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SOCIAL ECONOMY IN ROMANIA

- *two regional profiles* -

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IN ROMANIA**
- two regional profiles -

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INTRODUCTION

Proactive - from marginal to inclusive

Proactive - from marginal to inclusive is a project cofinanced from the European Social fund through the Sectoral Operational Program Human Resources Development 2007-2013 and implemented by the Association for Socio-economic Development and Promotion CATALACTICA – Teleorman County branch, in partnership with Aitoliki Development S.A., Local Organization Authority - AITOLIA S.A, and with the Institute for Quality of Life Research.

The general purpose of the project is the active promotion of the social inclusion on the labour market, by activating the social economy, the women and the ethnic groups, by the development of partnerships and by the dissemination of positive practices in the development regions *South Muntenia* and *South-West Oltenia*.

Specific objectives:

- ✓ to increase the level of information on the social economy;
- ✓ formation for the professional development of the women and representatives of the ethnic minorities employed in the NGOs functioning in the social economy;
- ✓ to increase the level of cooperation by starting an inter-professional network materialized in a Centre for social economy;
- ✓ to help get passed the cultural stereotype regarding the social role and professional status of the women and ethnic minorities on the labour market and within the Romanian society.

Beneficiaries:

- ✓ women;
- ✓ trainers involved in social economy;
- ✓ social workers;
- ✓ managers of the social enterprises;

- ✓ Roma ethnics;
- ✓ specialists involved in social economy.

Main activities:

- ✓ study on the stage of social economy development in the regions South Muntenia and South West Oltenia;
- ✓ elaboration of handbooks of intervention based on social economy principles;
- ✓ organisation of a training course in social economy;
- ✓ organise within NGOs, training courses and professional updating courses on social economy;
- ✓ establishment of a Centre for Social Economy Promotion;
- ✓ transfer of good practices;
- ✓ campaign of information and awareness raising.

The book reveals part of the characteristics of the social economy in Romania, focusing on the analysis of two development regions – *South Muntenia* and *South-West Oltenia*.

Andreia Nicoleta SCOICAN
(project manager)

CONCEPTUAL EXPLANATIONS

Social economy is the syntagma used to indicate those activities in which the obtained resources are directed to the accomplishment of a social purpose and to the support of the community of implementation. The areas of activity of the social economy organisations are social protection,, social services, health, insurances, crediting, agricultural production, education and formation, culture, sport, leisure activities.

According to the International Centre of Research and Information on the Public, Social and Cooperative Economy (CIRIEC), social economy is *the set of private, formally-organised enterprises, with autonomy of decision and freedom of membership, created to meet their members' needs through the market by producing goods and providing services, insurance and finance, where decision-making and any distribution of profits or surpluses among the members are not directly linked to the capital or fees contributed by each member, each of whom has one vote. The Social Economy also includes private, formally-organised organisations with autonomy of decision and freedom of membership that produce non-market services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them.*

Social economy organisations have some basic features:

- They are private, in other words, they are not part of or controlled by the public sector, and their management is autonomous and independent from the public authorities;
- Their mission has a deep social component;
- Their economic activity is aimed to support financially the social projects;
- They adapt their activity according to the specific needs of the community where they operate;
- They are formally-organised, that is to say that they usually have legal identity;

- They have autonomy of decision;
- They are democratic organisations, with the participation of all members;
- They have freedom of membership;
- Any distribution of profits or surpluses among the user members, is not proportional to the capital or to the fees contributed by the members but to their activities or transactions with the organisation.

A very important feature of the social economy organisations, deeply rooted in their history is the democratic control, with equal voting rights („one person, one vote”) in their decision-making process. However, the functional definition of the social economy mentioned earlier also accepts the inclusion of the voluntary, non-profit organisations providing non-commercial services for the households, even if they don't have democratic structure, because this approach allows the first-tier social action organisations from the tertiary sector, which produce social goods or goods of social interest, to be included in the social economy.

In national accounts terms, it comprises two major sub-sectors of the social economy:

- a) the market or business sub-sector and
- b) the non-market producer sub-sector.

This classification is very useful for drawing up reliable statistics and analysing economic activities, in accordance with the national accounting systems currently in force. Nonetheless, from a socio-economic point of view there is obviously a permeability between the two sub-sectors and close ties between market and non-market in the social economy, as a result of a characteristic that all social economy organisations share: *they are organisations of people who conduct an activity with the main purpose of meeting the needs of persons rather than remunerating capitalist investors.*

When the tertiary sector approaches social economy, it is not located between the market and the state, rather *between the capitalist sector and the public sector.* Thus, in the developed societies, the third sector is a *pole of social utility* established from a wide range of private organisations created to meet the social needs, not to remunerate the capitalist investors.

Anyhow, according to social economy principles, the tertiary sector is not a residual sector, rather an institutional pole of the system which, together with the public sector and the capitalist sector, is an essential factor for welfare consolidation in the developed societies, by the support give to solving some of the major problems such as social exclusion, massive long-term unemployment, geographical misbalances, territorial autonomy and a more equitable distribution of the incomes and wealth.

Unlike the approach of the non-profit organisations according to which the tertiary sector has a charitable and philanthropic role and which run unidirectional initiatives of solidarity, social economy promotes business initiatives which involve reciprocal solidarity between its promoters, based on a system of values in which the democratic decision-making process and the priority given to the people, not to the capital, prevails in the distribution of the surplus.

Applying these characteristics to the social economy from Romania, some organisations will have to be excluded due to their limited functions and to the insignificant social component (for instance, the pensioners' associations, the crediting cooperatives, the craftsmen cooperatives). The social component should be approached, however, not just from the perspective of the mission or of the social projects financed with the resources obtained from economic activities. This type of organisations, even if it doesn't implement social activities, may generate social impact by increasing the access of the vulnerable groups to the labour market. Significant effects may also be identified in the credit cooperatives, even basically they are non-financial banking institutions, by facilitating the access to financing of some categories of people who do not meet the eligibility criteria for banking credits (the credit cooperatives grant credits not just to pensioners, but also to the beneficiaries of social aid etc.).

Thus, we may define the social economy entities as:

- in exhaustive meaning, *the organisation owned and controlled democratically by a group of people, joined voluntarily, with the purpose to accomplish economic and social necessities and which generate a significant social impact for the disadvantaged groups (by job creation, by supporting local development etc.);*
- in narrow meaning, *the organisation with a deep social mission which conducts economic activities, and which uses the obtained resources, irrespective of source, to fund forms of social support for the disadvantaged groups.*

CHARACTERISTICS OF THE SOCIAL ECONOMY SECTOR

The question which we undertake to answer in this section of the book is the following: starting from qualitative and quantitative empirical observations on the social economy entities from Romania (cooperatives, mutual aid organisations 'CAR', and nongovernmental organisations, 'NGO'), which are their common elements, and which are the distinct ones? The assembly of the common elements – otherwise said their common denominator – is the very broad definition of the social enterprise. The distinct elements, present, therefore, only for some types of organisations or only in the operation of some individual organisations, offer a more accurate definition of the social enterprise. This accuracy is obtained, however, at the expense of a lower level of generality.

We will present subsequently the situation of the social enterprises from the regions South-West Oltenia and South Muntenia, considering the two dimensions: their common features and the distinct ones. The data used for this classification have been produced by a quantitative research on the suppliers of social economy and through a qualitative research on some of these suppliers. Figure 1 shows a synthetic presentation of the inductive approach.

The common denominator of all the entities included in the empirical research is that they are formal private organisations which provide social or economic benefits to vulnerable categories of people (children, young people, people with disabilities, pensioners on low pensions, beneficiaries of the guaranteed minimal income, etc.) or to potentially vulnerable categories (small handicraftsmen). Although this characteristic doesn't capture at all the specificity of the social economy, its high level of generality – all surveyed organisations supply social services and are legal persons – recommend it as a good starting point for the inductive definition of the social enterprise.

At the same level of generality is their quality of employers of vulnerable people (which include in this case, people with disabilities, former beneficiaries

of the minimal guaranteed income, people released from detention, young people coming from placement institutions, Roma people) which all three types of organisations share – NGOs, mutual aid organisations, ‘CAR’ and cooperatives. However, the proportion of employees coming from the vulnerable people varies very much between the NGOs (1-11% of the total organisations), cooperatives (less than 1% to 7%) and the CAR. Even more important, in some cases, the participation of the disfavoured persons is insignificant. For instance, less than 1% of the 236 surveyed CAR units employ vulnerable persons. On the other hand, DJASPC Gorj employs people with handicap, but since it is a public institution it doesn’t meet the criterion of being a private organisation. This is a deviation from the common empirical nucleus of the analysed organisations, but it draws attention to the fact that suppliers of social economy can also be identified among the public institutions.

A last common characteristic of the three types of organisations concerns their economic activity. The level of the economic activity also is widely different, between 2% for the CAR (which means that only 2% of the mutual aid organisations run profit-making activities) and 88% for the cooperatives.

The category of the distinct elements, which are not present in all the types of entities that have been surveyed, includes the membership benefits. The CAR units, particularly those with pensioner members, are the best example. Some of them are very inclusive, counting several thousand members from the vulnerable groups (for instance, pensioners on low incomes). In the case of the cooperatives, the quality of member is considered to protect from poverty a number of potentially vulnerable people on the labour market (people with qualifications not demanded on the labour market at a particular moment).

The NGO sector doesn’t display this characteristic because these organisations don’t have members such as those from the CAR or the cooperatives. However, there are several benefits which the NGOs provide to some vulnerable groups, benefits specific to these organisations. A concrete example is the NGO “SOS Gorj children” which runs income-generating activities whose profit is used to the benefit of the children and young people from the three social centres operated by this organisation. In this case, the beneficiaries of the income-generating activities are not the same with the people running these activities.

Both the cooperatives and the CAR have the freedom to redistribute the profit to the members, employees or partners, but this is not applicable to the NGOs. The decision to redistribute the profit varies significantly between the cooperatives and the CAR from the two regions. Three quarters of the CAR (76%) redistribute the profit, while the cooperatives are more conservative, only 41% of them redistributing part of the profit.

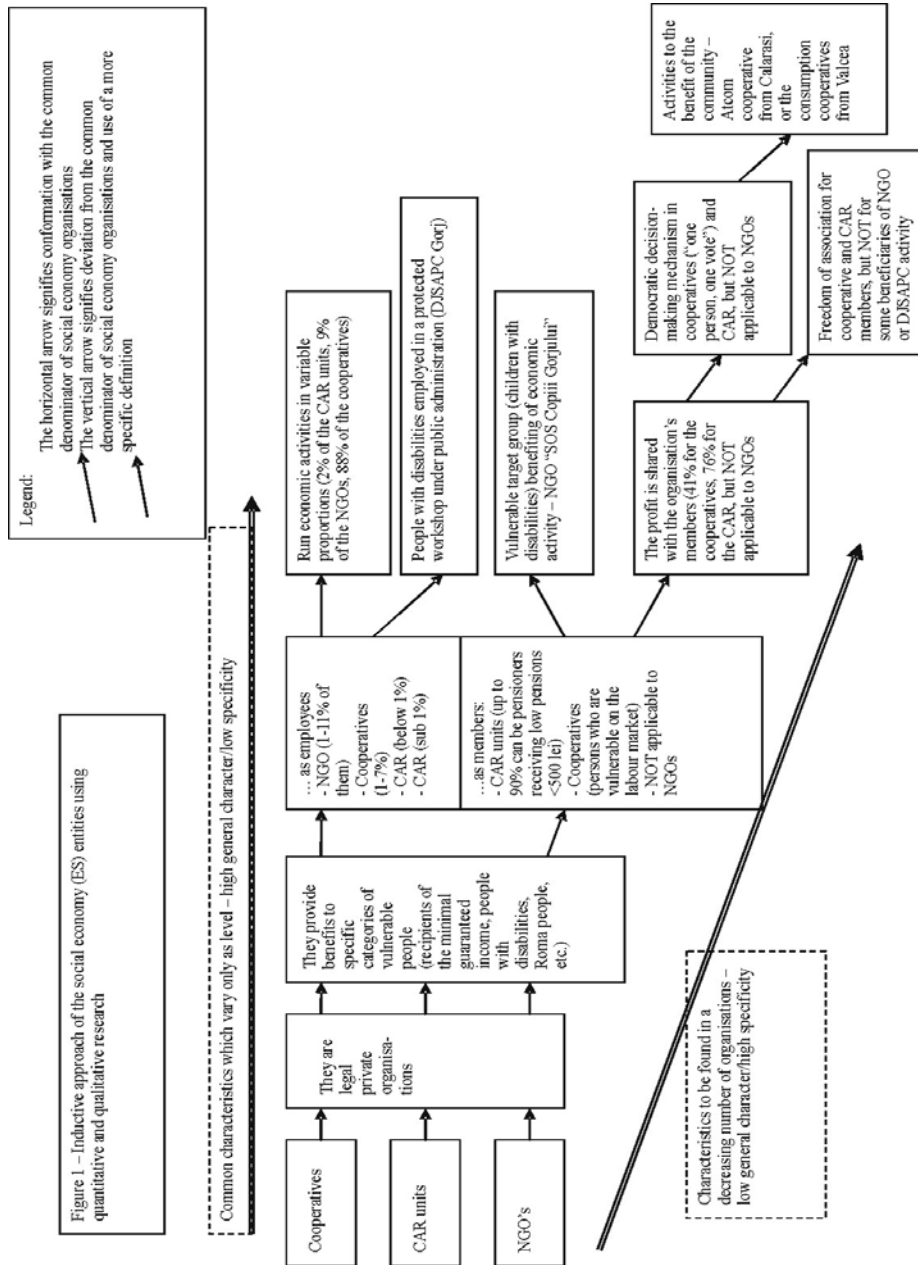
Both the CAR and the cooperatives have democratic decision-making structures. However, there is a difference between them: the cooperatives use the system "one person, one vote" and, because of their small dimensions and due to the nature of their activity, the cooperatives can be seen as using a form of direct democracy. The mutual aid organisations, having a much larger number of members, appoint a board of administration which takes the appropriate decisions. The ordinary members don't have any direct saying in CAR activities.

Another distinct feature of the mutual aid organisations or of the cooperatives is the freedom of association. This liberty doesn't exist, however, in the case of the beneficiaries of some NGOs, or of the protected workshops of DJASPC. The children, the people with disabilities, or the young people leaving the institutions of social protection, don't have much choice in terms of the organisation they want to join. The freedom of choice is not, therefore, a characteristic of all the social economy organisations, but it is, at least conceptually, definitory for the social enterprises.

At a level of maximal specificity, corresponding to a strict definition of the social economy, is the quality of active member of the community to which the organisation belongs. For instance, the cooperative „Atcom" from Călărași ran and continues to run activities in support of the former cooperative members, of the children of the cooperative members, but for other children too etc.

In conclusion, the inductive approach aimed to synthesize the situation of the social enterprises starting from the field realities. Few organisations meet all the characteristics of a social enterprise in the strict meaning of the concept. However, there are forms of support of the vulnerable people, which meet some elements of the social economy organisations, even if not all of them, and sometimes in variable proportions. All this shows a potential for social economy activation. It is important that the future research analyse thoroughly this potential, to identify the viable forms of social enterprises which might be established from the social economy proto-entities existing at this moment.

Figure 1 – Inductive approach of the social economy (ES) entities using quantitative and qualitative research



METHODOLOGY OF RESEARCH

The general objective of the research was to make an evaluation of the social economy sector in terms of its capacity to contribute to the social inclusion of the disadvantaged groups. The research, conducted throughout one year (August 2009-July 2010), consisted of two components: a qualitative part, accomplished between September-November 2009, and a quantitative part, accomplished between February-July 2010.

The **qualitative component** had an exploratory role and it was achieved in all 12 counties from the two regions investigated by the project. Case studies were conducted in each individual county, by approaching all the institutions which influence directly or tangentially the social economy sector. At the county level we conducted interviews with representatives of the Chamber of Commerce and Industry, of the County Employment Agency, of the County Directorate for Social Assistance and Child Protection, of the County Association/Union of the Craftsmen Cooperatives, of the County Union of the Consumption Cooperatives, of the County Federation of the Pensioners' Associations, of the County Federation of the Pensioners' Mutual Aid Organisations. At the local level, we selected structures which supply services for the disadvantaged groups or which play a significant role in their integration on the labour market: NGOs, mutual aid organisations of the employees, mutual aid organisations of the pensioners, credit cooperatives, consumption cooperatives, craftsmen cooperatives, agricultural cooperatives and, where available, commercial companies or NGOs which manage protected workshops.

The main reason of conducting an extended survey was claimed by the low level of knowledge on social economy in Romania. The literature approached only tangentially the social economy sector, the number of reports or articles being very modest. Also, the previous studies approached incompletely the social economy structures or their potential to contribute to the integration of the disadvantaged groups. Practically, there is no set of widely accepted definitions, most of the attempts to define social economy

relying on definitions taken from the international literature. On the other hand, the approaches with limited utility don't take into consideration the context of the social economy in Romania. Taking as reference social economy characteristics from other European countries, the conceptual framework is seriously limited in relation with the social economy sector in Romania, which has several particular features in relation with the other EU member states. Practically, there is no specific legislative framework for structures which to develop pure forms of social economy activities; rather, there are regulations specific to specific types of structures performing or generating effects which can be regarded as being partial forms of social economy.

A second reason is prompted by the necessities of the partners involved in the project, for detailed knowledge of the peculiarities of each county where the project is implemented. Beyond the scientific interest, the exploratory stage allowed a first contact with the relevant social economy institutions and the identification of the opportunities which may add value to the activities to be implemented subsequently.

The topics approached by the interviews with the representatives of the relevant institutions and with the representatives of the social economy organisations aimed to evaluate:

- The social economy initiatives;
- The forms of support of the social economy beneficiaries and their adequacy in relation with the needs of the beneficiaries;
- The inter-institutional relations between the structures involved in social economy and in the protection of the disadvantaged groups;
- The level of knowledge and perception of the social economy sector;
- The legislation regulating the activity of the social economy institutions or organisations and the legislation establishing various forms of support of the vulnerable groups.

The **quantitative research** covered the 12 counties and aimed to investigate the adult population, the representatives of the structures which may implement social economy activities and the representatives of the local authorities. Two representative samples of adult population were formed, comprising 2675 subjects (59.5%) for South Muntenia Region and 1823 (40.5%) for South-West Oltenia Region. The size of the sample is explained by the

objectives and topic of research. Even from the exploratory stage, a poor knowledge of the social economy sector and a low participation in the related organisations were identified. This is the reason we chose to use two large samples for the regional level.

The research also aimed to identify the people belonging to the disadvantaged groups, selected for research according to the access to social benefits. Thus, the fact sheet intended for the people belonging to the vulnerable groups was filled in by 1144 respondents (42.76% of the total) for South Muntenia Region and 574 (31.49%) for South-West Oltenia Region. The large number of vulnerable persons is given by the fact that we only addressed the people who were in severe situations of exclusion or difficulty. In order to ensure the diversity of the situations of social exclusion, we decided to select the unemployed and the people receiving means testing-based benefits, the most important being the aid for heating. This type of benefit is a sufficient "threshold" to include the persons or families in the category of those running a high risk of vulnerability.

We used two research instruments for the adult population. The first one, which addressed to all the subjects of the sample, aimed to identify the occupational status, according to which the following topics were approached:

- participation/reintegration/position on the labour market;
- level of knowledge about the social economy sector;
- participation in the social economy sector;
- perception of the quality of the services supplied by the social economy organisations;
- social participation and involvement in activities or initiatives at community level;
- resources available in the family and evaluation of their level.

The second questionnaire, addressed only to the unemployed (whether or not receiving unemployment benefit) or to those people who benefitted during the past 12 months of social assistance services or of means testing-based benefits, aimed to evaluate:

- the usefulness of the benefits and services and their adequacy to peoples' necessities;

-
- the priorities in aiding disadvantaged people/groups;
 - the perception on assuming the responsibility to support the vulnerable categories.

Related to the population, the sample from South Muntenia Region covered a total of 2675 subjects, with a margin of error of $\pm 1.9\%$ for a level of confidence of 95%, and $\pm 2.5\%$ with a level of confidence of 99%. In the South-West Oltenia Region, the sample of 1823 subjects had a margin of error of $\pm 2.30\%$ at a level of confidence of 95% and $\pm 3.01\%$ at a level of confidence of 99%. The samples are probabilistic, two-stage, with stratification in the first stage (counties from each region and type of locality – peripheral village, central village, towns below 30 thousands inhabitants, towns with 30-100 thousands inhabitants, towns with 100-200 thousands inhabitants and towns larger than 200 thousands inhabitants). Sampling was done by the probabilistic selection of the polling stations within the urban layer, using the lists used for the 2009 election of the President of Romania. For the section of the people, both in the urban areas and in the rural areas, we used the method of the random route. The sample was validated based on NSI and Eurostat data available for 2009. In data processing we used a weighing variable which took into consideration the ratio between the population and the sample in terms of gender-age-residential area distributions.

In terms of social economy organisations, we aimed the organisations which supply different forms of support for the members of the disadvantaged groups and which create opportunities (jobs, adapted services, niche services) which contribute to the alleviation of the social exclusion. Although they only correspond partially to most common elements of social economy definitions, we included in our study all the organisations surveyed in the qualitative component too, except for the protected workshops, whose number is low in both regions. Our choice relied on the potential of these organisations to develop social economy activities. We excluded the protected workshops due to their low number, insufficient for quantitative analyses. The social economy organisations have been selected using various sources of information.

Research instruments have been developed for the three types of social economy organisations, using a common structure. We investigated topics regarding:

- the profile of the social economy organisations;

- the dynamics of the indicators on human resources, budget and estimations for the future evolutions;
- support for the development of the current activity and to increase the capacity to supply services and opportunities for the integration of the disadvantaged groups;
- perception on the efficiency of the legislative framework;
- human resources and the capacity to encourage the integration in work of the people belonging to disadvantaged groups;
- the need for staff training.

For the cooperatives, we used data from the Trade Registry, complemented with data from the 2008 Cooperatives Yearbook. The source of data for the CARs was the registry with the non-banking financial institutions managed by the National Bank of Romania. The NGOs have been identified from the database of the Ministry of Labour showing the accredited suppliers of social services, complemented with data from FSDSC database. Because the 3 data sources have serious limitations, as confirmed by the difficulties encountered to identify the structures, we used the snowball method to expand the number of organisations at the local level. Each representative of a social economy organisation was asked to supply contact data for similar organisations operating at the local level, which enabled us to expand the initial database with new organisations. The method was particularly useful for the rural areas and it allowed us to correct the deficiencies from the records of the institutions supplying the data, while updating these records with the organisations established in the period between the record into the database and the collection of data.

For the CARs we conducted interviews with representatives of 236 units, of which 72 from South-West Oltenia Region and 164 from South Muntenia Region. The sample for the two regions covers 26.14% of the total active CAR units¹.

¹ Data calculated using the registry with the non-banking financial institutions managed by the National Bank of Romania, on 16/10/2009.

Table 1 – Number of CAR units included in the quantitative survey

			Pensioners' Mutual Aid Organisation	Employees' Mutual Aid Organisation	Total
South-West Oltenia Region	County	Dolj	0	7	7
		Gorj	3	35	38
		Mehedinți	0	0	0
		Olt	2	14	16
		Vâlcea	2	9	11
	Total region			7	65	72
South Muntenia Region	County	Argeș	6	53	59
		Călărași	1	13	14
		Dâmbovița	3	10	13
		Giurgiu	2	11	13
		Ialomița	3	7	10
		Prahova	13	20	33
		Teleorman	1	21	22
	Total region			29	135	164
Total			36	200	236

Only 7 (9.7%) of the CAR units from South-West Oltenia Region and 29 (17.7%) from South Muntenia Region are pensioners' CAR. Their low proportion within the final sample is explained by the lower number of pensioners' CAR than the number of employee's CAR, and also by the reticence of CARP representatives to participate in the survey. If no major difficulties were encountered in contacting and interviewing cooperative and NGO representatives, the activity of the field operators was temporarily blocked at the beginning of the data collection from county CAR unions (particularly pensioners' CAR) due to the suspicion of CAR representatives to supply data, particularly financial data. All the CAR units from Mehedinți County, asked to participate in interviews, declined the invitation on the grounds of the possible prejudices which they might encounter by supplying data, given the recent changes or intentions of the authorities in the field of fiscality.

We conducted 282 interviews with cooperative representatives, 130 from South-West Oltenia Region and 152 from South Muntenia Region, which means 32.8% of the total number of active cooperatives in the two regions². Most cooperatives are first tier cooperatives, only 9% being second tier cooperatives (organisations established by the association of several cooperatives).

Table 2 – Number of cooperatives included in the quantitative survey

		First tier cooperative organisation (consisting of natural persons)	Second tier cooperative organisation	Total
South-West Oltenia Region	Dolj	36	1	37
	Gorj	19	1	20
	Mehedinți	14	2	16
	Olt	16	2	18
	Vâlcea	37	2	39
	Total region	122	8	130
South Muntenia Region	Argeș	34	2	36
	Călărași	6	6	12
	Dâmbovița	39	1	40
	Giurgiu	4	1	5
	Ialomița	16	2	18
	Prahova	23	4	27
	Teleorman	14	0	14
	Total region	136	16	152
Total		258	24	282

By type of organisation, most cooperatives included in the survey are consumption cooperatives, followed by craftsmen cooperatives (86% of the total). A low number of cooperatives are engaged in housing activities, fishery or transports, which accounts for their low representation in our sample

² Calculation on the basis of the *Annual 2008 SMEs Report* which used 2007 data.

(2.26%). For instance, in 2006, nation-wide, there were just 2 housing cooperatives and 5 fishery cooperatives.

Table 3 – Types of cooperatives by region

		Craftsmen cooperatives	Consumption cooperatives	Capitalisation cooperatives	Agricultural cooperatives	Other types	Total
South-West Oltenia Region	Dolj	12	19	0	3	3	37
	Gorj	4	16	0	0	0	20
	Mehedinți	4	5	0	7	0	16
	Olt	7	4	2	4	1	18
	Vâlcea	18	21	0	0	0	39
	Total region	45	65	2	14	4	130
South Muntenia Region	Argeș	18	17	1	0	0	36
	Călărași	5	4	0	1	2	12
	Dâmbovița	7	14	0	19	0	40
	Giurgiu	3	2	0	0	0	5
	Ialomița	4	9	0	4	1	18
	Prahova	15	11	0	1	0	27
	Teleorman	4	5	0	5	0	14
	Total region	56	62	1	30	3	152
Total		101	127	3	44	7	282

A total of 150 NGO representatives responded to our questionnaire, most being associations. The counties with the largest number of NGOs are Dâmbovița, Argeș, Vâlcea, Mehedinți and Gorj, while Giurgiu, Călărași or Teleorman have the fewest. The structure of NGO distribution in our survey is in agreement with the nation-wide data, which also show that the lowest number of NGOs is operating in the counties from southern Romania. For instance, in Teleorman County, where we conducted three interviews with NGOs representatives, there is no organisation accredited for social services.

Table 4 – Types of NGOs by region

		Foundation	Association	TOTAL
South-West Oltenia Region	Dolj	2	7	9
	Gorj	1	13	14
	Mehedinți	1	15	16
	Olt	2	4	6
	Vâlcea	4	13	17
	Total region	10	52	62
South Muntenia Region	Argeș	5	19	24
	Călărași	1	2	3
	Dâmbovița	9	23	32
	Giurgiu	2	1	3
	Ialomița	2	6	8
	Prahova	2	11	13
	Teleorman	0	5	5
	Total region	21	67	88
Total	31	119	150	

Our purpose was to include in the sample only the NGOs which have direct activities with the disadvantaged groups, or which generate a significant impact for them. Thus, most NGOs have as main object of activity the supply of social services (45.3%), followed by the organisations active in education (21.3%), philanthropy (10%) or cultural and media activities (9.3%).

Compared to FDSC, Ministry of Labour of IQLR data (*Map of social services, 2004*), we estimate that for the two regions covered by our survey, the sample includes at least a third of the active NGOs with relevant social economy activities.

For the local authorities we have developed a questionnaire which to provide data on the main disadvantaged groups from the localities where the adult population was interviewed. Besides the estimations on the occupied population and on the proportion of occupied people belonging to the disadvantaged groups, we also asked information on the main social assistance benefits and services provided locally. Another subject was the number of the local social economy organisations and the forms in which the local authorities support them. This type of information was completed with the information supplied by the representatives of the social economy organisations.

REGIONAL CONTEXT FROM THE PERSPECTIVE OF THE ECONOMIC AND SOCIAL DEVELOPMENT

General data on South-West Oltenia and South Muntenia Regions

The counties composing South-West Oltenia Region of Development (Dolj, Gorj, Mehedinți, Olt and Vâlcea) total 29,212 km², which mean 12.25% of the total area of the country, and 2.25 million inhabitants³. South-West Oltenia Region consists of 40 towns (11 of them being municipalities) and 408 communes⁴. The most important towns (Craiova – 299,429 inhabitants, Râmnicu Vâlcea – 111,342, Drobeta Turnu-Severin – 107,882, Târgu-Jiu – 96,081 and Slatina – 78,570⁵) concentrate almost a third of the total population of the region, while 1.174 million people live in rural localities.

In terms of population's structure, the counties from Oltenia are quite homogenous, with close values for the main demographic indicators. However, if we compare these data with the data for the whole country, it results that South-West Oltenia Region displays the *strongest demographic decline*, on the background of a declining birth rate from 13.5‰ to 8.9‰ between 1990 and 2009, and of the increase up to 22%⁶ of the population aged 60+. Within this context, the population from the five counties is significantly more aged than the population from eastern of central Romania; Oltenia is thus a pole of the demographic decrease.

South Muntenia Region covers a total area of 34,453 km² (14.54% the total area of the country) and includes seven counties (Argeș, Călărași, Dâmbovița, Giurgiu, Ialomița, Prahova, Teleorman), 15 municipalities, 28 towns, 481 communes and 1,552 villages (source: Agency for Rural Development, 2010).

³ www.adroltenia.ro.

⁴ INS, *2009 Statistical Yearbook of Romania*.

⁵ www.adroltenia.ro.

⁶ INS-TEMPO (<https://statistici.insse.ro/shop>).

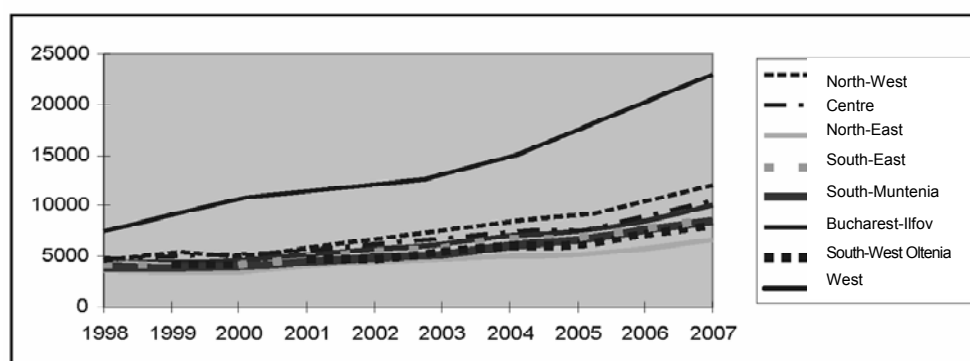
South Muntenia Region has 3,300,801 inhabitants (National Institute of Statistics, 2008) and a density of 98.1 inhabitants/km² (ADRSM, 2010). Of them, 1,723,497 (51%) are women and 1,655,909 (49%) are men (Agency for Rural Development, 2010). In this region, 68.4% of the population is aged 15 to 64, 15% is aged 0 to 14 and 16.6% is aged 60+ (*Statistical Yearbook of Romania, 2008*). The highest proportion of population of working age are in Argeş, Dâmboviţa and Prahova Counties, while the lowest proportion is in Teleorman County, which also has the highest proportion of population aged 65+.

Level of economic development

The two investigated regions are among the poorest from Romania. The GDP per capita is much below the national average in both regions. Oltenia is on the penultimate position in terms of economic development, ahead of the North-East Region only.

At EU level, the regions of Romania are anyhow much below the average value, being among the poorest regions of Europe. Except for Bucharest-Ilfov region, which exceeds 90%, all the other regions of Romania have GDP levels below 50% of the average EU level. The two surveyed regions have about one third of the average EU level.

Figure 2 – Gross domestic product per capita in each region, at NUTS2 level, euro

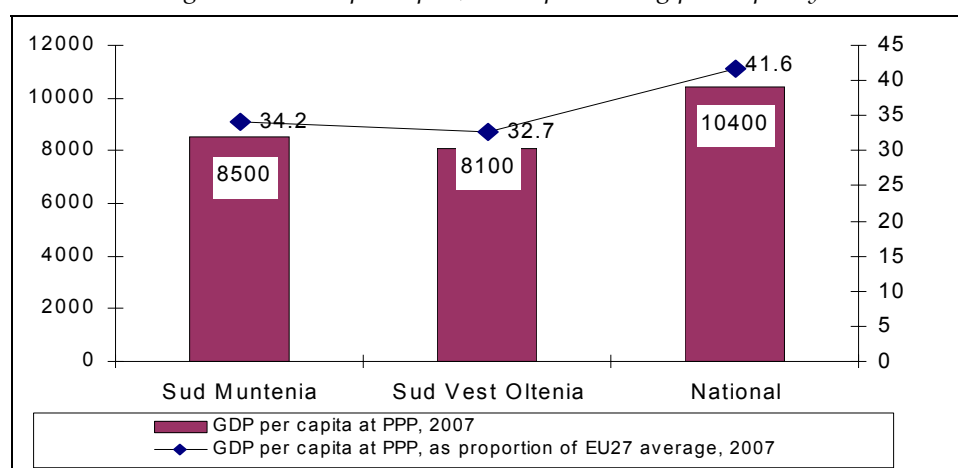


Source: Eurostat (2010a).

Only in North-East Region, the GDP per capita at PPP level is lower than in South-West Oltenia and South Muntenia Regions. The main economic branches existing in each region are⁷: agriculture and food industry, machinery constructing industry, power producing industry, metallurgical production industry, chemical industry and wood processing industry. The economical development is significantly different between regional areas and environments. The industry is concentrated in the large towns, where the official statistics on the economic activity, production and occupation have values in excess of the national average values. On the other hand, in the rural areas, particularly in the isolated localities, remote from the large towns, occupation in agriculture is preponderant.

South-West Oltenia Region is one of the areas with lower economic activity and with a low contribution to the national GDP. At the same time, in this region are some of the poorest areas of the country and several disfavoured mining areas, which experienced several tough periods of restructuring during the late 90s. Within this context, the economic heterogeneity and the occupational profile of the population displays multiple particularities. The differentiation urban-rural is major and relies mainly on the occupational profile of the population and on the deriving implications on people's life.

Figure 3 – GDP per capita, at the purchasing power parity



Data source: Eurostat.

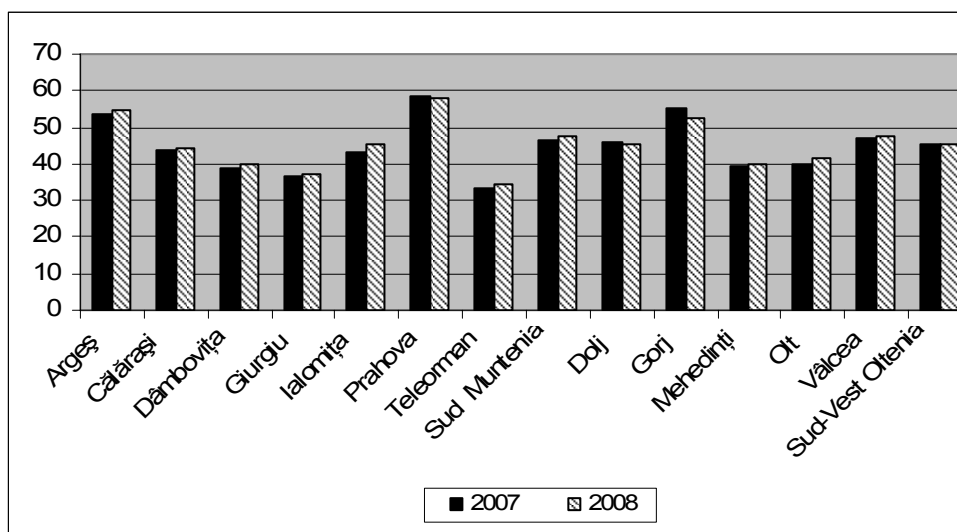
⁷ According to the presentation by the Agency for Regional Development, Oltenia (www.adroltenia.ro).

Employment

According to NSI statistics, the employment rate in the two surveyed regions varies between 45% and 47%, which are quite low levels of employment. There are no significant differences between the average values of each region.

Muntenia is more heterogeneous than Oltenia, cumulating the highest values recorded in Prahova County, with an employment rate close to 60%, and the lowest values recorded in Teleorman County, where only about a third of the population is employed. In Oltenia, employment peaks in Gorj and has the lowest rates in Mehedinți and Olt Counties, but the differences are not as large.

Figure 4 – Employment rate in the investigated regions and composing counties, %



Data source: NSI; Tempo database.

In South-West Oltenia Region, the number of the active population decreased by more than 200,000 people, both due to the shrinkage of the economy (by the reorganisation or closedown of the large regional enterprises), and to the increase of the proportion of old people. The rate of active population decrease was similar with the national rate, while displaying

significant variation at the county level. The most significant reductions of the active population were in Gorj and Olt Counties, where the 2008 level was just 70% of the level from 1990 (Table 5).

**Table 5 – Evolution of the active population
in South-West Oltenia Region**

	1990	1995	2000	2005	2008
	MU: Thousands people				
ROMANIA	10,839.5	10,491.4	9,636.4	8,913.4	9,150.4
South-West Oltenia Region	1,189.6	1,133.7	1,079	926	931.5
Dolj	360.5	327	340.8	284.4	300.9
Gorj	214.9	206.8	178.2	152.8	150.4
Mehedinți	152.3	144.3	140.9	123.7	123.2
Olt	247.2	227.7	214.3	186.4	178.8
Vâlcea	214.7	227.9	204.8	178.7	178.2

Source: INS-Tempo (<https://statistici.insse.ro/shop>).

After 1990, all five counties from South-West Oltenia Region displayed substantial decreases of the employment rates (Table 6), the most affected areas being the same Gorj and Olt Counties. The main factor which influenced the proportion of the employed population in Gorj County was the reorganisation of the mining industry after 1997. NSI data show an almost 20% reduction of the proportion of employed population in this county during the late 90s.

The situation observed in Olt County may be explained rather by the effect of the reorganisation of the large enterprises from the urban areas. The area of Slatina town, strongly industrialized during the communist regime, was forced, like most of the socialist industry centres, into a stage of restructuring which produced massive layoffs, shrinking activities or even closedown for many companies.

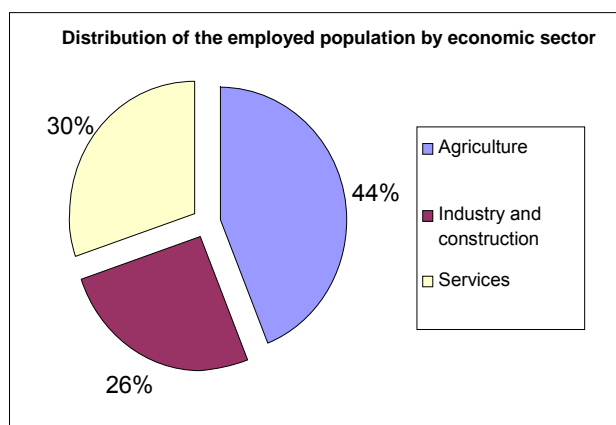
Table 6 – Evolution of the employment rate in South-West Oltenia Region

	1990	1995	2000	2005	2008
	MU: Percent				
ROMANIA	82	71.5	64.6	60.7	63.6
South-West Oltenia Region	84.3	74.3	68.5	60.3	61.9
Dolj	82	70	69.1	61.3	63.9
Gorj	90.6	85.8	66	55.2	56.3
Mehedinți	78.7	71.6	66.5	58.2	59.7
Olt	84.3	70.2	65.7	58.1	58.3
Vâlcea	87	77.7	74.9	67.8	69.6

Source: INS-Tempo (<https://statistici.insse.ro/shop>).

The distribution of the employed population by economic sector (Figure 5), shows the preponderant employment in agriculture (44% of the total), reason why the rural population reaches much higher values than the national average of 27.5%⁸.

Figure 5 – Distribution by sector of activity of the employed population from South-West Oltenia Region



Source: NIS, 2008, *Labour force in Romania. Employment and unemployment in 2007*.

⁸ NIS, 2009, *Statistical Yearbook of Romania, 2009*.

Of the total population from South Muntenia Region, 48.3% are active people⁹. In other words, 44.3% of the total population of the region consists of employed people, while 4% are BIM unemployed. This settles to 51% the proportion of inactive people on the labour market. The proportion of female inactive people is higher (59%) than the proportion of male inactive people. In the rural areas of the region, the people active on the labour market account for 48.8% of the total population, compared to just 47.6% in the urban regions. Also, 42.3% of the total active population from the urban areas are employed people, compared to 45.8% in the rural area.

According to NSI data (2008), in South Muntenia Region, 99.6% of the urban employed population and with higher education, is aged 15 to 64, the balance of 0.4% being in the age category 65+. The respective proportions are lower the rural areas of the region (90.2% and 9.8%).

In South Muntenia Region most of the employed people from Prahova, Argeş and Dâmboviţa Counties works in agriculture, forestry and fishery, in industry and in the extractive industry. In the other counties, particularly in Teleorman, agriculture, forestry and fishery are the basic employment areas of the population, while the population working in industry hardly exceeds 10% in Călăraşi, Giurgiu and Ialomiţa Counties. Another important area of employment in Prahova, Dâmboviţa and Argeş Counties is the retail trade and car/vehicle reparations. The field of constructions is better represented in Argeş and Prahova.

In South-West Oltenia Region there are less than 350,000 employed people. Of them, 114,000 were working, in 2008, in the processing industry, 82,000 in trade, 43,000 in constructions, and 29,000 in transportations and communications¹⁰.

