

# ACTIVATION OF SOCIAL ECONOMY – WAY TO PROMOTE AND ASSUMING RESPONSIBILITY. PATTERN OF GOOD PRACTICE

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## Introduction

In the context of the current financial crisis and major social and economic problems generated by it (Stănculescu, 2009, p.43-79) , the analysis developed by specialized forums from the European Union have imposed that a balanced development of the entire social-economical system (implying both liberal and social economy) must be taken into consideration. Social Economy represents trade organizations such as cooperatives, companies and foundations which are active in domains such as social protection, social services, health, banking, insurances, education, culture and sport (Definitia CEP – CMAF Conferința Europeană Permanentă a Cooperativelor, Mutualităților, Asociațiilor și Fundațiilor <http://www.stpcentru.ro>)”.

Social Economy highlights a different approach of the entrepreneurial spirit (Vlăsceanu, 2010, p.169-189), based on the following characteristics and values: the importance of the human being and social objectives beyond capital; the defense and the appliance of solidarity and responsibility principles; merging the interest of each member with general interest; autonomy in management and independence towards authorities. The overflow is mainly distributed towards long-lasting development projects and general interest.

Considering these principles and values, Asociația Profesională Neguvernamentală de Asistență Socială ASSOC Baia Mare, has opened the first social restaurant in Romania, named: Restaurant Social & Catering ASSOC (Social-Economical Enterprise for public alimentation).

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## **Methods**

### **Challenges / Mission of ASSOC**

Being a Professional Company of Social Workers, ASSOC has militated for and brought its contribution towards the reform process of social services and towards the development of the legislation in the field of welfare. Therefore, ASSOC seeks for the adaptation of the Romanian legislation to the current reality and correlating it with the European legislation in the field of welfare and Social Economy.

ASSOC promotes Social Economy by upgrading the living conditions of the underprivileged. Its services are the following: social-health services (familial attendance, medical assistance, recovery, rehabilitation, education, socialization, accommodation for an undetermined period in social accredited centers, psychological counseling, professional integration, vocational guidance, working capacity testing and work assistance in what persons with disabilities are concerned)

### **Beneficiaries of ASSOC**

ASSOC's employees and active-volunteer members bring their contribution through accredited services, authorized by groups and staff mainly from Maramureş County but also from other branches opened by ASSOC in Suceava, Arad and Bucharest. These accredited groups nominate persons or families who are risking losing their capacity of satisfying daily needs due to health problems, disabilities, poverty, drugs and alcohol dependence or other situations that lead to economic and social vulnerability. Therefore, through specific actions, ASSOC reaches one of the main points of social assistance: the development of individual or collective capacities of assuring social needs, the increase of life quality and promoting cohesion and social inclusion principles.

### **The History of “ RESTAURANT SOCIAL & CATERING- ASSOC”**

The company was created on the 25<sup>th</sup> of November 2011, through the project entitled “Dezvoltarea de structuri ale Economiei Sociale în Regiunile Nord Vest, Sud Vest, Oltenia și Vest”, a project co-financed by Social European Funds through the Sector Operational Program for the Development of Human Resources. It is located in the precinct of ASSOC, on B-dul Unirii, no.28, Baia Mare. The specific of the enterprise is public alimentation. It works in the structure of the ASSOC Non-governmental Professional Company, as a non-personality juridical entity. Its functioning costs are evidenced as a self-target, a separate balance

centralized in the total balance of the company. “Restaurantul social & catering ASSOC” has been renovated and has a 40 seats capacity. In order to provide and distribute the food, 2 automobiles have been bought, one through the project that financed the opening of the social restaurant and one was bought out of the resources of the organization.

### **Activities Developed in the Social Restaurant**

Two components owned by ASSOC, in the category of the persons who benefit, are to be taken into consideration: **1) The ASSOC Social Help Canteen**, which responds to a number of 120 daily requests, made by vulnerable groups (it offers a hot meal for 50 elderly persons and 70 children/teenagers coming from families having gipsy ethnicity. The main activities are based on preparing, serving and distributing food; supporting the incumbents through counseling and home visits. **2) Restaurant Social & Catering ASSOC** (public alimentation) which responds to large public requests by preparing and serving meal activities for a number of 70 daily ratios, catering services for about 150-200 daily ratios; during occasional activities based on this component we remind organizing special events, requested by clients, such as weddings, baptisms, anniversaries etc. in the purpose of auto-financing.

