period and the destruction of the cooperative and associative networks.

The labor force reserves (unemployed persons, beneficiaries of the guaranteed minimum income and of other aids, young graduates, etc.) can be integrated in older or newer forms of social economy, among which:

- family or „vicinity” agricultural farms;
- taking back into production the “free” agricultural lands through the proximity agriculture (gardening, orchards, wine yards, breeding of animals, etc.)
- recycling units for waste, different textile materials, electronics, packaging, etc.;
- collective or individual services – taking care of children, old people, persons with disabilities, daily or periodical domestic activities;
- local forms of tourism, especially rural and traditional tourism, for rendering valuable the community resources;
- re-activation of the local industries, including family industries, rendering valuable the local materials (wood for example), processing the agricultural products and using them in governmental programs (for example the Program “The bun and the milk” for school children).

There are many free „white spaces” for expanding the activities and the social economy forms. The delay between the developed countries with a real interest to protect the vulnerable populations, by encouraging social economy and Romania can be observed in the hierarchy from below, according to the data from 1995:

I. Holland: 769.000 units;
II. reland: 151.000 units;
III. Denmark: 289.482 units;
IV. Spain: 878.408 units;
V. Great Britain: 1.622.962 units;
VI. Italy: 1.146.968 units.
These are followed by Finland, Austria, Germany, France, Belgium etc. with share a few times greater than the situation of social economy in Romania (Cace 2010, p.18).

In order to develop social economy at an adequate level, it is necessary to make aware of its functions, on one hand and to accept the basic values, solidarity and social participation ((Loghin 2012, p.7), social action and development orientation (Șoitu și Șoitu 2011), through the deep transformation of the “old mentalities”, on the other hand. The main functions and criteria of social economy, in this context are the following:

• the participation of the social economy beneficiaries in the entire evolution of the field – initiative, organization, decision in the different phases of the activity, rendering valuable the resources, etc.
• explicitly and transparently accepting the benefits that are in the favor of the vulnerable groups and communities;
• developing the initiative spirit among the beneficiaries and the local population;
• diversifying the forms of social economy in relation with the specific social problems and with the new requirements or needs of the disadvantaged population;
• the diminish of the “capital property” role in the favor of the society `s common interest to resolve the social problems, to reduce poverty and to achieve an optimal labor market insertion of the vulnerable persons;
• to reinvest the possible profits within social economy in order to have a sustainable development and, of course, to progress in the best labor market re-insertion of those people “left outside” (CIRIEC 2007, p.9);

Romanian social economy can benefit, in order to make up for the lag, from the experience of some countries that have developed efficient models. First of all, it`s about the Scandinavian model, whose “strengths” are the following:

• an emphasis placed on three objectives: meeting the needs for social services; achieving social solidarity; promoting gender equality.
- the Scandinavian cooperatives exert, for that purpose, a social pressure in order to achieve the three objectives;
- the political and hegemonic approach is abandoned, having as priorities the local social problems;
- The case of the Swedish non-municipal cooperatives-kindergartens: in 1994 there were 1768 of these, of which: 1020 cooperatives-kindergartens of the parents; 117 cooperatives-kindergartens of the workers; this kind of units could be an useful example for Romania;
- A process of tertiarization through the cooperativization of an essential social phenomenon. Countries such as: Denmark and Sweden have showed that the socio-economical development can be reached by combining „the networks of social security and social inclusion”, with flexibility on the labor market and with policies that ensure equal opportunities (Păuna et al. 2006, p.21).

The Anglo-Saxon model presents also interest for the development of social economy in Romania, especially through the implementation or the development of:
- the social enterprises or the non-profit sector;
- the disadvantaged areas, dominated by poverty;
- the activities of the voluntaries and of the beneficiaries;
- the self-administration according to some specific rules of local autonomy;
- the relationships between the cooperatives and the local authorities.

This liberal model places an emphasis on the involvement and the responsibility of the individual for himself, having a low degree of regulating the social system (Manolescu 2011, p.132).

The model of the public services developed especially under the control of the state was implemented in the „continental” area of Europe (Germany, Austria, France, Belgium) but still promoting “self-help” initiatives (Austria, Germany) in order to reduce self-marginalization and, due to the social abuses, the critics against the bureaucratization of the public services (Cace, Nicolăescu and Stoican 2010, p.56).
In Spain and Portugal, the emphasis was placed on social solidarity, uniting both volunteers and employees (the years 1998-1999), having in view the offer of some services that the public sector cannot have.

In the ex-Soviet or ex-communist area, the most interesting case for the social economy development in Romania, is found in Estonia, a country where the reclaim of the traditional functions of the cooperatives has had the best results.

The cooperative sector is currently “the cornerstone of the Estonian economy” (Cace 2010, p. 98), having the Union of the Cooperative Associations in the housing construction (7,500 cooperatives only in this sector, 55% of inhabitants have their house build by these). In comparison, we remind that in Romania there are maximum 2200 cooperatives, of which 1061 are consumer cooperatives!

We believe we can draw, from our theoretical studies and from the statistical presentations, the conclusion that considerable efforts were made and are still made within the EU on all the plans and under all the forms in order to achieve the final objective- economical and social cohesion. In this article, we have mentioned some only briefly, we have discussed others in more details and we have supported with facts and statistical data, as much as we believed it was necessary and sufficient.

Our conclusion is that: learning from the experience of the other European states, the keys of the social economy sector development must be communication, information, a permanent interaction between the social, economical players and the civil society, through active social policies, with a greater involvement from the part of the citizens.

References