In terms of unemployment, the comparison of the two regions produces a completely opposite picture: unemployment is higher in Oltenia, where the disparities between counties also are the highest. Mehedinţi constantly has the highest unemployment rate, while Vâlcea constantly has the lowest unemployment rate. Of all the regions of Romania, at NUTS2 level, the highest

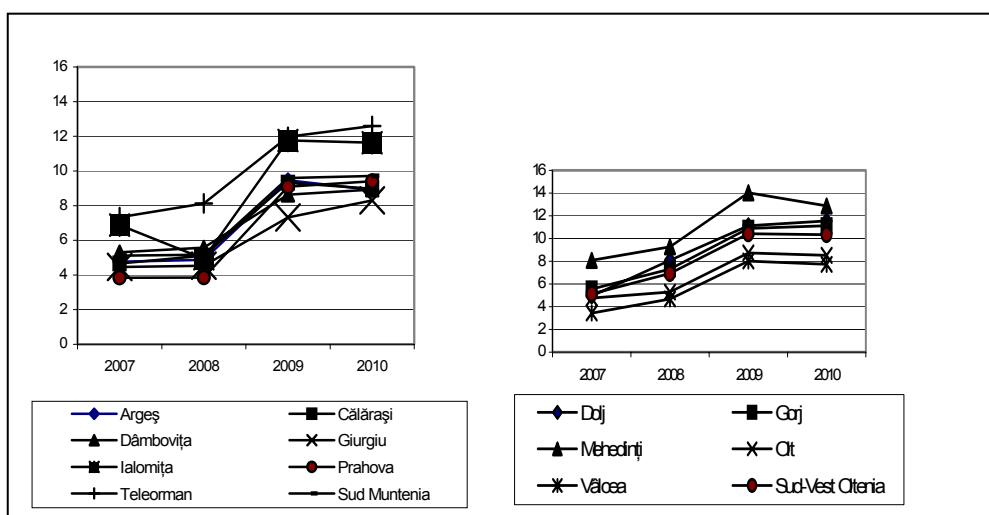
⁹ The economically active population is the population „supplying work force available for the production of goods and services during the period of reference” (NSI, 2008a, p. 7). It includes both the employed population, and the unemployed.

¹⁰ NIS, 2009, *Statistical Yearbook of Romania, 2009*.

unemployment rates in 2007, in urban areas, were recorded in South-West Oltenia Region (10.95) and in South Muntenia Region (10.9%), while the lowest unemployment rate was recorded in Bucharest-Ilfov region (3.7%). In the rural areas, this highest unemployment rate was recorded in Bucharest-Ilfov region (9.6%), while the lowest rate was recorded in the North-East Region (1.8%) (NIS, 2008). In the rural area of the South Muntenia Region, the unemployment rate was of just 6.1%, an important difference compared to the urban area, but a higher percentage, nevertheless, compared to the other regions of the country. A higher rural unemployment rate was recorded in South-East and Centre Regions (7.1% for each of the two regions) (NIS, 2008).

The general pattern of unemployment evolution is common both by region and between the counties: slight increase, then constant evolution between 2007 and 2008, steep increase in 2009, then rather steady in 2010, with no clear trend (slight increase in some counties, slight decrease in other counties, irrespective of the region). The most dramatic increase of unemployment was observed in Ialomița County, 7% in 2009, compared to 2008.

Figure 6 – Unemployment rate evolution in the investigated regions and composing counties in South Muntenia and South -West Oltenia Regions, %

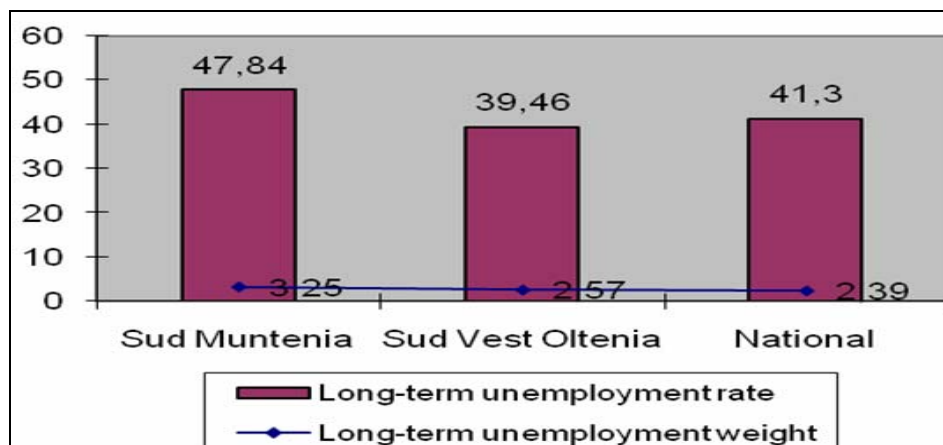


Data source: NIS; Tempo database.

Employment is in principle, a premises for an unemployment rate as low as possible, but not always, the two indicators have corresponding values. In Muntenia, the highest unemployment rate was recorded in Teleorman County, where the employment structure was the least favourable too. In Oltenia too, in Mehedinți County, with the lowest employment rate, there is the highest unemployment rate. However, the lowest unemployment rate was not recorded in the counties with the highest employment rate. In Muntenia, the lowest unemployment rate was recorded in Giurgiu County, where the employment rate has median values, while Prahova, with the highest employment rate, displays an intermediary unemployment rate for the two regions, 9.4% in 2010. At the same time, in Oltenia, the lowest unemployment rate was noticed in Vâlcea County, where the employment rate has median values, and in Olt County, which has one of the lowest employment rates.

In both investigated regions, the long-term unemployment rate is higher than the national average. Although with a higher employment rate and a lower unemployment rate, Muntenia is more dramatically affected by the long-term unemployment than Oltenia. Almost half of the unemployed people from Muntenia didn't have a job for the past 12 months. In Oltenia, the proportion is below the national average.

Figure 7 – Long-term unemployment by regions of investigation (2008)
(% of the total unemployment)



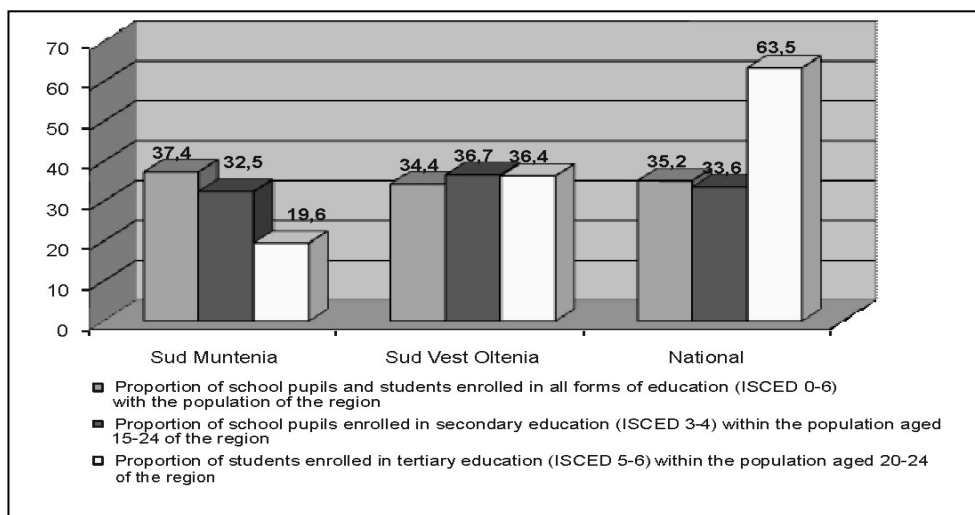
Data source: NIS; Tempo database.

Education

Education often is the main explanative factor in the analysis of employment. Most studies show that school training increases the opportunities for access on the labour market. In the lack of more relevant indicators at the county and region level, we evaluated the stock of education by three indicators of enrolment in education, as shown in Figure 8.

School attendance at all levels of education is slightly higher in Muntenia, both regions having rates around the national average rate. The analysis by level, however, reveals large gaps between the regions. The enrolment in secondary education (high schools, vocational schools, post high-school education) is higher in Oltenia, with a value higher than the national average. Both regions have much lower values for the tertiary education (university and post-university) compared to the national average. The South-Muntenia Region scored a value which is more than three times lower than the national average. However, the situation is not so dramatic if we consider the unbalanced territorial distribution of the university centres. Most students from South-Muntenia Region are drawn by Bucharest, same as part of the South-West Oltenia students.

Figure 8 – School attendance by surveyed region, %



Data source: Eurostat.

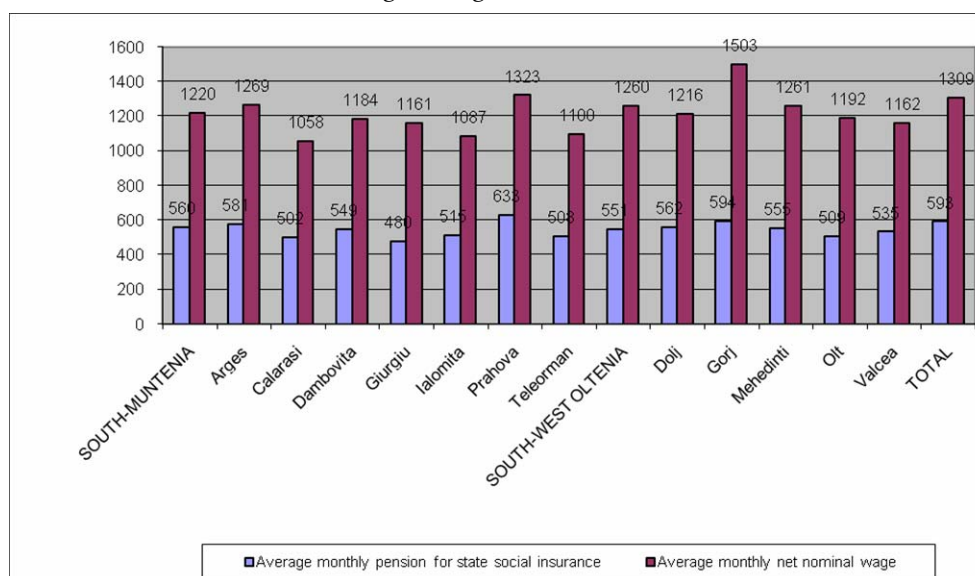
According to other previous analyses, the South-Muntenia and South-West Oltenia Regions rather have a low educational stock. Education is an important factor for the success on the labour market. The low employment, the rather high unemployment rate and, within it, the high proportion of the long-term unemployment, in both investigated regions, don't have merely economic causes, they are also accounted for the by the low educational level..

Incomes

Both regions have slightly lower average wage earning than the national average. The highest wages were recorded in Gorj County, followed by Prahova County. Except these two counties, all the other counties are below the national average. The lowest wages are in Călărași and Teleorman. Overall, the wage earnings are higher in Oltenia.

The pensions display a much more homogenous situation with small differences between the counties. The lowest level of pensions is in Călărași County, the only one where the average values is below 500 lei; the highest level of pensions is in Prahova County, the only one where the average value exceeds 600 lei. Muntenia is more heterogeneous at this indicator too.

Figure 9 – Average nominal net monthly wage and average monthly pension in the investigated regions (2008), RON



Vulnerable groups

The data on the national rates of relative and absolute poverty (Table 7), put South-West Oltenia Region on the second position in terms of the regions with the highest proportion of poor population (second to the North-East Region), while South-Muntenia Region is on the fourth position in terms of relative poverty and on the sixth position in terms of absolute poverty.

Table 7 – Relative and absolute poverty rates by region, in 2008¹¹ (%)

Region	Relative poverty	Absolute poverty
North-East	27.2	8.5
South-East	22.7	7.1
South Muntenia	17.5	4.4
South-West Oltenia	23.3	7.9
West	13.3	3.4
North-West	15.6	5.7
Centre	14.5	5.2
Bucharest-Ilfov	4.7	1.1

Data source: MMFPS.

The data on poverty at county level outline, for both development regions, the existence of major north-south differences. Thus, in Muntenia, the economic profile of Prahova, Argeş and Dâmboviţa Counties leads towards lower poverty rates, in contradiction with the situation from Giurgiu, Teleorman or Călăraşi Counties, where some of the highest nation-wide poverty rates are noticed. Likewise, the counties located in the north of Oltenia region (Gorj and Vâlcea) have much lower poverty rates than the levels observed in Mehedinţi or Olt.

¹¹ The values of the *relative poverty* are calculated by NIS according to EUROSTAT recommendations (taking into calculation a poverty line which represents 60% of the median income for an equivalent adult), while the values of the *absolute poverty* are calculated by MMFPS, using a methodology established in 2002 by the Government of Romania, NIS and the World Bank.

At the county level, we may speak of the residential area as a factor of influence over the poverty rates. The data supplied by the Ministry of Labour, Family and Social Protection show, for 2009, an almost 4-fold higher rate of absolute poverty of the rural population, compared to the urban population (12.4% vs. 3.2%).

In the case of the rural areas, we may speak of the existence of three major types of localities, which correlates with different occupational profiles and poverty rates: *peri-urban localities* where most of the population is occupied in non-agricultural activities which are most times in relation to the proximal town, all these resulting in low poverty rates; *isolated rural localities remote from important urban centres*, whose population is engaged in local activities, particularly in subsistence or semi-subsistence agriculture, where the poverty rates peak; and *intermediary rural localities*, whose profile combines the characteristics of the two previous typologies that were presented. High levels of poverty can also be found in the small urban areas, characterized until 1989 by preponderant monoindustrial activities, which regressed during the transition period. This category includes several localities such as: Zimnicea, Câmpulung Muscel, Mizil, Caracal, Motru, Corabia.

At the household level, the risk of poverty increases with the number of children. Thus, the families with more than two children and the monoparental families benefit, according to OUG no. 105/2003, of several support measures to reduce the poverty risk. According to the analysis conducted by the Ministry of Labour, Family and Social Protection, in the second quarter of 2009, nationwide there were 507,488 beneficiaries of complementary allocation, more than 75% of them living in rural areas; more than 66% of the 197,845 support allocations for the monoparental families were directed to households located in rural areas¹².

A proportion of 29% of the total number of recipients of complementary allocation live in Muntenia and Oltenia regions, while 33% of the nation-wide beneficiaries of support allocation for the monoparental families live in

¹² MMFPS, 2010, *Impact study on the measures promoted by OUG no. 105/2003 concerning the complementary family allocation and the allocation for monoparental families in 2009*, http://www.mmuncii.ro/pub/imagemanager/images/file/Domenii/Incluziune%20si%20asistenta%20sociala/Raportari%20si%20indicatori/190510Raport2009_%20alocatie_com.pdf (30.07.20109).

Muntenia and Oltenia regions. The data on the number of beneficiaries by county (Table 8) show that the large counties (Dolj, Prahova, Argeş, Olt) also have the highest number of beneficiaries of the two forms of support.

**Table 8 – Number of beneficiaries
of OUG no. 105/2003 in the second quarter of 2009**

	Complementary allocation	Allocation for the support of monoparental families
Argeş	13,154	5,858
Călăraşi	8,529	6,271
Dâmboviţa	14,122	6,756
Giurgiu	9,692	6,243
Ialomiţa	10,968	2,033
Prahova	15,156	6,562
Teleorman	11344	4916
Dolj	17573	9465
Gorj	11299	4266
Mehedinţi	8426	4820
Olt	16017	5265
Vâlcea	11803	4058

Data source: MMFPS, 2010¹³.

Of the total national number of people with disabilities, 183,000 (26%) are recorded in the counties of the two analysed regions. ANPH data (Table 9) show that the largest number of such cases are in the large counties from Muntenia (Prahova and Argeş), which together have more than 30 thousands people with disabilities. Surprisingly, Dolj County, the largest in terms of population number of the 12 analysed counties, has a low number of people with disabilities, close to that from counties such as Mehedinţi or Dâmboviţa (much smaller population). Related to the national average of the people with disabilities in overall population (3.2%), South Muntenia Region has the highest rate (3.45%), ranks third after West Region (3.51%) and North-West Region (3.61%). South-West

¹³ *Impact study on the measures promoted by OUG no. 105/2003 concerning the complementary family allocation and the allocation for monoparental families in 2009.*

Oltenia region has a rate of just 3.14%. The counties with the highest rates in both regions are: Mehedinți (4.58%) and Prahova (4.64%).

Figure 10 shows the proportion of the different levels of disability within the total population of reference in each county; thus, 50% of the people with disabilities in Călărași County are people with serious handicap (first level), while the similar percentage is below 20% in Argeș County, the difference being explained by the major segment, over 60% of the cases, of people with stressed handicap (second level).

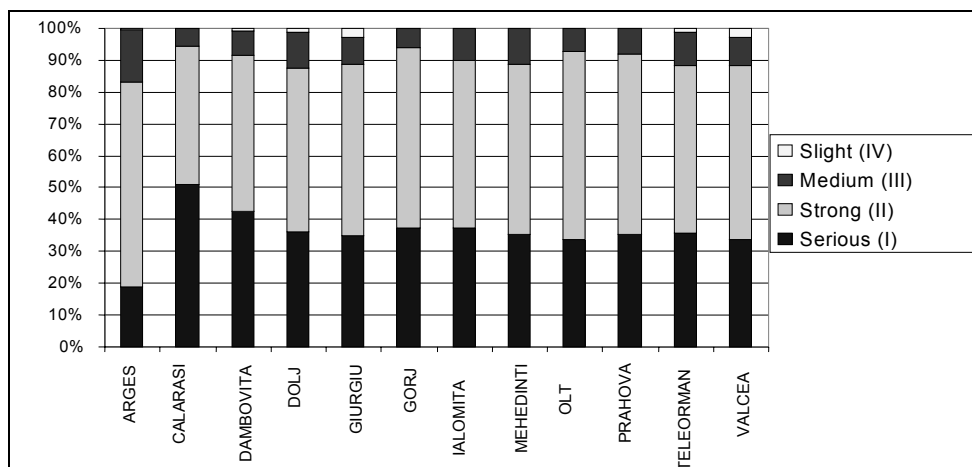
**Table 9 – Number of people with disabilities,
first quarter 2010**

County	Total number of people non-institutionalized and institutionalized				
	Serious (I)	Stressed (II)	Medium (III)	Slight (IV)	Total
Argeș	5,199	17,878	4,590	62	27,729
Călărași	5,081	4,349	543	0	9,973
Dâmbovița	6,547	7,482	1,211	111	15,351
Dolj	5,129	7,347	1,618	152	14,246
Giurgiu	3,024	4,668	738	255	8,685
Gorj	4,009	6,075	659	4	10,747
Ialomița	3,255	4,587	892	2	8,736
Mehedinți	4,715	7,151	1,503	14	13,383
Olt	4,490	7,802	972	1	13,265
Prahova	11,626	18,539	2,632	34	32,831
Teleorman	3,324	4,921	978	110	9,333
Vâlcea	6,404	10,323	1,659	518	18,904
Romania	233,324	375,019	74,891	3,564	686,798

Data source: ANPH¹⁴.

¹⁴ *Informative statistic bulletin ANPH*, <http://www.mmuncii.ro/ro/buletin-statistic-190-view.html> (30.07.2010).

Figure 10 – Proportion of the different handicap levels for the counties from Muntenia and Oltenia



Data source: ANPH¹⁵.

Of the people with disabilities recorded in Oltenia and Muntenia, 6,438 have a job, more than half of these people living in Prahova, Argeş and Vâlcea Counties; in terms of the handicap, about 85% of the cases are people with somatic or physical disabilities.

According to ANPH data¹⁶, in South-Muntenia Region there are 49 operational centres for the people with disabilities, while in South-West Oltenia there are 47 such centres. These units provide care to a total of 9,323 people with disabilities, little over 5% of the total people with disabilities from the two regions. The proportion of institutionalized people with disabilities is higher in the South-Muntenia Region (2.53% of the total number of people with disabilities) compared to just 2.01% for South-West Oltenia Region.

The institutionalised children form a social category exposed to multiple risks, which become evident in the children that have to leave the protection system. In the different forms of the system, on March 31, 2010, there were recorded 66,856 institutionalized children, of which 8,388 in South-Muntenia

¹⁵ Idem.

¹⁶ ANPH, *Informative statistic bulletin ANPH*, <http://www.mmuncii.ro/ro/buletin-statistic-190-view.html> (30.07.2010).

Region and 5,743 in South-West Oltenia Region. Prahova and Dâmbovița Counties have the largest number of such people.

By type of services (Table 10), one can notice the large number of children entrusted to foster families in Dâmbovița County (over 50% of the total number of children beneficiary of the different forms of protection), while more than 35% of these children are in private residential services. The largest proportion of the children assisted by the protection system from Vâlcea County is placed to relatives and in public residential services (about 60%). Prahova County also has a high proportion of children protected in residential centres (public or private).

Table 10 – Number of beneficiaries of social services for the children

Region/coun- ty	Children protected in family-type services			Children in public residenti- al services	Children in private residenti- al services	Total
	In foster care	At relatives up to the IV th degree	At other families/ persons			
Argeș	426	284	57	472	29	1,268
Călărași	423	338	38	276	11	1,086
Dâmbovița	814	435	70	165	591	1,543
Giurgiu	183	181	35	200	54	653
Ialomița	137	406	57	235	5	840
Prahova	471	607	96	511	355	2,040
Teleorman	365	186	76	331	-	958
Dolj	339	390	72	218	-	1,019
Gorj	173	362	44	328	12	919
Mehedinți	252	249	32	143	-	676
Olt	495	334	81	359	21	1,290
Vâlcea	538	684	89	501	27	1,839

Data source: ANPFDC, MMFPS¹⁷.

¹⁷ <http://www.mmuncii.ro/pub/imagemanager/images/file/Statistica/Buletin%20statistic/2010/copii%20site%20trim%201-2010%20.pdf> (31.07.2010).

The proportion of Roma people in South-Muntenia and South-West Oltenia Regions is higher than the national average: 2.9% and 2.6% Roma people within the total population, compared to the national average of 2.5% (according to 2002 Census data). The Roma population is confronted with several difficulties, the most significant being:

- low enrolment in education;
- unemployment rate close to 50%;
- existence of major factors of social exclusion (lack of identity papers or of property papers for their dwelling);
- population living in higher proportion in rural areas than the majority population, but confronted with the lack of owned agricultural land;
- no qualification, thus low opportunities for integration on the labour market.

Conclusions

Both regions have a low level of economic development. Analysing the situation of employment and unemployment, both inter- and intraregional, one may notice little remarkable differences. Generally, employment is low, below 50%, while unemployment scores high levels, between 8-12%. In 2009, unemployment soared, two-three times in some counties, such as Ialomița.

South-Muntenia Region seems to have a slightly better situation, with a higher employment rate and lower unemployment rates. On the other hand, it is more affected by the long-term unemployment. At the county level, Teleorman from Muntenia and Mehedinți from Oltenia are the most vulnerable counties.

The low employment rate, the rather high unemployment rate and, within it, the high proportion of the long-term unemployment, in the two investigated regions are accountable by the lower school attendance and by the low educational stock. Muntenia seems to have a worse situation in terms of education than Oltenia.

Oltenia has higher wages, but slightly lower pensions. The most vulnerable counties in terms of incomes are Călărași, Teleorman and Giurgiu.

Both counties have a large number of beneficiaries of social services belonging to the vulnerable categories, consequence of the low employment

rates or to the precariousness of the incomes. Both regions have proportions of the Roma population slightly higher than the national average, which increase the proportion of the vulnerable people.

Summing all the analysed indicators, Oltenia is more vulnerable as general economic development, employment and pension level, while Muntenia is more vulnerable as long-term unemployment, education and wage earnings. The most vulnerable counties, which cumulate problems on several dimensions, are Teleorman, Giurgiu, Călărași and Mehedinți. The best classified counties are Prahova, Gorj, Argeș.

SOCIAL ECONOMY ORGANISATIONS

Typology of the social economy organisations. Legislative framework

This chapter aims to make a review of the characteristics shared by the social economy organisations and of some critical aspects raised by the implementation of this normative framework. The analysis will be detailed by each social economy organisation included in the survey:

- NGOs;
- Companies with special treatment (protected workshops);
- Mutual aid organisations (of the employees or pensionaries);
- Cooperatives (of credit, consumption, craftsmen, of capitalisation, agricultural, housing, fishery, transportation, forestry);
- Pensioners' associations.

NGOs

They may run economic activities in agreement with the main purpose of the organisation. The organisations of public utility can conduct economic activities only as long as the economic activities which are not related to the public utility activities¹⁸ do not form the main activity of the public utility organisation, and as long as they bring less than 50% of the total nonprofit incomes.

The activities outside the purpose of the organisation can be performed only via commercial companies which have the NGOs as single associate. The

¹⁸ Sport for the amateurs, arts, social services and social work, charity, humanitarian aid and, in case of disasters, defence against and prevention of disasters, medical care, social cohesion, social or economic development, social security, civil rights or human rights, consumer protection, culture, democracy, ecology and environmental protection, education and professional training, fight against discrimination, elimination of poverty, health and welfare, preservation of traditions and of the cultural patrimony, animal protection, science and technological innovation.

obtained profit (except for the reinvested profit) is used to accomplish the purposes of the NGO.

The main fiscal facility for the NGOs running economic activities is the exemption of the tax on profit for the incomes from economic activities up to the level of 15,000 euro in a fiscal year, but not more than 10% of the total incomes exempt from paying the tax on profit.

Companies or organisations with special regulations (such as the protected workshops)

The protected workshop is regulated by Law 448/2006 modified by OUG 86/2008, Order 60/2007. The protected units are defined as the public or private economic operator, with own administration, where at least 30% of the total number of employees with individual work contract are persons with disabilities.

The protected workshops can be organised by NGOs, commercial companies or cooperatives.

Pensionaries' associations

They are established by derogation from the law on associations and foundations, with no previous authorisation, according to Law 502/2004 regarding pensionaries associations. The pensionaries associations become legal person if they are registered in the Directory of associations and foundations and they may be established on territorial basis: commune, town or county.

The pensioners associations must have at least 25 pensioners as members, irrespective of the system of insurances. A pensioner can be member in only one pensionaries' association. According to the law, the local authorities must provide headquarters area for the operation of the associations; if the area belongs to the state fund of dwellings, the charged rent will be at the minimal level.

The incomes of the pensionaries' associations consist of:

- a) membership fees;
- b) interests and royalties from placements of the available funds according to the legal provisions;
- c) royalties from the commercial companies established by the pensionaries' association;

- d) incomes from direct economic activities;
- e) donations, sponsorships, or legates;
- f) resources obtained from the state budget or from the local budgets;
- g) other incomes stipulated by the law.

At least 10 pensionaries' associations can establish a federation. The federations with more than 20 associations with a minimum of 75,000 members, are national federations. Unlike the associations, the federation has a slightly different structure, and its incomes come from:

- a) the share from the membership fees stipulated in the statute of the federation, received from the composing associations;
- b) donations, sponsorships, or legates;
- c) sales of own publications;
- d) resources obtained from the state budget
- e) other incomes stipulated by the law.

Mutual aid organisations, CAR

They are of two types: of the employees and of the pensionaries.

The mutual aid organisations of the employees are regulated by Law 135/2003 and their object of activity is to "draw deposits, as savings, and to grant loans with interest, which returns to the social fund of the members after deducting the statutory expenditures." The loans are granted only to the members who have the status of employee.

The mutual aid organisations of the pensionaries are regulated by Law 540/2002. Members of the mutual aid organisations of the pensionaries can be:

- pensionaries, irrespective of the system of social insurances to which they belong;
- beneficiaries of social aid;
- family members – husband, wife, major children unable to work, who are in care of the pensionaries or of the beneficiaries of social aid.

Unlike the mutual aid organisations of the employees, which only grant reimbursable loans, the mutual aid organisations of the pensionaries also grant

non-reimbursable loans, or aids, to cover the expenses with the funerals of the former members.

According to the law, the mutual aid organisations of the pensionaries may also conduct activities, other than their main goal:

- a) organisation of cultural, artistic, tourist and leisure activities;
- b) provide services, against a low fee, for the members of the mutual aid organisations of the pensionaries and for the members who are in care of the pensionaries or of the beneficiaries of social aid, using the work of CAR members;
- c) run stores selling food products at production prices, management of rest and treatment facilities, organisation of repair shops for household appliances, clothing, footwear;
- d) supply undertaker services for the deceased CAR members: making coffins and provide transportation;
- e) other actions and forms of social assistance.

According to the law, pensionaries CAR can benefit of up to 75% deduction for the rents charged for the areas provided by the local councils. The largest federation of CARP from Romania is „Omenia”, with over 1.2 million members.

Law 122/2001, which governs CAR activity is deficient by the fact that it eliminated to compulsory affiliation to the union. Therefore, just like in the case of the cooperatives, there is no form of control over the newly created CAR, and situations of fraudulent behaviour of the employees or of the managing staff may appear. The trust in the entire sector is undermined. The independent CAR, which do not submit to the specialised forms of control, may be exposed to fraudulent actions.

Credit cooperatives – people's banks

These are autonomous associations, apolitical and nongovernmental, whose main purpose is to organise activities based on the principle of the mutual aid between their members.

Only 11 credit cooperatives function in South-West Oltenia and South Muntenia regions, one in each county, except Teleorman, where there are two, and Giurgiu and Ialomița – where there are no cooperatives.

There are several elements which distinguish the credit cooperatives from the other types of cooperatives:

- the number of members is minimum 100 for the credit cooperatives, compared to 15, for the consumption cooperatives;
- activity runs to the benefit of the cooperative members;
- The members can withdraw from the cooperative only one year after they paid back the last instalment for their loan;
- The cooperative society is an economic agent with private capital, whose members are natural and/or legal persons; the membership is freely consented; the purpose is to promote the economic, social and cultural interests of the cooperative members; the cooperative is owned jointly and controlled democratically by its members in agreement with the cooperative principles. The credit cooperatives operate on the basis of the law for foundations and associations.

The areas of activity of the credit cooperatives are:

- a) granting loans and performing banking services;
- b) granting, with priority, loans under advantageous conditions, to the cooperative members, agricultural producers, to buy animal stock, forages, machinery, equipment, agricultural tools, fertilizers and other goods necessary for the development of their agricultural production in own households, function of the refinancing resources;
- c) capitalise on the cash savings of the cooperative members and of other persons;
- d) take loans from banks;
- e) maintain the deposits of the cooperative members and of other natural or legal persons, in open accounts, upon demand, and perform account operations;
- f) currency exchange operations;
- g) financial-banking operations done by mandate.

The credit cooperatives can associate in territorial federations of the consumption and credit cooperatives - FEDERALCOOP. Both CREDITCOOP, and FEDERALCOOP can become associated within CENTROCOOP (National Union of the Consumption and Credit Cooperatives).

After the crediting conditions were modified according to the norms of the National Bank of Romania, the number of clients decreased. A problem that arises is the non-eligibility of the social pensions to grant credits, which will lead to the further loss of clients. The legal framework was ensured by OUG 99/2000 for the organisation of the credit cooperatives, updated during the period of pre-accession to the European Union, by Law 200/2002, which stipulated the organisation according to the banking system.

Consumption cooperatives

They are regulated by Law 1 of 2005¹⁹ and they are autonomous, apolitical and non-governmental associations whose main purpose is to organise activities based on the principle of mutual help between the cooperative members.

They supply the cooperative members and the third parties with goods which they buy or manufacture, or they provide services to the cooperative members and to the third parties.

The minimal number of members is 15, and the minimal requirements for membership are:

- aged 18 or more (and possessing working capacity);
- Residence in the area of activity of the cooperative;
- Consent to become cooperative member and payment of the admission fee, plus minimum 30% of the subscribed social capital;
- No conflicts of interests (unlawful competition etc.).

The consumption cooperatives can be located in territorial offices. They can associate within CENTROCOOP (established in 1950).

CENTROCOOP is an association of 953 cooperative societies (members of the county unions). They are located in 216 towns and 3,706 rural localities (more than half of the population of Romania). The cooperative societies have 10,711 work points:

¹⁹ The following types of cooperatives are regulated by the same Law 1/2005. There are two types: **first tier cooperative society** – legal person consisting of natural persons, and **second tier cooperative society** - legal person consisting of first tier cooperative societies, in majority, plus other natural or legal persons.

- 7,697 shops;
- 2,601 restaurants and other eatery units;
- 83 hotels;
- 330 storehouses selling goods.

The areas of activity of the consumption cooperatives are:

- a) wholesales and retail;
- b) eating places, hotels, domestic and abroad tourism;
- c) industrial production and provision of services;
- d) buying goods from the population and from economic agents and processing them or selling them as such;
- e) sales of construction materials, agricultural machinery and equipment, oil products and household appliances, fertilizers, reproduction stock, forages, seeds, saplings, plantlets and other products specific to the agricultural activity;
- f) supply of agro-zooveterinary services for the owners of agricultural land and for the economic agents, including the rental of agricultural equipment;
- g) activities in crops culture, animal husbandry, fishery, apiculture, sericulture;
- h) export and import of goods, products and services and exchange of goods with foreign cooperative organisations, companies and firms;
- i) cooperation and association with other cooperative organisations, with natural or legal persons, domestic or foreign, participation at the social capital of commercial companies;
- j) investment works for own needs and for third parties;
- k) advertising and publicity;
- l) cultural-educative and sports activities, sponsoring cultural, scientific, technical and sports activities;
- m) training and upgrading the professional training of the staff²⁰.

²⁰ The consumption cooperative system has 8 school complexes.

The profit of the consumption cooperative is shared between the cooperative members, proportional with the individual participation in the social capital, in the form of dividends.

*Agricultural cooperative societies*²¹

Their purpose is the joint exploitation of the agricultural land owned by the cooperative members, the joint land improvement, joint use of the machinery and equipment and joint selling of the agricultural products. They are organised by branches of activity (they may be agricultural cooperative societies, service providing cooperatives, processing cooperatives, manufacturing cooperatives etc.).

They are established and they function with a minimum number of five persons. One individual member cannot own more than 20% of the social capital of the agricultural cooperative society.

Craftsmen cooperative societies

The craftsmen cooperative societies are associations of natural persons which conduct in common activities of production, sales of goods, execution of works and provision of services, which contribute directly, or indirectly, to the development of the craftsmanship activities if the cooperative members.

The most important sectors of activity are those of manufacturing (textiles, leather, artisan work) and provision of services (repairs, maintenance), but trading too.

UCECOM also manages a network of educational units:

- ARTIFEX University (2,600 de students);
- 12 school groups for arts and crafts, with 4,500 school pupils (pre-university, through „Spiru Haret” Foundation²²);
- Kindergarten (in Bucharest, as of 2008).

The category of cooperatives also includes several types of cooperatives specialised in housing, fishery, forestry or transportation. However, their overall number is not significant. For instance, in 2006, there were just two operational housing cooperatives in Bucharest and Sălaj, with 46 cooperative members. Also

²¹ Regulated by Law 566/2004 – Law of the agricultural cooperatives.

²² No connection with „Spiru Haret” University.

in 2006, there were just 5 fishery cooperatives across the country. We don't have data on the number of transportation of forestry cooperatives. At least until 31 March 2006, no such cooperative was established.

Law 1/2005, which regulates the activity of cooperatives in Romania, clarified the regulations on property, but it transformed the cooperatives in nonprofit societies. The most important aspect of cooperatives functioning was the juridical regulation of property, because the state has just offered the right to use the patrimony. While the patrimony of the former state enterprises can be purchased against cash, the cooperatives can be divested of land because the land is state-owned. The consumption cooperatives were in the worst situation and litigations on the patrimony resulted. The craftsmen cooperatives had fewer members, but their cohesion was stronger. The patrimony of the craftsmen cooperatives also was much smaller than that of the consumption cooperatives, hence fewer temptations for a deficient management and a further advantage for the part of competencies and aptitudes.

The priority given to other laws on property produced a situation in which "the cooperatives were left with their goods on a piece of land which is not ours" (cooperative member, Prahova, 2009). Consequently, the cooperatives had to sell below their real price most of the buildings built on pieces of land which were given back to their original owners. Where the buildings could have been preserved, the cooperatives had to sell them in order to survive, under the conditions in which the unlawful competition by tax evasionists "smothers" the cooperatives by their low prices which don't include taxes, which practically remove the cooperatives from the market.

All these litigations make it impossible for the cooperatives to access European funds because the cooperative has no way to show that it owns the buildings where the project activities will run. Another problem deriving from the litigations is the impossibility to take loans because they cannot offer real estate collaterals.

The enforcement of Law 1/2005 had adverse effects on the cooperative sector by "destroying the system of control". Before the enforcement of this law, the cooperative system had a rather rigorous system which monitored the activity of the cooperatives, with a strict hierarchical organisation. The activity of the first tier cooperatives was controlled, according to the former law, by the second tier cooperatives, while according to Law 1/2005, the first tier cooperatives and the second tier cooperatives are county-level associations. The county union (second tier cooperative) has no right of control or monitoring, each cooperative being independent. The discontinuation of the controlling

system allowed the discretionary action of some consumption cooperative managers, which made them wealthier, but which affected the interests of the simple cooperative members. The new law also cancelled the obligation of the first tier cooperatives to be members of the county unions; they can no affiliate directly to the national unions.

The cooperative representatives have also shown the deficiencies due to the general character of Law 1/2005; they consider that the “craftsmen cooperatives, the consumption cooperatives and the agricultural cooperatives cannot be put into the same pot” (cooperative member, Prahova, 2009), because each of them has different particularities.

Another problem in the enforcement of the law is the democratic decision-making system, “one person, one vote”, which makes decision-making very difficult. The different interests of the cooperative members make it impossible to adopt decisions which to favour the investments, rather than to share the profit between the cooperative members. The most efficient decision-making system is considered that one based on the capital owned within the cooperative society.

The Romanian law treats the cooperatives together with the small and medium enterprises, their central administration representative being the Agency for the Small and Medium Enterprises and Cooperatives. Law 346/2004 allowed the cooperatives to access support from the state, similar with the SMEs. The beneficial state aids were the professional insertion of the young graduates, the facilitation of the relation with the bank and the employment of the persons aged 46+.

Another problem raised by the cooperative representatives was the very high fiscal taxes. This is problem of all the companies in Romania, but the cooperative sector feels it even worse due the shrinking number of customers and contracting activities. The lack of fiscal facilities for the units which employed people with disabilities, young people coming from the residential centres for children protection or poor persons, decreased their activity, some units even having to be shut down.

A relevant example of activity blocked by the tax evasion is a traditional activity of the consumption cooperatives, the purchase of agricultural products directly from the producers. Because these agricultural products are purchased informally by others, outside the fiscal circuits, the cooperative prices, which include these taxes, are not competitive on the market, which causes the bankruptcy of such activity of the cooperatives.

Legislative framework – synthesis

No.	Social economy organisation	Public policy	Provisions	Observations
1	NGOs	OG 26/2000	Law for the organisation and functioning of the non-governmental organisations.	There are three areas of activity of the non-governmental organisations, classified according to the beneficiaries of the activity provided by the particular organisations: a) activities of <i>general interest</i> ; b) activities in <i>the interest of a particular community</i> ; c) activities to the <i>personal non-patrimonial interest</i> of the organisation's members (<i>mutual organisations</i>). Only the mutual organisations have a different fiscal or legal regulation.
		Art. 48 stipulates that the NGOs can run economic activities, but it limits their object of activity to the activities closely related to the main purpose of the organisation.	The fiscal regulation of these incomes is set by the Fiscal Code.	
		Law 246/2005	Law which modified and completed OG 26/2000.	
		OG nr. 37/2003	Modifies and completes OG 26/2000.	
Fiscal Code	Art. 15 paragraph 3 stipulates that the NGOs are exempt from			

No.	Social economy organisation	Public policy	Provisions	Observations
			paying the tax on profit from economic activities ≤15000 euro.	
2	Producer's associations	OG 26/2000 completed with Law 338/2005		Must see how much they are social economy organisations.
3	Nonprofit enterprises (for instance, private universities, private kindergartens etc.)	OG 26/2000		Basically they are foundations and it must be seen how much they are social economy organisations.
4	Cooperatives	Law 1/2005		They can be: <ul style="list-style-type: none"> – Craftsmen cooperative societies; – Consumption cooperative societies; – Capitalisation cooperative societies; – Agricultural cooperative societies; – Housing cooperative societies; – Fishery cooperative societies; – Transportation cooperative societies; – Forestry cooperative societies; – Other forms.
5	Credit cooperatives	Law 97/2000		Credit institutions established as autonomous association of natural persons, joined voluntarily with the purpose to accomplish their common economic, social and cultural aspirations, whose activity relies mainly on the

No.	Social economy organisation	Public policy	Provisions	Observations
				principle of mutual aid between the cooperative members.
6	Agricultural cooperatives	Law 566/2004	<p>Art. 17. - (1) In the agricultural cooperative, the rights and duties of the cooperative members are equal. Irrespective of the size of the contribution to the social capital, each member has the right to one vote.</p> <p>(2) The profit of the cooperative is distributed according to the decision of the general assembly.</p>	<p>The agricultural cooperative is an autonomous association with an unlimited number of members, with variable capital, which runs economic, technical and social activity to the private interest of the cooperative members.</p> <p>The agricultural cooperatives rely on the following cooperative principles:</p> <ul style="list-style-type: none"> a) principle of the voluntary and open association; b) principle of members' equal rights in the decision-making process of the cooperation; c) principle of the economic participation of the cooperative members; d) principle of the autonomy and independence of the agricultural cooperatives; e) principle of the education, training and information of the cooperative members; f) principle of the cooperation between the agricultural cooperatives; g) principle of the concern for the sustainable development of the communities.
7	Collectivity of free peasants	Law 1/2000	Art. 26 regulates the associative forms of ownership on the land with forestry vegetation,	The collectivity of free peasants is not found in any of the categories of legal persons stipulated at art. 15 par. (2) and (3) from the Fiscal code and cannot benefit of the dispositions

No.	Social economy organisation	Public policy	Provisions	Observations
			pastures and hay fields.	from the Fiscal Code regarding the tax on profit. The incomes are divided among the members of the collectivity.
8	Pensionaries' associations	Law 502/2004		The association of pensionaries can do the following activities under the conditions of the law and of the own statute: a) organise and administer, to the interest of its members, clubs, libraries and low-price shops; b) establish mutual aid organisations, CAR, for the pensioners; c) support financially its members, according to the possibilities; d) produce and print own publications.
8	CAR	Law 122/1996; Law 135/2003	Regulate the employee mutual aid organisations	They are associations without patrimonial purpose, organised on the basis of the free consent of the employees, to support financially their members.
9	CARP	Law 540/2002		The pensionaries mutual aid organisations may also run other activities besides their main purpose: a) organise cultural, artistic, tourism and leisure activities; b) provide low-cost services for CARP members and their family members, using the work of CARP members; c) open shops for the sales of foods at production price; manage rest and leisure units, set up repair centres for household appliances, clothing, footwear;

No.	Social economy organisation	Public policy	Provisions	Observations
				d) provide funerary services for the deceased CARP members: make coffins and provide transportation; e) other actions and forms of social support.
10	Protected workshops	Law 448/2006		The protected workshops can be set up by NGOs, commercial companies or by cooperatives. The only condition is that 30% of the employees are people with disabilities.