### **The objectives of the Social Restaurant**

The general objective is the integration in the Market of vulnerable persons by hiring them in the social-economy structure. The specific objectives are: 1. providing work places for vulnerable persons from Maramureş County; 2. providing restaurant/catering services to the local community; 3. heading the profit towards the development of the enterprise – sustainability, growth and creating new work places and towards the Social Canteen for poor persons in Baia Mare.

### **The Staff Structure of the Social Restaurant**

The Restaurant has one manager and 11 employees coming from vulnerable groups, respectively 4 disabled persons, 1 teenager coming from the Child Protection System, 5 women who find themselves in the following situation: long-term redundancy, an age close to retirement, which excluded them from hiring interviews. Vulnerable persons with hiring disabilities were provided by ASSOC with services meant to successfully assure them professional insertion, professional counseling (information, evaluation, professional orientation), personal development and after-hiring assistance.

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The work places created in the framework of ASSOC have taken into consideration all the requests in which the legislation regarding the protection and promoting The Rights of disabled persons is concerned.

### **Previews of The Social & Catering Restaurant**

Considering the fact that social economy is “a part of integrated politics of active inclusion” (Cace et al, 2010, p.79), Through the economic activities held in the social enterprise which tends towards economic performance, we seek a detailed and clear planning of the offered services corroborated with human resources. Therefore, starting with the analysis of the Market, a marketing plan has been created, the management plan and organizing skills have been structured and all these aspects have been quantified and reported to the capital and financial needs. During the activities/services which have been offered, we promote quality in the process of public alimentation, rapidity and prices lower or equal to the ones in the Market. Beyond this planning, there is a sensible aspect regarding human potential, as we speak about disabled persons, and regarding performance. However, there are also positive aspects that support hiring disabled persons: creating a good image and the reputation of a “magnificent employer”, which can amplify the attractiveness in the eyes of the clients; enhancing the respect for diversity (disabilities, as well as sex, race, ethnic origin, religious beliefs, age, represent a symbol of diversity); the rate of the staff fluctuation is diminished, considering the fact that disabled persons possess a high level of responsibility, are conscious and loyal, are willing and motivated to demonstrate their potential, often reaching high levels of performance; the presence of a disabled employee as part of the team, is both a stimulation factor for non-disabled employees and also an element that enhances team productivity. The consolidation and the development of the enterprise is realized by providing high-quality products, great deliveries, etc. and rendering direct producers in the circuit of activities. Also, starting from the analysis of the main sources of income available to social economy organizations (Cace et al, 2010, p. 71), it is intended to develop collateral activities generating income, into directions: philanthropy and local government funding (as a response to the needs of vulnerable groups in the community).

## Results

### Ways of Activating Social-Economical Structures

Considering the fact that European social-economic structures have begun to develop more as time goes by, one of the main results being the rise of life quality, in which underprivileged persons are concerned, ASSOC has applied for social-economic development European funds. By winning 4 projects co-financed by Social European Fund through the Sector Operational Program for Human Resources Development, 2 social-economical enterprises have been created in May 2011 and November 2011: ASSOC Packing (IES/ Social-Economical Enterprise based on paper and board production) and Restaurant Social & Catering ASSOC (IES/ based on public alimentation). Moreover, in 2013, 5 cooperative companies based on social-economic principles have been sustained through information, counseling and financial support. These companies are: 1) COOPERATIVA SOCIALĂ "GREEN 13", from Suceava county, main activity 8130, according to the CAEN code: landscape maintenance; 2) COOPERATIVA SOCIALĂ DE VALORIFICARE DE GRADUL 1: SPĂLĂTORIA "RES 1", from Bucharest, main activity 7830, according to the CAEN code, labor force services. Both these companies have been established through "Rețeaua de Economie Socială – premisă pentru integrarea persoanelor cu dizabilități pe piața muncii" project. 3) COOPERATIVA SOCIALĂ DE VALORIFICARE DE GRADUL 1 – ACTIV TRADIȚIONAL DE MARAMUREȘ, from Baia Mare, in Maramureș county, 107 main domain: the production of bread, cookies, bakery and shortbread products, main activity 1071: the production of bread, cookies, bakery and fresh shortbread products. 4) COOPERATIVA SOCIALĂ DE VALORIFICARE DE GRADUL 1: INDEPENDENT AMBROZIE, from Baia Mare, Maramureș county, main activity 1039: processing and preserving fruits and vegetables; 5) COOPERATIVA SOCIALĂ DE VALORIFICARE DE GRADUL 1: CENTRU DE LOGISTICĂ, from Baia Mare, Maramureș county, main activity 7830: force labor input and management services. The 3 last mentioned social cooperatives have been created through the "RESCUE – Înființarea unei rețele de economie socială destinată integrării profesionale a persoanelor cu dizabilități pornind de la experiențe și bune practici în Uniunea Europeană" project. For these companies, ASSOC provided, for free use, the social space of the cooperatives.