Profile of the social economy organisations in the two regions

National context of the social economy organisations

Although social economy is a recent concept in Romania, there is a long tradition of some forms of social economy, from as early as the beginning of the past century. Even during the period of the communist regime, the cooperatives held a significant share of the economic activity. For some counties, particularly in southern Romania, the activity of the **craftsmen cooperatives** accounted for about 50% of the economic activity of that county before 1989. The cooperative sector didn't just provide a framework for the economic activity. The large cooperatives were functioning according to the pattern of the socialist enterprises, providing services for their employees and their families (kindergartens, doctor's office etc.). For this type of structure, the period 1990-2000 meant the dramatic reduction of the activity, by the sale of assets or shutdown due to the new economic conditions. After 2000, the activity of the cooperatives continued to shrink stronger in the areas where it used to be predominant before 1989 (for instance, Teleorman). According to <http://www.banknews.ro>, at the national level, the turnover of the cooperatives decreased by 9% in 2008 compared to 2007. A similar trend was noticed for the number of employees and members: the number of employees decreased by more than 14% in 2007 compared to 2006, while the number of members decreased by 13.5% during the same period (source: calculations using data from the *Annual SMEs Report*, 2008).

Table 11 – Total staff number in the craftsmen cooperative organisations associated to UCECOM

County	Total staff number	of which, cooperative members	Total staff number	of which, cooperative members
	2006	2006	2007	2007
Alba	1,066	1,060	767	734
Arad	302	290	264	259
Argeş	869	779	741	691
Bacău	107	106	64	64
Bihor	884	861	788	767
Bistriţa-Năsăud	262	218	200	180
Botoşani	218	218	198	197
Braşov	471	448	396	385
Brăila	479	468	444	440
Buzău	1,168	171	1,073	159
Caraş-Severin	404	395	364	348
Călăraşi	154	74	93	43
Cluj	2,332	2,263	1,796	1,752
Constanţa	1,105	1,089	1,039	1,027
Covasna	-	-	-	-
Dâmboviţa	649	634	589	578
Dolj	1,159	1,141	1,049	1,045
Galaţi	669	637	534	519
Giurgiu	172	172	155	154
Gorj	535	365	488	342
Harghita	62	30	41	20
Hunedoara	981	981	902	902
Ialomiţa	336	260	205	202
Iaşi	1,092	1,072	822	787
Ilfov	37	37	41	41
Maramureş	716	639	675	615
Mehedinţi	119	119	89	89
Mureş	415	414	333	332
Neamţ	592	592	514	514
Olt	342	342	346	346
Prahova	1,795	1,763	1,592	1,568
Satu Mare	908	602	776	518
Sălaj	662	661	550	548
Sibiu	203	166	195	155

County	Total staff number	of which, cooperative members	Total staff number	of which, cooperative members
	2006	2006	2007	2007
Suceava	637	632	597	593
Teleorman	195	184	184	157
Timiș	1,038	769	977	726
Tulcea	346	318	329	285
Vaslui	161	147	141	137
Vâlcea	1,188	981	897	831
Vrancea	272	250	247	235
București	885	665	823	587
TOTAL	25,987	23,013	22,318	19,872

Source: *Annual SMEs report, 2008*.

The evolution of the cooperatives number is also worrying. In 2007, the number of the production cooperatives decreased by almost 19%, while the number of the services cooperatives decreased by 7%. No significant changes were noticed in the number of the commercial cooperatives.

Table 12 – Number of craftsmen cooperatives²³

County	Production units		Services providing units		Commercial units	
	2006	2007	2006	2007	2006	2007
Alba	13	15	17	21	10	9
Arad	0	8	0	35	0	5
Argeș	10	8	49	49	10	9
Bacău	3	3	6	4	0	2
Bihor	20	13	34	25	4	4
Bistrița-Năsăud	4	7	41	17	3	2
Botoșani	7	7	24	16	6	7
Brașov	17	16	52	50	11	10

²³ Although the commercial units can be mistaken for the consumption cooperatives, they are established as craftsmen cooperatives. The delimitation of the activity is not very clear either, in the case of the consumption cooperatives. For instance, FEDERALCOOP Dolj, although it is a consumption cooperative (its activity is whole sales and retail, and eateries), it also runs a shop making metallic objects.

County	Production units		Services providing units		Commercial units	
	2006	2007	2006	2007	2006	2007
Brăila	15	15	73	69	3	3
Buzău	21	18	0	0	0	0
Caraș-Severin	9	11	54	48	15	18
Călărași	0	2	18	9	5	1
Cluj	34	36	60	56	12	12
Constanța	7	3	209	187	18	27
Covasna	-	-	-	-	-	-
Dâmbovița	18	16	105	96	5	7
Dolj	17	17	92	71	9	4
Galați	5	9	138	83	9	5
Giurgiu	0	2	31	11	5	2
Gorj	16	12	21	43	0	2
Harghita	0	2	0	1	0	2
Hunedoara	35	17	162	143	94	98
Ialomița	6	4	46	43	9	11
Iași	18	26	108	80	0	20
Ilfov	0	0	11	11	0	0
Maramureș	13	13	77	67	1	3
Mehedinți	5	3	15	10	1	1
Mureș	13	8	6	6	4	4
Neamț	8	10	40	33	4	7
Olt	4	1	76	52	7	4
Prahova	37	29	129	161	14	4
Satu Mare	14	14	15	11	7	14
Sălaj	14	13	18	17	6	5
Sibiu	7	8	13	14	3	3
Suceava	11	13	93	104	18	14
Teleorman	4	3	15	13	4	2
Timiș	12	10	96	95	2	4
Tulcea	7	3	42	37	3	3
Vaslui	3	3	26	32	8	11
Vâlcea	35	26	56	64	19	16
Vrancea	8	9	55	45	11	15
București	78	12	165	195	59	24
TOTAL	548	445	2.288	2.124	399	394

Source: Annual SMEs report, 2008.

The credit cooperatives functioned in Romania since the end of the 19th century and they developed rapidly even during the period when the banking institutions were confronted by problems. Adapted to the financing needs of some categories of people which the banking sector ignored, the credit cooperatives held a significant market share and had a significant impact for the support of the entrepreneurs, particularly for those from the rural areas. Banned after the instauration of the communist regime, the credit cooperatives were re-established in 1954 by legal regulation. Although they didn't acquire the importance they held at the beginning of the century, the credit cooperatives had a less dynamic evolution than the other types of cooperatives. Their activity didn't contract significantly, while the NBR regulations of the past years contributed to the consolidation of their image. The number of members of the people's banks increased during the recent years because the banking sector limited the loans.

The **NGOs** benefited of a legal framework since 1924, but they didn't have as spectacular evolution as the other types of organisations. Their decline started in 1938 and continued during the period of the communist regime. For the non-governmental sector, 1990 was the start of a speedy process of development. Aside the actual number of NGOs established for tax evasion purposes, the evolution of the number of such organisations was significant. However, there are several vulnerabilities of the non-governmental sector, which affect significantly the opportunities of access of the vulnerable people to services of social reintegration. According to FDSC estimation, in 2001, just 15-17% of the NGOs provided services in the rural areas.

The two regions, South-West Oltenia and South Muntenia, have counties with the poorest presence of NGOs. For instance, in Teleorman County there is no NGO accredited for social services. In Giurgiu Călărași or Mehedinți Counties too, the non-governmental sector has a poor activity. The poor representation is accompanied by the reduction of activity observed in a significant proportion of the non-governmental sector, particularly in the small organisations. While until 2005-2007, the NGOs had access to a wide range of sources of funding adapted to their potential to develop services for beneficiaries, after the most active funds-providers had withdrawn, the small NGOs from the poorly represented areas were affected by the difficulty of accessing structural funds.

In the lack of an updated database with the active NGOs, no correct estimations can be done as to their number in the two regions, but we may say that the trend of the recent years is the reduction of activity and even of shutting down the small organisations from the border region of South Muntenia Region, which no longer have access to financing sources adapted to their capacity. The activity of data collection for the NGOs selected for our study, confirmed this hypothesis. The field operators showed that a significant number of NGOs were no longer functional; even some organisations accredited in 2008 by the Ministry of Labour to supply social services were no longer operational.

The CAR had a different evolution, according to their type. While the employee CAR reduced their activity function of the evolution of the large economic enterprises, or where seriously affected during the periods of layoffs or by enterprise shutdown, the pensionaries CAR were less affected. The recent restraining of the banking activity encourages their activity, however, within the limits of a higher prudence in granting loans. The sector can be characterized as stable, with growth potential. Another advantage is that, even if the banking credits will be unfrozen, CAR activity will not be affected because they cover a part of the market which the banking sector neglects.

Current situation of the social economy organisations in South-West Oltenia and South Muntenia Regions

Cooperatives

The data obtained during our research show that except the credit cooperatives, all the other types of cooperatives displayed a positive trend only in terms of the turnover, existing a slight increase in 2009, compared to 2008. However, the profit and number of employees continue the decreasing trend noticed in 2007-2007. Thus, the profit decreased by almost 35% in 2008 compared to 2007 and by 25% in 2009 compared to the previous year.

The number of cooperative employees decreases annually, the most significant decrease being in 2006, compared to 2005. The trend remains constant for four consecutive years, enough to estimate that over the next years, without concrete measures of support, we will be speaking about the cooperative sector at the last tense. The evolution of the employee number is calculated only for the functional cooperatives at the moment of research, and it doesn't include the

number of employees which decreased during the period of survey by the closedown of cooperatives. According to the *Annual SMEs report (2008)*, in 2007, the number of production cooperatives decreased by almost 19%, while the number of the cooperatives providing services decreased by 7%.

Table 13 – Proportion of cooperative employees compared to the previous year (%)

	South-West Oltenia Region	South Muntenia Region
2006	81.5	86.6
2007	90.7	91.0
2008	89.4	92.4
2009	94.7	91.2

The most significant losses of employees occurred, in South-West Oltenia and South Muntenia Regions, in the craftsmen cooperatives, which have lost 16% of their employees in 2006, about 8% in 2007 and 2008, and 11% in 2009. The number of employees remained constant for the consumption cooperatives, the only decrease being recorded in 2008, of 10%, which was recovered partially in 2009.

In South Muntenia Region, the loss of employees from the craftsmen cooperatives was rather constant in 2006-2007. In 2009, the number of employees decreased in average by over 20%, the most affected being the clothing and footwear cooperatives. In some cooperatives, the number of employees decreased dramatically in 2008-2009, from 30-40 employees, to just 5-10 employees.

The estimations for 2010 contradict, largely, the trends of the past years: while about 40% of the cooperatives representatives consider that the profit and turnover will decrease, just 24.5% consider that the number of employees will decrease. The negative evolution of the three indicators is explained by the cooperatives representatives by the constant decrease of the orders and contracts. The most often mentioned solution to counter the adverse trends for profit and turnover, was the improvement of the economic situation. A low number of respondents claim support from the state institutions (aspect approached in detail in the subsequent section) or punctual solutions (merging with another cooperative of change of activity profile).

 NGOs

The average budget of the NGOs from the two regions increased by 14% in 2008, compared to 2007, and by 9% in 2009, compared to the previous year. Over 27% of the NGOs had 50% annual variations of their budgets compared to the previous years, which supports the hypothesis of their dependency on project-based financing. The average increase of the budgets is stronger in South-West Oltenia Region: almost 20% in 2008 compared to 2007 and 18% in 2009 compared to the previous year. The increase was more modest in South Muntenia Region: 10.4% in 2008 and 3.2% in 2009 compared to the previous years.

Table 14 - Proportion of the average NGO budget compared to the previous year (%)

	South-West Oltenia Region	South Muntenia Region
2008	119.2	110.4
2009	117.6	103.2

Only 6.7 of the NGOs, most of them from South Muntenia Region, obtained income from economic activities in 2009. In most cases, the income is the payment of services through CNAS (for 6 organisations), the other organisations obtaining incomes from rentals (2) or occasional incomes (hosting events, sales of promotional materials). No organisation obtained income through a commercial company (the most usual modality in the case of social economy activities).

Table 15 – Proportion of the amounts within the total budget, according to the source of financing (%)

Source of financing	South-West Oltenia Region	South Muntenia Region
1. Economic activities	0.5	9.5
2. Request for non-reimbursable financing	39.1	29.6
3. Direct request to financier	37.8	10.2
4. Subsidies from public and local authorities	8.9	10.5

Source of financing	South-West Oltenia Region	South Muntenia Region
5. Sponsorships	5.7	8.9
6. Members fees	3.5	7.2
7. 2% campaign.	4.0	5.1
8. Other source (donation etc.)	0.5	19.0
TOTAL	100	100

The most important source of financing in 2009 was the request for non-reimbursable financing (39.1% for South-West Oltenia Region and 29.6% for South Muntenia Region). Significant differences between the two regions were observed in the amounts drawn directly from the financiers, which represent 37.8% for the NGOs from South-West Oltenia Region and just 10.2% for South Muntenia Region. The main trend of the NGOs from South-West Oltenia Region was to draw funds by request of financing obtained through competition or by direct request (76.9% of the average budget), while the NGOs from South Muntenia obtained less diversified incomes, while not having the certitude of a stable income (for instance, donations of occasional economic activities). The annual increase of the average NGO budget was significantly higher in South-West Oltenia Region than in South Muntenia Region (Table 14).

The average number of employees decreased insignificantly in 2009 compared to 2008 (1%). The reduction of staff was claimed by the end of projects. A non-significant part of NGO representatives also mentioned other causes (retiring, high operational costs, layoff). The number of volunteers displayed the same trend, but the main reason for the reduction of their number is, in the opinion of NGOs representatives, the lack of motivation, followed by the lack of financing and projects.

Just like in the case of cooperatives, the estimations of NGOs representatives regarding the evolution in 2010 of the number of employees, number of volunteers and the budget, are in poor agreement with the main trends observed during the past years in the two regions. In the case of the budget, 50% of the NGO representatives from South-West Oltenia Region considered that it will remain constant or that it will increase, while the similar proportion for South Muntenia Region is 69.3%. Regarding the number of

employees, only 4.8% of the considered that it will increase in 2010 and 53.2% consider it will remain constant. The estimations are more optimistic in South Muntenia Region: 5.7% are expecting an increase, while 70% expect a constant number of employees compared to the previous year. The NGO representatives from South-West Oltenia Region also expected a more prudent evolution of the number of volunteers (67.7% expect a constant evolution or an increase) compared to South Muntenia Region (86.4%). The NGO representatives who expected a decrease in the number of employees or of volunteers explained it by the lack of financing opportunities and by the unfavourable economic climate.

CAR

The annual dynamics of CAR turnover is significantly different depending on the type of membership. While the pensionaries CAR units witnessed a constant increase of the turnover, in both regions, by 4-8% during 2007-2009, the turnover of the employee CAR increased by 6% in 2008 compared to the previous year in South-West Oltenia Region and by 3% in South Muntenia Region. Employee CAR budget increased only in South Muntenia Region (4%) in 2009 compared to the previous year, while it remained constant in South-West Oltenia Region. This dynamics is caused by the evolution of the number of members of employees CAR, which decreased slightly compared to the previous years. The effects of the decreasing number of members are felt over the following years. These data don't include the shutdown of the CAR affiliated to the economic enterprises which closed down.

Table 16 – Dynamics of the number of members compared to the previous year (%)

	South-West Oltenia Region		South Muntenia Region	
	Pensionaries CAR	Employee CAR	Pensionaries CAR	Employee CAR
2008	100.3	100.8	106.1	86.3
2009	101.3	98.7	103.4	94.3

For 2010, CAR representatives estimated in an optimistic manner the evolution of the membership, of the turnover, of the number of employees and

of the profit. Except one pensionaries CAR, 57% expect the number of members to remain constant and 37% expect it to increase. In the case of employee CAR, 57% expect the number of members to remain constant, 23.5% expect it to increase and 15.5% expect the number of members to decrease. The lower incomes and the unemployment are the main reasons claimed by the representatives of employee CAR. All CAR units have a rather modest staffing in comparison with the cooperatives.

The CAR were not affected by major variations of the budget, but the budget might decrease of the employee CAR due to the decrease of the membership. The strongest effects will be felt by the CAR affiliated to the large economic enterprises having wide variations of activity. The massive layoffs, the shutdown of units/work points affect directly the activity of the affiliated CAR units. The employee CAR whose members belong to the public services will also have lower rates of activity, although the number of members is expected to increase. The recent pay cuts for the state employees will redirect them towards the CAR established in their own institutions/enterprises. However, the data produced by the qualitative survey show that employee CAR representatives are more cautious to accept new members within unfavourable contexts (imminent layoffs, pay cuts). The size of the loans given to the members with short membership history are lower than the maximal limits set by the law, just in order to avoid possible payment incidents.

The NGOs still depend on external funding. No surveyed NGO obtains significant and constant incomes from an economic activity. The proportion of such incomes is of just 0.5% in South-West Oltenia Region and 9.5% in South Muntenia Region, which includes the incomes obtained from the Health Insurance House for the services provided to beneficiaries.

Support by the state institutions for the social economy organisations

No forms of direct support for the social economy activities have been identified. Although various types of support given to the social economy organisations have been mentioned, the structure of this support shows that the authorities support indirectly and partially the social economy, by facilities granted mostly to the disadvantaged groups (through the social services of the

NGOs) or to the vulnerable persons who have a good potential to influence the polling decisions (pensionaries CAR). Most forms of support are stipulated by the laws regulating the activity of each type of social economy organisation and they have an insignificant impact for the sustainable development of the sector.

Only 10 CAR units (4.2%) mentioned forms of support which they received from the state, the most frequent one being the facility of renting state-owned residential areas under preferential conditions. All supported CAR belong to pensionaries. Except for one CAR unit, all the other which have been supported by the state operate in small towns or in rural areas.

The state aid for cooperatives too is modest, only 15 cooperatives (5.3%) mentioning that they have been aided. The proportion of the cooperatives supported by the authorities is double in South Muntenia Region compared to South-West Oltenia Region. Most such organisations are agricultural cooperatives and the most frequent forms of support are the payment of subsidies, or exemptions and facilities to pay the due taxes and levies to the local budgets.

Almost 30% of the NGOs have been supported by the local authorities, the most frequent forms of support being the subsidies and non-reimbursable financing. Most NGOs which received support run activities in the area of social services, health care, education, charity. The least supported were the organisations active in culture or environmental protection. There are significant difference between the two regions: only 14.% NGOs from South-West Oltenia Region received support, compared to 41% in South Muntenia Region.

Conclusions

Beyond the significant impact which they have for the protection of the vulnerable or disadvantaged social categories, the three types of organisations have a low potential to develop social economy activities. There is no specific legal framework which to encourage the development of social economy activities (this syntagma doesn't even exist in the Romanian legislation), and the availability of the public institutions to support the organisations addressing the vulnerable groups is very limited. The cases in which these organisations address directly the increased of the employment rate of the

disadvantaged groups are rather isolated. As a general characteristic, except for the NGOs, the other types address indirectly the disadvantaged categories, and they provide no constant service for their social reintegration, but by the nature of their activity and by the focalisation of their working areas, they produce significant forms of indirect impact.

Their evolution during the recent years is not encouraging and there are no forms of concrete support by the state. Beyond the lack of a strategy for the social economy sector, there are no clear measures addressing the social economy organisations. Of the three types of organisations, the cooperatives displayed the strongest reductions of activity and number of employees. What it is worrying, is that the unfavourable economic situation doesn't seem to be the main cause, since the turnover and the number of employees decreased constantly over the recent years. Most probably, the effects of the economic crisis will be felt during the next 1-2 years, particularly for the cooperatives active in the areas that were worst affected by the crisis (constructions, textile production). The activity of the consumption cooperatives also seems to take a downward trend since most of them operate in rural areas, where self-consumption is expected to increase.

PARTICIPATION AND PERCEPTION ON SOCIAL ECONOMY SERVICES

Visibility of the social economy organisations

The social economy organisations are little known by the population, some types being even very little known (Table 17), which outlines the premises of a partial evaluation on the topic of research. The responses to the questions regarding notoriety revealed the fact that only in the case of the pensionaries mutual aid organisations (CARP), more than 50% of the interviewed people knew about them. At the same time, just 38% of the subjects declared that they known of the existence of employee mutual aid organisations (CAR) in their locality of residence, or in the county. These two percentages, although they are the highest of all the surveyed organisations, are surprisingly low, however, because these types of organisations operate in each of the 12 surveyed counties.

Within the category of the cooperative organisations, the credit cooperatives are best known, little over one third of the respondents declaring that they know of the existence of such organisation in their locality of residence, or in the county. On the other hand, less than 20% of the interviewed subjects knew of the existence of associations and foundations. The lowest scores in terms of reputation were noticed for the protected workshops and free peasants collectivity (6% and 7%, respectively). Overall, we ma say that the types of social economy organisations are *little and very little known* by the population, which contributes significantly to the establishment of a relative image both on the social economy organisations and on the impact of their activity on the different target groups.

**Table 17 – Are there in your locality or in your county.....?
(%, in both regions)**

	Yes	No	Don't know
CAR	38	25	37
CARP	54	25	21
Credit cooperatives	35	36	29
Agricultural cooperatives	12	53	35
Craftsmen cooperatives	13	49	38
Consumption cooperatives	13	50	37
Protected workshops	6	52	42
NGO	19	46	35
Collectivity of free peasants	7	52	41

The observed visibility of the social economy organisations by area of residence shows important differences between the rural and urban population for each of the analysed types (Table 18). The percentage of rural population knowing of the existence of the different types of social economy organisations is significantly lower than the percentage of urban population. Thus the percentage of the rural subjects knowing of CAR existence is half of the urban percentage. The explanation of these differences comes, mainly, from the concentration of the associative forms specific to the social economy (less the agricultural cooperatives and the collectivity of the free peasants) in urban localities, and from the different occupational structure of the population.

**Table 18 - Urban-rural difference of the percentage of subjects knowing of the existence of social economy organisations in their locality/county
(%, in both regions)**

	CAR	CARP	Credit coop.	Agric. coop.	Craftsmen coop	Consumption coop.	Protected workshop	NGO	Coll. of free pea.
Urban	54	71	44	17	21	18	9	29	9
Rural	26	41	27	8	8	8	3	12	5

Although the sample is not representative for the data at the county level, the significant number of interviewed subjects in each county (Argeş -

506; Călărași - 234; Dâmbovița - 439; Dolj - 572; Giurgiu - 248; Gorj - 284; Ialomița - 218; Mehedinți - 256; Olt - 377; Prahova - 667; Teleorman - 367; Vâlcea - 334) allows the estimation of the social economy organisations visibility in the territory (Table 19 and Figure 11). The data on the visibility of the social economy organisations in each county reflect largely the real situation of each such organisation.

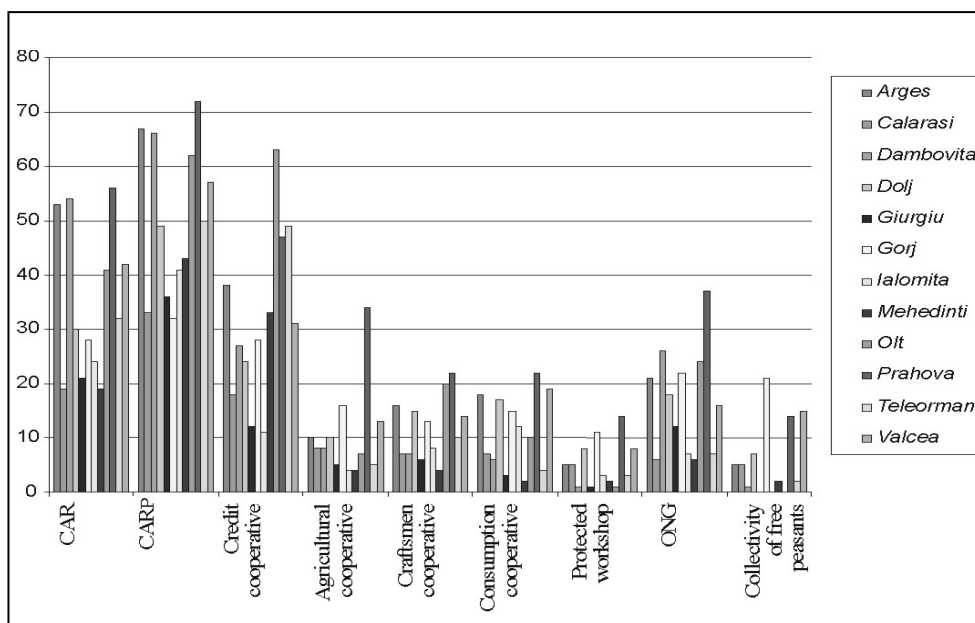
The data show a higher level of social economy organisations visibility for Prahova, Argeș and Dâmbovița counties, while some of the lowest values were scored in Giurgiu, Ialomița and Mehedinți. The mutual aid organisations (both CAR and CARP) are known by more than 50% of the investigated population in Argeș, Prahova and Dâmbovița counties, while the credit cooperatives are best known in Olt, Prahova and Teleorman counties. The visibility of NGOs varies between 6% in Mehedinți and Călărași and 26% in Dâmbovița, respectively 37% in Prahova. The agricultural, craftsmen and consumption cooperatives are generally known by 10 to 20% of the investigated subjects.

Table 19 – Differences between counties²⁴ in the percentage of subjects knowing of the existence of social economy organisations in their locality/county (%)

	CAR	CARP	Credit coop.	Agric. coop.	Craftsmen coop	Consumption coop.	Protected workshop	NGO	Coll. of free pea.
Argeș	53	67	38	10	16	18	5	21	5
Călărași	19	33	18	8	7	7	5	6	5
Dâmbovița	54	66	27	8	7	6	1	26	1
Dolj	30	49	24	10	15	17	8	18	7
Giurgiu	21	36	12	5	6	3	1	12	-
Gorj	28	32	28	16	13	15	11	22	21
Ialomița	24	41	11	4	8	12	3	7	-
Mehedinți	19	43	33	4	4	2	2	6	2
Olt	41	62	63	7	20	10	1	24	-
Prahova	56	72	47	34	22	22	14	37	14
Teleorman	32	50	49	5	10	4	3	7	2
Vâlcea	42	57	31	13	14	19	8	16	15

²⁴ The research sample is not representative at the county level. The percentages presented at this level of analysis have exploratory signification.

Figure 11 - Percentage of subjects knowing of the existence of social economy organisations in their county



Participation of the individuals in the activity of the social economy organisations

Of all the subjects declaring that they have participated in the activity of the social economy organisations, 68% said that this helped them to improve their situation or the situation of their family members, while the participation of the individuals in social economy activities had much lower positive effects on the friends, neighbours, disfavoured groups or community (Table 20).

The activities of the social economy organisations are seen by the involved people, mainly as a source of income, the reason for their participation having a significant instrumental character. Thus, the main factor determining the involvement of the individuals in the activity of the CAR, NGOs or cooperatives was to accomplish personal objectives, in other words, to procure advantages, material or as services. Correlatively, the part of the voluntarily activities is very poorly represented, and it is not a current practice for the social economy organisations.

Table 20 – Perception of advantages from the participation of the subjects in the activity of the social economy organisations²⁵ (% , in both regions)

	Yes	No	Don't know
It contributed to the improvement of the situation of the respondent and his/her family	68	20	12
It contributed to the improvement of the situation of the neighbours, friends and colleagues	20	62	18
It contributed to the improvement of the situation of the disfavoured groups	13	68	20
It contributed to the improvement of the situation of the local community	14	67	19
It contributed to the improvement of the situation in Romania in general	10	68	22

The research confirmed the poor participation of the population in the activity of the social economy organisations. Of all the sample, just 131 subjects stated that they, or one of the family members used, during the past year, the services of employee CAR, while 244 respondents used the services of pensionaries CARP and just 50 persons declared that they, or one of the family members had taken a loan from a credit cooperative during the past year. None of the subjects used the services of the consumption, craftsmen or agricultural cooperatives, or to the services provided by the various associations and foundations.

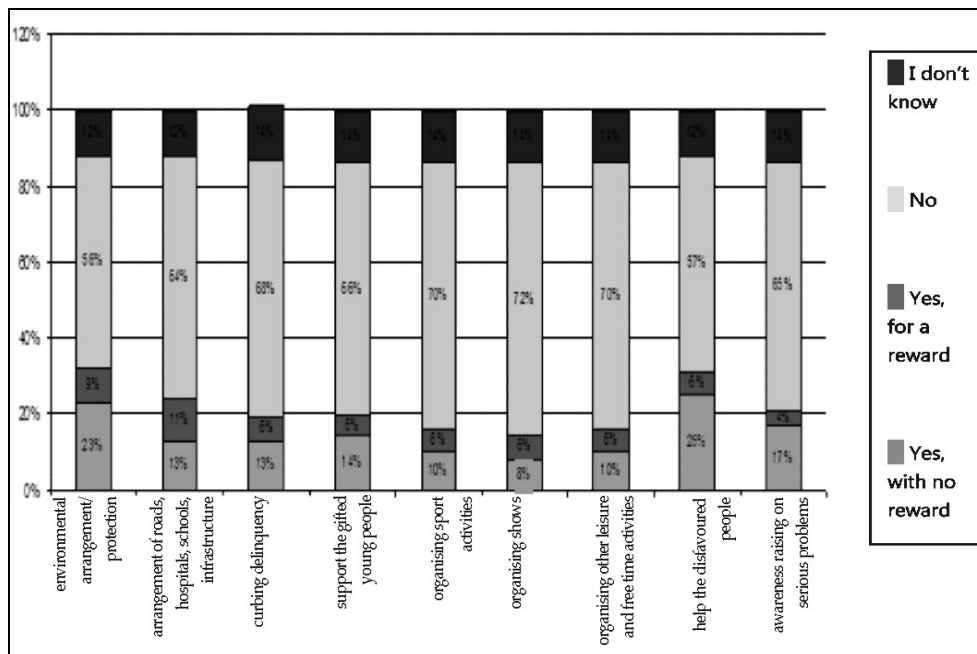
Table 21 – Types of social economy benefits for the survey sample (% , in both regions)

	Credits	Emergency cash aid	Periodical financial or material aid
Employee mutual aid organisation	2.6	0.1	0.1
Pensionaries mutual aid organisation	3.6	0.3	0.1
Credit cooperative	0.5	0.0	0.0
NR	1.4	7.7	8.0
Total	8.1	8.1	8.1

²⁵ Percentages obtained after the exclusion of the missing results (valid sample – 515 subjects). The percentages were rounded up to the closest full number.

Only 3% of the interviewed persons declared that they intend to become CAR member and 7% declared that they intend to become CARP member; all the other three types of social economy organisations scored insignificant values. The availability to become involved in local initiatives also is low (Figure 12). Of all the categories of activities included in the questionnaire, only *environmental protection* (23%) and *aiding the disfavoured people* (25%) scored higher percentages.

Figure 12 - Availability to become involved in local initiatives (N = 4,498)



We may explain the non-participation of the subjects to the activity of the social economy organisations more by the poor knowledge about these organisations (as shown by the large proportion of subjects who declared that they don't know of the existence of the social economy organisations in the county), than by the adverse evaluation of their activity.

At the opinion level, the main reasons which the subjects claim as cause for non-participation relate to the overloaded program or to the lack of significant benefits as result of their involvement (Table 22). Taking into

consideration that 44% of the subjects interviewed about the reasons for non-involvement, indicated the “*lack of benefits*” as main factor, we may consider that the promotion of the individual advantages, corroborated with the expansion of the range of services provided to the people, might increase the involvement of the population in these types of activity.

Table 22 – Reasons invoked by the subjects for their non-participation in the social economy activities²⁶ (in both regions)

Reasons invoked for non-participation in the social economy activities	%
The opinion of the ordinary people are not taken into consideration	8
No confidence in such organisations	8
No confidence in the leaders of such organisations	6
Don't believe in solving problems in this way	13
No time	30
No benefit	44

Perceptions on the activities and quality of the social economy services

The proportion of the people who used the services of the social economy organisations is very low, which don't allow us to make a representative statistical profile of these evaluations. However, based on the existing data, we may identify a negative perception among the segment of the population who used the services provided by the social economy organisations (Table 23).

²⁶ The percentages represent the proportion of the respondents (from the valid sample of 2253 subjects) who have identified the above items as reasons for not getting involved in the activity of the social economy organisations. The percentages were rounded to the closest full number. Multiple answer.

The most unfavourable scores were those evaluated for the cooperatives. Of the 341 people who answered the questions regarding the evaluation of the conditions for loans, 309 stated they were *dissatisfied or very dissatisfied*. The same proportion was for the evaluation of the conditions of reimbursing the credit, where 150 persons of the 171 subjects who answered this item provided negative evaluations. Otherwise, all the items which measured the satisfaction with the benefits of the social economy services had negative evaluations, but the low number of people who answered these questions, because of the low participation of the population in the social economy activities, make these results highly relative, reducing thus their validity.

Table 23 – Satisfaction with the benefits provided by the social economy organisations (in both regions)

How much satisfied are you with....	Number of answers	Very satisfied	Satisfied	Dissatisfied	Very dissatisfied
Conditions for granting a loan	341	15	17	174	135
Conditions for reimbursing the loan	171	10	11	89	61
Conditions for granting the emergency material aid	122	6	7	73	36
Amount received as periodical financial or material aid	52	-	13	31	8
Job seeking support services	26	6	6	12	2
Quality of services in the day care centre	20	1	8	10	1
Conditions for the purchase of products or services, other than loans	25	2	7	13	3
Counselling services	23	2	9	11	1

Perception of the social economy by the representatives of the social economy organisations

Knowledge of the social economy concept: content and sources of information

Between the 12 counties included in the survey there are large differences in terms of the knowledge of the social economy concept. The only county where the social economy concept is relatively well-known by most of the representatives of the social services suppliers is Vâlcea. Furthermore, in this county, three institutions (County Directorate for Social Assistance and Child Protection (DJASPC), the County Union of the Craftsmen Cooperatives (UJCM) and the Association „Depresiunea Horezu”) filed or intended to file financing projects on axis 6.1 of POSDRU, dedicated to the social economy. On the other hand, in Mehedinți and Ialomița, very few representatives of the surveyed institutions had heard of the social economy. For instance, the answers received from Mehedinți County at the answer regarding the knowledge of the term are very vague: “economy taking care of people” or “let all people live”.

Some observations can be drawn for most counties regarding the knowledge of the social economy concept. The best informed seem to be the representatives of the central institutions: AJOFM and particularly DJASPC. Thus, DJASPC representatives from 8 counties know the term while the representatives from other two counties (Călărași and Prahova) “placed vaguely the term towards the social area”. AJOFM representatives from 6 counties have heard of this term. Regarding the other social economy organisations, the knowledge of the concept varies from county to county. In some counties, the representatives of the Chambers of Trade and Industry (CCI) know the term (for instance, in Argeș and Dâmbovița), but in others, the concept of special economy is a strange one (Călărași and Prahova). An interesting case is in Ialomița, where the concept seems to be known only by CCI president and by the coordinator of a cultural association.

The sources of information also are quite varied. On the other hand, AJOFM, DJASPC or CCI representatives have learnt of the social economy by attending the events when projects with foreign financing were launched (Argeș, Dâmbovița, Vâlcea), or from the handbook of the applier for POSDRU financing (Olt). On the other hand, DJASPC representatives have attended information

meetings on the subject of social economy organised by NGOs (Dolj), they have found out individually of the social economy, attending post-university courses at Bucharest University (Giurgiu) or training courses at Bucharest and Craiova (Gorj). In the case of the cooperatives, the information about the social economy were passed over to their representatives during UCECOM meetings (Călărași) or during UCECOM meetings with Italian partners (Vâlcea). The NGOs came into contact with the term either by participating in discussions with other organisations domestic (NGO „Vasiliada” from Dolj County), or because they are among the very few NGOs actually supplying social economy (NGO „SOS Copiii Gorjului” from Gorj County), or because they prepare POSDRU projects on social economy (NGO „Nagal” from Olt County).

In many counties, CAR or CARP representatives have heard of the term of social economy²⁷ (Argeș, Călărași, Dâmbovița, Ialomița, Mehedinți, Olt, Prahova, Teleorman and Vâlcea). In other counties (Giurgiu, Dolj), CARP representatives know of the existence of some social economy activities, but they are not interested in them because they didn't bring profit for the CARP: in the past.

Evaluation of the current state of the social economy

For some representatives of the craftsmen or consumption cooperatives directly involved in social economy activities, their situation can be best described in terms of “survival” (for instance, in Giurgiu, Gorj and Ialomița). In Giurgiu, at least, this term also characterizes their conservative economic strategy: both interviewed craftsmen cooperatives aim to ensure their economic survival, but they are not interested to take credits and fear to make debts. At the opposite end of the economic efficiency, the 22 craftsmen cooperatives from Vâlcea County had some losses during the past years (folk art, footwear etc.), but most of them made profit (hygiene-hair dressing, cosmetics, carpentry, tourism). Outside this evaluation of the actual situation, other institutional representatives have provided an evaluation of the social economy in principle.

²⁷ Some reports just mention that the term of social economy is not known, without specifying particularly the CAR.

Several respondents evaluated the role of the social economy as being positive (for instance, in Dâmbovița County), although some people specified conditions which must be met so that the social organisations accomplish their role. For instance, the representatives of the craftsmen cooperatives from Călărași County consider that the social actions are more necessary than ever, but this is only possible if the “cooperatives do better”. Most of the representatives of the institutions from Mehedinți County consider that the social economy is viable, but under the hypothetical conditions in which there is no competition, and the state has a determinant role of support and protection. In Olt County, DJASPC and the NGOs, who had contacts with the social economy, evaluate positively this type of activity. Finally, in Teleorman County, the perception of the social economy is generally positive, particularly in terms of the potential it has for the disadvantaged groups. This last aspect of social economy perception, particularly important for this paper, will be detailed in a separate section.

However, there also are less optimistic evaluations. The president of the protected workshop „Împreună” from Argeș, considers that under the current economic, social and legislative conditions, social economy is a positive intention, but hard, if not impossible, to put into practice. In Dolj County, the people consider that the employee CAR is of real help for all its members, because it gives loans at low interest. Likewise, in Ialomița, CARP president said that “the association does well, the people are industrious”.

Evolution of the social economy from the socialist past to the uncertain future

The cultural pattern used by many cooperatives when they speak of their past and future, is related to the important role which these cooperatives had during the socialist period. In almost all cases, the narration takes the form of a description of the “lost glory”. For instance, the president of SCM „Sârguința” from Giurgiu County, said that before 1989, the cooperatives were strong (as number of members), influent (by the many contracts they concluded with various economic agents) and rich (by the areas they owned). In Mehedinți County, the representatives of the craftsmen and consumption cooperatives consider that during the socialist period, the “activity was going very well”. A similar point of view is reported in Teleorman where, before 1989, the

cooperative system accounted for a significant share of the county economy, and where there were cooperatives working in the field of industry, exporting their production. Finally, the program coordinator of the Socio-cultural Association "Matei Basarab" (NGO with profit-making activity) considers that „in the time of Ceaușescu [...] there was social economy. The former IAS had kindergarten, bakery, transportation for the workers, shops... It was a type of social economy which hopefully will be operational again in 15-20 years.”

From the perspective of many respondents, the decline started after 1990. According to the president of the craftsmen cooperative „Atcom” from Călărași, the cooperative craftsmen societies (SCM) have lost members and economic importance during the period of transition on the account of three causes: technological, causes pertaining to the fiscal system and causes pertaining to the decapitalization of these societies.

Similar to the representations on the past, the consideration regarding the future vary with the level of specificity of the social economy activities they refer to. In some cases, the evaluations of principle tend to be positive. In Argeș County, for instance, the prospects of the social economy are favourable because “the social economy activities have as effect not just the improvement of the living conditions of the disfavoured people, but ultimately, of all the population” (DJASPC representative). The president of the Călărași County CAR Union considers that “if the politics and the banks don’t interfere, if we are let alone, it work fine”. The president of the craftsmen cooperative „Prestarea” from Ialomița County, considers that this type of organisation has a future in Romania. The president of the most important cooperative from Călărași County, „Atcom”, considers that the social economy or the cooperatives are an “alternative to capitalism”. However, he adds, it depends on the future whether we are heading towards a Brazilian type of cooperatives (based on survival) or towards a German, west-European type, based on a combination of the social economy with the profit. In Gorj County, all the interviewed providers of social services, not just those from DJASPC, consider the development of the social economy as being beneficial and necessary. Finally, the representative of the Vâlcea County Union of Craftsmen Cooperatives said that would the governments pay attention to the cooperatives, big problems in the economy would be solved. In Spain, he said, the cooperatives account for 80% of the industry.

On the other hand, however, other institutional actors see a quite bleak future of the social economy. For instance, in Teleorman County, the evolution of the cooperative sector is seen in quite pessimistic terms. Without the consistent support of the state (financially included), the cooperative sector runs the risk of extinction. It is critical that the social economy organisations, by the volume of their activity, have a lower impact in relation with the importance they had before 1989. Similarly, in Dolj, the president of the County Union of the Consumption Cooperatives, cannot see the future of the social economy “in pink, as long as there are no rules, a social order, there cannot be a good social economy”. CCI Giurgiu president observed a paradox which shows a long-term evolution: the cooperatives decayed after 1990, although “they could have developed very well after 1990, because nobody stopped them. They had all the material basis, which could be used. At that time, nobody had its own specialised shops”, as some cooperatives from Giurgiu had, particularly the consumption cooperatives.

At a more specific level, one can see both positive evolutions, and negative evolutions. In Călărași, for instance, the forecast is an expansion and consolidation of the craftsmen cooperatives over the next 15 years. The main projects within this planned expansion are to build a kindergarten, a social centre for the cooperative pensioners and a district of social homes. In Argeș County, CARP plans to open a doctor’s office for family medicine for the people on very low incomes.