All the above mentioned cooperative companies are self-contained, with social-economical character, based on the freely expressed approval of the persons that have become cooperative members and who

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commonly develop legal activities in order to make profit and to promote economic, social and cultural interests of the members. All 25 founding members are disabled persons.

### **Development of Social-Economical Structures**

Social-Economical Structures imply not only vulnerable persons but also clients, as a component part of the large public whom every Market Economy contestant addresses to. This is due to the fact that social economy represents a category which detains economical activities that include social objectives.

The ASSOC clients are: natural and juridical persons that benefit of services or buy products made by the employees of the 2 social enterprises ASSOC Packing (production of paper and board products) and Restaurantul Social & Catering ASSOC (public alimentation), or by the employees of the 2 protected unities detained by ASSOC, created on the base of Law 448/2006.

Analyzing the 2 categories of people that have benefits as a result of the proper functioning of the enterprises or social cooperatives allows us to state that we can create a bridge between liberal and social economy by introducing the concept of “social management responsibility” (Confederația Sindicală Națională Meridian, site-ul oficial: <http://www.csnmeridian.ro>). that refers to “assuring the economic success of a certain business, after including social and background problems in the activity of the enterprise”. In other words, it means satisfying all clients’ requests while dealing with and fulfill the expectancies of other persons, such as employees, producers and your own community.

## **Conclusions**

The development of the Social Economy field allows the social inclusion of underprivileged categories and discards the powerful feeling of social stigma of the persons who are part of it, operating as a model of community social assistance "support groups to join and participate in the acquisition of skills and confidence in promoting services and benefits in their area" (Payne, 2011, p. 69) Unlike liberal economy, in which the spirit of competition borrows from the multitude of meanings of individualism, in social economy we talk about “social solidarity” (Lazăr, 2010, p. 29)

Investments and an efficient economical life generate new work places, new possibilities of usages and social politics should correct eventual failures and malfunctions created by some of the principles of

Market Economy, starting with the theory stating that “we don’t have to reduce human relationships to the state of merchandise”. (Miftode et al, apud Bontilier, 1997), relying less on institutional redistributive model (Poede, 2002, apud. Marklund) – (which is based on social equality and possess mechanisms of redistribution of resources, universal services are offered based on needs identified without market considerations) and in particular by principles of social economy by creating jobs.

Social enterprises are especially involved in activities which (Sursa: site-ul oficial al Confederației Sindicale Naționale Meridian):

- Provide the creation of infrastructure and necessary services, in order to make it easier for the others to fund small companies or start projects that can financially help the local communities (Zamfir, Stănescu et al, 2007, p.116-125);
- Provide community commercial services that satisfy the most urgent and important local needs;
- Take action in order to provide some of the services that, in the past, were offered by the public sector;
- Struggle to create work places especially for weakly qualified or handicapped persons;
- Use available local human resources in order to further develop local projects.

It has been demonstrated that social economy creates a much safer environment than usual independent labor, as the enterprises of social economy facilitate the common use and the coordination of resources and abilities; they recognize competence, capital and the amount of work of a great number of individuals and can therefore gain sizes that allow them to be competitive in which the production of goods is concerned.

In conclusion, we can affirm that, although these states of disabilities will continue to exist in any society and well-developed contemporary countries face with simultaneous phenomena of social exclusion and inequality, social economy obviously contributes to the long-lasting development of economic cooperation between human beings.

The units through which social economy functions (Cace, Arpinte, Scoican, et al, 2010, p. 53) are meant to offer work places for the ones who find themselves on the verge of exclusion, lacking in hope for them and their families. Social economy represents exactly this type of mechanism of active protection for the above mentioned persons. Passive protection will only deepen even more the already existent social problems and, in the same time, will enhance the feeling of social stigmatization.

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Baia Mare: <http://www.assoc.ro>.