From a less optimistic point of view, the representatives of the consumption cooperatives and of the craftsmen cooperatives observed a negative evolution of the organisations. Both the number and the activity of the craftsmen cooperatives from Olt County decreased. By their organisation on the basis of Law 1/2005, the process of shutting down these cooperatives has been cancelled, but the number of the cooperative members keeps on decreasing. Between 2005 and 2008, for instance, the number of cooperative members decreased by 25%. The situation is critical for the consumption cooperatives, the turnover of the Olt County Union of Consumption Cooperatives decreasing with more than 20% in 2008 compared to 2007, while the 2009 data are expected to be dramatic (vice-president of UJCC Olt).

From the perspective of the quantitative research on the cooperatives, there are some interesting differences and similarities between the two regions. The short-term (2010) evolution of the cooperatives is seen more pessimistically

in South Muntenia Region (47.9%) than in South-West Oltenia Region (44.1%), in terms of the turnover, but the differences is not statistically significant²⁸. The difference between the subjects who consider that the turnover is constant is low (46.1% in South-West Oltenia Region and 41% in South Muntenia Region), same as it is the difference between the subjects who consider that the turnover will increase (9.8% in South-West Oltenia Region and 11.1% in South Muntenia Region).

Statistically, there are no significant differences²⁹ between the cooperatives from the two regions in the perspective of profit evolution in 2010. The expectation of a falling profit is almost similar in South-West Oltenia Region (46.8%) as it is in South Muntenia Region (45.5%). The optimism of the respondents from the two regions regarding the increase of the profit also is similar, at a low level: 12.8% in South-West Oltenia Region and 11% in South Muntenia Region. The proportion of the subjects who consider that the profit will remain at the same level in 2010 is slightly higher in South Muntenia Region (43.4%) than in South-West Oltenia Region (40.4%).

An outstanding similarity also exists in the expectation for the number of employees in the two regions³⁰. The differences between them are larger than one percent only for the subjects who consider that the number of employees will remain constant: 64.4% in South-West Oltenia Region and 65.5% in South Muntenia Region. In the other cases, the proportion of the subjects who expect an increase or a decrease of the employee number, shows insignificant differences between the two regions: 6.9% in South-West Oltenia Region and 6.3% in South Muntenia Region, and 28.7% in South-West Oltenia Region and 28.2% in South Muntenia Region.

²⁸ The statistical test that we used is Pearson's chi-square, for which we calculated a value of 0.644. The level of significance for 2 degrees of freedom is $0.725 > 0.05$, which shows that the opinions on the evolution of the turnover do not depend on the region.

²⁹ The chi-square value is 0.290, which for 2 degrees of freedom, shows a level of significance of $0.865 > 0.05$, which shows that the perception of profit evolution doesn't depend on the region.

³⁰ The chi-square value is 0.049 which shows, for 2 degrees of freedom, a level of significance of $0.976 > 0.05$.

Initiatives and proposals to improve the social economy activities

The initiatives of the different organisations providing social services, with the purpose to expand or consolidate the social economy activities are very diversified, each one responding to the context where it acts. We will first review the initiatives of the central institutions at the county level: AJOFM and DJASPC. These initiatives represent a very large category, including both “ideological” opinions (otherwise said, from the perspective of more or less explicit criteria of value) of some representatives of these institutions on how to improve/efficientise the integration on the labour market, and actual measures implemented by these institutions.

AJOFM Argeş representative considers that there could be a higher involvement of the beneficiaries only if the control of their activity (work for the community) would be more efficient. Without this control (type of activity, number of hours, number of beneficiaries who performed the same type of activity, etc.), the people might become demotivated to seek a job, which stresses their dependence on the social aid and increases the poverty of the population. We will subsequently detail the perceptions of the social services providers on the responsibility or role of the various factors which might contribute to the development of the social economy: financing from the state, foreign financing, legislation, mixed support. Adding to these is a brief presentation of several concrete initiatives of some providers or social services.

Financing from the state

According to the representatives of the central institutions from Dâmbovița County (AJOFM, DJASPC and CCI) the main party in charge with the level of social economy development is the state. A similar position, however, still criticised, is in Gorj County. Some institutional actors consider that the state should continue assuming the main responsibility for the support of the NGOs and of the private companies as catalysts for social economy development. This should be done by direct involvement: NGO financing and tax exemptions for the companies engaged in social economy. For instance, the director of „SOS Copiii Gorjului”, Foundation, the only NGO in Gorj County with social economy activities, considers that the state should be responsible with the financing of the social economy activities. The financing should be done via a mechanism of fiscal redistribution, which already exists, but at a

much to low level, compared to the need for financing. The reaction to such opinion was captioned in detail in Gorj County, by two forms of discourse, one ideological, the other one pragmatic, of three DJASPC representatives.

In the first case, the argument is that the state should get involved less, not more, if we take into consideration that its main role is to put some social mechanisms into action, which must thereafter function autonomously. The supporters of this opinion accept, however, the change of perspective which should occur by the development of the social economy and by the transition from social protection based almost exclusively on passive approach to an approach based on active measures of social protection. Thus, the state should not finance the NGOs, rather provide them with a favourable context where they can operate successfully. An illustration of this opinion is a metaphor used by a respondent from Gorj: "How is it, that the state provides for the NGOs? I mean, instead of giving it a rod to fish, until now we giving them fish by the bag, now we are giving them fish by the barrel?". The pragmatic arguments against the direct involvement of the state in the support of the social economy activities go to the lack of state resources during the period of crisis: "we can not leave it all to the state; don't you see that the state doesn't even has enough to pay the wages?" A more comprehensive image on the perceptions of the main providers of social economy services, the NGOs, cooperatives and CAR will come out by comparing the data from the quantitative research on these organisations.

NGOs

The quantitative data on the offer of social economy shows some similarities between the regions on the need for support perceived by NGOS representatives. A high proportion, 76.7%, of the organisations from South-West Oltenia Region consider that the non-governmental sector needs very much the support of the government, while an even higher proportion (87.3%) from South Muntenia Region have the same opinion. The difference between the two regions is not statistically significant at the level of 0.05³¹.

³¹ Pearson's chi-square test, for which we calculated a value of 2.527, shows, for 2 levels of freedom, a probability of 0.471, which shows that the opinions on the governmental support do not depend on the region.

The differences between the two regions are not significant for the opinion on the support of the county³² and local³³ authorities either. In South-West Oltenia Region, 81.3% of the NGOs consider the support of the County Council as important or very important, while 73.9% of the NGOs consider this in South Muntenia Region. The values showing the need for support from the town halls are 81.3% in South-West Oltenia Region and 78.4% in South Muntenia Region.

A significant difference between the two regions appeared for the question regarding the support for the unions or federations of NGOs³⁴. In South-West Oltenia Region the idea that the support for the unions is important or very important is much less spread, 63.7%, compared to South Muntenia Region, where 80.9% of the NGOs representatives share this opinion.

Following are some quantitative data on the forms of support which the NGOs consider to be important. Regarding the subsidies, the difference between the two regions are statistically not significant for the probability level of 0.05³⁵. In South-West Oltenia Region, 85.8% of the NGOs consider that this support is rather important or important, while 90.9% of the South Muntenia Region NGOs consider this thing.

No significant differences³⁶ were observed between the representatives of the two regions regarding the fiscal facilities for employment. 89.2% of the respondents from South-West Oltenia Region said that such facilities are rather important or important, while the corresponding percentage for South Muntenia Region is 80.4%.

³² Pearson's chi-square value of 2.556 shows, for 3 levels of freedom, a level of significance of $0.465 > 0.05$.

³³ Pearson's chi-square value of 2.116 shows, for 3 levels of freedom, a level of significance of $0.549 > 0.05$.

³⁴ Pearson's chi-square value of 16.289 shows, for 3 levels of freedom, a level of significance of $0.001 < 0.05$.

³⁵ Pearson's chi-square value of 5.332 shows, for 3 levels of freedom, a level of significance of $0.149 > 0.05$.

³⁶ Pearson's chi-square value of 5.814 shows, for 3 levels of freedom, a level of significance of $0.121 > 0.05$.

An interesting and statistically significant difference³⁷ was noticed between the two regions at the question regarding the tax exemptions. The NGOs from South-West Oltenia Region consider that these tax exemptions are important or rather important in proportion of 69.7%, while the corresponding proportion in South Muntenia Region is higher: 90.7%.

Cooperatives

The opinions of both regions are very similar at the question regarding the governmental support for the cooperatives. There are no statistically significant differences between South-West Oltenia Region and South Muntenia Region for the level of 0.05³⁸. 72.9% of the representatives of South-West Oltenia Region cooperatives consider that the government should support much and very much the cooperative sector, while 76% of the representatives of South Muntenia Region consider this thing. In terms of the support from the county authorities, although the difference between the two regions is not statistically significant³⁹, the cooperatives from South-West Oltenia Region perceive a higher need for support than the cooperatives from South Muntenia Region. Thus, 57.8% of South-West Oltenia Region cooperatives consider that the support is important or very important, while only 41.7% of the South Muntenia Region cooperatives have the same opinion. The support of the local authorities is also more sought by the representatives of the South-West Oltenia Region cooperatives than by those of South Muntenia Region cooperatives, but neither this time, the difference is not statistically significant⁴⁰. However, the opinion that the cooperative sector should be supported much and very much by the town hall is wider spread in South-West Oltenia Region (50%) than in South Muntenia Region (41.3%).

³⁷ Pearson's chi-square value of 13.139 shows, for 3 levels of freedom, a level of significance of $0.004 < 0.05$.

³⁸ Pearson's chi-square value of 1.484 shows, for 3 levels of freedom, a level of significance of $0.686 > 0.05$

³⁹ Pearson's chi-square value of 7.139 shows, for 3 levels of freedom, a level of significance of $0.068 > 0.05$.

⁴⁰ Pearson's chi-square value of 2.224 shows, for 3 levels of freedom, a level of significance of $0.527 > 0.05$.

The only question where there is a significant difference⁴¹ between the regions refers to the support from the cooperative unions or federations. The difference comes from a high polarization of the answers in South-West Oltenia Region compared to South Muntenia Region. While in the latter region, only 10.9% of the respondents consider that the cooperative unions or federations should support little the cooperatives, in South-West Oltenia Region the corresponding percentage is of 17.4%. At the other end of the scale, 47.6% of the respondents from South Muntenia Region consider that the support of the cooperative unions is very necessary, while the corresponding proportion in South-West Oltenia Region is of 57%.

We will present subsequently quantitative data on the forms of support which the cooperatives consider to be important for their activity. The differences between the regions are not statistically significant at the level of 0.05, for the opinions regarding the support as subsidies⁴², tax exemptions⁴³ or the facilities for employing staff⁴⁴.

The subsidies are somehow more important for the cooperatives from South-West Oltenia Region than for those from South Muntenia Region, because 73.6% of the cooperatives from the first region consider them to be rather important or very important, compared to 69.4% in South Muntenia Region. The tax exemptions are rated higher in both regions, 84.6% of South-West Oltenia Region cooperatives considering them to be rather important or very important, while the corresponding percentage is 81.6% in South Muntenia Region. The financing for employing staff also play an important role in both regions: 84.4% of South-West Oltenia Region cooperatives consider them to be rather important or very important, while the corresponding percentage is 80.7% in South Muntenia Region.

⁴¹ Pearson's chi-square value of 8.445 shows, for 3 levels of freedom, a level of significance of $0.038 < 0.05$.

⁴² Pearson's chi-square value of 4.076 shows, for 3 levels of freedom, a level of significance of $0.253 > 0.05$.

⁴³ Pearson's chi-square value of 5.427 shows, for 3 levels of freedom, a level of significance of $0.143 > 0.05$.

⁴⁴ Pearson's chi-square value of 2.944 shows, for 3 levels of freedom, a level of significance of $0.400 > 0.05$.

CAR

In a strong contrast with the non-governmental organisations and with the cooperatives, between the two regions there are significant differences in the perceived need for governmental, county and local support⁴⁵ or for support from the unions or federations of CAR⁴⁶. Regarding the support expected from the government, while 76% of the CAR from South-West Oltenia Region consider it to be very important or important, only 22.3% of the CAR from South Muntenia Region share this opinion.

The support of the County Council is expected much and very much by 56.3% of the mutual aid organisations from South-West Oltenia Region, but by only 14.7% of the CAR from South Muntenia Region. Similarly, but at a lower level, 28.2% of the CAR from South-West Oltenia Region want town hall support, while 19.3% of the CAR from South Muntenia Region have the same expectations.

Although there are differences between the two regions, the answers to the question regarding the support provided by the CAR unions, they are moderate: 94.3% of the respondents from South-West Oltenia Region and 81.8% of the respondents from South Muntenia Region. However, the support is desired by most of the CAR units from both regions.

The representatives of the CAR units from the two regions have very little differentiated expectations for different concrete forms of support, such as subsidies, tax exemptions or the fiscal facilities for employing staff⁴⁷. Regarding the subsidies, no less than 80% of the mutual aid organisations from South-West Oltenia Region consider them to be rather important or very important. On the contrary, just 31.2% of the CAR representatives from South Muntenia Region grant them the same importance. Tax exemptions are rated as rather important or very important by 88.4% of the CAR from South-West Oltenia Region, and by just 53.5% of the organisations located in South Muntenia Region. An even higher discrepancy can be observed regarding the fiscal

⁴⁵ All Pearson's chi-square values for these variables show a level of significance of $0.000 < 0.05$.

⁴⁶ Pearson's chi-square value of 9.697, shows, for 3 levels of freedom, a level of significance of $0.021 < 0.05$.

⁴⁷All Pearson's chi-square values for these variables show a level of significance of $0.000 < 0.05$.

facilities for employing CAR staff: 74.2% of the mutual aid organisations from the first region consider them to be rather important or important, while the corresponding percentage is of just 26.2% in the second region.

Foreign financing (European funds)

According to the president of an NGO from Slatina, Olt County, the financing that can be drawn through the European Social Fund, for the Sectoral Operational program, Human Resources Development, is the best perspective of development of the social services provided by the non-governmental sector. This optimism, however, is not largely shared in the two surveyed regions. The representatives of the suppliers of social services from other counties are not as confident as to this source of financing. For instance, in Călărași, there is reticence regarding the European funds. The reasons exposed by the institutional actors regard the perception of a dense bureaucracy and heavy procedures, which make the effort to produce the documentation to be perceived in negative terms. Although the presidents of the two craftsmen cooperatives from Giurgiu know of the European funds, they didn't file applications to receive money.

In Teleorman County there have been intentions to implement projects with European financing, but the initiative was of some companies providing counselling. The County Association of the Craftsmen Cooperatives (AJSCOM) didn't initiate concrete collaborations with the consultancy companies which presented offers because these companies were requiring fees compensating for their activity irrespective of the outcome. According to the opinion of AJSCOM representatives, the pay of a fee for success is the optimal solution to participate in the implementation of a project financed from the structural funds.

Another unfavourable situation for the social economy organisations was identified by the president of the protected workshop „Împreună” from Argeș County. According to him, many social economy organisations could not continue their activity after the funds they had accessed through various programs ended, because they couldn't identify another source of financing.

A problem widely acknowledged by the representatives of the social economy organisations, particularly by the representatives of the consumption and credit cooperatives which wanted to run projects with foreign financing, is

the lack of ownership on the areas where they operate. Such problems have been identified by the credit cooperatives from Argeş. The president of the County Union of the Consumption Cooperatives (UJCC) from Dolj County explained very simply the reasons why they couldn't access governmental or European funds: "the land is not mine. It belongs to the state and you get into trouble and nobody gives you anything until you are full owner". However, the president of UJCC Dolj admitted that there have been presidents of cooperatives who sold a lot of the cooperative patrimony. In other cases, in Călăraşi County, there have been litigations between the local councils and the consumption cooperatives, the first ones claiming property on the land where the cooperatives were functioning.

Despite the difficulties identified above, the data from the quantitative research show that the European financing and the consultancy to get them are used in a positive manner by the great majority of the social economy organisations.

For instance, 79.7% of the NGO representatives from South-West Oltenia Region think that the provision of counselling to obtain non-reimbursable funds for the non-governmental sector is rather important or very important, with no significant difference⁴⁸ from the NGOs from South Muntenia Region (86.4%).

In the cooperative sector, although the differences between the two regions are not statistically significant, the non-reimbursable funds⁴⁹ are rated quite high in both regions. More precisely, 86.4% of the cooperatives consider them to be rather important or very important in South-West Oltenia Region, while 82.8% of the cooperatives share this opinion in South Muntenia Region.

The non-reimbursable financing are important for the CAR, but there are important differences between the two regions⁵⁰. While 86.9% of the CAR from South-West Oltenia Region consider them to be rather important or very important, only half this proportion (44.9%) share this opinion in South Muntenia Region.

⁴⁸ Pearson's chi-square value of 2.600 shows, for 3 levels of freedom, a level of significance of $0.458 > 0.05$.

⁴⁹ Pearson's chi-square value of 1.017 shows, for 3 levels of freedom, a level of significance of $0.797 > 0.05$.

⁵⁰ These differences are statistically significant for the level of 0.05, according to Pearson's chi-square test.

Concrete and specific initiatives

Some providers of social enterprises undertook or intend to undertake some specific actions for the field development of the social development. In Ialomița County, there already exists a running project, "Social economy promotion within the community", for the period 2009-2012 (cofinanced by ESF through the program POSDRU, DMI 6.1). The project is run in collaboration with the Archiepiscopate of the Lower Danube and with the Ialomița Chamber of Trade, Industry and Agriculture.

In other cases, the central institutions have expanded their activity in order to facilitate the inclusion on the labour market. AJOFM Dâmbovița organised in 2009, 10 labour fairs/exchanges both in urban and in rural areas, compared to just 2 programmed for this year. Over 300 unemployed people have been successfully integrated on the labour market. AJOFM Dâmbovița is partner in projects financed by structural funds which offer counselling services, mediation, professional training, assistance to start own business.

Another central institution from Dâmbovița County, DJASPC, runs projects whose goal is to open day care centres for the children and adult people with autism, in collaboration with the Association of the Children and Adult People with Autism, and was asked to support the establishment of a protected workshop for people with locomotor handicap. It is also in progress of opening a transit centre for the institutionalized children aged 18 who are not yet integrated socio-professionally.

An interesting initiative, which might be tagged as lobby for the social economy, is the protected workshop „Împreună” from Argeș County, which conditioned the support by the civic involvement of the beneficiaries. They have to file a request of support with the CAS, in order to put pressure on it to allocate more funds.

In Călărași County, homes for the elder were established upon the initiative of the County Council of the Elder, with the support of the Local Council and pf the Prefecture. The first one was put into use in 2008 at Oltenița, and it has 28 places. The following homes for the elder were established in Unirea commune, in Vâlcele commune and in Călărași town, with a total of 85 places. This endeavour also received funds from the Ministry of Labour.

Legislative proposals to stimulate the social economy

There are not few the people who consider that the activity of social economy must be supported through laws. The program coordinator of the

Episcopate of Slobozia and Călărași and of the Socio-cultural Association „Matei Basarab”, considers that currently there is no specific law for the field of social economy, rather specific normative acts for particular structures, such as the Fiscal Code, ANPH Law for the protected workshops, the Law of sponsorship and Ordinance 28 for the NGOs with economic activity. In Olt County too, the state support is vital for the development of the cooperative sector, the legislative framework being the strongest lever.

In Prahova County, the interviewed subjects considered that the social economy may assist the improvement of the standards of living, only if it is enacted. In their opinion, currently this concept is hardly discussed, which is why the population doesn't perceive it at its true value. The concept should be more “popularized” and explained so that the people understand exactly its meaning; this would enable them to develop and to access structural funds.

In Vâlcea County too, the craftsmen and consumption cooperatives also consider that for their development and for accessing structural funds, it is important to popularize the concept of social economy. Furthermore, the cooperative representatives from this county proposed a law which to protect the popular art, so that the rural women may earn money from their activity.

Likewise, in Vâlcea County, the NGOs providing social services and DJASPC propose both the elaboration of a specific legislation for the social economy and the provision of fiscal facilities to the social economy organisations. The social economy creates jobs, which leads to the social inclusion of the disfavoured groups, which is why the social economy activities should be tax exempted.

Thus, the main suggestions to improve the legal framework are:

- Elaboration of a specific legislation for the social economy sector;
- Provision of fiscal facilities to the economic agents which conduct social economy activities. The social economy activity creates jobs, which promotes the social inclusion of the disfavoured groups, which is why the social economy activities should be tax exempted.

The representatives of cooperatives consider that the most important solutions to improve the legal framework regard the fiscal facilities (15.6%), settling the property on the land beneath the buildings owned by the cooperatives (8.5%) and taking into consideration the opinion of the cooperative representatives when making laws (9.6%).

The most important solutions to support the NGOs engage in economic activities, in the opinion of the respondents, are the fiscal facilities stipulated by the law (tax exemption, exemption of the lumpsum tax, exemption from the profit tax) in the opinion of 21.3% of the respondents, subsidies from the state (8%), coherent legal framework (6.7%), support for projects (5.3%).

In the case of CAR units too, the solutions to improve the legislation also regard fiscal facilities (16.1% of the respondents), lower interest rates (6.4%), subsidies (6.8%) and a clear and coherent normative framework (6.4%).

Despite these predominantly critical remarks, the data of the quantitative research show a wide variety of ways in which the representatives of the organisations included in the survey evaluate the legal framework specific to their organisation. The CAR representatives, for instance, say in proportion of 63.6% that this legal framework is very efficient⁵¹. Only 18.1% of the cooperatives consider that the relevant legislation is efficient, while 38.3% consider it has a low efficiency. The NGOs are on an intermediary position, most of them (49.7%) considering that the legal framework has a medium efficiency.

Between the two regions – South-West Oltenia Region and South Muntenia Region – there are, however, statistically significant differences for the mutual aid organisations⁵², but not for the cooperatives⁵³ and for the NGOs⁵⁴.

The CAR units from South-West Oltenia Region are much more (84.7%) inclined to rate the efficiency of the legal framework as being high, than those from South Muntenia Region (56.3%). On the other hand, 34.8% of the CAR from the latter region, South Muntenia, consider that the legislation has a medium efficiency, while just 9.7% of the CAR from South-West Oltenia share this opinion.

⁵¹ The scale from 1 to 10 used for the question regarding the efficiency of the legal framework, has the following meaning: 1-4 „low efficiency”, 5-7 „medium efficiency” and 8-10 „highly efficient”.

⁵² Pearson’s chi-square value of 18.353 shows, for 2 levels of freedom, a level of significance of $0.000 < 0.05$.

⁵³ Pearson’s chi-square value of 2.069 shows, for 2 levels of freedom, a level of significance of $0.355 > 0.05$.

⁵⁴ Pearson’s chi-square value of 4.581 shows, for 2 levels of freedom, a level of significance of $0.101 > 0.05$.

PROFILE OF THE EMPLOYED POPULATION AND THE NEED FOR SOCIAL ECONOMY

Relation between the social economy and the occupational status

The concept of employment is complex, fundamental for the human nature. One of the sociological approaches of the employment, which this study adopted makes reference to the concept of “employment system” (Christiansen et al., 1999) and defines employment as including any type of activity: work rewarded with wage, entrepreneurial activities, self-employment activities, household work, voluntarism and any other type of activity on the labour market (Koistinen, 2001). The employment system⁵⁵ includes: the productive and non-productive work; the way in which the population and the social structures are stratified on the labour market and the participation on the labour market; the production structures; the system of social protection; education and the system of industrial relations; the social and legal status of the people employed economically; the way in which gender, the changes in the family as institution and the family policies affected the development of the different forms of work and work distribution within the society and household.

Social economy is also defined according to its purpose, which is the offer jobs to a population in difficulty. The employers, in the case of the social economy, do not belong to the public sector, rather to the private one, and they most often are associations and foundations, cooperatives or similar organisations. Thus, the social economy organisations fulfil a role of employer, next to the public and private sectors.

In order to give a crisp image of the social economy situation, it is necessary to study the situation of employment and unemployment in the two regions, taking into consideration the participation on the labour market, the occupations, the areas of activity, the type of contract, the working hours and the type of employer.

⁵⁵ Employment system.

Characteristics of the employed population

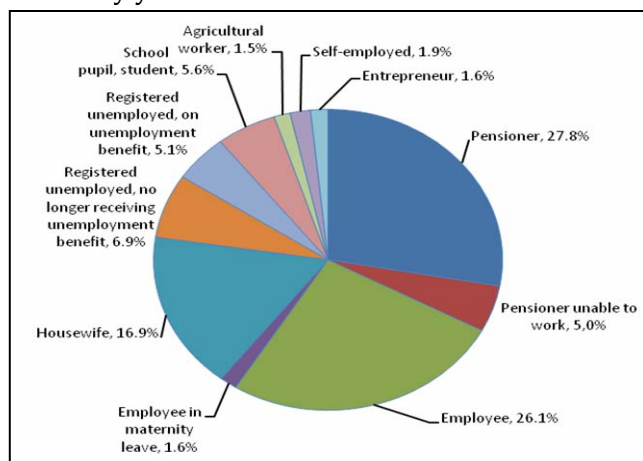
In this chapter we will present the characteristics of the employed population from the two samples for both regions, South Muntenia and South-West Oltenia, also providing data for the total population.

The structure of the population consists of the active population (employed and unemployed) and the inactive population. The employees represent 28.8% in South-West Oltenia Region and 27.7% in South Muntenia Region; a low percentage, of just 1.6% in South Muntenia Region and 1.1% in South-West Oltenia Region, declared to be entrepreneurs. The status of agricultural worker is also under-declared in both samples, the respondents self-defining with the other values of the employment scale: unemployed or household worker. Thus the proportion of the self-declared unemployed reached 12% of the total surveyed population, while the proportion of the people working in the household reached 16.9% in South Muntenia Region. In the rural areas, the proportion of the employed people was 35.9% in South Muntenia Region and 40.6% in South-West Oltenia Region.

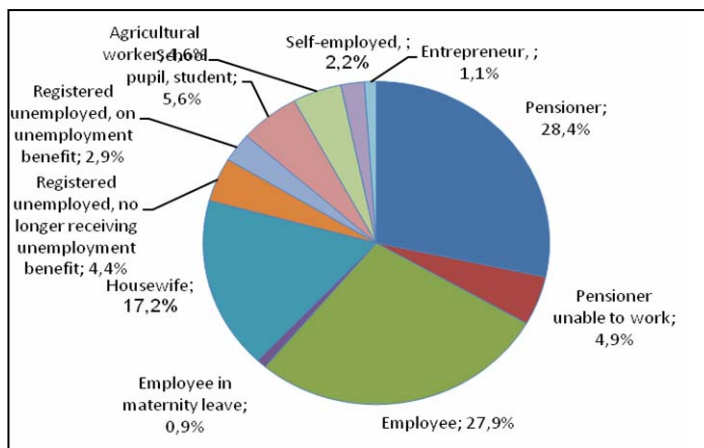
The proportion of inactive persons within the total active population is 48.6% in South Muntenia Region and 49.2% in South-West Oltenia Region. The people declaring to have no occupation is predominant in the urban area (56.1% in South Muntenia Region and 53% in South-West Oltenia Region).

Figure 13 – Employment structure of the population from South Muntenia and South-West Oltenia regions

Currently you are...



South Muntenia Region



South-West Oltenia Region

The analysis of the relation between education and the occupational status⁵⁶ shows that there are significant differences between the educational level of the employed population, inactive population and of the population with no occupation. From the total employed population (employees, agricultural workers, entrepreneurs or self-employed), the great majority (72% in South Muntenia Region and 74.9% in South-West Oltenia Region) finished at least 9 grades. The people who finished 8 grades or less are preponderantly in the category of the economically inactive people.

In terms of age (we took into consideration only the active population), over 50% of the employed respondents are aged below 40. The proportion of the people aged 50+ who declared to be employed was about 15% (15.8% in South Muntenia Region and 16.1% in South-West Oltenia Region). It can thus be noticed that this category of the unoccupied people over 50 is economically vulnerable.

The subject gender and their relation with the occupational status shows that, similarly to the national level, the proportion of the employed men is much higher than the proportion of the employed women. In South Muntenia Region, 34% of the women of active age declared to be employed, while the proportion of employed men is 47.1%. In South-West Oltenia Region, the

⁵⁶ The analysis took into consideration the economically active population (aged 18-64).

situation is even more unbalanced: 37.3% of the women and 53.4% of the men are employed.

Structure and profile of the employed population

The respondents who declared to be employed represent 28.8% of the surveyed population in South-West Oltenia Region and 27.7% in South Muntenia Region.

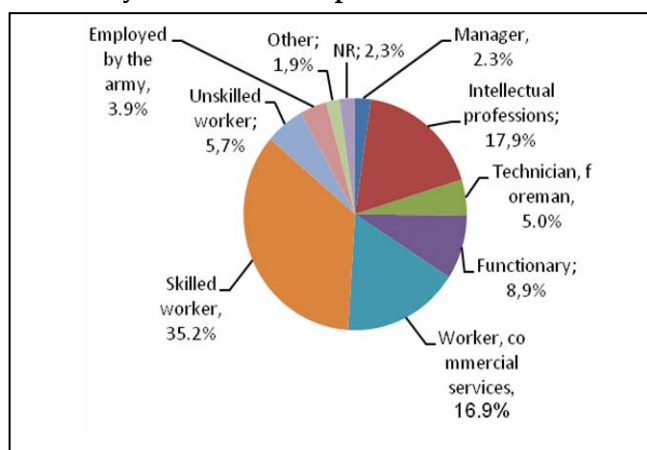
The structure of the employed population consists mainly of skilled workers (35.2% in South Muntenia Region and 30.7% in South-West Oltenia Region), workers in services and commerce (16.9% in South Muntenia Region and 17.7% in South-West Oltenia Region), persons with intellectual occupations (17.9% in South Muntenia Region and 19.1% in South-West Oltenia Region), state officials (8.9% in South Muntenia Region and 9.1% in South-West Oltenia Region). The high percentage of the people working in services and commerce is noteworthy, one of the few sectors which remained developed in Romania during the past 20 years. Almost half of the employees with intellectual occupations work in public institutions, as we will see below, next to functionaries, who represent about 10% of the employed population.

The managers are rather men (about 70% of the managers) and the women have in a higher proportion (59%) intellectual occupations. While, 70% of the skilled workers are men, there are more women among the unskilled workers (only 55% of the unskilled workers are men).

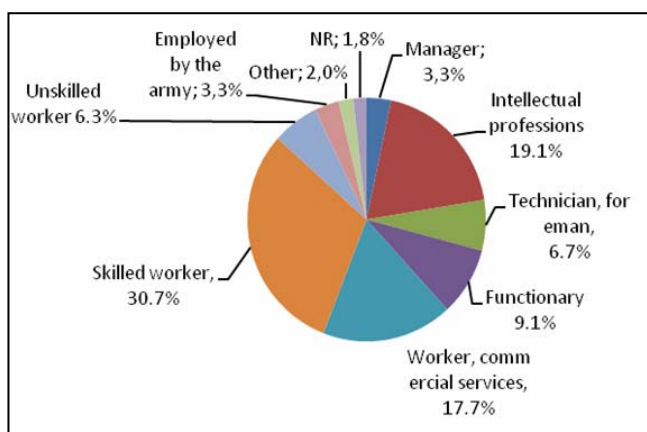
Half of the functionaries from the two regions have higher education and the rest have high school education, same as most of the commercial workers. About half of the skilled workers have vocational or apprentice school, the other have graduating the high school.

Figure 14 – Types of occupation of the employed respondents from South Muntenia and South-West Oltenia regions

Which is your current occupation...



South Muntenia Region

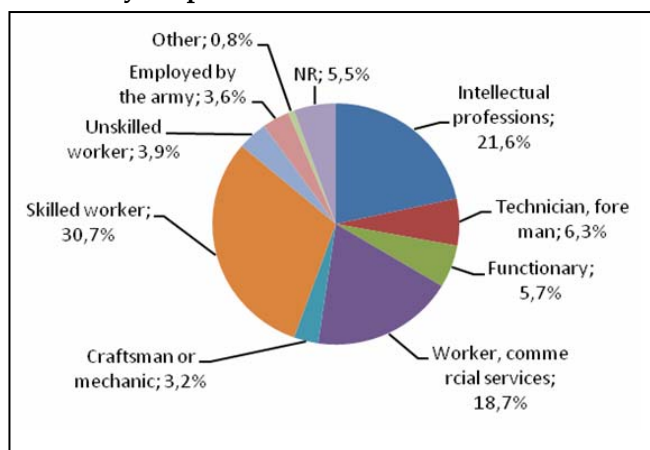


South-West Oltenia Region

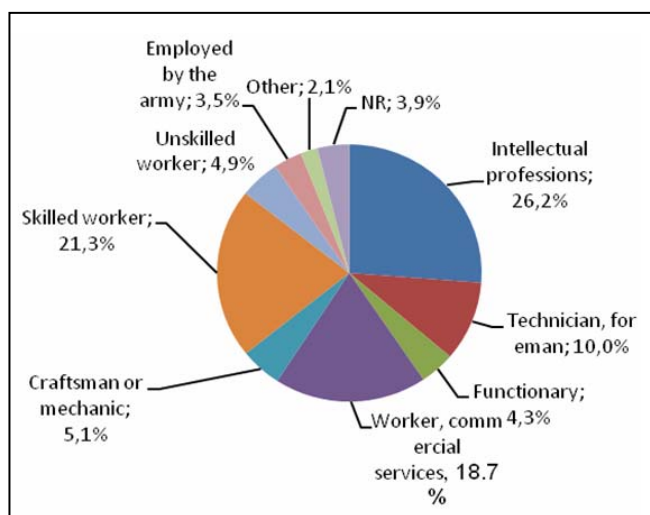
The intellectual professions are declared by 21.6% of the employees from South Muntenia Region and by 26.2% of the employees from South-West Oltenia Region. 30.7% of the employees from South Muntenia Region and 21.3% of the employees from South-West Oltenia Region declared to be skilled workers. The graphs below show the structure of the declared professions.

Figure 15 – Type of profession of the employed respondents from South Muntenia and South-West Oltenia regions

Which is your profession..



South Muntenia Region



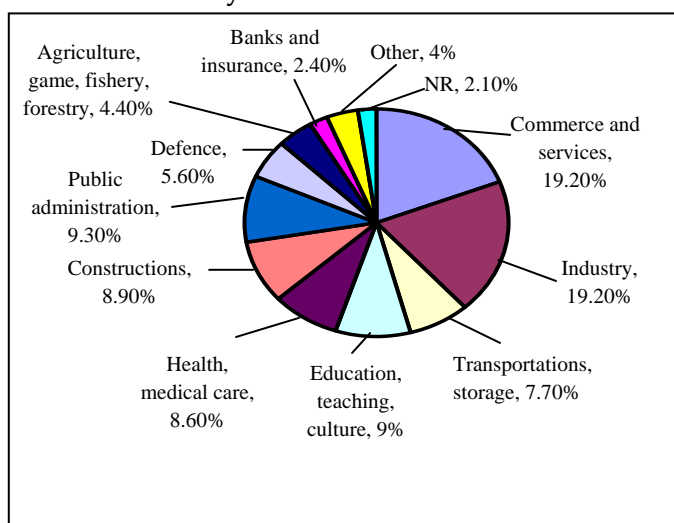
South-West Oltenia Region

The area of employment with the best representation is that of services and commerce (19.2% in South Muntenia Region and 20.2% in South-West Oltenia Region), where the private market absorbed 84% of the employees. Next to the commerce is the industry, with 19% in both regions. The public administration represents 10%, while health care and education account for about 9%. The area of transportation and storage accounts for about 8% of the employees and is absorbed in a proportion of 59% by the private companies and 40% by the public

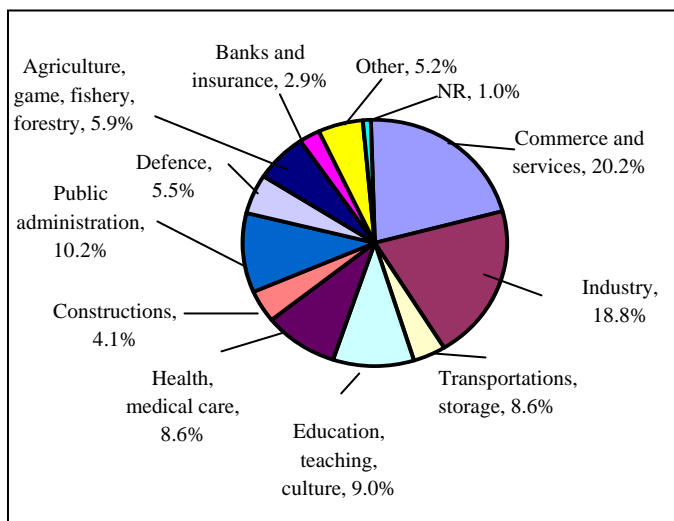
institutions. The area of constructions has twice as many respondents from South Muntenia Region than from South-West Oltenia Region and is almost entirely a private area (95%). The other areas have a similar structure in both regions.

Figure 16 – Field of work of the employed respondents

In which field do you work...



South Muntenia Region



South-West Oltenia Region

Table 24 – Type of employer by field of activity in South Muntenia and South-West Oltenia regions (%)

In which field do you work	Public institution	State company	Private company	Other types
Agriculture, hunting, fishery, forestry	15	10	72	3
Industry	1	23	74	2
Constructions	1	4	95	0
Commerce and services	4	9	84	3
Transportation, storage	2	38	59	1
Education, culture	66	32	2	0
Health and medical care	54	31	15	0
Banks, financial intermediations, insurances	9	19	72	0

While some fields of activity are dominated by men, as expected, such as constructions (88% of the respondents employed in constructions are men), transportation (79%), defence (87%), the other fields are generally taken by women, such as commerce and services (61% of the respondents employed in services are women), education (66%), health and social care (81%), accounting and financial intermediations (66%).

It is interesting that IT field is preponderantly taken by male employees (81%), while the telecommunications are preponderantly taken by female employees (57% women).

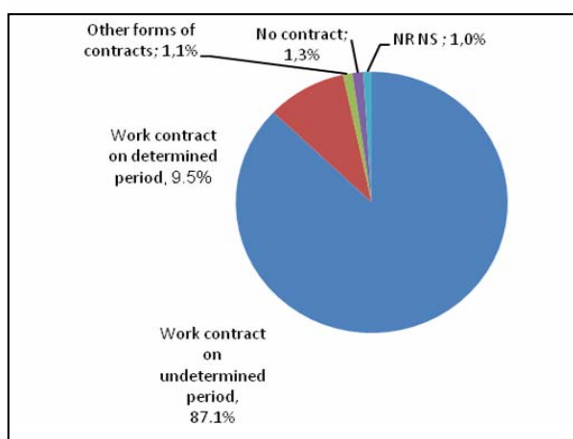
In terms of the form of contract, most people (87% of the employees from both regions) declared that they have work contract on undetermined period. While in South Muntenia Region 9.5% of the employees declared that they have a work contract for a determined period, just 6.7% of the employees from South-West Oltenia Region have this type of contract. Other forms of contracts, such as civil agreement, contract for provision of services, contract of authorized natural person, contract for intellectual rights, are poorly represented, with just 1.1% in South Muntenia Region and 3% in South-West Oltenia Region. The people who declared to be employed without any form of contract represent just 1.3% in South Muntenia Region and 2.2% in South-West Oltenia Region.

The poor representation of the alternative forms of contracting to the work contract may have some explanations: either these forms of contracting are specific to an additional job, and the declaration referred to the main job, or some of the respondents only have occasional earnings and they didn't consider themselves to be employed.

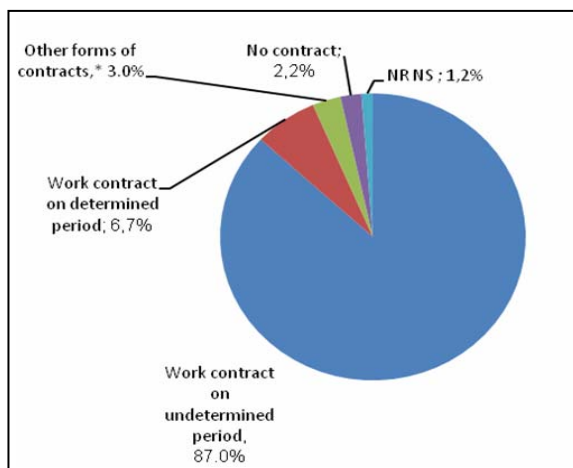
It is interesting that just 73% of the people in the age group 21-30 have a work contract for undetermined period, compared to 91-93% for the other age groups. This aspect reveals a lower stability of the jobs for the young population due to the high dynamics of the labour market.

Figure 17 – Type of contract of the employed respondents from South Muntenia and South-West Oltenia regions

What kind of work contract do you have...



South Muntenia Region



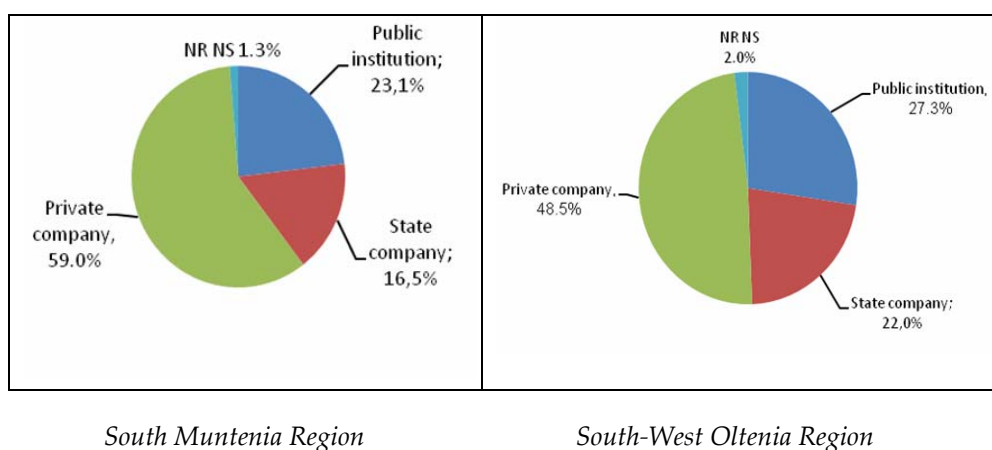
South-West Oltenia Region

*Other forms of contracting: civil agreement of collaboration, contract for provision of services, contract of authorized natural person, contract for intellectual rights.

According to the private or public form of the employing institution, 59% of the employees from South Muntenia Region and just 48.5% in South-West Oltenia Region declared to work in private companies⁵⁷. The public institutions total 23.1% in South Muntenia Region and 27.3% in the other region. The NGOs as employing institutions are very poorly represented, below 1% of the employed respondents.

Regarding the type of employing institution in relation with the type of profession, it can be noticed that in both regions, the people with intellectual professions work rather for the state (65%) – most of them in the public administration, education and health care, while about 70% of the commercial workers, the skilled and unskilled workers work for private companies.

Figure 18 – Type of employing institution of the respondents from South Muntenia and South-West Oltenia regions



⁵⁷ The national statistics for 2006 (NIS, Tempo database) show for these regions a proportion of employment in the private companies of 61.8 in South Muntenia Region and 50.9 in South-West Oltenia Region; because no data were available for 2009, we considered it appropriate to compare with the last year before the period of economic growth from 2007-2008.

**Table 25 – Type of employing institution
by type of profession of the respondents
from South Muntenia Region (%)**

		Your employer is:			
		Public institution	State company	Private company	Total
Which is your current profession	Intellectual professions	43	23	34	100
	Technician or foreman	20	29	51	100
	Functionary	61	18	21	100
	Worker in services and commerce	8	13	79	100
	Skilled worker	6	15	79	100
	Unskilled worker	28	10	62	100

Regarding the working hours of the employed respondents, the proportions are similar in both regions, prevailing the respondents with full time employment. The explanation resides in the fact that many respondents have work book, not other forms of contracting, as well as in the high proportion of the people working for the state.

By professions, in both regions, there is a high proportion of unskilled workers working part time, or with other types of contracting. A small part of the workers in commerce and services (about 5% in both regions) work part time.

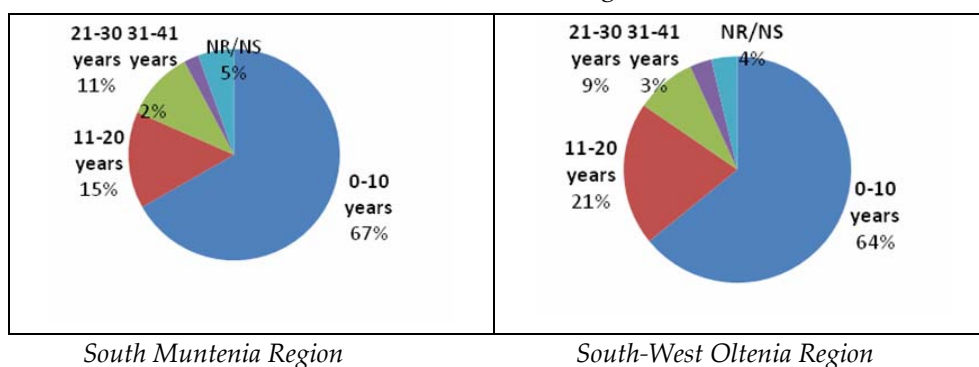
**Table 26 – Working hours of the respondents
employed in the two regions of development (%)**

		Region of development	
		South Muntenia	South-West Oltenia
Working hours	Full time	95.0	91.0
	Half time	2.2	4.5
	Part time	1.3	0.6
	NR, NS	1.5	3.9
Total		100	100

Table 27 – Working hours of the employed respondents, by type of profession (%)

South-West Oltenia Region	Working hours:			
	Full time	Half time	Part time	Total
Intellectual professions	88	12	0	100
Technician or foreman	97	3	0	100
Functionary	100	0	0	100
Worker in services and commerce	93	6	1	100
Skilled worker	94	6	0	100
Unskilled worker	78	13	9	100

Figure 19 – Years of service in the current place of work in South Muntenia and South-West Oltenia regions



Analysing the years of service in the current job, we notice that most of the respondents, 67% in South Muntenia Region and 63% in South-West Oltenia Region, have a maximum of 10 years of service in the current job, which shows a high mobility of the work force. 15% of the employed respondents from South Muntenia Region and 21% from South-West Oltenia Region have between 11 and 20 years of service in the current job.

By type of profession, a higher mobility in both regions was noticed in the workers from services and commerce and in the unskilled workers, compared to the intellectual professions, functionaries and skilled workers. The higher rate of

employment of the people with intellectual professions and of the functionaries in state institutions is one of the factors which explain this phenomenon, unlike the workers from services and commerce and the unskilled workers, which are predominantly employed in the private companies. The unskilled workers work mainly in the private sector and a higher proportion work part time, in comparison with other professions, hence their higher mobility in comparison with the skilled workers. The fact that the proportion of women is higher among the unskilled workers, than among the skilled workers, and that women represent a large proportion of the people employed in services and commerce, show a higher vulnerability of the women.

**Table 28 – Years of service in the current job
by type of profession in South Muntenia Region (%)**

South Muntenia Region		How many years of service do you have in your current job?				
		1-10 years	11-20 years	21-30 years	31-40 years	Total
Which is your current profession	Intellectual professions	66.2	17.3	12.6	3.9	100
	Functionary	65.1	22.6	9.7	1.6	100
	Worker in services and commerce	90.8	5.0	4.2	0	100
	Skilled worker	67.2	15.3	12.9	4.0	100
	Unskilled worker	77.5	15.0	7.5	0.0	100

**Table 29 - Years of service in the current job by type of profession
in South-West Oltenia Region (%)**

South-West Oltenia Region		How many years of service do you have in your current job?				
		1-10 years	11-20 years	21-30 years	31-40 years	Total
Which is your current profession	Intellectual professions	67.0	22.0	9.0	2.0	100
	Functionary	59.6	34.0	2.1	4.3	100
	Worker in services and commerce	83.4	11.1	4.4	1.1	100
	Skilled worker	56.3	23.4	15.2	5.1	100
	Unskilled worker	90.6	6.3	3.1	0.0	100

Comparing the total years of service, we notice that just 38% of the employed respondents in both regions have a total length of service of maximum 10 years. 27% in South Muntenia Region and 25% in South-West Oltenia Region have a total length of service 11-20 years. Only 8% of the employed respondents in both regions have a total length of service of 31-40 years, which fits with the process of early retiring of part of the work force, which happened in Romania over the past 20 years.

Employment and the level of knowledge about social economy organisations in relation with the occupational profiles

In this chapter we will analyse the level of knowledge about social economy organisations by occupational profiles: employed, inactive, jobless.

A first question regarding the social economy organisations concerned the knowledge of such organisation in the locality of residence or in the county.

There are different levels of knowledge of the social economy organisations between the two regions. The mutual aid organisations (of the employees and of the pensioners), the agricultural cooperatives and the NGOs are more known in South Muntenia Region than in South-West Oltenia Region. Because the objectives of the social economy organisations are directed towards the people in difficulty, we also analysed the level of knowledge and participation to the activity of the social economy organisations by type of occupational status of the population.

The data show that there are differences between the categories of occupational profiles regarding the knowledge about social economy organisations. Many of the inactive people know about the CARP, explainable by the high number of pensionaries among the inactive people. The inactive people know less about the other types of social economy organisations than the employed people and than the unemployed. Table 30 shows that the inactive people know very little about the protected workshops, non-governmental organisations and about the committees of local initiative.

The jobless people, vulnerable economically, are more informed than the inactive people: there are no difference between the employed and unemployed people. The comparison between the two regions shows that the employed respondents from South-West Oltenia Region know more of the credit cooperatives, about the craftsmen cooperatives, consumption

cooperatives and committees of local initiative. The employed respondents from South Muntenia Region know more of the mutual aid organisations and about the agricultural cooperatives.

The vulnerable population seems to be equally rather poorly informed in both regions about the social economy organisations.

Table 30 – Level of knowledge about the social economy organisations and the occupational status⁵⁸ (%)

	South Muntenia Region			South-West Oltenia Region		
	Empl- yed	Inactive	No occupation	Empl- yed	Inactive	No occupation
Employee CAR	62.00	51.30	53.70	60.80	40.60	4.80
Pensionaries CAR	74.30	68.90	71.10	70.10	59	49
Credit cooperative	55.10	43.60	46.30	61.80	43.80	43.20
Agricultural cooperative	24.90	18.70	28.10	18.90	13	15.90
Craftsmen cooperative	24.60	17.10	29.70	29.30	17.80	19.70
Consumption cooperative	25.80	16.80	23.90	26	17	23.30
Protected workshop	14.00	8.30	12.40	12.90	8.30	10.70
NGO(association. foundation)	40.90	27.20	36.20	30.60	21.70	26.40
Collectivity of free peasants	10.60	7.90	12.90	17.70	11.80	7.50

Participation in social economy activities and the occupational status

The participation in the life of the social economy organisations is rather low, the only exception being the involvement of the pensionaries as members, in the activity of the mutual aid organisations for the pensioners. This is explainable, given the character and services provided by these organisations, which supply services to their members. The table below shows that over 90% of the population of these regions do not interact with social economy. There

⁵⁸ The percentages were calculated for the employed, inactive and unemployed population.

are some organisations specific to the social economy which are not mentioned by any subject (craftsmen cooperatives and the protected workshops).

The data show an extremely low participation of the vulnerable population. The pensioners are the most active subjects, as CARP members, as expected, followed by the employed respondents, as members of the employee CAR. The regional comparison shows significant differences in the participation of the population in the employee CAR and pensioners CARP. South Muntenia Region seems to have a higher rate of participation than South-West Oltenia Region.

Table 31 – Participation as member, voluntary or employee in ... (%)

	South Muntenia Region			South-West Oltenia Region		
	Employed	Inactive	No occupation	Employed	Inactive	No occupation
Employee CAR	6.2	0.7	1.6	4.2	1.1	2.3
Pensionaries CAR	0.7	10.5	0.0	0.9	6.2	0.8
Credit cooperative	1.4	0.5	0.3	0.4	0.9	0
Craftsmen cooperative	0	0	0	0	0	0
Consumption cooperative	0	0.1	0	0.1	0.2	0
Protected workshop	0	0	0	0	0	0
NGO(association. foundation)	0	0	0.6	0.5	0.9	0
Local committee of initiative	0.1	0.3	0	0.3	0.3	0
Labour union	3.2	0.2	0	5.1	0.3	0
Political party	1.8	0.3	2.5	0.9	0.9	0

There are many reasons why the population participates little in the activities mentioned above. The employed respondents explained the low participation by the lack of time and by the fact that “there is no profit”. The economically vulnerable people (inactive or unemployed) are sceptical regarding the social economy because they don’t see the actual advantages of their involvement in such activities (“no benefit”, “don’t believe in solving the problems in this way” and “don’t trust such organisations”).

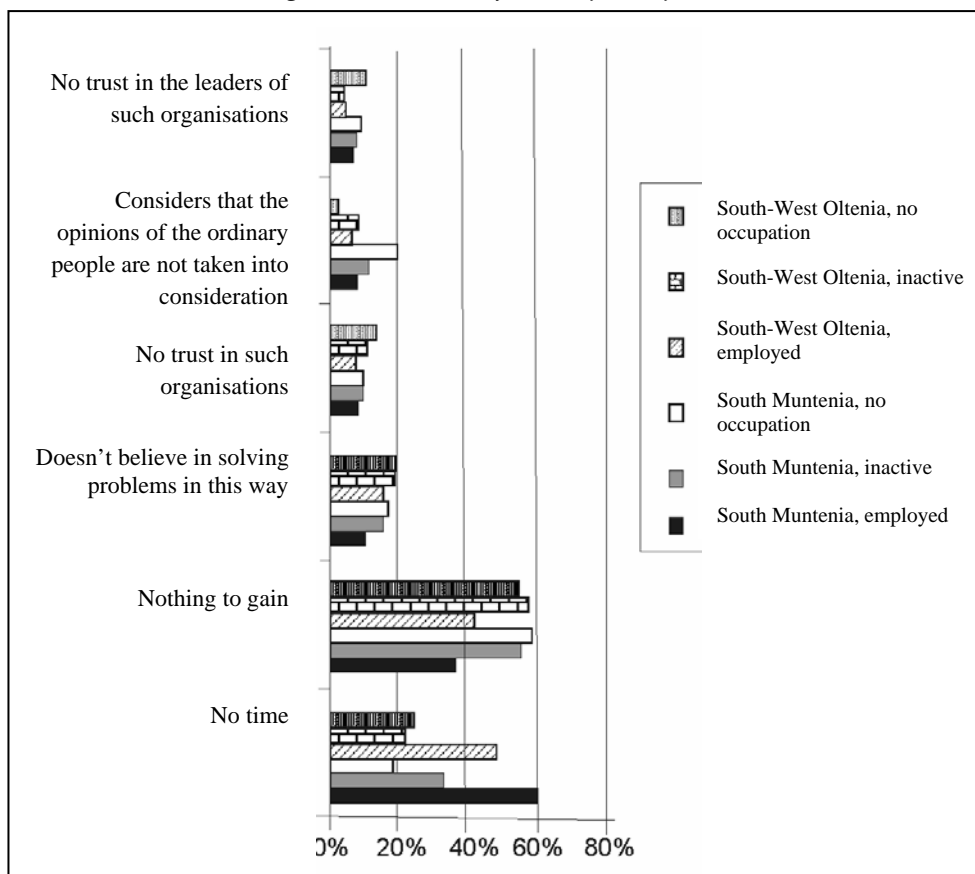
Testing the situation from the two regions, significant differences emerge for the responses of the unemployed people (registered or not), who declared to a greater extent in South Muntenia Region that the "opinions of the ordinary people are disregarded" (17.6% of the total number of respondents to this question in South Muntenia Region compared to 1.7% in South-West Oltenia Region). Another interesting element pertains to the reasons, by the frequency of the responses claiming the lack of time, even by the unemployed or by the inactive people.

It is important that, despite the fact that most of the respondents have a low level of knowledge about the social economy, there is a quasi general stereotype, in both regions, of inadequacy to own needs or intangibility. This phenomenon can be explained just by the low level of information and, thus, of access. The fact that the vulnerable population has the lowest level of knowledge and participation proves once more the need for information and orientation towards the potential beneficiaries of the social economy.

The data obtained with the question regarding the results of the membership activity show an orientation towards the personal interest, the great majority of the members (86% in South-West Oltenia Region and 88% in South Muntenia Region of the employed respondents and over 94% of the inactive respondents) considering that they had personal benefits (for self or for the family). Comparing the regions, we notice that the people from South Muntenia Region declared to a greater extent that, by their activity, they have contributed to the improvement of other's people situation (disfavoured groups, local community/locality, our society)⁵⁹.

⁵⁹ The low number of responses was not enough to calculate percentages.

Figure 20 – Reasons for non-participation



The interaction of the respondents with the social economy organisations was measured with the following question: "Did you, or one of your family members used during the past 12 months the services of a social economy organisation?" The results support a poor collaboration with these organisations. The most sought were the CARP units, by their clients, the pensioners, and the employee CAR units, by the active population. On the third position were the credit cooperatives, which were sought mostly by the people employed in economic activities and by the pensioners/inactive respondents. The unemployed, the most economically vulnerable segment of population, seems to have a very poor interaction with the social economy organisations. There were differences between regions in the intensity of

utilization, more of the respondents from South Muntenia Region seeking assistance from them (14.5% of the inactive subjects) than in South-West Oltenia Region (8.8%).

The proportion of the people who have actually benefitted of services provided by various social economy organisations, is low: in South Muntenia Region about 7.4% of the respondents declared to have taken a credit/loan, while the corresponding value is just 3.7% of the subjects from South-West Oltenia Region. The pensionaries are the main beneficiaries of credits, primarily through the CARP units, followed by the active population who takes loans from the employee CAR units. The unemployed respondents, with few exceptions when took loans and credits (3.74% in South Muntenia Region and 0 in South-West Oltenia Region), didn't use any service or assistance from the social economy organisations. The level of satisfaction with the services/benefits provided by the social economy organisations shows a low level of appreciation. The most often mentioned service, taking credits, was evaluated as unsatisfactory, in terms of conditions for the loan, by more than 80% of the clients who used such service.

Conclusions

The structure of the surveyed population consists of pensioners, household workers, unemployed and employed people, the status of agricultural worker being under-declared in both samples.

The analyses show that people with maximum 8 grades, who are largely unemployed, the persons over the age of 50 and the women, are economically vulnerable.

The young people and the unskilled respondents have forms of work on determined period to a higher extent than the rest of the population, which would stimulate the mobility of these categories. The subjects working in the private sector are more exposed to mobility than those working in the public sector, at least until 2010. The unskilled workers and those working in commerce and services, were more exposed to low-term employment. The higher proportion of women among the unskilled workers than among the skilled workers, and the preponderance of women in the sector of services and commerce, show a potentially higher mobility of the women.

The most active subjects in relation with the social economy were the pensioners, the CAR members and the employed population.

The economically vulnerable population (unemployed) is the poorest informed segment of population about the organisations that might support it. This category (excluding the collaboration of the pensioners with CARP), also has the poorest level of participation in the social organisations.

Non-participation is motivated by the lack of time and by the fact that they don't know the advantages that might result from their participation in the social economy activities. One of the measures to be taken should thus increase the level of information of the unemployed population on social economy goals by the dissemination of information on the objectives and immediate needs of the population.

A second conclusion of the analysis is that the services provided by the social economy organisations generally are financial at this moment and they currently don't cover other needs of the potential beneficiaries. It is therefore necessary to orient the activity of the social economy units towards the necessities of the vulnerable population and to diversify the services and benefits provided by the social economy organisations, targeting the needs of the vulnerable population.

MODELS OF INTERACTION OF THE UNEMPLOYED, WITH THE LABOUR MARKET

In this chapter, we will make an analysis, focusing in the two development regions included in the project, of the causes of unemployment, manners of answer, motivations, attitudes and behaviour of the unemployed in relation with the labour market.

Theoretical framework on employment and unemployment

The great world economic crisis of 1929-1933 and the massive, historical, scale of unemployment at that period, were an important challenge for the economic science. This is the moment of Keynes' general theory built with the intention to identify an explanation, at the macro level, by a structured analysis on the level of unemployment. Once the functioning law of the system has been identified, which determines the levels of employment and unemployment, it became subsequently the law of transformation about the desirable levels of employment by reducing unemployment. Through his general theory, Keynes also put into discussion a new concept, the involuntary unemployment, which added to other two concepts already existing at that time: the frictional unemployment and the voluntary unemployment. The frictional unemployment is produced during the period of passing from one job to another and is used to explain short periods of unemployment. The voluntary unemployment is produced by the refusal or inability (as competencies) of a person to get a job suitable to its expectations in terms of the pay. The involuntary unemployment appears when, under certain conditions, both the demand and the offer of work are in excess with the existing employment level. By removing the involuntary unemployment, the premises are established for the situation of full employment⁶⁰.

⁶⁰ John Maynard Keynes, *The general theory of employment, interest rates and money* (Bucharest, Publica, 2009), see chapters 2 and 18.

From that time until now, the economic analyses on the subject of employment, as well as the economic science in general, have approached a trend towards microanalysis, particularly through the neoclassical synthesis which started to become dominant as early as the late 70s of the past century. The methodological individualism is predominant in explaining unemployment, even at the macroeconomic level, with its specific methods and techniques. All these approaches have in common the postulation of a long-term balance of the labour market, the markets being considered to work perfectly in general. Unemployment is explained by asymmetry of information, by differences of competitiveness, external shocks etc., which delay, on the short term, the return of the market to the natural balance. The new concepts introduced during the recent decades include the natural rate of unemployment (NRU) or the Non-Accelerating Inflation Rate of Unemployment (NAIRU)⁶¹.

Other two branches of the economic literature, regarding on-the-job flexibility and the (neo)institutionalism, also started from attempts of analytical answers to aspect of employment and unemployment. What is specific to them, but in different ways, is the relation established between factors specific to the labour market with other factors, external to the labour market⁶².

Maybe the most important theoretical steps, applied on the labour market, not part of a macro theory, was to reject the thesis according to which the labour market would function as a whole or that every labour market from different societies/economies functions in the same manner. The theory of labour market segmentation (SLM), which appeared in the 70s, and has its theoretical roots in the theories of dependency, claims the existence of a correspondence between the industrial structure and that of the markets within an economy, on the one hand, and labour market structure, on the other hand. In 1971, Doeringer and Piore released the thesis of a double labour market, with a stable primary sector which includes the large enterprises of the 60s, with skilled industrial workers, high pays, advanced work and hierarchy division, with management and massive capital investments, and a secondary sector with small firms, with few employees, undercapitalisation and low job

⁶¹ For a presentation of these theoretical currents in economy, see Ben Fine, *Labour market theory* (London, Routledge, 1998), pp. 23-48.

⁶² Ben Fine, *Labour market theory*, pp. 72-98.

safety⁶³. Market duality is also related to the material structure of the production of goods and services. On the one hand, those with high added value, in monopolist organisations, on the other hand, those with low added value, very vulnerable to market shocks. Therefore, a vision of the economy in terms of centre and periphery. The theory of market segmentation has also been used in longitudinal historic analyses, the classical case being the study of capitalism in the USA⁶⁴.

In sociology, the first studies on the labour market started with the industrial sociology. In Romania, these studies, besides making an analysis of the social relations within the enterprises, of the satisfaction with life of the employees from the large industrial centres of the 80s⁶⁵, also provided an opportunity for analysis of the organisations⁶⁶.

The sociological analysis of the labour market and of the employment presumes the development of a systemic explanative pattern, starting from the socio-economic structure, the social agents and the social processes which determine the functioning of the labour market.

In the Romanian sociology, the analysis of employment was included in the sociology of transition, in the study of the deep, structural transformations which the Romanian society experienced especially in the 90s. However, in these analyses, unemployment is just one of the many social problems induced by the strategy of transition⁶⁷. The labour market appears, thus, as being submitted to the impact of some endogenous, but mainly exogenous factors⁶⁸.

⁶³ Peter Doeringer and Michael Piore, *Internal labour markets and manpower analysis* (Lexington, Lexington Books, 1971).

⁶⁴ David Gordon, Richard Edwards, and Michael Reich, *Segmented work, divided workers. The historical transformation of labour in the United States* (Cambridge, Cambridge University Press, 1982).

⁶⁵ Cătălin Zamfir and Iancu Filipescu, *Industrial sociology* (Bucharest, Polytechnic Institute, 1982).

⁶⁶ Cătălin Zamfir, *Human development of the enterprise* (Bucharest, Romanian Academy Press, 1980).

⁶⁷ Cătălin Zamfir, *Critical analysis of the transition. What will be "after"?* (Iași, Polirom, 2004).

⁶⁸ Sorin Cace, *Unemployment in Romania between social policies and consequences*, in *Annals - INCE*, no. 2 (2001).

The theory of the human capital has been developed in an interdisciplinary perspective, from the need of identifying causal explanations for which the individuals have different positions on the labour market, even under the conditions of its explicit functioning. The need to include all the relevant factors within the pattern of causal explanation lead to the inclusion of “macro” variables such as the social class and the gender, opposed to the individualist methodology of the neoclassical economy. Hence, a “macro” utilization for the theory of the human capital⁶⁹. The World Bank and UNPD were factors of dissemination of this theory in the 90s, by initiating programs to study the human capital and by drawing the national experts in these programs⁷⁰.

The research subsumed to this theory seek to offer explanations on the individual decisions, on the strategies they adopted on the labour market within the difficult context of the transition. This also is the theoretical option of the analysis proposed for this chapter.

The answer to the challenges of a changing economic-social environment, under conditions of severe incertitude generating actional and axiological confusion, materialised in the adoption of active or passive strategies of answering. The construction of these strategies of answering was shaped both by the influence of rather general factors, such as the increase of the economic insecurity after 1989, and by the action, particularly in the rural environment, of contextual factors such as the local opportunities for profit, legal, informal, or illegal, correlated with the experience of individual and collective behaviours to capitalise on these specific conditions⁷¹.

All these can be analysed in relation with the response typologies to the social change proposed by Sztompka, Giddens or Merton, typologies constructed starting from the basic attitudinal types which generate adaptive reactions materialized in active or passive behaviours.

In Romania, transition has generated both types of response strategies. The reduction of the economic activity generated an important increase of the

⁶⁹ Ibid., pp. 57-69.

⁷⁰ John Harris, *Depoliticizing Development: The World Bank and Social Capital* (Londra, Anthem, 2002).

⁷¹ Mihnea Preotesi, *Social representation of the state - structuring factor of the response strategies to environmental challenges. An analysis of the Romanian rural environment*, in *Yearbook of Petre Andrei University, Iași* (2010).

proportion of unemployed active population. The new companies failed to absorb the laid-off workforce, the solutions of the people excluded from the labour market following the logic of the two types of strategies.

There are several general elements which were the premises of choosing one strategy or the other, in forms as those mentioned below, and in particular contexts which mediated the action of these general factors to influence the options of response.

A. Active strategies

1. One of the basic active strategies is seeking a job by adapting to the specificity of the job offer (training courses, pursuing the educational process):
 - opportunities: existence and gratuity of the training courses for the unemployed and for other categories of socially vulnerable people;
 - constraints: lack of subsistence means during the training period, as well as lack of resources to commute to town.
2. Starting own business:
 - opportunities: available work force;
 - constraints: lack of capital, difficulty to access credits, hard to put up collaterals due to the poor capitalisation of the rural real estates.
3. Subsistence agriculture:
 - opportunities (advantages): almost half of the population lives in rural areas, (re)constitution of the property rights, rather fertile land;
 - constraints (disadvantages): lack of agricultural equipment and capital, aged rural population.

The forced option for such type of agriculture, poorly or no mechanised at all, using small plots and with no commercial purpose, actually is a return to tradition, correlative with a trend of a process of deindustrialization and re-agrarization within the Romanian economic transition.

In response to a situation generating actional and axiological incertitude, the return top tradition is a mechanism of artificial absorption of the incertitude by "investing added value in the solutions crystallized by the experience of collectivities and proven to be satisfactory". Tradition is a

response to the “fear to give up the safe routine for the risks associated to unexperimented methods”⁷².

4. Temporary migration to work abroad:

- opportunities (advantages): border „opening”, rather high demand for work in EU countries, particularly in constructions and agriculture;
- constraints (disadvantages): lack of the minimal capital necessary to go abroad to work, prevalence of the demand for unskilled workforce, the seasonal character of the work in agriculture.

5. Working as „hired hand” or „informally”:

- opportunities (advantages): solution to the problem of subsistence by the daily earnings, possibility to work close to home (no need for transportation expenses etc.), flexibility of the workforce demand in terms of skills;
- constraints (disadvantages): the seasonal character of the work in agriculture and job unsafety, increased social vulnerability by not paying social contributions. While the pay for working as hired hand usually is on a daily basis, the informal work for longer periods runs the additional risk of not being paid at all, or being paid less than the initial agreement.

6. Criminal activities:

- opportunities (advantages): possibility of getting high earnings and in a shorter time than on the legal ways of earning money. The choice of such strategy was and is favoured by a multitude of factors, among which the change of power from 1989 and the ensuing void of power, situation whose inertia has perpetuated a type of state authority dissolution; the often legislative changes, both in the criminal law and in the legal conditions of the real estate; existence of local opportunities for illegal earnings, particularly in the rural areas, as well as plundering the mountain forests due to the unstable conditions of property and to the quasi-impossibility of an efficient control of their legal exploitation;

⁷² Cătălin Zamfir, *Towards a paradigm of the sociological thinking* (Iași, Cantes, 1998), pp. 357-358.

- constraints (disadvantages): the risk of bearing the rigours of the law, unsafety of the earnings, social decay, long-term social vulnerability by exclusion from the mechanisms of social protection.

B. Passive strategies

7. Pensioning due to sickness or, rarely, early pensioning:

- opportunities (advantages): existence of a flexible legal; framework which encouraged, during specific periods of the transition, either formally, or tacitly, this type of leaving the labour market, preferable to unemployment; possibility to combine, formally or not, this type of benefit with income earning activities;
- constraints (disadvantages): maintain a rather modest standard of living, because the pension is rather low compared to the equivalent pension for age limit and full service time.

8. Accessing social benefits such as social aid, heating aid, unemployment aid:

- opportunities (advantages): access a benefit obtained with minimal efforts and the practical possibility to combine these sources of income with other sources, even if the resulting combination is incompatible with the law. The eligibility criteria for such social benefits varied in time and space, function of the legislation and function of its actual enforcement, particularly by the local authorities;
- constraints (disadvantages): risk of social decay particularly due to the status of social aid beneficiary; risk of chronicization of the status of socially assisted person and exclusion from the formal labour market by demotivation, de-professionalisation or non-professionalisation in the case of the people with no professional training and without any experience on the formal labour market.

Relation between the active/passive strategies and the short-term maximization of utility

Because of the low level of the benefits from working as hired hand, on the one hand, and of the social benefits, on the other hand, the major option of

the people in situations of social vulnerability is to combine the two strategies; thus they take the social aid and also work informally as hired hands, the resulting income being higher than in the case of the formal employment, which would prevent them receiving social aids and other aids, and the heating aid.

This type of “adaptive” strategy *ensures the individual survival but fails to provide the basis for personal development, being thus a hindrance to social development*. Recent studies in various rural communities⁷³, documented a high proportion of such type of adaptive strategy in the Romanian rural areas.

Working hypotheses: the emergence and aggravation of serious social problems, such as the long-term unemployment under the conditions of no other viable alternatives at the local level, generate response modalities influenced by three types of factors:

- level and type of the individual (and collective) resources at the community level;
- regional/zonal opportunities, as alternative to the lack of local opportunities;
- efficiency of the social policies of response within the local context.

The response solutions to problems such as unemployment, among which the subsistence agriculture, the informal work and the temporary migration to work abroad, even if they produce some short-term beneficial effects, they also produce long-term negative social effects which hinder the social development.

The evaluation, by the potential beneficiaries, of the alternative solutions offered through the measures of social policy is rational, from their point of

⁷³ The data were collected in several projects to which the authors have collaborated within IQLR: *Extreme poverty and social integration* “, coord. M. Stănculescu, IQLR, WB, 2001; *Interaction poverty-social exclusion*, coord. prof. dr. Cătălin Zamfir, IQLR, MMSSF, WB, 2003; *The differentiated social impact of the higher prices for the public utilities*, coord. dr. Mariana Stanciu, IQLR, 2003; *The institution of consumer protection in Romania*, coord. dr. Mariana Stanciu, IQLR, 2004; *Social and economic policies impacting on the consumption level of the population*, coord. dr. Mariana Stanciu, IQLR, 2005; *Living conditions of the families with children in Romania*, coord. dr. Mariana Stanciu, IQLR, CNCSIS, 2006.

view, the choice of the mentioned alternatives aiming to maximize the short-term usefulness, to the detriment of maximizing the long-term usefulness. The serious problems involved by the immediate supply of subsistence admits no delay, this choice being thus compelling. Here is a concrete example: if the savings and possibilities of getting a loan lack almost entirely, the people don't have the time to change the "hired hand" strategy, which provides nourishment for the family, with the better long-term strategy, yet undesirable on the short-term, to work formally and to get paid after one month⁷⁴.

The *object of this analysis* is the situation of the unemployed people, focusing on the category of the unemployed people of active age.

The basic hypothesis is that according to which the individual choices in response to the social problems generated by unemployment are shaped by several types of factors:

- personal factors, such as socio-demographic characteristics and the personal history data, such as the experience on the labour market;
- contextual factors, materialized in opportunities and constraints, either within the regional context, or within the context of the area of residence (rural/urban);
- global factors, such as the economic crisis.

This chapter aims to analyse the manner in which these three types of factors influence the attitudes and behaviours of the unemployed people in relation with the survival strategies which they consider desirable and which they apply or not. Therefore, the analysis of the data collected by questionnaires will target the following aims:

1. main categories of unoccupied people – the unemployed and the inactive categories;
2. current situation of unemployment; causes and modalities of losing the job;
3. attitudes and behaviour in relation with the (re)integration on the labour market;
4. making a typology of the categories of unoccupied people.

⁷⁴ Mihnea Preotesi, Cristina Tomescu and Cristian Mihalache, *Roma inclusion on the labour market - perception of the involved factors* (Bucharest, Soros Foundation Romania, 2009).

Concepts regarding employment and unemployment

In Romania, the social data on the work force are generated by the National Institute of Statistics from several sources: the demographic statistics, the statistic survey of the workforce cost, the survey of household workforce (AMIGO), and from administrative sources, which provide unemployment data (ANOFM) and other data. All these data are joined in the workforce balance.

According to the occupational situation, in agreement with to the economic theory⁷⁵, each adult person can be included in one of the following three categories:

- employed;
- unemployed;
- economically inactive (not included in the workforce).

The *employed person* is defined as the person who conducted an economic activity, producing goods or services, at least one hour per week, with the purpose to earn money.

The *unemployed person* is defined as the person who, currently, doesn't have a job, or is expecting to start working on a new job. In Romania, the statistic record for "job seeking" presumes the use of different job seeking methods during the past 4 weeks (registration with AJOFM, or with private recruiting agencies, actions to start own business, media announcements, asking relatives, friends, colleagues etc.).

The *economically inactive* persons are those individuals who don't belong to the previous two categories, such as school pupils, students, the household workers or the pensioners.

In Romania, the labour market statistics use the following indicators:

- *active population*, (or work resources) which includes the population aged 15-64 who can perform productive activities or who can provide services;

⁷⁵ N. Gregory Mankiw, *Principles of Macroeconomics*, 3 ed. (Cincinnati, South-Western College Pub., 2003), Chapter 14, pp. 291-318.

- *employed population*, which includes all the persons supplying workforce for the production of goods and services. The employed population includes the persons who performed income-generating activities – employees, entrepreneurs, farmers or members of an agricultural society, the self-employed etc.;
- *unemployment rate*, which is calculated as proportion of the unemployed within the active population;
- *rate of activity*, which is the ratio of the active population (employed plus unemployed) to the total population aged 15-64, expressed in percentage;
- *employment rate*, which is calculated as percent ratio of the employed population to the total population or just to the population of working age, which is 15-64 for Romania.

Methodology

To accomplish the proposed objectives, we first conducted a primary analysis of the data collected by questionnaires. We interviewed 4498 subjects from South Muntenia and South-West Oltenia regions, obtaining a representative sub-sample for the adult population over 18, non-institutionalized, for each development region. The sample from South Muntenia Region included 2675 subjects, with a margin of error of $\pm 1.9\%$ for 95% confidence, and $\pm 2.5\%$ for 99% confidence. The sample from South-West Oltenia Region included 1823 subjects, with a margin of error of $\pm 2.30\%$ for 95% confidence and $\pm 3.01\%$ for 99% confidence.

The purpose of the analysis was to construct social profiles, to identify types of men and women which are significant for the problems pertaining to employment and unemployment. In doing this we used homogeneity tests which allow us to determine the extent to which different subcategories of population display the same specific characteristics as the whole population. The process of homogeneity testing was done with the square-chi (X^2) test for two categorical variables.

He profiles resulted from the conjunction of the socio-demographic variables (gender, age, professional training, area of residence, status of

dwelling, marital status, number of children, monetary resources of the household in the last month) with categorical variable representing perceptions and attitudes of the interviewed subjects on problems such as employment, the minimal wage for which they would agree to get a job, optimism/pessimism regarding the future period etc.

Main categories of unoccupied active persons

The data collected by questionnaire interviews in the counties composing South Muntenia Region and South-West Oltenia Region, yielded the following situation of participation on the labour market:

Table 32 – Structure of the population according to the involvement in economy, in South Muntenia Region

Category	Subcategory	Proportion of the sample (%)	Total category (%)
1. Employed	Employees	26.1	31.1
	Entrepreneurs	1.6	
	Agricultural workers	1.5	
	Self-employed	1.9	
2. Unemployed	Unemployed on benefits	5.1	12.0
	Registered unemployed, no benefits	6.9	
3. Inactive	School pupil, student	5.6	40.0
	Employee, in maternity leave	1.6	
	Pensioner	27.8	
	Pensioner due to sickness	5.0	
4. Employed/ inactive	Household worker	16.9	16.9

Table 33 - Structure of the population according to the involvement in economy, in South-West Oltenia Region

Category	Subcategory	Proportion of the sample (%)	Total category (%)
1. Employed	Employees	27.9	35.8
	Entrepreneurs	1.1	
	Agricultural workers	4.6	
	Self-employed	2.2	
2. Unemployed	Unemployed on benefits	2.9	7.3
	Registered unemployed, no benefits	4.4	
3. Inactive	School pupil, student	5.6	39.9
	Employee, in maternity leave	0.9	
	Pensioner	28.4	
	Pensioner due to sickness	5.0	
4. Employed/ inactive	Household worker	17.0	17.0

There are two categories of observations which result from these data. The first one concerns the comparison with the official NSI data and the second one concerns the fourth category. The comparison with NSI data is impossible to be done, except for the unemployment rate, because of two reasons. First, at the moment of writing this text, no data for 2010 are available, just for 2008, and, in some cases, for 2009. Particularly the data concerning the active population, categories 1 and 2 from the tables above, are published with significant delays. The second one results from the construction of the sample in comparison with the construction of NSI indicator. The sample is representative for the adult population, while the indicator covers the population aged 15-64. Relevant here is a higher employment rate, because the calculation doesn't relate the employed people to the adult population, rather to a less numerous category, which excludes the pensioners.

The fourth category from the tables above, active/inactive, surprises by the significant number of subject who declared to be household workers. A good deal of them are probably listed as employed in NSI workforce balance, being included in the category of non-remunerated family workers, working in

agriculture during the period of reference, that is to say, during the week of registration. Therefore, we have two problems here. The category of inactive people includes only the pensioners and the learning people (school pupils, students), not the persons of active age, which might work, but who chose, due to various reasons, not to be active on the labour market. The household workers, and by this we understand one of the partners in a marriage, almost always women, who are only taking care of the household, are by excellence such persons.

The second problem refers to the artificial increase of the employment rate with persons who (1) do not produce goods or services to be exchanged within the real economy, and (2) are not remunerated, don't earn any income, against their work. The result of the non-remunerated family workers working in agriculture can not be considered as being exchanged within the real economy or as a form of remuneration. The equivalence of self-consumption with goods procured on the free market can only be done for research purposes; it can be related to monetary income only in the case of food consumption, and only to a certain extent. The differences of methodology between the national statistics and Eurostat statistics in data collection for monetary poverty and for the poverty which includes self-consumption, induces a difference of about 5 percent points in the relative poverty⁷⁶.

Essentially, the category of the "household workers" is at the borderline between the employed people and the economically inactive people. The people employed in agriculture can be considered as being under-employed or in a state or precarious employment. Most probably, they would prefer to have a remunerated occupation, but under the conditions of job shortage, they settled for a life of subsistence, running the risk of social exclusion and poverty. The data for the 20 years which elapsed after the revolution converge to the conclusion that the people "employed" in the subsistence agriculture, and particularly the children from these families, are the most exposed to absolute poverty⁷⁷. The real challenge for social inclusion and for decreasing the risk of poverty is to bring, not just the unemployed, but also the people

⁷⁶ Cătălin Zamfir, Iulian Stănescu and Simona Ilie (coord.), *After 20 years: options for Romania* (Bucharest, IQLR, 2010), p. 33.

⁷⁷ *Ibid.*, p. 27.

living in a state of precarious occupation/inactivity to the real, monetary, economy, within the employed population.

Hence, we consider that the unemployed active population includes: (1) the unemployed persons receiving unemployment benefit, (2) the unemployed persons not receiving unemployment benefit, and (3) the household workers up to the age of 64.

The household workers, three quarters of which are women, hold the largest share within the unemployed active population, in each of the two surveyed regions of development. In the rural areas, the number of household workers is twice as much as in the urban areas. Also in villages live 64% of the unemployed persons not receiving unemployment benefit in South Muntenia Region and 67.9% in South-West Oltenia Region, as well as 36% of the unemployed persons receiving unemployment benefit in South Muntenia Region and 30% in South-West Oltenia Region. This latter category is the only category of unoccupied people better represented in the urban areas than in rural areas – total unoccupied people in the rural areas: 64% in South Muntenia Region and 57.6% in South-West Oltenia Region. By comparison, from the overall employed population, 55.1% of the employees from South Muntenia Region and 56.8% in South-West Oltenia Region live in urban areas. Therefore, the profile of the unemployed active population in the rural areas is, for both regions: household worker or unemployed person not receiving unemployment benefit, while in the urban area the profile is of unemployed person receiving unemployment benefit. This situation is caused, largely, by the fact that the effects of the crisis were felt until now more acutely on the formal urban labour market, with a higher level of formal employment.

As mentioned above, over $\frac{3}{4}$ of the household workers from each region are women. Their educational level is low, more than 40% of them having up to 8 grades.

Most female household workers established families, but the proportion of cohabitation is significant (over 63% in South Muntenia Region and 82% in South-West Oltenia Region, of the cohabiting unemployed people are household workers). In each of the two regions, over two thirds of this type of family include household workers, more than two thirds have at least one child and almost a quarter have at least 3 children. This is the socio-occupational category most strongly correlated with a high number of

children. In terms of age, they are rather young, about $\frac{3}{4}$ of the household workers, in each region, are below 48.

The loss of the job displayed a rather consistent dynamics in both regions. The withdrawal as household worker is correlated with the years 1990-2000 and it is strongly correlated negatively with the crisis.

In each of the two surveyed regions, almost three quarters of the household workers belong to families which spent up to 1000 lei per household during the last month. At the same time, the household workers represent the largest category of people who would accept to work for low wages. In South Muntenia Region, 71% of those who would take a job for wage below 500 lei (6% of the total number of household workers) and more than 70% of those who would take a job for a monthly wage below 700 lei (22.7% % of the total number of household workers) belong to this category.

In South-West Oltenia Region, the proportion of household workers who would take low wages is even higher: 92% of those who would take a job for wage below 500 lei (10% of the total number of household workers) and 70% of those who would take a job for a monthly wage below 700 lei (27.6% of the total number of household workers).

The disease-related pensioners are relevant in terms of age. They are people of active age who lost, temporarily or completely, the working capacity. Due to the temporary character, they may return to the active population. Some of them, we don't know how many, already do it, informally.

In both development regions they are divided quite equally between urban and rural areas, and in terms of gender, they have graduated vocational schools, post high-schools or foreman schools.

Their average age is about 55 in both regions, more than 85% of them being aged 49-62.

Over three quarters of them live in their own dwelling, most are married and quite a lot are widowers – almost one third of them.

They are distributed uniformly over the period of 20 years in terms of the moment when they lost the job. The strategy of the medical retirement is correlated with the years of the massive collective layoffs from the former industrial enterprises (1997-2004). This category has the strongest negative correlation with the loss of job from the start of the crisis. In South Muntenia

Region, only 2.8% of the people who lost their job during the crisis retired due to medical reasons. In South-West Oltenia Region, the percentage is also low, but two times higher than in South Muntenia Region (5.7%). Most of the disease-related pensioners have 2 children, in both development regions.

The financial resources of the household during the last month are higher in South Muntenia Region (an average of 1187 lei) than in South-West Oltenia Region (an average of 1090 lei). Of those who would accept to go back working, most would take a wage of 700-1000 lei. The percentage is clearly higher in South Muntenia Region – 61.2% compared to 53.5% in South-West Oltenia Region.

Current situation of the unemployment. Causes and ways of losing the job

According to the data collected by our research, in the spring of 2010, the unemployment rate was 15.3% in South Muntenia Region and 9.2% in South-West Oltenia Region. The data of the National Employment Agency (ANOFM) show, for the same period of time, 9.7% and 10.3% for South Muntenia and South-West Oltenia regions, respectively.

The unemployment rate calculated according to the sample was much higher in South Muntenia Region than the unemployment rate calculated by NSI, and a possible explanation is that the unemployment rate is calculated in relation to an active population of 15 and over, which thus includes the high-school pupils. Relating the number of the unemployed to a larger active population, which includes more than the people aged 18 and more, the unemployment rate decreases. Our sample was designed for an adult population, so the unemployment rate was higher. A complementary explanation regards the temporary migration for work abroad which, in the case of the less urbanized region (South Muntenia) might have a stronger seasonal character, related to the specificity of the type of work abroad, which preponderantly agricultural (the field research was conducted in spring, so it is possible that the active population was less represented in the sample because it was the time for agricultural works). An explanation for the large difference in the unemployment rate between the samples of the two regions might come from the different occupational status of the people who went abroad to work,

hypothesis which is valid if the temporary migrants for agricultural work, who originate preponderantly from rural areas, are more susceptible to belong to other categories of unemployed than to the category of registered unemployed persons, who account for a higher proportion among the people who left the towns for non-agricultural work. Consequently, in the more urbanized region, the proportion of the unemployed in the registered active population, but which was not in the country at the moment when the data were collected, may be higher in the more urbanized region (South-West Oltenia), which generates a lower unemployment rate. This hypothesis seems to be supported by some results of the analysis, such as those regarding the percentage of the hired hands in agriculture which, in the sub-sample of the more urbanized region, South-West Oltenia, is four times higher than in the less urbanized region, South Muntenia.

On the other hand, in order to analyse the causes of losing the jobs, the period when this event occurred is relevant. Thus we might also see the impact of the economic crisis on the labour force market in the two southern regions of Romania. 37% of the total number of persons of active age, in each of the two regions, who were employed at a particular moment, but not anymore, declared that they lost their job after the autumn of 2008. The rest lost their job as follows: 25% in South Muntenia Region, and 22% in South-West Oltenia lost their job between 2005-2008 (before the crisis), 9.5%, and 8.9% lost their job between 2001 and 2004, 11%, and 12.3% between 1997 and 2000, and 8.5%, respectively 9.5% lost their job between 1990 and 1996; 8.7% of the people from South Muntenia Region and 9.8% of the people from South-West Oltenia lost their job before 1990.

As it can be seen, the largest category consists of the people who lost their job due to the economic crisis, but a fairly large proportion of the jobs were lost during the 90s, the decade of transition. Therefore, chronologically, *the two main causes for losing jobs* are related to (1) the *phenomenon of deindustrialization* during the period of transition, manifested by collective layoffs from the former state enterprises during the 90s and (2) the *impact of the economic crisis* in Romania. On the other hand, it is interesting to notice that about a quarter of the jobs were lost during the period of economic growth of 2005 to 2008.

**Table 34 – When did you lose your job?
South Muntenia Region**

Period	Percent of answers	Cumulated percent
After the crisis started (fall of 2008)	37.3	37.3
2005-2008	25.0	62.3
2001-2004	9.5	71.8
1997-2000	11.0	82.8
1990-1996	8.5	91.3
Before 1990	8.7	100.0

**Table 35 - When did you lose your job?
South-West Oltenia Region**

Period	Percent of answers	Cumulated percent
After the crisis started (fall of 2008)	37.4	37.4
2005-2008	22.0	59.4
2001-2004	8.9	68.3
1997-2000	12.3	80.6
1990-1996	9.5	90.1
Before 1990	9.9	100.0

Profile of the people who lost their job

In each of the two regions, about a third of the unemployed persons have been sacked, the rather important ways/reasons in terms of proportion being: health problems, resignation and mutual agreement. The cumulated percentage of the three ways/reasons to cease activity exceeds three quarters from the total number of people who lost their jobs.

The data above are general, however. In order to define the *profile of the people who lost their job*, we will mix the two elements of reference – period and manner of losing the job – with socio-demographic variables. Throughout the period 1990-2008, we could observe significant differences in the manner of losing the job which produced the following periods:

- during the crisis;

-
- the period of economic growth, 2005-2008;
 - the end part of the transition and the pre-accession period;
 - the transition period of the 90s;
 - before 1990.

(1) Over three quarters of the *people who lost their job during the crisis*, are registered unemployed: 48.2% are and 28.3% are unemployed persons, but who don't receive unemployment benefit. The total number of the unemployed persons receiving unemployment benefit is 70,572 in South Muntenia Region and 48,735 in South-West Oltenia Region, which means a total of over 120,000 people from the two regions, equivalent to a population exceeding the population of Câmpina, Motru and Turnu Măgurele taken together. Over one fifth of the people who declared to have lost their job at the beginning of the crisis do not have the status of unemployed, because they were not integrated on the formal labour market.

Which are the other elements needed to make a profile? The data analysis shows that most jobs have been lost by the rural residents, despite the difference of urbanization between the regions. Therefore, 52.5% of the villagers from South Muntenia Region lost their job starting with September 2008. The percentage is slightly higher for South-West Oltenia Region: 55.3%.

Most of them (over 60% in each of the two regions) are men, generally high-school graduates (over 40% in each of the two regions), or even higher education graduates. The job they lost was mainly in services (commerce) and, secondary, officials in administration. A special category, the most vulnerable to the loss of the job, seems to be that of the young (up to the age of 35), urban, single people, middle school graduates, living with their parents. Over 60% on the young people younger than 35, lost their job during the crisis. Compared to other period, the skilled workers were less predisposed than the other categories to lose their job.

In South Muntenia Region, of the manners to lose the job, the layoffs and the individual dismissal are strongly correlated with losing the job in time of crisis (62% of the lost jobs).

In South-West Oltenia Region, the loss of job is significantly correlated only with the resignation.

At the same time, unlike the previous periods of job losing (1997-2004), the ceasing due to medical reasons is negatively correlated with losing the job during the crisis. Only 6% in South Muntenia Region and 2.9% in South-West Oltenia Region, have indicated this manner for the interval fall 2008-spring 2010.

(2) *The people who lost their job during the period of economic growth, between 2005-2008* mainly are, unemployed people not receiving unemployment benefit (significantly more in South Muntenia Region, 42%, compared to 30% in South-West Oltenia Region). Over 70% of the unemployed are people under 48, in both regions, and more than 40% are young people below 35, representing again one of the most vulnerable categories, particularly those with no professional qualification. Most people from this category have started a family and over three quarters have at least one child. Also in this category, we observe the highest proportion of divorced people, about one third.

(3) *The profile of the people who lost their job during the end period of transition and during the pre-accession period (2001-2004)* reveals slightly older people, but in South-West Oltenia Region there is no statistically significant correlation of this category with the age. In both regions, most people from this category are women, contrary to the previous categories, where the majority consisted of males. In terms of education, most people graduated the high school. An important sub-group consists of the graduates of post-high schools, or foremen schools, who have previously worked as technicians. They are generally married and have two children. Most of them retired on medical grounds.

(4) *The transition period of the 90s* meant a massive loss of jobs. One of the main ways to absorb the social shock of the massive loss of jobs was retirement. The people not of retirement age, or who couldn't retire (because they have worked in agriculture until 1990) and couldn't get a job, found a solution in the retirement on medical grounds (35% in and 40% in South-West Oltenia Region); more than 50% of this category remained at home as household workers, and about three quarters of them, in both regions, live in rural areas. Over half of the people in this category are aged 49 to 62, they have a family and 2 or more children. Most were skilled workers or qualified agricultural workers before 1990.

(5) Almost 90% *of the people who lost their job before 1990* are now household workers, or retired on medical grounds, in each of the two regions. The proportion of household workers is slightly higher in South Muntenia Region, 61%, compared to 53% in South-West Oltenia Region, while the proportion of the people who retired on medical grounds is higher in South-West Oltenia Region, 34%, compared to 30% in South Muntenia Region. More than three quarters live in the rural and two thirds are women. Over two thirds are older than 50, most being married people. Most of the people who had lost their job before 1990 have at least two children (the percentage is clearly higher in South Muntenia Region, 79%, compared to 68.7% in South-West Oltenia Region). Almost half of the unemployed persons from South Muntenia Region graduated up to 8 classes, while the corresponding proportion is only 37% in South-West Oltenia Region.

Let us review the main categories of unemployed people:

The *unemployed people receiving unemployment benefit* are the product of the crisis, residing predominantly in urban areas, particularly in South-West Oltenia Region; most of them are males (higher percentage of males in South Muntenia Region), predominantly high school graduates (61%), with an average age of 40; they have one or two children (average of 1.37) and an average unemployment period of over 11 months.

Among the *unemployed people not receiving unemployment benefit* the proportion of those who lost their job during the crisis is equal with the proportion of those who lost their job during the previous period, 2005-2008, in South Muntenia Region. In South-West Oltenia Region, the proportion of unemployed people due to the crisis is twice as much the proportion of the people who lost their job during the period 2005-2008 (53.41%, compared to 30%). Most of them are males (over 80% in each of the two regions), they have an average age of 37 and 34 in South-West Oltenia Region, most of them having at least one child.

In average, the period that elapsed since they had lost their job exceeds 5 years, but the median is less than half, i.e. 2 years.

Attitudes and behaviours concerning the (re)integration on the labour market

Most of the unemployed people didn't seek a job during the last year (65% of the interviewed subjects in South Muntenia Region and 67% in South-West Oltenia Region). Data analysis reveals the existence of a large and statistically significant difference in the job seeking behaviour of the people who had lost their job before and after the crisis. Most of those who lost their job when the crisis started sought a job *during the past year*, compared to just one quarter of those who had lost their job before the crisis started.

The *registered unemployed people not receiving unemployment benefit* are one of the categories which, lost their job during the past two years, but who sought a job during the past year.

The job seeking/not seeking behaviour also correlates with the occupational status and with other socio-demographic variables, such as the age or number of children. All these statistically significant correlations allow making socio-demographic profiles of the people who sought or not a job during the past year.

Which is the profile of the person who doesn't have a job, but sought one during the past year?

- Registered unemployed, no unemployment benefits, young, below 35, man, doesn't own a dwelling.

Regarding the resources of the household, the largest category of the people from South Muntenia Region who sought a job during the past year is that with resources that allow a monthly consumption below 600 lei for the entire household. Only 30.5% of the households from South-West Oltenia Region fall into this category, while 40% have a monthly consumption for the entire household between 600 and 1000 de lei.

Which is the profile of the person who doesn't have a job, and didn't seek one during the past year?

- Household worker, or person who retired on medical ground, aged 49 to 62, owning a dwelling, whose household has resources which allow a monthly consumption between 1400 and 4000 lei.

In South Muntenia Region the affiliation to this category correlates significantly with the area of residence (64% live in the rural), while in South-West Oltenia Region the affiliation to this category correlates significantly with the gender (60% are women).

Therefore, the young people with precarious resources and with low family responsibilities have been more interested in getting a job. The people with more important accumulations/resources, of medium to elder age, with safe current incomes from the status of unoccupied person, are less interested to get a job. Correlating these data with other basic variables such as the conditions in which the people would accept/reject a job offer, we may say that the evaluation of these alternative options of behaviour is reasonable, the choice of alternatives being made from the perspective of maximizing the short-term utility, to the detriment of maximizing the long-term utility.

For the analysed population, with high social vulnerability, this strategic choice is not due to individual characteristics, rather to the serious problems regarding an immediate supply of subsistence which suffers no delay and which dictate this choice, which is rather forced. Within this context, on the one hand, there is no doubt a difference of motivation between the two categories, meaning that the people who have very low accumulations and reserves which don't ensure the subsistence of their family, have a stronger motivation to increase their earnings, the basic option being to seek a job; on the other hand, the people who do better and who, unlike the first category, have at least in the present the possibility of choice.

The pressure of the need and the precariousness of the work offer drives the people from the first category to take jobs on the informal labour market, either as hired hands, or as informal workers, which solves partially the problem of subsistence, but which creates short-term vulnerabilities, due to the lack of protection against the possible abuses from the entrepreneurs, and long-term vulnerabilities because they have no social insurances for old age and health.

On the other hand, the option of the people from the second category, to maximize the short-term utility and to maintain the social vulnerability on the long-term, also is somehow forced. The very small difference in real terms between the wage which the unemployed people receiving unemployment benefit might get, and the unemployment benefit, is not enough motivating to make them change a statute which brings sure benefits, at no expense, but on short term, with a statute which presumes less certain benefits, on indefinite

term, at a close level, but with higher costs of opportunity – besides the actual effort incurred by the activity that has to be done, the time which the unemployed person has, is an important resource which can be used to increase the incomes using alternatives such as working in subsistence agriculture, working in own household, or working as hired hand, or on indefinite period, but informally.

Part of the people who retired on medical grounds and of the people who have family responsibilities which don't allow them to get employed, are in physical or contextual impossibility to get hired. The people who, although retired on medical grounds, might be able to work, are caught in the same dilemma as the unemployed people receiving unemployment benefit: give up the benefit they receive effortlessly and the spare time they have, which can many times be turned into money, for another income, slightly higher, but below what it is considered to be the minimal acceptable level, and which they can not increase due to the lack of time and energy...

On the other hand, more general arguments, such as the scarcity of job offer and the low pay, are potentiated by the personal experience, and the failures in the attempt of (re)integration on the labour market enhance the mistrust in the possibility to get a job, yielding indifference and the associated passive behaviour.

Starting from the manner in which the unemployed people motivate their option not to seek a job, we have constructed the categories presented below, each of them representing a type of social situation to which a type of evaluation is associated according to the logic of argument developed above.

Categories of motivations for the people who didn't seek a job

There are important differences between the two regions in the proportion of each motivation, although the main reasons remain the same, argued by the unemployed people who didn't seek a job during the past year.

In South-West Oltenia Region, almost one third of the rural respondents are discouraged, while the proportion is of just 12.6% in the other region. Discouragement is present in a significantly higher proportion in South-West Oltenia Region and in urban area (18.9% of those who didn't seek a job during the past year argue their behaviour by saying that they don't believe they have changes to get a job, while the corresponding proportion in South Muntenia Region, is of just 10.2%). At the same time, in South Muntenia Region, the percentage of the people motivating their passive job-seeking behaviour by the fact that they are enrolled in a form of education and they live in rural area, is

twice as much than the corresponding percentage from South-West Oltenia Region.

There also are similar patterns for the two regions: in both regions, about one fifth of the rural respondents and little below 7% of the urban respondents say that they prefer to subsist based on their household. Also, the percentage of the urban subjects who plan to start a business is 4.1% in both regions. It is interesting to note that in this case too, important differences appeared between the regions for the responses from the rural regions, where the proportion of the people planning to start a business is three time higher in South Muntenia Region: 3.7%, compared to just 1.1% in South-West Oltenia Region); however, given the very low number of cases, the comparison in this situation is not statistically relevant.

1. Objective reasons: disease-related retirement, students, household workers

Table 36 - Objective reasons: disease-related retirement, students, household workers, in South Muntenia Region

Stated reason	Urban (% of answers)	Rural (% of answers)
Family duties	15.9	20.1
Health problems	24.9	22.7
Learning	29.0	12.3
Total	69.8	55.1

Most of the people who didn't seek a job during the past year declared that they can not have a job, they are physically unfitted, or the context doesn't allow them. The clearly higher urban percentage is due mainly to the higher number of students coming from rural regions.

Health problems are, as expected, strongly correlated with the status of disease-related retirement: 65% of the respondents in this category, 58.4% of them being aged 49-62.

Table 37 - Objective reasons: disease-related retirement, students, household workers, in South-West Oltenia Region

Stated reason	Urban (% of answers)	Rural (% of answers)
Family duties	10.2	16.5
Health problems	22.4	17.6
Learning	27.0	6.7
Total	59.6	40.8

In this case too, the reasons pertain to a physical or contextual incompatibility with having a job. The much higher urban percentage is also due mainly to the higher number of students coming from rural regions.

The health problems also correlate strongly with the status of disease-related retirement: 75.3% of the respondents in this category, 64% of them being aged 49-62.

2. Passive behaviours: unemployed persons receiving unemployment benefit

Table 38 – Stated reason - unemployed persons receiving unemployment benefit, in South Muntenia Region

Stated reason	Urban (% of answers)	Rural (% of answers)
Waiting for the retirement decision	2.0	4.8
Waiting employment in the former job	4.9	2.4
Receiving social benefits which are enough for the time being	1.2	1.1
Total	8.1	8.3

Almost three quarters of the people stating that they are waiting to get hired in their former job are unemployed persons receiving unemployment benefit; more than half of them are in the middle age, 35 to 49. Half of those stating that they “receive social benefits which are enough for the time being” are unemployed persons receiving unemployment benefit, but their number is very low: just 12 persons. Three quarters of the disease-related pensioners who

stated to be waiting the retirement decision (29% from this category of answers) are aged 49 to 62

Table 39 - Stated reason - unemployed persons receiving unemployment benefit, in South-West Oltenia Region

Stated reason	Urban (% of answers)	Rural (% of answers)
Waiting for the retirement decision	4.1	2.2
Waiting employment in the former job	2.0	2.2
Receiving social benefits which are enough for the time being	3.1	0.7
Total	9.2	5.1

Little more than half (55.65%) of the people stating that they are waiting to get hired in their former job are unemployed persons receiving unemployment benefit; a similar percentage are in the middle age, 35 to 49. 85.7% of the disease-related pensioners who stated to be waiting the retirement decision (53.3% from this category of answers, statistically significant correlation), are aged 49 to 62.

3. Rational choice: self-employed, housewives, agricultural workers

Table 40 - Stated reason - self-employed, housewives, agricultural workers, in South Muntenia Region

Stated reason	Urban (% of answers)	Rural (% of answers)
I prefer to subsist based on my household	6.9	19.9

Over three quarters of the people arguing the passive job-seeking behaviour by the fact that they “prefer to subsist based on my household” are household workers (housewives), 84.4% live in rural regions, 40.4% are aged 35 to 49.

Table 41 - Stated reason - self-employed, housewives, agricultural workers, in South-West Oltenia Region

Stated reason	Urban (% of answers)	Rural (% of answers)
I prefer to subsist based on my household	6,6	20,6

The percentage of people preferring to subsist based on own household is higher in this region (82.5% from this category), 80.9% live in rural regions, 38.8% are aged 35 to 49 and 10.3% are aged 62+.

4. The discouraged ones: unemployed, housewives, agricultural workers

Table 42 - Stated reason - unemployed, housewives, agricultural workers, in South Muntenia Region

Stated reason	Urban (% of answers)	Rural (% of answers)
No chance to get a job	10.2	12.6

Over two thirds of the discouraged people are household workers (housewives) and more than a quarter are unemployed people not receiving unemployment benefit. More than a third are aged 35 to 49 and most live in rural regions.

Table 43 - Stated reason - unemployed, housewives, agricultural workers, in South-West Oltenia Region

Stated reason	Urban (% of answers)	Rural (% of answers)
No chance to get a job	18.9	32.2

The percentage of the discouraged people is significantly higher in this region of development, the bulk of difference coming from the rural region – the difference between the number of discouraged people in urban and rural is much higher than in South Muntenia Region. Here too, most of them are household workers (housewives), but 16.2% are unemployed people receiving

unemployment benefit – it is interesting to notice that more than half of the unemployed people receiving unemployment benefit in South-West Oltenia Region are discouraged people. This category consists preponderantly of middle aged people (38.6% are aged 35 to 49), and 69.9% live in rural regions.

5. Active behaviours: young people, unemployed people not receiving unemployment benefit

Table 44 - Active behaviour- South Muntenia Region

Stated reason	Urban (% of answers)	Rural (% of answers)
Planning to start a business	4.1	3.7
Attending training courses	0.8	0.4
Total	4.9	4.1

The active behaviour is almost inexistent among the unemployed people who didn't seek a job during the past year (the correlation with the area of residence is not statistically significant) – 13 people didn't seek a job because they are planning to start a business and just two are attending training courses.

Table 45 - Active behaviour - South-West Oltenia Region

Stated reason	Urban (% of answers)	Rural (% of answers)
Planning to start a business	4.1	1.1
Attending training courses	1.5	0
Total	5.6	1.1

In this region too, the active behaviour is almost inexistent among the unemployed people who didn't seek a job during the past year; seven people didn't seek a job because they are planning to start a business and three two are attending training courses.

Typology of the unemployed persons

Profile of the persons having or not having work experience

Among the socio-occupational categories which we analyse, the housewives are a rather heterogeneous category and with a very important proportion among the unemployed active population.

Most of the unemployed people are the product of the crisis, and of the aggravation of some structural deficits of the labour market. Except the graduates of a form of education who become unemployed as soon as they graduate, the great majority of the unemployed have working experience; they are a category of people which the economic revival can reintegrate on the labour market. However, there are categories of unemployed population for which the intrinsic, intracategorical characteristics, under particular favourable contexts, perpetuate a state of unemployment which becomes chronic and whose social vulnerability is less sensitive to strictly economic incentives. This work resource, chronically underused during the transition period, is to be found in the database we are analysing, under the label of several socio-occupational categories. Among them, there are people who can be assimilated as socio-demographic and behavioural profile to the category of the unemployed; other actually are employed, but under a different form than that of paid employee; there also are chronically marginal people whose social vulnerability is aggravated by the lack of a normal social functioning.

Presuming that all the people who retired due to medical reasons really are unable to work, the people working in the household account for half of the current stock of unemployed people. On the other hand, two thirds of them live in the rural areas, and half of them have never been integrated on the labour market.

Data analysis reveals that there is a difference in the job-seeking behaviour and in the reasons for taking/rejecting a job between the people who have and those who don't have the experience of labour market integration; this happens for all the categories: people working in the household, self-employed, agricultural workers, but for the household workers, the two categories have highly different socio-demographic profiles and behaviours.

- *Household worker with/without experience on the labour market*

More than half of the people seeking a job during the past year are *household workers with experience on the labour market* and they account for more than 44% from the whole category. On the contrary, at the level of the two

regions, only slightly more than one fifth of the housewives with no experience on the labour market have sought a job, which means 60% and 39% (for South-West Oltenia Region) of the total number of people who had been seeking a job. The housewives with experience on the labour market who didn't seek a job didn't argue it with the reason that they prefer to subsist from working in own household.

The *housewives with no experience on the labour market* claim preponderantly (36.5% of them) that the family duties keep them home (46.5% of the category in South Muntenia Region) and that they have no chance to get a job (40.5% of the category in South-West Oltenia Region). There also are important differences between the two categories of household workers, in terms of the participation in training courses, those with experience participating to a greater extent in such activities, and in terms of accepting a job offer – the differences are, for South Muntenia Region, 29%-6%, and for South-West Oltenia Region the differences are smaller, 28% and 15%. In both regions, over 95% of the inexperienced house workers didn't have a job offer during the past year.

Two thirds of the *housewives with experience on the labour market* are aged 35 to 62 (with a plus in South-West Oltenia Region), while the housewives with no experience on the labour market are either younger (52.8% in South Muntenia Region and 63.5% in South-West Oltenia Region are younger than 35), or older. In each of the two regions, more than 80% of the housewives with experience on the labour market would accept a job for a wage between 700-1000 de lei. Some of the housewives with no experience on the labour market would accept a job for a monthly wage below 500 lei; even if they are few, they represent 56.5% for South Muntenia Region and 66.7% for South-West Oltenia Region from the total of those who would accept this level of wage.

It is interesting to note that in both regions of development, most of the people living in cohabitation are in the category of the household workers with no experience on the labour market.

Since the differences between the self-employed and the agricultural workers in term of having/not having experience on the labour market are not as large as in the category of the household workers, we may make a common profile of these categories.

- *Self-employed people*

In both development regions, the self-employed generally had an active behaviour, the sought a job, they don't prefer to remain unemployed, and they are preponderantly middle aged males.

- *Agricultural workers*

In this category too, there is a common profile for both regions: most of them reside in the rural areas, are preponderantly males, they live in households with precarious incomes (below 1000 lei a month), don't attend training courses for qualification and they prefer to maintain their present status.

How much do the people consider that they can get a job?

In South Muntenia Region, 87.8% of the unemployed persons consider that they have low and very low chances to get a job, while the corresponding percentage is slightly higher in South-West Oltenia Region, 90.7%.

- *optimists*

Of the 12.2%, respectively 9.3% people who consider that they will get a job, the unemployed persons receiving unemployment benefit account for the largest share (47% of the category in South Muntenia Region). The optimistic people are young, up to the age of 35 - 75% of the category in South Muntenia Region and 81% of the „optimists“ from South-West Oltenia Region. About 60% of them live with the parents in South Muntenia Region and just 36% in South-West Oltenia Region, in both regions, those not having children accounting for the largest proportion of the category.

More than half of the optimists have lost their job after the crisis started, and three quarters of them are males.

- *The pessimists*

The most pessimistic about their own situation of unemployment are the persons who retired on medical grounds – 96.6% of them in South Muntenia Region and 91% of them in South-West Oltenia Region consider that they have very low chances to get a job.

The unemployed persons receiving unemployment benefit represent another category of “pessimists” (44% of them in South Muntenia Region and 87% of them in South-West Oltenia Region consider that they have very low chances to get a job). They are older than 50, have own home, generally have at least two children, and lost their job before the crisis started.

Attitude towards the participation in training courses for qualification in a profession

- *Who are those who had never attended training courses for qualification in a profession*

Of the more than three quarters of the unemployed people who had never attended training courses for qualification in a profession, in each region, 65% live in rural areas, the household workers accounting for the largest proportion (44% of the total number of non-participants in South Muntenia Region and much more, 64.7%, in South-West Oltenia Region).

A relevant indicator, statistically significant, for South-West Oltenia Region, is the percentage of unskilled workers who never attended such training courses - 88% of the total number of non-participants, under the conditions in which the unskilled workers should be one of the major target groups for such training courses.

- *Profiles of the participants in training courses for qualification in a profession*

Those who attended training courses are, in both regions of development, preponderantly males, residing in urban areas, with quite high level of education. About one third (29% in South Muntenia Region, and 31% in South-West Oltenia Region) of the participants in such training courses are unemployed persons receiving unemployment benefit. Therefore, on the one hand, we may evaluate as rather low the interest of the potential beneficiaries of such training courses, as just 18.4% in South Muntenia Region and 15.8% in South-West Oltenia Region attended such courses.

On the other hand, it is interesting to notice that the number of participants was very low during the crisis – just 3.1% in South Muntenia Region and 3.2% in South-West Oltenia Region of the (18.4% and 15.8%) unemployed people attended such training courses during the past year, which denotes besides the lack of interest, the poor investment in human capital in time of crisis.

- *Interest to attend training courses for qualification in a profession*

Of the potential beneficiaries from both regions, 63% are not interested to participate in the future in training courses for qualification in a profession.

The *interested ones* are those who had lost their jobs during the crisis (there is a very strong correlation between the interest for these training

courses and the loss of job during the crisis). Half of these people want very much to attend such courses.

More than quarter (28% in South Muntenia Region and 25% in South-West Oltenia Region) of the household workers who lost their job before the crisis started want to attend training courses (another argument which supports the very large difference between the behavioural and motivational profiles of the housewives who worked versus those who have never been integrated on the labour market).

The people interested in these courses are rather educated and more than 60% of those very interested (62% in South Muntenia Region and 69% in South-West Oltenia Region) are young people up to 35 years old. Almost half of those not having children are interested in training courses. Therefore, the proactive behaviour is negatively correlated with the age and positively with the education and with the lack of family duties. There also is a statistically significant correlation between the proactive job seeking behaviour and the interest for training courses. 54% in South Muntenia Region and 59% in South-West Oltenia Region of the unemployed who sought a job during the past year, showed their interest in attending training courses.

The *uninterested* in training courses are people over 50, most of them living in rural areas, who had lost their job before the crisis and with an educational level not exceeding the middle school. Their income is precarious, but they own their home and have at least two children. It is interesting to notice that in both regions, about 70% of the unemployed skilled workers are not interested in training courses.

Profile of the people who had or didn't have job offers

The fact that just 8.8% in South Muntenia Region and 8.2% in South-West Oltenia Region of the unemployed people had a job offer since they lost their job gives an image on the structural from the labour market. On the other hand, the fact that just one seventh and quarter of the people who had a job offer accepted it, is an indicator of the job offer inadequacy in relation with the expectations of the unemployed. Even if there are differences in the percentages by area of activity in the offer for the two regions, their hierarchy is the same, most offer being of worker in services-commerce, followed quite far behind by the offer for skilled workers and for unskilled workers, in almost similar proportions.

The low wage is the main cause for not taking the job offer. Of the people who had been offered a job but turned it down, 41% in South Muntenia Region and 32.5% in South-West Oltenia Region motivated their refusal by the offered wage. The fact that there are no kind of statistically significant correlations for these answers according to the socio-demographic variables reveals the precariousness of the wage offer in relation with the expectation of the unemployed, irrespective of the socio-demographic characteristics or individual preferences. Otherwise, the type of offer is relevant in relation with the possible level of the offered wage, most jobs being offered for professions demanding low skills and offering low benefits, such as commercial worker and unskilled worker.

- *Those who received a job offer*

The people who had been offered a job are rather young people from urban areas, aged up to 35, registered unemployed, not receiving unemployment benefit, who graduated a vocational school (quarter of the offers are addressed to them). Also, they are rather single, or live in cohabitation, don't have children and don't own a home.

In both regions, about 81% of the offers have been addressed to those with experienced on the labour market, more than half being addressed to the unemployed who had lost their job during the past two years. On the other hand, 68% in South Muntenia Region and 63.5% in South-West Oltenia Region of the people who had been offered a job sought a job during the past year, 14%, and 13.8% of them receiving an offer for employment.

- *Those who didn't receive a job offer*

In both development regions, the people who had not been offered a job are rather residents in rural areas, graduated a maximum of 8 classes, are aged over 50, married, have at least two children and own a home.

The correlation between age and not being offered a job is stronger in South-West Oltenia Region for the people over 49, only 3% of which had been offered a job during the past year.

Options concerning the area of activity and the job

The large areas of activity for which there has been a relevant number of cases (options) for both development regions are: agriculture, commerce and services, industry, constructions.

- *Agriculture*

Quarter of the household workers, two thirds of which are women, and 73.5% South Muntenia Region and 89% in South-West Oltenia Region live in rural areas. They are preponderantly persons with little education (in both regions half of them graduated a maximum of 8 classes), are aged 49 to 62 (37% in both regions), are married, have children, own a dwelling and have a precarious material state – almost half of them spend less than 600 lei per household per month (41% in South Muntenia Region and 56.3% in South-West Oltenia Region).

Of the people who would accept to work for a monthly wage below 500 lei, 37% in South Muntenia Region and 39.4% in South-West Oltenia Region, would chose to work in agriculture. This is the less educated category, with the lowest wage demands.

48.5% in South Muntenia Region and 54% in South-West Oltenia Region of the people who would like to work as agricultural workers don't have the experience of integration on the labour market.

- *Commerce and services*

The main trait of the people having this option is that they are women – almost 80% of the category, in both regions. Compared to the previous category, they people choosing this field of activity are on a higher level of education (high school compared to middle school) and of incomes.

The proportion of housewives is very important in both regions (64% in South Muntenia Region and 68% in South-West Oltenia Region, of the people who would like to work in commerce and services are household workers).

- *Industry*

This seems to be the basic option of the registered unemployed who don't receive unemployment benefit, in both regions of development; in South Muntenia Region it also is one of the basic options of the people who retired due to medical reasons (27.3%). The people choosing this field are preponderantly graduates of the vocational school or post high school education, people who have working experience (89% in South Muntenia Region and 76.5% in South-West Oltenia Region; they are of average age, 35 to 48.

In both regions there is a strong negative correlation (stronger in South Muntenia Region) between the option to work in industry and the age below

35 (just 7.3% of the young people below 35, in South Muntenia Region and 10% in South-West Oltenia Region, would work in industry).

- *Constructions*

This also is a basic option of the unemployed who don't receive unemployment benefit but, compared to the previous categories, their socio-demographic profile is different: a lower percentage of them is married, few have children and few own a dwelling. However, it seems that the nature of their activity is the one responsible for the profile doing this work. Work in constructions presumes mobility and working time flexibility, both of them little compatible with the responsibilities associated to the family and to owning a dwelling. The age, which also correlates with assuming/not assuming such responsibilities, is an important element which determines the preference for a job in this field. A young person has less duties, didn't yet get married and/or have children, didn't yet build or buy a home; on the other hand, they have a higher availability for physical effort, and for additional working time, both very necessary for the work in constructions.

Therefore, this category is predominated by young people 18 to 35, more so in South-West Oltenia Region (67%, compared to 53% in South Muntenia Region), they graduated the vocational school, have no commitments, but demand wages higher than the previous categories (in both development regions, 37% of the people who chose to work in constructions would want a wage between 1000-1500 lei, and 11% would not work for less than 1500 lei).

We also have a category of people with not preference. In both regions, they are preponderantly from rural areas, graduated no more than 10 classes, and they would take a minimal wage below 700 lei (34% in South Muntenia Region and 60% in South-West Oltenia Region).

There is a low number of people expressing options to work in areas of activity demanding high qualification, in comparison with the number of unemployed persons with high level education – the level of education correlates strongly negatively with the status of unemployed.

Consequently, just 3.7% in South Muntenia Region and 3.9% in South-West Oltenia Region, of the unemployed respondents, would apply for higher education jobs, and 2.8%, and 2.5%, respectively, in the two regions, would apply for technician/foreman jobs; 42.6% and 44.6%, respectively, would apply for a job of skilled worker, 19.5% and 11.6% would apply for a job in services and commerce, and 14% and 12.6%, respectively, would apply for a job of unskilled worker.

Over three quarters of the respondents would choose to work in agriculture, industry, constructions, commerce and services.

Most of the respondents from both regions of development, about two thirds in each region, don't have any preference as to the *form of property of their employer*.

About quarter of the respondents, in each region, stated their preference to work for the state and less than 7% to work for a private company. Taking into consideration that the data have been collected before the 25% cut in the budgetary wages was announced, presumably, the preference for a job with the "state" would decrease somehow.

The people preferring to work for the state are rather women, high school graduates, aged 35 to 48, who would accept a minimal wage between 700-1000 lei.

The people preferring to work for a private company are rather men, who would accept a minimal wage of at least 1000 lei (50% of those preferring to work for a private company).

Conditions for taking or rejecting a job

About a third of the people who answered the question "What would you do in case you don't find the job you want?" said they would preserve their current occupational status of person not integrated on the labour market, in both regions.

Table 46 - Alternative solutions to the situation when the respondent doesn't find the desired job (multiple answer, %)

Answer	South Muntenia Region	South-West Oltenia Region
I prefer to remain unemployed	31.1	31.5
I would take a job...		
- temporary	22.5	21.1
- demanding lower qualification	16.2	11.5
- even for a lower wage	11.7	9.1
- far from home	11.7	12.7
- difficult working conditions	8.3	9.5
Try to retire	7.8	7.8
Other	5.1	4.6

- *Those preferring to remain unemployed/with no occupation*

The best represented occupational categories in this group are the housewives (67.8% in South Muntenia Region and 73.6% in South-West Oltenia Region of the total number of respondents), while in terms of education, the largest group consists of people who graduated a maximum of 20 classes.

The option is correlated positively with the age category 62+ and negatively (statistically significant for South-West Oltenia Region) with the age category below 35, 73.1% of whom would prefer to remain unemployed.

The option to remain unemployed is correlated positively with ownership of a dwelling in both regions (66% in South Muntenia Region and 65.7% in South-West Oltenia Region, of the owners of dwellings would prefer to remain unemployed in case they don't find the job they want).

The number of children is another variable correlated with this option, in both regions of development. The people with two or more children prefer to a higher extent to remain unemployed than the persons without children or with a single child.

The preference to remain unemployed correlates negatively with the work experience. Three quarters of the people with working experience, in both regions, would not remain unemployed, while about 40% of the people with no work experience would not remain unemployed. The hired hands are most inclined to remain unemployed within the formal economy (85.7% in South Muntenia Region and 60% in South-West Oltenia Region, choose to remain unemployed on the formal labour market in case they don't find the job they want).

As expected, the job seeking behaviour differs between the respondents accepting/not accepting to remain unemployed – 53.9% in South Muntenia Region and 49% in South-West Oltenia Region of the people who don't want to remain unemployed, have sought a job over the past year. Of them, little over 14% in each region, actually got an offer, but just 10.5% in South Muntenia Region and 22% in South-West Oltenia Region took that job offer.

- *Those preferring to get employed, even if they don't find the job they want*

Over three quarters of the people not wanting to remain unemployed have lost their job after the crisis started.

Those preferring to get employed have less family responsibilities than those preferring to get employed only if they find the desired job, they are somehow unmarried to a larger extent and they don't have children.

The people who received a job offer during the past year, but turned it down, argued their refusal by a set of compulsory conditions to take a job.

These compulsory conditions are, in order of importance:

- Level of the minimal wage they would accept;
- Working hours not too overloaded;
- The job must not be too far from home (the hierarchy of the second and third conditions is reversed for South-West Oltenia Region).

Table 47 – Reasons to take/turn down a job (South Muntenia Region, %)

Reason	South Muntenia Region
Level of the minimal acceptable wage	41.0
Overloaded working hours	16.0
Too far from home	12.5
Too difficult working conditions	6.1
Under-qualification	5.8

Table 48 - Reasons to take/turn down a job (South-West Oltenia Region, %)

Reason	South-West Oltenia Region
Level of the minimal acceptable wage	32.5
Overloaded working hours	19.0
Too far from home	10.4
Too difficult working conditions	7.7
Under-qualification	3.5

Therefore, by far, the most important reason to turn down a job offer is the too low level of the wage, in both regions of development. However, there is a sizeable difference in the proportion of this motivation in the two regions, being almost one third higher in South Muntenia, which means that the people from here either have higher expectations in terms of the wage, or the wage offer is lower.

We will analyse subsequently the data of the socio-demographical profiles correlated with the minimum acceptable wage for employment, by region, as well as the data on the average wage in the two development regions.

Minimum acceptable wage for employment

The question *Which would be the minimal wage for which you would accept a new job?* Received the following answers:

Table 49 - Minimum acceptable wage for employment (South Muntenia Region, %)

Minimal wage	Percentage answers	Cumulated percentage
Below 500 lei	4.3	4.3
500-700 lei	17.6	21.9
700-1000 lei	51.4	73.3
1000-1.00 lei	19.7	93.0
Over 1.00 lei	7.0	100

Table 50 - Minimum acceptable wage for employment (South-West Oltenia Region, %)

Minimal wage	Percentage answers	Cumulated percentage
Below 500 lei	6.6	6.6
500-700 lei	23.6	30.2
700-1000 lei	49.2	79.4
1000-1.00 lei	16.9	96.3
Over 1.00 lei	3.7	100

In both regions of development, those who would accept a wage below 500 lei are preponderantly women (70% of this category in South Muntenia Region and 85% in South-West Oltenia Region). Statistically significant positive correlations exist between accepting a wage below 500 lei and the number of children (four children and more), the lack of experience on the

labour market and the passive job-seeking behaviour – for South Muntenia Region).

Positive correlations were observed in South-West Oltenia Region with the housewife status and with resources allowing a monthly household consumption below 6000 lei.

The people who would accept a wage between 500-700 lei are, in both development regions, preponderantly housewives, who had sought a job during the past year (statistically significant correlation only in South Muntenia Region). Also the housewives make the most important proportion of those who would take a job for a wage between 700-1000 lei.

Mainly currently unemployed male would accept, in both regions, a wage between 1000-1500 lei.

Other statistically significant correlations have been also observed in South-West Oltenia Region, which complete this profile with several elements: 42% of the people forming this category don't have children, over one third are not married, 56% have lost their job during the crisis and a quarter have household resources allowing a monthly consumption between 1400-2000 lei.

The profile of the people who would not take a job for less than 1500 lei is common between the two regions: men, no children, with monthly household expenditure between 2000-4000 lei.

Therefore, the less “demanding” of the analysed categories seem to be the housewives, with no experience on the labour market, with four or more children, who don't have a proactive job-seeking behaviour. This profile of the people who would accept to work for a pay below the minimal wage in the national economy is largely consistent with that of the most socially vulnerable and marginalised groups.

The wage of 1000 lei seems to represent, for both development regions, the “psychological threshold” beyond which most would accept a job – even though there are several psychological thresholds, generally, the round figures draw most responses; the leap of the 1000 lei threshold is really spectacular, from less than 50% people who would accept a wage below 1000 lei, to three quarters of the unemployed respondents who would accept to work for a wage up to 1000 included.

This 1000 lei threshold seems to be some kind of “magic number”. The manner and median of the distribution of the “minimal acceptable wage” variable is 1000, the average of the distribution is 5% over the value of 1000 in South Muntenia Region and below the value of 1000 in South-West Oltenia Region; the median of incomes for the whole sample also is around 1000, and most respondents would take a minimal job of 1000 lei.

The average net wage, as mean of the two regions included in the project, is higher than 1000 lei – 1236 lei in South Muntenia Region and 1381 lei in South-West Oltenia Region, mean value which was increased by the net wage from some of the counties in this region, such as Gorj, with state companies from sectors of activity with higher pays compared to the national average, such as the energy-producing sector. Therefore, the demands of the unemployed people are lower than the average wage of these two regions.

The job offer doesn’t meet, however, the minimal requirements of the unemployed persons in terms of subsistence, which are not adapted, however, to the current conjecture on the labour market. On the other hand, this offer, even at this minimal wage level, doesn’t address the people who don’t even demand the minimal national wage, who are not considered, or they don’t consider themselves, able to get a job, due to a complex of social factors/disabilities. These are the people with no work experience, unskilled, or with low skills and with very precarious individual resources.

Conclusions

Under the current economic conjecture, and within the current configuration of the labour market, the unemployed persons are caught into a vortex which keeps them captive of this status of unemployed, between the negative evolution of the economic power of the employers and their increasing force of negotiation on a labour market in which the ratio of the demand and offer of work is increasingly unbalanced in disfavour of the second term of the ratio. The consequence is that the job offer is increasingly poorer and the minimal wage that is offered many times doesn’t motivate the (re)insertion on the labour market and privileges the adoption of alternative strategies of survival, such as those mentioned in the beginning of the chapter; however, these strategies solves less than satisfactorily the short-time survival, but stress the social vulnerability of the individuals and the sustainability of an

increasingly stressed system of social protection with poorer and poorer financing.

Without minimizing the importance and relevance, for the proposed subject, of the correlations between some of the analysed socio-demographic profiles, analysed in this chapter and the behaviour and attitudes of reintegration on the labour market, the general conclusion of this chapter exceeds the particular types of interaction of the unemployed people with the labour market.

The low job offer and the low level of the minimal wage are the main reasons why the people don't integrate on the formal labour market and prefer a combination of incomes from social benefits and from the informal work and/or occasional employments, plus the self-consumption of the products of their household (in the rural areas). The most vulnerable of these vulnerable people are, in the opinion of the authors of this chapter, all the people who didn't integrate on the labour market long enough to obtain a pension, and those who although would accept a low wage and a work below their skills, don't manage to get hired, as well as the people working for a wage around the minimal national wage, with no formal employment, as hired hand or seasonal worker.

Under the conditions in which both the state and the market only aggravated the unemployment problem in Romania during the past 20 years, without offering solutions to stop this decline, social economy appears as an alternative which must be developed within a system lacking viable alternatives.

The analysis of the unemployment profile in the two regions of development, we may say that, although there are differences between these regions, significant sometimes, they are generally generated by the different structure of the two sub-samples, one of the determining factors being the high urbanization level of South-West Oltenia Region, and the distinct unemployment and unemployed profiles by areas of residence.

On the other hand, there is a significant difference between the two regions in terms of unemployment rate: it is more than 50% higher in South Muntenia Region, but the explanation of this difference seems to be, as mentioned, more methodological and conjectural than logic and structural.

The unemployment profile is largely common to both regions at least on the following coordinates: the housewives represent the highest proportion of

the unemployed persons (8% more in South Muntenia Region), living in rural regions. Most of the unemployed people are the product of crisis, the percentage of the people who have lost their job during the past two years being similar in both regions: 37%. Also, in both regions, the unemployed people receiving unemployment benefit are the only category of unemployed people better represented in the urban areas than in the rural areas.

Beyond the mentioned differences of urbanization which generate, for instance, a higher number of higher education respondents in South-West Oltenia Region, there also are regional differences which cannot be explained by the different level of urbanization.

In terms of household resources, although the average regional wage is higher, the proportion of the households with a lower level of resources is higher in South-West Oltenia Region, where the unemployed persons with monthly household resources below 600 lei are 50% more than in South Muntenia Region (30.1% compared to 20.3%).

An important difference between the two regions exists in the motivation of the active/passive behaviour of (re)integration on the labour market. The unemployed persons from South-West Oltenia Region argue more their passive behaviour by "I don't think I have chances to get a job". The number of "discouraged" people is more than two times higher in South-West Oltenia Region than the corresponding value from South Muntenia Region (32.2% compared to just 12.6%). On the other hand, these differences stress particular characteristics of a largely common profile of the unemployment in these regions.

VULNERABLE GROUPS

Profile of the vulnerable persons

In selecting the vulnerable persons, we started from the main factors which influence the poverty risk: unemployment, family structure (single parent family, large families) and health state (people with disabilities or with chronic diseases). Thus, we included in the category of vulnerable persons those respondents who stated to be unemployed or benefited during the past 12 months, themselves or family members, of at least one of the following social benefits or services: minimal guaranteed income, support allocation for single parent families, supplementary family allocation, indemnity for the disabled people, heating aid, food from the social canteen, day centre services, home medical services, services in maternal centres, recovery services for disabled persons, counselling. Thus, using this method of selection, 1718 (38.19%) of the 4498 respondents persons were included in the category of vulnerable persons: 1144 persons (66.59%) from South Muntenia Region and 574 (33.41%) from South-West Oltenia Region.

Of the 1718 vulnerable persons, 53.2% are women and 46.8% are men, while among the non-vulnerable persons (2780 people), 50.4% are women and 49.6% are men. The same pattern can be discerned in terms of residence area: 66.7% of the vulnerable people live in rural areas, unlike the rest of the population, where the corresponding percentage is of just 45.4%, which shows that the residence area is an important factor which favours vulnerability.

The socio-demographic structure of the disadvantaged people (Table 51) includes mainly aged people, household workers and unemployed, plus a significant number of *employed people*. The disadvantaged people include 5.9% Roma people, while the non-vulnerable population includes just 1.7% Roma people.

Table 51 – Socio-occupational status of the vulnerable persons - distribution by area

	South Muntenia Region, %	South-West Oltenia Region, %
Household worker	24.9	24.6
School pupil, student	2.6	2.9
Self-employed	2.1	2.7
Agricultural worker	2.4	7.8
Pensioner, unable to work	5.7	5.3
Unemployed (no longer receiving the unemployment benefit)	14.2	10
Registered unemployed, receiving the unemployment benefit	10.4	6.4
Employee	16	13.4
Pensionaries	20.3	26.4
Employee in maternity leave	1.1	0.4
Entrepreneur	0.3	0.1

The vulnerable persons are deficient in terms of education, most of them concentrating on the lower levels of the educational hierarchy. This fact only aggravates their socio-economic situation, since it is known that the higher levels of education reduce the risk of poverty. The proportion of the people without education or of those who only graduated the elementary school. Middle school or vocational school is higher among the vulnerable persons than among the non-vulnerable people (Table 52). The proportion of graduates from high school, vocational school or higher education is higher among the non-vulnerable persons.

Table 52 – Last form of education which the respondent graduated

	Vulnerable persons, %		Non-vulnerable persons %
	South Muntenia Region	South-West Oltenia Region	
Unfinished elementary education, or no education	3.9	5	2.3
Elementary school	11.5	13.6	6.4
Middle school	20.9	21.6	13.9
Vocational, apprentice or complementary school	20.3	17.1	14.5
First stage of high school	11.2	10.3	4.9
High school	24.9	21.5	31.4
Post high-school education or foreman school	3.7	4.9	8.8
College	0.8	0.3	2.0
University	2.5	5.4	13.1
Master	0.2	-	2.6
Doctorate	0.1	0.3	0.1
Total	100	100	100

Even though, according to the selection criteria, the category of vulnerable persons included 2118 persons, the section of the questionnaire intended for the vulnerable persons was filled in by just 1718 persons, 1144 from South Muntenia Region and 574 from South-West Oltenia Region.

Perception of the social economy impact on the disadvantaged groups. Forms of support for the vulnerable groups

The perception of social economy activities impact on the disadvantaged groups is highly influenced by the very low number of people belonging to this category that had actual contact with the activity of the social economy organisations. Thus, only 28 persons are members (employees r voluntaries) in CAR units and 73 in CARP units, 11 in credit cooperatives, 8 in NGOs and one in the consumption cooperative. Similar to the situation identified in the overall sample, the existence and activity of the social economy organisations is quite little known by the persons included in the sub-sample of the

disadvantaged people. The poor knowledge and the difficult access to the services provided by the social economy organisations are the most important two factors which contribute to the image which the disadvantaged groups have on the activity of the social economy organisations.

The information collected through the questionnaires for the vulnerable groups contribute to the whole image on the disadvantaged social categories and on the forms of support directed towards them. Of the various forms of support for the disadvantaged people, most beneficiaries mentioned the *heating aid* (Table 53). Lower percentages were scored for the complementary family allocation, the minimal guaranteed income and the indemnity for the disabled people; while less than 7% of the respondents checked the other forms of support.

Table 53 – Did you, or someone from your family benefited, during the past 12 months, of... (distribution by regions)

	South Muntenia Region, %	South-West Oltenia Region, %
Heating aid	85.5	87.5
Complementary family allocation	16.4	18.5
Minimal guaranteed income	15	17.8
Indemnity for the people with disabilities	13.8	6.9
Support allocation for single parent families	8.2	4.8
Food from social canteen	8	3.6
Home medical services	2.8	3.4
Services in day care centres	1.4	0.1
Recovery services for the people with disabilities	1.1	0.7
Services in maternal centres	0.5	0.5
Counselling services	0.4	0.7

Most beneficiaries of the various forms of support consider that the aids they receive solve *little* or *very little* their problems (Table 54). Behind these negative evaluations are discontents regarding the form, amount and

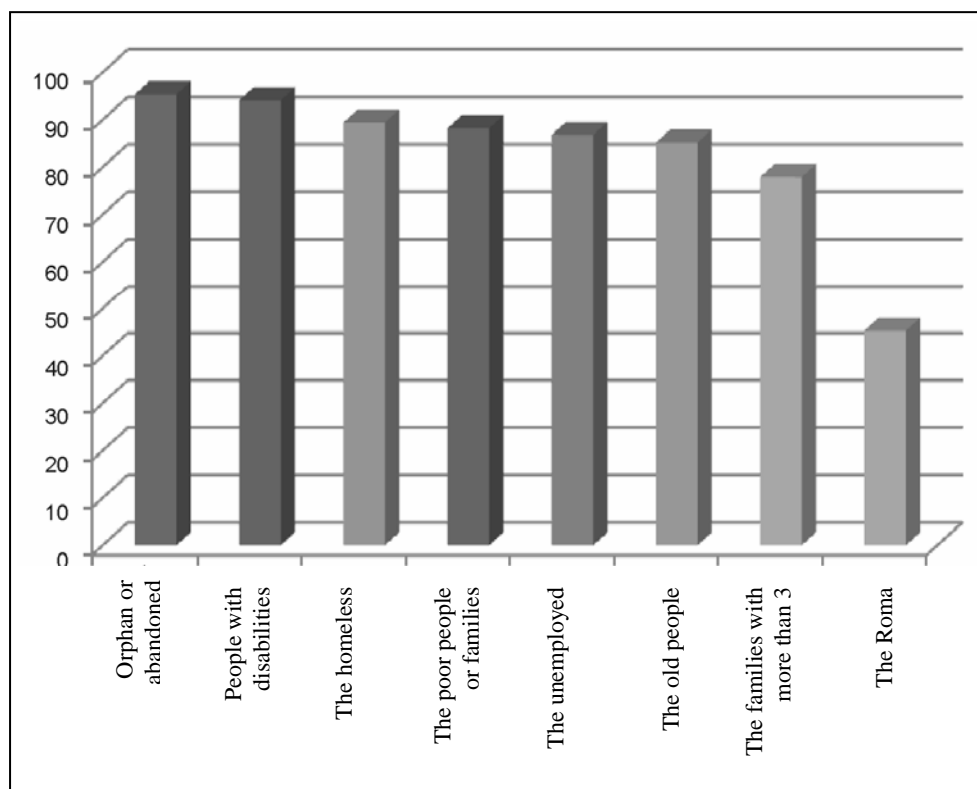
conditions of eligibility for these benefits. These, under the conditions in which the expectations of the beneficiaries of these forms of support, which actually are ways of alleviating a state, and not so much means of control, exceed by far the objectives proposed by the implementation of the support policies. Practically, in analysing the perception of the vulnerable groups regarding the forms of support, more than in the case of other evaluations, we are confronted with the general trend to evaluate negatively a state of fact via the expectations of the subjects, which are in obvious contradiction with the objective means of meeting these expectations. From this point of view, the tendency of the disadvantaged persons to evaluate negatively the benefits and forms of support which they receive, ends by turning into a constant.

Table 54 – How much do the aids listed below, which you receive, solve your problems? (multiple answer)

	South Muntenia Region			South-West Oltenia Region		
	No.	Little and very little	Much and very much	No.	Little and very little	Much and very much
Minimal guaranteed income	91	68	23	80	57	23
Support allocation for single parent families	9	8	1	9	4	5
Complementary family allocation	104	95	9	88	72	16
Indemnity for the people with disabilities	79	47	32	25	18	7
Heating aid	924	811	113	484	402	82

If we refer to the perception which the subjects (in this case the persons belonging to the disadvantaged groups) have on the priority given to the forms of aid for the various categories of vulnerable persons, we will notice the need to offer with predilection forms of support to the *orphan or abandoned children, the people with disabilities, the homeless, the poor persons or families* (over 80% of the sample is included in these categories – Figure 21). On the other hand, only 45.3% of the subjects consider that the Roma are a social category which should be assisted with priority.

Figure 21 – In your opinion, which of the following social categories are a priority for support? (cumulated percentages for “much and very much”)



There are three types of explanations in choosing the social category to be aided: (1) *the aid is necessary because they are disfavoured categories* (irrespective whether they are old people, persons with disabilities, orphans, children with deficiencies, unemployed or families with many children) and (2) *all people are poor and must be aided*, less for the Roma, where we also have a third type of explanation, this time for the option to aid or not the Roma people: (3) *the aids for the Roma are not justified*.

Table 55 – Please explain briefly your choice (in both regions)

Explanation	No.	Explanation	No.
Because they are disfavoured categories	226	There are no options on the labour market to support the unemployed	93
All people are poor and should be aided	197	Special aids for the families with many children	28
For the minimal guaranteed income, providing subsistence	118	The aids for the Roma are not justified	20
Because the old people and the disabled people can not work	117	Help them so they don't become marginalised	7
Special aid is needed for the orphans and for the children with deficiencies	93		

* Multiple answers allowed.

The vulnerable persons place the responsibility of aiding the needy with the local or central authorities. Helping the people in need is much and very much the duty of the government, President of Romania and of the town hall, in both regions of development.

Table 56 - Generally, who do you think should take care of the people in need? (much and very much)

	South Muntenia Region, %	South-West Oltenia Region, %
The Government	96	97
The President of Romania	83.7	64.5
The town hall	91.5	80.6

The same question regarding the category of NGOs produced a large proportion of non-answers (19.2% in South Muntenia Region and 32.8% in South-West Oltenia Region), which may be explained by the fact that the respondents are less familiar with the notion of non-governmental organisation, much more so as the respondents were people with little education, and the number of the active NGOs in the region is extremely low.

When asked about the principle which should entitle to receiving the state allocation, 80.6% of the vulnerable people from South Muntenia Region and 83.7% from South-West Oltenia Region responded that the state allocation

should be granted to *all families, as it is currently granted*, while 19.4% in South Muntenia Region and 16.3% in South-West Oltenia Region consider that *only the poor families should receive the state aid, but in a higher amount*. The choice of either form of eligibility for state allocation is justified preponderantly by one of the three explanations: all children have equal rights (75.3% of the respondents from South Muntenia Region and 80% from South-West Oltenia Region), the allocation is not a support for the families on large incomes, but an aid for the poor families (18.2% in South Muntenia Region and 13.9% in South-West Oltenia Region), or the allocation should be inversely proportional to the income (3.6% in South Muntenia Region and 4% in South-West Oltenia Region).

In the end of the questionnaire, the respondents were asked to contribute with suggestions or comments regarding the topics approached by the questionnaire. Except for the very specific suggestions, such as the establishment of a pharmacy in the village, two problems scored a large number of replies: increasing the incomes (72 cases) and job creation (62 cases).

Analysing the income of respondents (Table 57), we may understand why the main suggestion of the vulnerable persons is to increase the income. The income of 76.2% of the vulnerable persons from South Muntenia Region and of 80.9% from South-West Oltenia Region were below 650 lei in the last month, unlike just 36% of the non-vulnerable persons from South Muntenia Region and 40.2% from South-West Oltenia Region. Over 30% of the disfavoured persons had incomes less than 100 lei in the last month, compared to just 12.9% of the rest of the population in South Muntenia Region and 15.2% in South-West Oltenia Region.

Table 57 – Your income in the last month was...

	South Muntenia Region (%)		South-West Oltenia Region (%)	
	Vulnerable	Non-vulnerable	Vulnerable	Non-vulnerable
Less than 100 RON	32.4	12.9	31.5	15.2
Between 100.1-250 RON	5.2	1	8.3	2
Between 250.1-450 RON	16	6.6	22.2	7.8
Between 450.1-650 RON	22.6	15.5	18.8	15.2

	South Muntenia Region (%)		South-West Oltenia Region (%)	
	Vulnerable	Non-vulnerable	Vulnerable	Non-vulnerable
Between 650.1-850 RON	11	19	9.5	16.8
Between 850.1-1150 RON	7.5	20.8	5.5	15.3
Between 1150.1-1400 RON	2.5	8.5	1.7	12.5
Between 1400.1-1800 RON	1.8	7.9	0.8	7.5
Between 1800.1-2500 RON	0.4	4.9	0.7	4.2
Between 2500.1-3500 RON	0.2	1.5	0.5	1.8
Over 3500.1 RON	0.4	1.4	0.4	1.8

The income of the vulnerable persons are low, explainable by the type of sources of household income. On the top three positions are the same sources of income (Table 58), both for the vulnerable persons and for the rest of the respondents: pension for limit of age, wage from the job in a private firm and wage from a job in a state company or institution, or in a company subordinated to the town hall.

Table 58 – Which was the most important/largest source of income of your household during the past month?

	South Muntenia Region (%)		South-West Oltenia Region (%)	
	Vulnerable	Non-vulnerable	Vulnerable	Non-vulnerable
Pension for age limit	30.5	36.1	34.6	29.8
Wage from the job in a private firm	23.9	29.5	15.3	26.6
Wage from a job in a state company or institution, or in a company subordinated to the town hall	12.1	21.7	10.5	26.2
Informal, paid work for neighbours or friends	6.8	1.6	4.4	2

	South Muntenia Region (%)		South-West Oltenia Region (%)	
	Vulnerable	Non-vulnerable	Vulnerable	Non-vulnerable
Unemployment aid	6.6	0.3	5.8	0.1
Pension for disease, handicap	5	2.7	6.6	4.7
Alimony, maternal aid, state allocations for the children or other social benefits for the families with many children	2.9	1	2.6	0.7
Social aid	2.6	0.1	7.7	-
Income from the sale of own agricultural products	2.2	0.9	5.7	3
Profit from own business	0.5	2.3	0.3	2.4
Money received from abroad	1.3	1.3	1.7	1.2

Note: the difference to 100% consists of other sources of income (scholarships, inheritance, income from rents, interests etc.).

The seriousness of the vulnerable persons' situation is also given by the higher number of persons obtaining incomes from social benefits and occasional activities, informally, compared to the rest of respondents. If the second important source of income for the households of the non-vulnerable people (Table 59) was dominated by the pension for limit of age and by wages from the jobs in private or public companies, for the vulnerable persons, the second place in this hierarchy is taken by the alimony, maternal aid, state allocation for the children and other benefits for the families with many children. These sources are supplemented by the income from selling own agricultural products, informal paid work for neighbours or friends, unemployment benefit and other social benefits.

Table 59 - Which was the second important/largest source of income of your household during the past month

	South Muntenia Region (%)		South-West Oltenia Region (%)	
	Vulnerable	Non-vulnerable	Vulnerable	Non-vulnerable
Pension for age limit	18.2	32.6	17	26.2
Alimony, maternal aid, state allocations for the children or other social benefits for the families with many children	17.6	7.6	23.6	6.6
Wage from the job in a private firm	14.1	22.7	7	26.1
Unemployment aid	7.8	0.8	3.5	1.1
Income from the sale of own agricultural products	7.8	4.5	13.1	8
Wage from a job in a state company or institution, or in a company subordinated to the town hall	6.1	14.7	3.1	14.8
Informal, paid work for neighbours or friends	5.8	1.9	12	4.4
Pension for disease, handicap	4.8	4.8	4.3	3.6
Money received from relatives living in Romania	3	1.8	1.9	1.1
Social aid	2.6	-	4.2	-
Money received from abroad	1.3	1.4	3	1.4

Note: the difference to 100% consists of other sources of income (scholarships, inheritance, income from rents, interests etc.).

Looking at the evaluations of the respondents regarding the current financial status of their household compared to that of one year ago (Table 60) and to the projects regarding the future (Table 61), we will notice a slight optimism both among the non-vulnerable persons, and among the vulnerable persons: if this year, the financial state of the household improved for 3.6% of the vulnerable persons in South Muntenia Region and for 5.6% in South-West Oltenia Region, 15% of the vulnerable persons hope that their financial situation will improve the next year. However, the situation of the current year was more difficult for the vulnerable persons than it was for the rest of the

population, being worse than last year for over 61% of the vulnerable respondents from South Muntenia Region and for 67% from South-West Oltenia Region, and for 45.6% of the non-vulnerable respondents from South Muntenia Region and for 50% from South-West Oltenia Region.

Table 60 – How did the financial situation of your family changed compared to the last year?

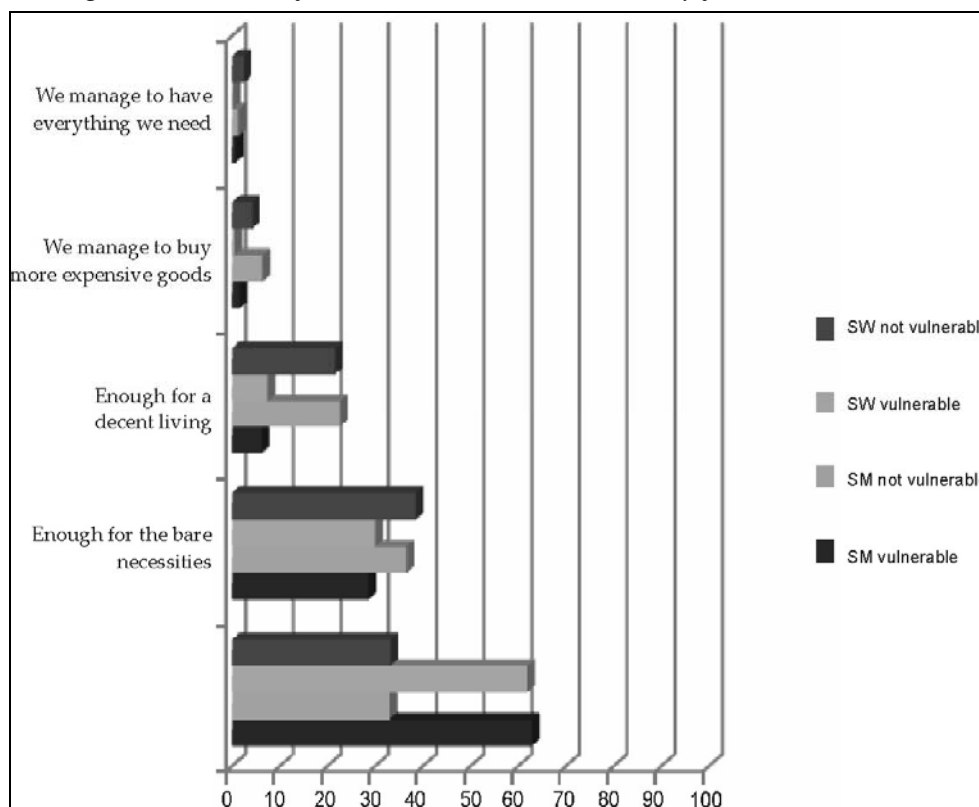
	South Muntenia Region (%)		South-West Oltenia Region (%)	
	Vulnerable	Non-vulnerable	Vulnerable	Non-vulnerable
It worsened	61.1	45.6	67.3	50
It remained the same	35.3	49.6	27.1	43.5
It improved	3.6	4.7	5.6	6.5

Table 61 – How do you think that the financial situation of your family will be one year from now?

	South Muntenia Region (%)		South-West Oltenia Region (%)	
	Vulnerable	Non-vulnerable	Vulnerable	Non-vulnerable
Will worsen	57.4	45	60.4	49.2
Will be the same	26.8	40.3	24.2	34.5
Will be better	15.8	14.7	15.4	16.3

Under the given conditions, less than 1% of the vulnerable persons consider that they manage to have everything they need, without limiting something, compared to 1.4% of the rest of respondents from South Muntenia Region and 2.5% from South-West Oltenia Region. The situation is similar in the two regions: over 60% of the vulnerable persons and just 33% of the rest of subjects declared that their incomes are not enough for the bare necessities.

Figure 22 – How do you evaluate the current incomes of your household? (%)



Note: SM - South Muntenia, SV – South-West Oltenia.

Employment of the disfavoured persons in the social economy

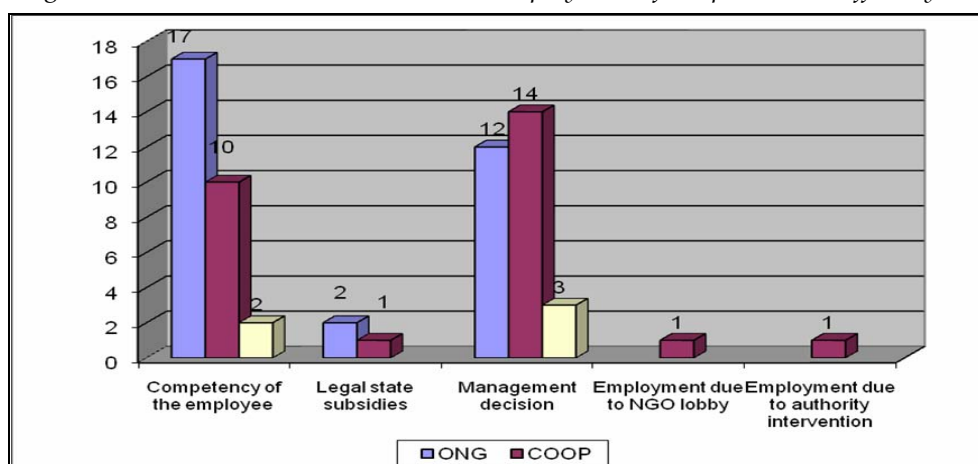
The presence of the disfavoured persons in the social economy is extremely low. Only 76 of the 672 investigated social economy organizations have one or more employees from the disadvantaged persons. The NGOs are the most open towards employing such people: 29 of the 150 surveyed NGOs have employed disadvantaged persons.

Among the vulnerable categories, the men with handicap or Roma ethnics run the highest odds to be employed. At the opposite end, there was not even one case of former inmate who was employed.

Table 62 – Organisations which employed disfavoured people (no.)

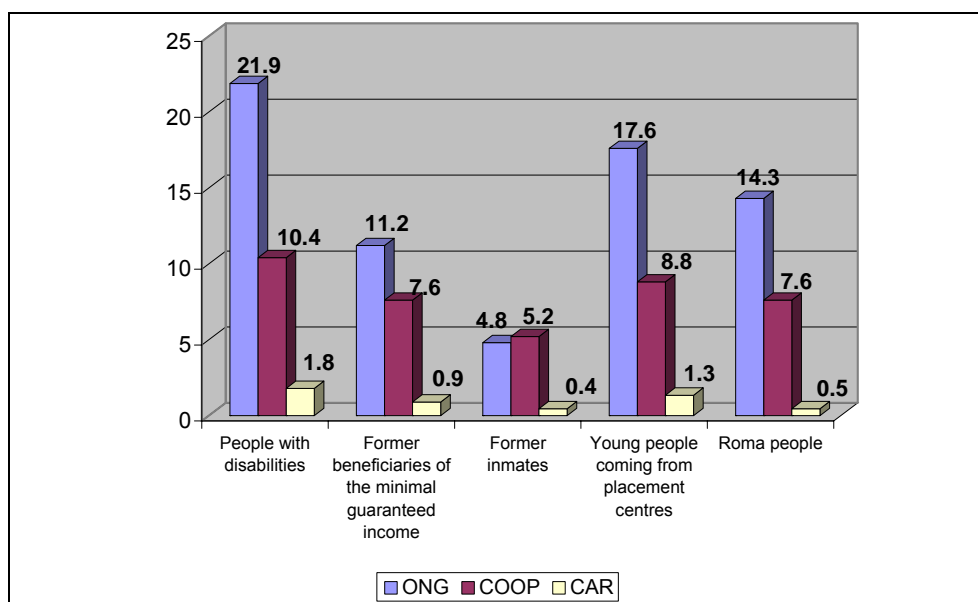
	NGOs	Cooperatives	CAR	Total
Men with handicap	10	14	-	24
Women with handicap	5	6	1	12
Roma men	7	6	10	23
Roma women	3	6	-	9
Men, former recipients of the guaranteed minimal income	1	-	1	2
Women, former recipients of the guaranteed minimal income	2	1	-	3
Men coming from placement centres	-	0	1	1
Women coming from placement centres	1	1	-	2
Men, former inmates	-	-	-	-
Women, former inmates	-	-	-	-
Total	29	34	13	76
<i>Total surveyed organisations</i>	<i>150</i>	<i>282</i>	<i>236</i>	<i>672</i>

The employment decision was taken on the basis of the personal competencies, rather than based on the possible advantages or facilities which the company might benefit from the state. In most cases, the employment was decided by the management of the organisation, without external lobby. There were only two cases in which the disfavoured persons were employed by cooperatives after the intervention of an authority or NGO.

Figure 23 – Factors which determined the employment of the persons in difficulty, %

In terms of intention, the NGOs remain the most opened to the disfavoured people, while the cooperatives remained the closest. A fifth of the NGOs declared that they intend to employ people with disabilities, compared to less than 2% of the CAR organisations. The highest availability is displayed towards the people with handicap, to the young people coming from placement centres and to the Roma ethnics, being lower towards the recipients of the guaranteed minimal income or the former inmates.

Figure 24 – Intention to employ, in the future, people in difficulty *, %



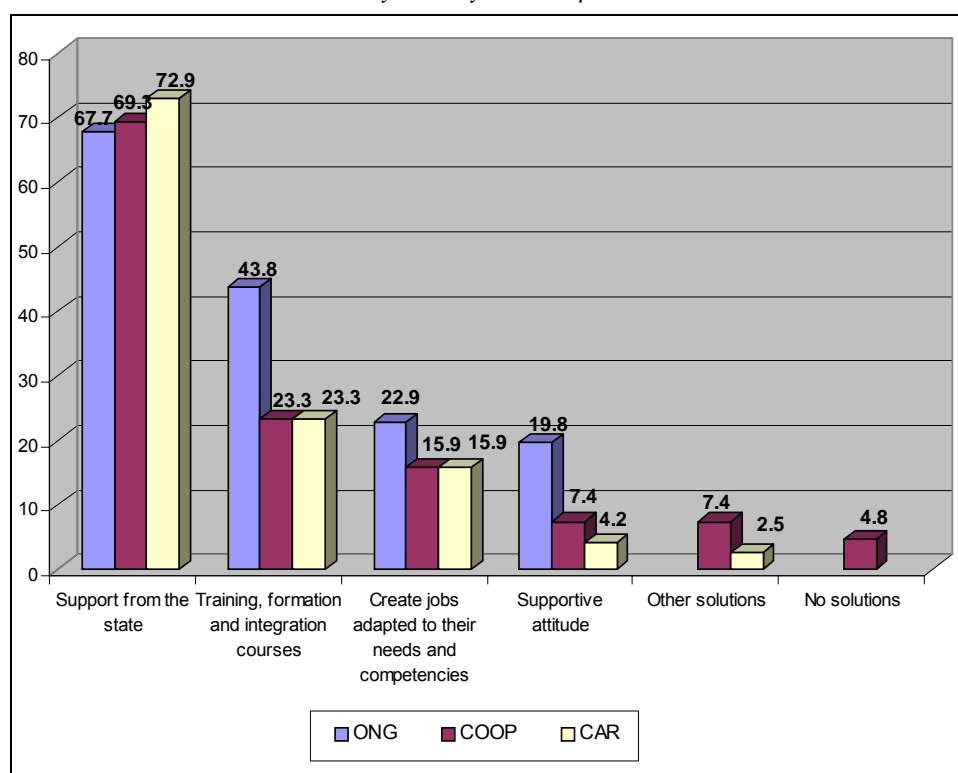
Note: *The values represent the proportion of "yes" answers from the total valid answers.

For all the types of investigated organisations, the state plays a major role in the integration of the disfavoured persons on the labour market. The most mentioned measures relate directly or indirectly to the state: fiscal facilities for the employers, eliminate the taxes and dues on wages for these people, or contributions from the state budget until the minimal national wage increases, legislative regulations or a higher involvement of the social workers and of the town halls. Even the second solution – job creation according to their needs

and qualification – also depends mainly on the state. Another solution is working at home, which is, for now, a simple intention.

Complementarily, the people mentioned frequently the training and reconversion courses or the formation training. Last, but not least, a supportive, inclusive attitude towards the vulnerable persons is a basic solution to increase the equal opportunity. Without holding a significant proportion, the other solutions that have been mentioned varied from a diffuse type – economic growth, surpassing the economic crisis or drawing non-reimbursable funds – to punctual solutions which proposed public campaigns to increase tolerance and a higher involvement of the mass-media.

Figure 25 – Solutions to encourage the integration in work of the disfavoured persons, %



The pattern of the proposed solutions is conservatory. The state is seen as the main party in charge with the disfavoured persons. The CAR entrust the state with the highest responsibility in providing facilities, while the NGO, with the lowest, but the differences are not notable. The NGOs also consider that the training, formation and integration courses are the most important, as well as the general supportive attitude.

Given the proportion of the employed persons and the intentions of employment, we may strongly say that the NGOs are the most opened environment, while the CAR are the most closed environment. Among the categories of vulnerable people, the men with handicap or the Roma men run the highest odds to get employed, while the former convicts run the lowest odds of employment.

Generally, the employment is done on the basis of the individual competency, rather based on possible advantages or facilities from the state. The actual situation contradicts the solutions propose for their integration on the labour market, most of which expect support from the state. However, the NGOs found to a greater extent solutions pertaining to the civil society and to the private economic actors – formation courses or social campaigns for the change of attitude.

Social economy activities and their effect on the disfavoured groups

The fact that the social economy activities address mainly the disfavoured persons, is an established reality. We already mentioned earlier (*Evolution of the social economy ...*) the statement of a Argeş County DJASPC representative according to which the social economy activities contribute to the improvement of the living conditions not just of the disfavoured people, but ultimately, of the whole population. The role of the social economy for the social inclusion of the disfavoured people is widely acknowledged in several countries.

According to Teleorman County AJOFM and DJASPC representatives, the central element of the social economy is the integration of the disadvantaged people on the labour market, which also includes the legislative facilities. This point of view is also shared by the suppliers of social services from Prahova and Vâlcea Counties. Thus, Vâlcea County representatives

mentioned the groups of persons in risk situations: women, young people coming from the institutions for child protection and the poor. Social protection already is a reality in the case of the craftsmen cooperatives from Vâlcea County, not just a mere wish. For instance, the representatives of the craftsmen cooperatives from Vâlcea County appreciated that over 80% of the 637 workers belong to the vulnerable groups (poor people, women, young people leaving the institutions for child protection). The representatives of the craftsmen cooperatives revealed explicitly the social character of their activity, showing that they have employed mainly women and people in situations of risk (single mothers, poor people, young people who left the institutions for child protection). Finally, the representatives of the suppliers of social services from Dâmbovița County consider that the state might use the social economy organisations which already exist within the Romanian society – for instance, the credit or consumption cooperatives – to come to the aid of the disfavoured population, particularly in the rural regions.

There might be a paradox in the fact that only few of the organisations that include mostly disfavoured people, mainly elder people, are social economy organisations [Preotesi, Case study Gorj, 2009]. These are the CARP units which have a large number of members in each county (from 10,000 in Mehedinți County to over 50,000 in Vâlcea County). They grant loans, fast and with low interest, for the pensioners of low pensions, mainly peasants. For instance, in Ialomița County, most of the pensionaries who are CARP members are from the rural areas and their monthly incomes range between 300-500 lei. In support of the pensioners on low incomes, CARP Giurgiu grants interest-free loans up to 300 lei. CARP Giurgiu also provides occasional aids, amounting to 100-150 lei, based on social surveys regarding the state of disease or the social state on the needy pensioner.

There also are situations in which the CARP units from some counties have profit-generating activities. For instance, CARP Vâlcea runs activities in the following areas: dental surgery, ultrasound consulting, massage, orthopaedics) and auxiliary services (hair dresser, tailoring, footwear repairing, club, funerary transportation, coffin selling, granite objects and crosses). The incomes yielded by these activities are used to grant aids to the pensionaries for reading glasses, medical treatments and funeral expenditure. CARP Călărași runs economic activities such as hairdresser and office area renting to CARP Oltenița, and gets incomes from the people who are not CARP members, but use the services provided by the Pensioners' Club.

On the other hand, CARP Giurgiu had an attempt to organise a business selling coffins, but the poor quality of the products (which they were buying from the producers) produced losses and the business was dropped. The president of CARP Giurgiu considers that it is generally difficult to organise profit yielding activities (hairdresser, for instance) because problems appear with staff control. CARP Dolj also tried to set up profit-earning activities (repairs workshop or stores) but they were shut down because they made no profit. In Ialomița County, CARP Slobozia doesn't run economic activities because they don't want to take risks during this period of economic instability. Furthermore, even in the "happy" case of the CARP units from Vâlcea County, they are not willing to develop the auxiliary social economy activities because they yield low profits.

Besides the CARP units, the same function of social protection of the elder is also fulfilled by the Ialomița County Council of the Elder. From donations and sponsorships, the council provides aid to the poorest of the pensioners in the form of food or money. Likewise, from donations and sponsorships (most often from the local council and from the prefecture) the pensioners union supplies food aids to the poorest of the pensioners. Furthermore, by an intense lobbying activity, this union obtained facilities for the pensioners from Giurgiu (for instance, free local public transportation).

Ideologically, social economy remains an important desideratum. The representatives of Dolj CARP consider that social economy activities are beneficial because they act intensely to create jobs, particularly for the people with poor qualifications or for the people with disabilities. However, there also are limits to the participation of the disfavoured persons in the various forms of social economy. The institutional actors have identified a variety of obstacles hindering the integration of the disfavoured persons in social economy activities.

Some conclusions on the relation between social economy and the disadvantaged groups

In some cases, the very function of social protection of the CARP is questioned. For instance, CARP Slobozia had as members persons with handicap and inheritors of former pensioner members, but decided to exclude

them because they experienced difficulties in returning the loans. Other CARP units experience difficulties too because of the delayed or unperformed payments. CARP Drobeta Turnu-Severin, Mehedinți County had at the end of 2009, 168 overdue loans, 700 loans without endorser (debts amounting to 170,000 lei) and, in consequence, they have 22 running court trials. The CARP manager quotes the case of some employees (CARP members) with certificate of handicapped, who go to spas and then they come and ask for money: “15 millions in pension, second degree handicap, they demand for balneary aid, can you understand this?”

In other cases, the organisations getting the closest to the narrow definition of the social economy – the cooperatives – are themselves very vulnerable. Speaking of the social function of the cooperatives, the president of președinta SCM „Dunărea” Giurgiu thinks that their activity “has social benefits because these workers contribute to the family budget. They don’t go in the street to steal or strike people on their head. They work as much as they can and make an income.” This observation suggests that social economy is a form of support so that their members don’t end up in poverty. Social economy is, in other words, rather a safety net than an economic launch pad. The same situation has been identified in the craftsmen cooperatives from Ialomița County. SCM members can be considered to be disadvantaged people because most of them and aged 40-45+, have a low educational level and live on low incomes. This is why SCM members are extremely vulnerable on the labour market, having minimal odds to find another job.

The situation is not much different for the protected workshops or for the SMEs who employ people with handicap. Even the representatives of the social inclusion enterprises, for instance the president of AJOFM Olt, consider that the professions to which the persons coming from disfavoured groups have access are “poorly skilled professions, hands-on professions”. Even more, some NGOs from Argeș are dissatisfied by the collaboration between institutions in terms of the job offer, particularly for the people with disabilities; the educational offer is not adapted to the individual requirements and to the new market demands.

Sometimes, the firms which have the duty to employ persons with disabilities don’t hire such people. For instance, the company which nominally is a protected unit in Ialomița County, has three employees with handicap, who actually are three disease-related pensioners. The administrator of the

company says that the situation is not singular and that the partner companies who have the obligation to employ people with disabilities, don't have such people on their staff. This is justified by the representative of the company by the fact that the law is extremely tough with the employer of handicapped persons: "if you find out that he/she doesn't quite fit, it is difficult to fire him/her". This situation is also met in Olt County, where the protected workshop from Corabia "has as permanent employee just one person with handicap" (president of AJOFM Olt). Even in Teleorman County, where a bakery employs people with handicap or people aged 45+ in order to benefit of the benefits provided by Law 76/2002, the situation is less optimistic than it looks like. DJASPC and AJOFM representatives say that the reason of the employer is to benefit of the facilities provided by the law. As soon as the minimal conditions stipulated by the law are met, for instance, the period of employment, the employer refuses to keep them further.

Even if some protected units accomplish successfully the function of social inclusion of the disfavoured people, such as the *Complex of community services with protected departments for the recovery and rehabilitation of the handicapped and for professional formation Târgu Cărbunești*, Gorj County, the participation on the market proves to be difficult. More precisely, the sale on the free market of the goods produced by this complex is difficult due to the non-competitive prices. Due to this reason, DJASPC assumed the position of buyer for these goods. The representatives of the centre consider that DJASPC intervention is necessary because "under conditions of crisis, you take measures of crisis". However, there are some successful products, such as the overalls for workers and the cookies, which are "the best cookies in Cărbunești". Overall, however, the protected units are seen, according to one of the respondents, as a "drop into an ocean", given the number of people with serious social problems.

At least in Gorj County, it is unanimously accepted that the social economy mechanisms gets jammed by companies which are not interested in something like that. A similar point of view was expressed by the suppliers of social services from Călărași. For instance, the president of the County CAR Union considers that the company owners are reticent to the existence of the employee CAR units. The low interest of the economic agents for the social inclusion of the disfavoured persons can also be inferred from their poor participation in the job exchanges. For instance, in Mehedinți County, over 100

economic agents have been contacted to participate in the *job exchange event for the Roma* but only 16 actually participated⁷⁸.

There have been situations in which the suppliers of social services consider that the disfavored persons self-exclude themselves. For instance, the opinion shared by the suppliers from Dâmbovița County on the involvement of the disfavored persons in social economy activities was that as long as they benefit of indemnities, state aids or support allocations, the involvement of the disfavored people will be low, close to null. Both the Directorate for Social Assistance and Child Protection, and AJOFM from Dâmbovița County highlighted the fact that the people with disabilities turned down the job offers. The same situation has been mentioned by the director of AJOFM Olt, who speaks of the low interest of the disfavored people for the activities of formation, counseling and for the events organized by AJOFM.

⁷⁸ The number of Roma people who came to the job exchange event was also low: only 15 persons came.

EDUCATION AND SOCIAL ECONOMY

The literature includes many studies which have documented the existence of a direct link between the educational level, the status on the labour market and the individual standard of living. A level of education as high as possible, facilitates the socio-professional integration and the increase of the individual standard of living. The stock of education is strongly correlated to the overall level of economic development too. This is the basic premises for the analysis of the specific situation existing in South Muntenia and South-West Oltenia regions: and adequate level of education and qualification are determining factors not just for the individual welfare, but also for the economic development and for a stronger social cohesion. The conclusive section is devoted to the analysis of the connection, less explored in previous studies but which forms the specific object of this study, between the individual educational capital and the personal involvement in the different forms of social economy.

Level of education and place of work

During the past two decades, the proportion of population with a high level of education increased significantly following the development of the offer of the private higher education; the proportion of the population with a low level of education decreased following the replacement of the older generations. Despite this dynamics, we are far from the schooling level of most EU member states: the average EU population with higher education is 23%, while in Romania it is 10%.

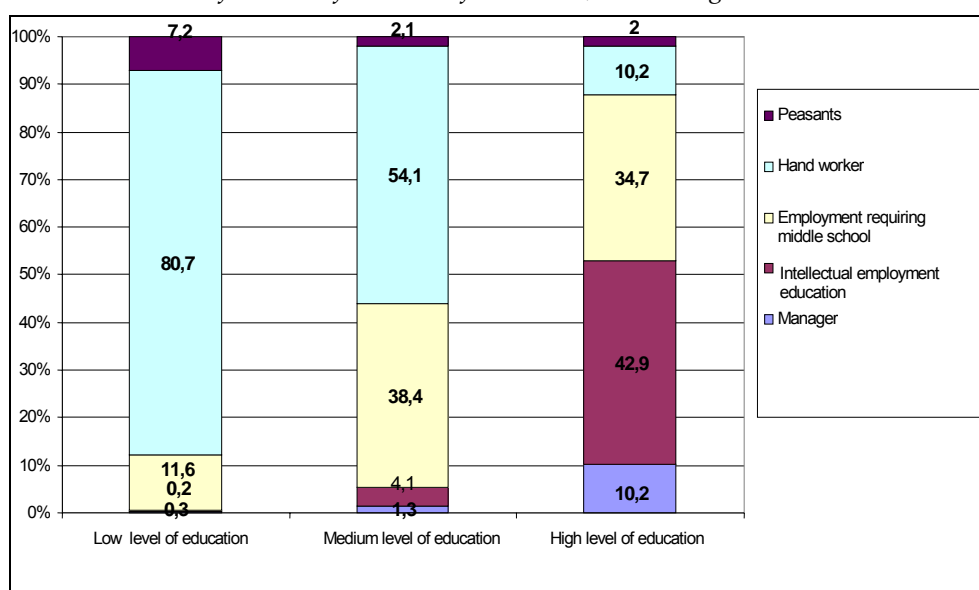
The regions where the survey was conducted are among the poorest and with the most disfavoured situation in terms of employment (see the relevant sections analysing the specific situation of employment). At the same time, the educational level of the population is much lower than in other regions of the country, despite their proximity to Bucharest, the main educational centre of the country, or to other higher education centres such as Timișoara, for instance, and despite the existence of higher education centres with long tradition in some counties (Prahova, Dolj), which would create the premises of a higher stock of education.

Table 63 – Structure of the population according to the last graduated form of education⁷⁹ (%)

	Low level of education	Medium level of education	High level of education
South Muntenia Region	58.7	32.2	9.1
South-West Oltenia Region	55.5	32.3	12.2

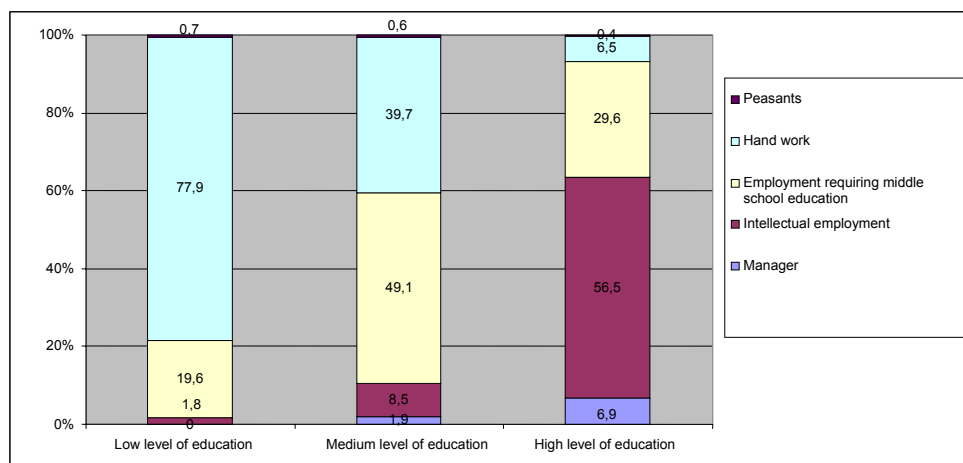
The social value of the school diploma is given mainly by the labour force market which “captures (...) and rewards the investments in education” (Marinescu, 2001, p. 110). Otherwise said, if a high level of education doesn’t guarantee getting a job, it will most certainly increase the odds of remaining in competition to get one. This situation is documented by the research data too.

Figure 26 – Type of past employment (predominant experience on the labour market) function of the level of education, in both regions)



⁷⁹ Low level of education (unfinished elementary school, no school at all, elementary school, middle school, vocational school, first high-school stage); medium level of education (high-school, post-high school education, technical foreman school; high level of education (college, faculty, post-university, doctorate).

Figure 27 – Type of current employment function of the level of education (in both regions)



While most people with a high stock of education had or have managerial and/or leading employments, as well as intellectual employments, the population with a low stock of education goes mainly towards manual labour (more than $\frac{3}{4}$).

The proportion of persons overqualified for the job they have currently is higher in Romania than in other countries which passed through a process of massive labour market restructuring. In 2007, more than 20% of the higher education graduates were working as “technicians” or in other positions which were not requiring higher education, while about 78% were working as “artisans of industrial machinery operators”. Comparatively, in countries such as Germany, France, United Kingdom, the proportion of the higher education graduates working in jobs below their qualification exceeds 10%⁸⁰.

However, there is a better correlation between the level of education and the jobs, particularly for the category of the people with medium or higher education (Figures 26 and 27). Thus, although in the two regions, the proportion of the population working in jobs below their level of education is

⁸⁰ Union Européenne, *Politique régionale – Des régions en plein croissance, une Europe en plein croissance. Quatrième rapport sur la cohésion économique et sociale*, mai 2007, http://ec.europa.eu/regional_policy/sources.

high (even higher than the national average), in time, part of the people with higher education who have initially taken jobs below their level of education, managed to get intellectual jobs.

The profile of the categories of persons according to their level of education differs not just in terms of the jobs they are doing, but in terms of the means used to seek a job.

Table 64 – Job seeking means (% , in both regions)

Job seeking means	Low level of education	Medium level of education	High level of education
AJOFM/ALOFM	24.0	31.1	25.9
NGO	2.0	0	0
Press	30.9	48.6	55.6
Directly to the employer	54.6	45.9	29.6
HR companies	3.0	3.3	0
Relatives/friends	53.6	50.3	48.1
Internet	6.6	21.3	63.0

A first observation regarding the data from Table 64 shows that the use of modern means (internet, press) increases with the level of education. The most preferred job-seeking means is through relatives/friends, irrespective of the level of education, which may show the distrust of the people in the organisational structures, public or private.

On the other hand, this type of practice is more spread among the people with a lower level of education, which may be a risk for this category. The use of the relational capital is, according to Bourdieu's theory (1971), more restrictive for this category of population, because a lower level of education also involves lower material, social and relational resources.

A the same time, the job-seeking strategies correlate with the structure of the offer. A 2008 study of TNSCSOP of the labour market, commissioned by the Governmental Agency, showed that more than half of the employers participating in the study (64% of the private employers and 57% of the public employers) said that the labour market evolution in Romania makes it difficult to employ people for the open jobs. The main cause stated by the employers is the insufficient qualification of the currently available labour force. The notifications through media means are often used both by the employers, and

by the employees. The activation of the relational capital to get a job also is frequently preferred, both by the employers, and by the employees.

Table 65 – Employee recruiting means (% , in both regions)

Employee recruiting means	Private employers	Public employers
Announcement in newspapers	55	77
Recommendation by an acquaintance/friend/relative	59	13
Local employment agency	29	41
Internet	20	24
Recruiting company	7	5
Announcement on company's web site	13	44

Source: Agency for Governmental Strategies, TNCSOP, 2008.

The recommendation by friends, relatives or acquaintances is used more by the private employers, while the public employers use more the local employment agencies.

A third category included in the analysis (besides the employees and the job-seekers) consists of the persons who declared that they don't have a job and didn't seek one.

Table 66 – Reasons for not seeking a job (% , in both regions)

Reason	Low level of education	Medium level of education	High level of education
Wants to start own business	1.4	4.6	4.8
Is leaning	5.7	18.1	35.7
Waiting for the retirement decision	3.4	5.9	4.8
Waiting to get hired in the former job	2.6	2.7	0
Doesn't think to have chances on the labour market	18.0	14.0	0
Attending training courses	0.1	1.1	0
Has family duties	17.0	11.9	14.3
Receives satisfactory social benefits	0.9	1.6	0
Self-sufficient in own household	18.5	10.2	9.5
Health state doesn't allow to get a job at this moment	26.4	21.8	21.4
NR	6.0	8.1	9.5

The analysis of the reasons why the respondents didn't seek a job differ significantly when they are related to the level of education. The predominant reason of the people with higher education is the participation in a form of learning, while the people with lower education claimed frequently the mistrust in self and the bad health state are. While just 9.5% of the people with higher education prefer to be self-sufficient with the products obtained in his/her household, the proportion of the people with lower education who argued their lack of interest for a job with this reason, is two times higher – 18.5%.

The lack of job draws important long-term changes in the life of people. While all the respondents, irrespective of the stock of education, said that the lack of a job affects their standard of living (over 50% feel much or very much this influence, with somehow lower proportions for the people with high education), significant differences appear in other aspects of life.

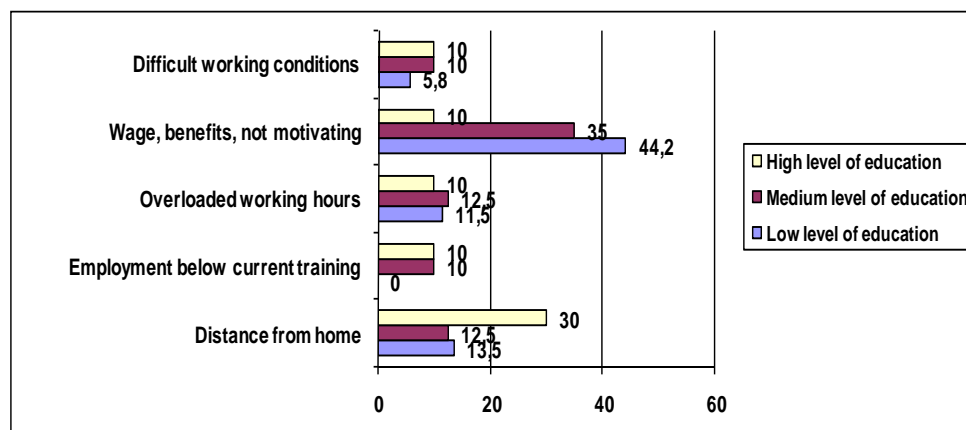
Table 67 – Possibility to get a job in the near future (% , in both regions)

	High	Low	NS	NR
Low level of education	6.2	81.9	7.7	4.2
Medium level of education	10.9	78.5	4.3	6.3
High level of education	11.8	72.5	11.8	3.9

Overall, the great majority of the respondents are pessimistic regarding the possibility to get a job in the near future. The level of pessimism increases with the decrease of the stock of education. The research data support the results of other surveys: more than half of the national population consider that it is difficult to get a job according to the individual needs and level of education and according to their profession (*Quality of life diagnosis*, IQLR, 1990-1999, 2003, 2006).

Between the people with a low stock of education and those with a high a high stock of education, we observe that education is, again, winning: the people with a high level of education received more job offers than the people with a medium or low level of education, even if the overall offer is low for all categories. The job offer didn't result in employment for everybody. The reasons are, again, extremely different.

Figure 28 – Reasons for not accepting a job offer⁸¹,
(%, in both regions)



The main reason to turn down a job offer regards the non-motivating wage. However, this reason is less determinant for the population with higher education.

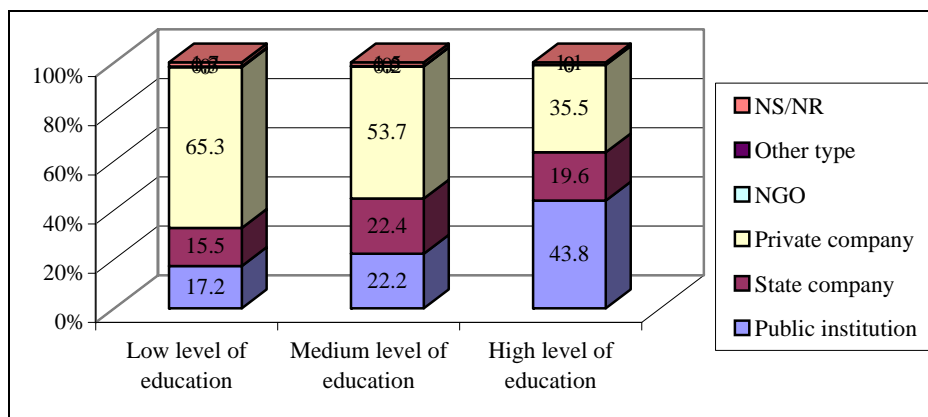
Table 68 – Wage level acceptable for a job
(%, in both regions)

	100-500 lei	550-1000 lei	1100-1500 lei	Over 1600 lei
Low level of education	6.3	75.4	13.8	4.5
Medium level of education	2.7	70.5	20.8	6.0
High level of education	5.3	34.2	44.7	15.8

The wage expectations are generally low if we take into considerations the 2010 costs in Romania, which leads to the observation that the offers they received are below this level, which justifies the refusal. Natural differences appear between the people with a higher level of education and those with a lower level of education, the first ones expecting higher wages for their work.

⁸¹ Only the refusals are shown.

Figure 29 – Type of employer according to the level of education (% , in both regions)



The people with a higher level of education are less vulnerable to the risk of unemployment because a higher proportion of them are employed within the public system. Most respondents (almost 90%, with no major difference between categories according to the stock of education) have working contracts on undetermined period, which seems to show a safe situation of the employment.

Level of education and access to continuous learning

As early as since the 80s, in the public space, the concept of “life-long learning” gained acknowledgement in all the fields and areas of activity. Subsequently, within the broader meaning of the “life-long learning” concept, most countries have adopted the notion of “continuous professional formation” or “continuous formation”, which stresses on continuity and coherence between the different stages of the professional career (Eurydice, 2009). In Romania too, the concept was a success even during the communist period, but the practical application was not efficient, neither then, nor now.

Romania still has a young workforce, but it has great problems with the level of school and professional education. On the background of an initial deficit of education within the formal system (if we think of the comparatively low level of the population with higher education or to the fact that we have one of the highest rates of early school dropout – over 20%), there is a low level

of participation in the various forms of continuous learning (among the lowest in EU, under 2%). The situation of the two investigated regions is as follows:

Table 69 – Participation in professional training courses (%)

	South Muntenia Region	South-West Oltenia Region
Never participated	76.2	72.4
During the last 6 months	1.6	1.7
During the last 70-12 months	1.4	1.4
More than one year ago	15.2	12.3
Don't know, don't remember	4.6	9.1
NR	1.0	3.1

Table 70 – Willingness to participate in professional training courses by region of development (%)

	South Muntenia Region	South-West Oltenia Region
Very low	42.0	40.2
Low	14.3	10.7
Much	20.5	19.2
Very much	12.0	9.8
NS	6.6	14.7
NR	4.6	5.4

The lack of information, the incapacity to observe the importance of such actions for the professional evolution and for the personal development are among the possible causes of non-participation or lack of interest of the respondents for the training courses of professional formation.

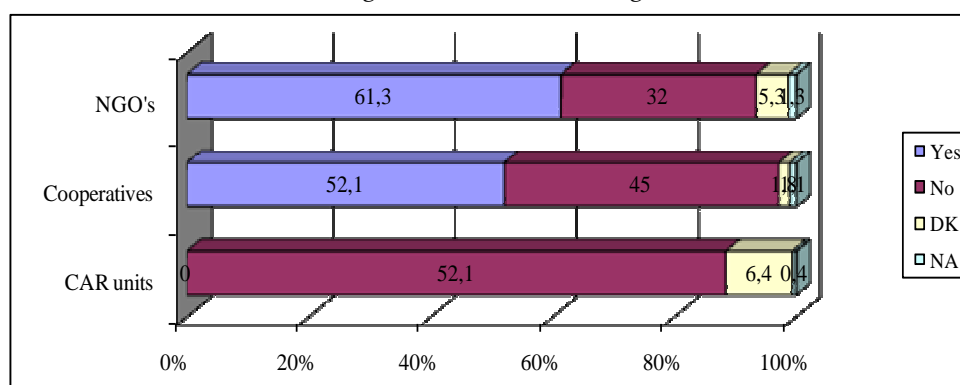
The data of this research support the rule according to which a high level of education is associated to a high level of participation in continuous formation: while over 90% of the people who graduated middle school or less didn't attend formation courses, over half of the people with higher education attended such training courses.

Education and involvement in social economy

The participation of the population to a specific type of activity may be stimulated by the offer from the market. Like in the case of other services of goods, if on the market there is an offer, the consumption will also appear, in this case, the consumption of professional formation. The involvement of the social economy organisations in the offer of courses is relevant at least on two accounts: first, the courses provided in Romania by the established institutional systems (mainly by ANOFM) are insufficient and often inadequate for the market demands; on the other hand, one of the drive for social economy development may be the offer for professional formation in general, and of specific training on the role, functions and activities specific to this sector.

In time, the three types of social economy organisations (NGOs, cooperatives, CAR) organised various courses for professional formation, but we focused on the last year. The research results have shown that the training courses for hand labour professions dominated (electro-mechanic, car repairman, hand-worker), followed by training in administrative-financial professions (primary accountancy, administration).

Figure 30 – Interest of the social economy organisations to accept offers for free training courses (% , in both regions)



The interest to participate in training courses is low. When asked about the type of course they would like to organise, the representatives of the social

economy organisations decided for high skilled professions (management, IT, human resources etc.). In other words, while the offer of training courses fits an industrial economy and focuses on the needs of the 90s, when the Romanian economy, undergoing transition, needed specialists for this transition, the aspirations belong rather to the post-industrial era.

The public and collective utility of the education is given by aspects such as social participation and involvement, tolerance to the ethnic and religious diversity, a higher level of responsibility towards the health state, family life etc. Several studies (*European Values Survey, World Values Survey*) have shown that the people with a higher level of education are much more open to offer their qualifications and competencies in aid of the disfavoured persons, by participating in charity events, they are much more tolerant with the ethnic, religious, sexual minorities.

The individual level of education also influences their orientation towards different types of social economy organisations. To verify this premises, we will use the classification of the social economy organisations shown in the literature. One of the classifications uses as main criterion the reason which makes the individuals associate, giving thus three large categories of social organisations:

- social economy organisations which accomplish necessities, needs of the population;
- social economy organisations which respond to aspirations of identity;
- social economy organisations which aim the accomplishment of social development projects (establishment of an equitable, democratic society, for instance).

Function of the individual level of education, the participation and involvement in the activities and problems of the community to which they belong is expected to be higher and more diversified in the case of the people with a higher level of education, than in the other people. In other words, the people with a low level of education will predictably choose less to involve in the different forms of social economy, or to go for the first category of social economy organisations – those which accomplish necessities, needs of the population – while the population with a medium and/or high level of education will be probably more interested by the social economy, going more for the second and third categories of social economy organisations. The data document slight differences from this point of view.

Table 71 – Quality of social economy organisation member (% , in both regions)

Membership	Low level of education			Medium level of education			High level of education		
	Not a member	Employee	Voluntary	Not a member	Employee	Voluntary	Not a member	Employee	Voluntary
CAR	93.7	1.0	3.2	89.6	2.5	6.0	89.7	1.5	7.2
NGO	97.9	0	0.3	95.9	0.8	0.8	95.8	0.6	1.8
CIL	94.5	0.3	0.2	95.1	0.3	0.2	96.1	0	3.6
Union	93.9	0.5	0.6	93.0	1.0	1.7	89.7	2.4	4.5
Political party	94.1	0.3	0.6	93.6	0.6	1.1	91.5	0.6	3.3

Most respondents declared not to be a member of a social economy organisation, irrespective of the level of education. The voluntary participation in the activity of the social economy organisations increases with the level of education: about 7% of the respondents with medium or higher education work as volunteers in CAR units, compared to just 3% in the case of the persons with lower education level.

In South-West Oltenia Region, less developed economically than South Muntenia Region, the options of the population go rather towards the social economy organisations representing their economic interests (for instance labour unions), than towards the social economy organisations responding to their aspirations of identity, or towards those aiming to accomplish social development projects (such as the NGOs).

Table 72 – Population and its relations with the social economy organisations at the regional level (%)

Social economy organisations	South-Muntenia Region			South-West Oltenia Region		
	Not a member	Employee	Voluntary	Not a member	Employee	Voluntary
CAR	92.4	1.1	5.1	90.0	2.7	4.4
NGO	99.6	0	0.2	91.4	1.2	1.8
CIL	97.1	0.3	1.9	94.4	0.8	1.5
Labour union	96.0	0.7	1.1	88.5	1.2	1.9
Political party	96.0	0.4	1.1	89.9	0.5	1.1

Conclusions

The two regions are characterised by the existence of a low stock of open jobs for the unemployed active population, particularly for the disfavoured categories of population. In most cases, the vulnerable persons have major difficulties of integration or reintegration on the labour market, not just because of the lack of open jobs, but also due their precarious professional formation. The disadvantaged persons usually have a lower stock of education than the median of the population and they don't have access to attractive forms of continuous professional formation. The existing opportunities for professional formation don't motivate them and there is a significant lag between them and the demand from the labour market.

The partnerships between the suppliers of professional formation and those of social services function poorly and don't provide concrete mechanisms for the reintegration of the vulnerable categories.

The social economy organisations don't provide advantageous solutions which to support the professional integration of the vulnerable persons. The employment of such a person means more than just providing a place of work and presume significant costs for professional formation and adaptation of the job. The legal framework in this field is fragmentary and doesn't stimulate the sustained intervention to increase the employment of the vulnerable persons.

IDEOLOGY OF INVOLVEMENT: ELEMENT OF A PROACTIVE BEHAVIOUR

Social economy is a key element of the competitive communities

It is increasingly obvious that we are in a new political and economic context (Lloyd, 2007), which demands the active population to become more permeable to the transformations taking place on the labour market, to adopt lifelong learning and, in general, to cope better with the risk situations associated to technological innovation, ageing, being laid off etc. In any society there are particular social categories which are exposed with a higher probability to a low standard of living, just because of the factors suggested previously: low stock of education which makes it difficult for them to manipulate the new technologies, low social capital which makes it difficult for them to orient and reorient on the labour market, insufficient cultural capital to take a job with decent pay etc. Having in view these things, the increasing attention focused on the social economy sector is justified because it "has a special role at the local level in increasing employment, developing entrepreneurship, in the local and civic involvement" (Lukkarinen, 2005, p. 420). Relating to projects which have a profound social role, coming from the community, for the community, the social economy initiatives have at least two positive outcomes: introduction on the labour market of the persons who experienced great difficulties in getting a job, "correcting significant economic and social misbalances" (Avila and Campos, 2005, p. 16), and development of the social entrepreneurship which is a key factor in the transformation of a subsistence community into a competitive community: "the social economy institutions are at the core of the strategies for local development, because they can deal simultaneously with several aspects such as the expectations of the different stakeholders, the social and ecological dimensions, monitoring the long-term goals, as well as the short-term goals. This is possible because the social economy organisations are not compelled to prioritize their goals, as it happens in the private environment, which is defined by profit. Deriving from here, the social economy organisations can promote and disseminate values

and processes which are intrinsic to the local development" (Grefe, 2007, p. 98).

The social economy projects from the former communist countries, particularly from Romania, are a challenge due to the consistent policies of that period, which have visible outcomes, at least ideological ones, even in our days: "notions such as philanthropy, charity, pluralism, mutual help and reciprocity, volunteerism, have been altered, by tagging them with generally negative or even pejorative connotations. Besides this aspect, the forms of association have been discouraged or even banned and only those strongly centralised, lead according to strict hierarchies have been allowed. Another negative factor affecting the social economy was the nationalization of the private property" (Les and Jeliaskova, 2007, p. 194). The list can continue.

Even the post-December process of transition, paradoxically, can be regarded as an inhibiting factor for these initiatives. Within a convulsive political context, dominated by political inconsequence, with chaotic measures having rather short-term impacts, welfare remained at a low level for most of the population. On the other hand, the access to information about desirable standards of living increased following the expansion of the mass-media means (the Internet included), and the access to higher education tends to become massive. The level of aspirations increases, but it seems they cannot be achieved. The social type of the individualist entrepreneur, concerned exclusively by his/her own welfare, opposed thus to the philosophy of the social economy, appears as probable.

Therefore, social economy, community involvement and local development are three concepts strongly connected both theoretically and practically. The sustainable community development depends on community involvement, and the social economy initiatives are a catalyst for it. In this paper, we focus on the ideology of involvement observed in the two surveyed regions, South Muntenia and South-West Oltenia. The questionnaire included several indicators which measured the latent involvement in different activities that may be included both within the community involvement and within the social economy initiatives. We will try to explain which are the factors which increase the odds of involvement in collective actions at the local level.

Why do we get involved in local actions?

What does the practice say

The participation in local activities depends on several factors. Among them are the trust in local institutions, in the informal leaders and in the other inhabitants, as well as the peripheral localisation (Ogneru, 2000). In an interesting case study which discusses the involvement in Greaca commune (Giurgiu County), the author identified as the main drive for benevolent activation, the trust in the informal leaders originating from the locality; the distance perceived towards the mayor and towards other formal leaders which are not "from this place" by birth, makes it more probable the participation motivated by the remuneration for the community projects. Therefore, the involvement is dependent of the idea of "ours": if we don't think that something belongs to us, we see no benefit in the concern for the locality and its composing elements. The involvement in community actions is more often in the young people who don't have a stable job and who experience difficulties in getting a job; participation becomes an intermediary for the labour market, as the people in such situations of risk see it.

The motivations of the collective associations are multiple, though. In a research on Fulga commune, Berevoescu (1999, pp. 61-62) identified the factor of the institutional constraint and the subsistence: "the people associate when they are constrained/motivated by economic stakes or by the individual liberty. In this direction, the associations of the socmen to take land in lease, the voluntary booking of the poor peasants in the CAP, the contribution of the inhabitants to the development of infrastructure and even the booking in agricultural associations are examples of cooperation between people in situations in which the rules are decided externally and in which subsistence depends on their capacity to work together". Within a society in which welfare is at a low level for most of the population (Box 1), one might expect that each person is rather concerned with own fate, or as the people say "by tomorrow". The associations are rather probable between people with higher levels of the welfare or when there is a relation of inequality: one of the sides owns the resources which the other needs. Same as in Greaca, the existence of a person with initiative, this time representative of a local institution, is a key element in the generation of the participative energies. A basic explanatory factor is the social position of the person. Many studies show that high values of the

cultural capital, for instance, contribute to the demystification of the social life: the non-rational motivations to get involved in collective actions, such as those observed in Fulga: “we are doing what the people do”, habit – “where we got used” – or “affective” – “the people will laugh at us”, become more rare (Berevoescu, 1999, p. 71). Sandu (2010, p. 42) considers the “participative culture as a combined form of symbolic social and human capital, and its narrowing to just one of the three forms of capital may have negative consequences for the practical projects aiming to mobilize the local participation”.

Box 1 – Welfare in Romania (Vasile, 2010)

The socio-economic situation from Romania places the welfare quite low, in comparison with the European countries, being characterised by few and unequally dispersed opportunities.

The life style of the Romanian women seems to be shaped by two major structural factors: the values (or the culture, in general) and the precarious state of the economy. When they become mothers (at least at the first child), the Romanian women withdraw from the labour market, only to return intensely, once the children go to school; on the other hand, both parents have to work to support the family. In the case of the mothers, the free time may be a faraway desiderate: next to Poland, Spain, Greece, Italia, Slovakia and Slovenia, the Romanian women spend a lot of time both with the remunerated work, and with the non-remunerated work (“compulsory” activities in the household) (cf. EQLS, 2003).

According to an index of the material deprivation obtained by summing some things which are universally considered as means to satisfy the basic and essential needs for a decent life, which a family cannot afford, it results that in Romania and Hungary, about 75% of the population cannot afford at least one of those things, 25% of the Romanians stating that they cannot afford any (cf. EQLS, 2007). Therefore, there still is a large number of people with material deprivation, many of them being excluded even from basic social interactions. Under these circumstances, it is very likely that the life styles are highly uniform.

A mix of factors contribute to the preservation of high values for giving up the formal education: the material difficulties, the educational pattern offered by the parents and/or brothers, family disorganisation, involvement in activities at the limit of the legality, involvement of the school pupil in the labour market, low trust in education, circling migration or the ethnic affiliation, the compulsory early marriage, the birth of a child, the lack of local security, non-involvement of the teaching staff beyond their official duties,

lack of programs of school and professional orientation, quality of the relations with the teachers (Voicu, 2010).

Irrespective of the sex, there is an increasing number of the people who consider that their health state is deteriorating once they passed the age of 45. This suggests the impact of living conditions which do not support a long active and productive life (cf. Generations and gender, 2005).

About one of two men consider that he will not be able to keep the financial situation under control, one of three has doubts on his job, one of four is not sure about the dwelling conditions, almost two of five are not convinced that they will not have health problems in the future, while one of seven is worried about his family life (cf. Generations and gender, 2005).

In principle, in Romania, the children reproduce the educational structure of their parents. If we take into calculation, however, the generation in which they were born, we may then add variations to the interpretation. Taking into consideration the historical periods „before 1947”, „1947-1965” and „1966-1989”, the similitude decreases from left to right. While for the people born before 1947, the direction was similar with that of their parents, for the other two generations, a positive change is noticed: the individuals whose parents had graduated at least the elementary school, but no more than one form of secondary education, were taking a step forward, towards the higher education. This shows changes in the structure of the society on the background of the new labour market requirements of education and, in the more general way, in the way in which the society and the individuals change their need for knowledge (cf. EVS, 2008).

Romania is the country with the largest number of workers in agriculture and fishery (24% of the total employed population), high values of this indicator being observed in Turkey (21%), Poland (13%), Croatia (12%), Portugal and Greece (11% each) (cf. EUROSTAT, 2008).

Romania of 2008 is not much different from Romania of 1998: a) it had the lowest number of workers in the most qualified and complex professions in Europe⁸², b) it had the largest number of workers in agriculture, c) it had the lowest number of functionaries⁸³ (cf. EUROSTAT, 2008).

A step forward in the formal education, the secondary education, brings along the opportunity to have a job in the category of workers/operators in commerce and assimilated (15%). Finally, the higher education increases the odds to have a profession from the

⁸² In 1998, no data were available for Bulgaria, Cyprus, Malta, Croatia, Macedonia, Turkey.

⁸³ In 1998, no data were available for Bulgaria, Cyprus, Malta, Croatia, Macedonia, Turkey.

categories of law-makers, high officials and leaders, specialists with intellectual and scientific professions, technicians or functionaries (84% of those who attended a partial or integral university cycle plus post-university education). This suggests the importance of the investment in education (cf. EVS, 2008).

The inhabitants of large towns (more than 200,000 inhabitants) have much more chances than the others to get employed in highly skilled jobs (level 3 or 4). These figures suggest not just a distancing of the urban from the rural in terms of access to opportunities, but also of the very large urban from the rest of the urban. The inhabitants from the rural have very low opportunities to accede to the higher part of the employment hierarchy (cf. EVS, 2008).

The Romanians are among the most sceptical Europeans regarding the correctness of their fellows. The mistrust in the correctness of the people doesn't depend on education, being a generalized feeling (cf. EVS, 2008).

By a revealing analysis which used data from the 2002 and 2005 *Rural Eurobarometer*, Sandu (2010, p. 50) shows that the "trust in community projects is strongly differentiated in the cross nation (Table 73).

Table 73 – Those who believe in community projects

The people from ... believe more that projects can be accomplished		The people from ... believe less that projects can be accomplished	
Transilvania and Oltenia	77%	Crişana-Maramureş	51%
Braşov, Sibiu, Covasna, Harghita	over 80%	Eastern Moldova, Northern Muntenia	under 60%
From central villages	72%	From peripheral villages	68%
From hill and mountain villages	79%	From field villages	69%
From non-isolated traditional villages	75%	From isolated traditional villages	67%
From villages having asphalted roads linking them with the outside	74%	From villages having dirt roads linking them with the outside	68%

Source: Sandu (2010).

Data source: *Rural Eurobarometer*, 2002 and 2005.

The question from the questionnaire: *Do you think that a community project such as repairing a road or the school, or building a bridge/footbridge could be accomplished properly in your village/district?*

Participative culture: element of the life style influenced by resources

The participative culture, analysed through the prism of capitals, is dependent on the social structure. In a comparative study, Kraaykamp and Nieuwebeerta (2000) tried to show how much the egalitarian measures imposed by communism in the Eastern Europe countries have effects in the present day social structure of these countries. The difficulty or even impossibility of the parents to hand over to their children their favourable background is observed in the life styles of the latter, more precisely in the high-culture participation and in their material situation. The authors didn't just measure the influence of the socioeconomic status of the parents on the life styles of their children, but they consider, hypothetically, that the political and cultural capitals are similarly important. The countries in which the official policies forbid the possession or use of the economic resources will make the parents adopt alternative strategies: instead of economic resources, they will hand over their children cultural resources: values, codes, capitals which will help them have success in life (Djilas, 1957; Bourdieu, 1984). Starting from the theory of the new class (Djilas, 1957; Konrad and Szelenyi, 1979; Szelenyi, 1987), the authors want to demonstrate whether the benefits acquired by the possession of a political capital (in this case, member of the communist party) had effects on the life styles of the children. Obviously, the authors only control in their analysis some variables referring to the features of the individuals composing the sample: education, monthly income per capita, prestige of their occupation. We also must take into consideration the fact that, according to the „market transition theory“ (Peter, 2007), the former communist elite, i.e. the people with political capital, will be successful in post-communism too, and so will do their children, if they also have cultural capital (Peter, 2007). The analyses show the cultural capital of the parents as the factor with the strongest influence on the cultural participation of the children; previous studies showed that this is particularly true in the former communist countries. The economic capital is the factor with the strongest influence on the socioeconomic status of the children. Bourdieu & Passeron (1970/1977) show that the educational system

favours the people with a “better” social origin: those from the upper classes will tend to go still higher. This happens because the cultural capital depends, ultimately, on the individual talent and efforts: the people from the middle class, for instance, seem to be talking more to their children than the people from the lower classes, which makes them, when they get to school, to have a wealthier vocabulary than the other children, thus providing them with a social advantage (Weininger and Lareau, 2007).

Analysing the data of the third wave of the European Values Survey (1999), Kalmijn and Kraaykamp (2007, p. 562), show that a higher social standing⁸⁴ is associated to positive attitudes towards the role of the sexes, marriage, abortion and euthanasia, environmental policies, support for the democratic institutions; they are rather motivated intrinsically, also having the highest work ethics. It is interesting that the managers and owners, defined by the authors as economic elite, are more conservative than the professional workers, defined as cultural elite. Inversely, a lower social position brings along a higher level of religiousness and a more favourable attitude towards the egalitarian policies. When the analysis also included education, the explanative power of the social class decreases: the more educated support more gender equality, they are more secularized, they are more post-materialist, they are more tolerant with the immigrants and rather motivated intrinsically (Kalmijn and Kraaykamp, 2007, p. 563). The study refutes, somehow, the theory of individualisation, showing how the social class influences the attitudes.

For Bourdieu (1984), the life style derives from habitus: our identity forms by socialization and we define ourselves more or less consciously function of the environment we are living in. Our preferences are derived from

⁸⁴ The class has been encoded almost identically with the EGP scheme: (1) owner/manager in a company with 10 or more employees; (2) owner/manager in a company with less than 10 employees; (3) higher education employees (lawyer, accountant, teacher); (4) office work/middle hierarchy, doing non-manual work; (5) office work/junior level, doing non-manual work; (6) foreman or head of department; (7) skilled worker; (8) semi-skilled worker; (9) unskilled worker; (10) peasant/farmer: having own agricultural farm/household; (11) agricultural worker; (12) unemployed. Due to sample size, the authors have encoded the variable as follows: (a) manager and owner (1 and 2); (b) professional workers (3); (c) lower white-collar (4 and 5); (d) higher blue-collar (6 and 7); (e) lower blue-collar (8, 9, and 11); (f) peasant/farmer (10); (g) unemployed (12).

the habitus. If we see things from a structural point of view, we may consider that society self-replicates, and the life styles are quite constant in time. If we incorporate the post-modernist visions in this point of view, supposing that the individual has a high level of mobility in his/her life, which means that he/she is changing the place of residence, has multiple professional experiences, then we may consider that he/she will have quite a complex habitus specific to each moment of life, therefore, the life styles may be quite dynamic in time. Unlike Bourdieu, for Featherstone (1991), the life style expresses less the options structured by the habitus, which means everything connected to the background (social and cultural conditions, social class of the parents, etc.) The life style expresses rather the aspirations, intentions, and social paths which the person chooses consciously.

Sociability explains how much dynamic a person is. The social status is seen as “structure of relations of superiority, equality and inferiority between individuals, perceived and, up to a certain level, accepted. This order doesn’t reflect personal qualities, rather the level of social honour tagged to a preset attribute (for instance, the status acquired by birth). The social hierarchy thus established, is expressed in differential associations, particularly in more intimate types of sociability” (Chan and Goldthorpe, 2007, p. 514). The status order is not given by simple answers to questions which evaluate the prestige of a profession, rather by analysing the sociability understood as relations which the individual has with at least three of the close ones (friends, not relatives): which is their profession and which are characteristics of their work life. The distinction between the social class and the social status is important, because the results of the different analyses show that the first influences the stratification of the economic opportunities of life (the unemployment risk, short-term income variability, long-term opportunities for earnings), while the second influences the stratification of the cultural consumption (music, art, theatre, cinema) (Chan and Goldthorpe, 2007). Generally speaking, the social class is associated to the “hard” aspects of life (state and behaviour), while the social status is associated to the “soft” part of life (values and attitudes). This distinction is met particularly when speaking of the influence which the social status of the individual has on his/her cultural behaviour.

The option of the individuals for particular things are determined by their social class, by the social background and by their cultural identity (Peterson, 2006). The cultural identity, as we have seen, refers to the feeling of belonging to the place aimed by the act of participation.

Data and method

In this chapter we adopt both a descriptive approach, and an explanative one. First, based on bivariate analyses, we will see, for each region, how many of the respondents would get involved in each initiative and which is the profile of the subjects giving a positive reply. Second, using the analysis of binary logistic regression, we will answer the question: which are the factors which contribute to the orientation towards involvement in local initiatives?

Dependent variable

The questionnaire used for the two regions of development includes a range of indicators by which the respondents are asked to show in which type of local initiative they would be willing to get involved, without any reward, or with reward. These indicators refer to the availability to get involved in the following local actions: 1) environmental arrangement/protection; 2) arrangement of roads, hospitals, schools, infrastructure etc.; 3) curbing delinquency; 4) support the gifted/performant young people; 5) organising sport activities; 6) organising shows/concerts; 7) organising other leisure and free time activities; 8) help the disfavoured people; 9) awareness raising on serious problems. In the descriptive stage of the analysis we use them all. In the explanative stage we will no longer use "curbing delinquency" and "awareness raising on serious problems". "Curbing delinquency" has a rather ambiguous content and it is not actually an action with social economy significations. "Awareness raising" takes us, at least grammatically, towards realising something, understanding, knowing. The current formulation of the indicator introduces a certain level of ambiguity by overlapping the perception with the action. Because the multivariate analysis must use indicators with clear and single significances for all respondents, we decided to exclude it from analysis. "Organising sport activities", "organising shows/concerts", and "organising other leisure and free time activities", refer all to the same dimension of life (leisure) and presume similar competencies from the people that get involved. This is why we decided to create a new variable which to include these three initiatives.

Sandu (2010) shows that involvement can be voluntary (the participant is the beneficiary of the results), preponderantly involuntary (the participant is

not the beneficiary of the results), or the participant might not be (correctly) aware as of the beneficiary. A clean locality, a clean environment, are primary factors of the quality of the personal life. Also, the existence of an adequate infrastructure which allows a proper everyday life in good conditions facilitates the improvement and maintenance of the welfare status at a proper level. The free time is an essential component of life, including by its function of socialisation. The choice of the indicator which evaluates the willingness to help the disfavoured people is somehow slightly outside the registry of the other three. It is rather justified as exponent of valuating orientations. A hypothetical example will help us understand easier this thing: suppose that a locality has been flooded and the dwellings of some families have been wrecked by the floods. The availability to help these people is an example of involuntary involvement, but it may also reflect the thought that this action may cause in the future compensating activities on behalf of the community. If we refer to the population up to 65 which is (possibly) active, these four indicators define approximative equal benefits which make it probable the involvement of a less differentiated population.

In this study we will analyse the ideology of the total involvement. The total involvement refers to the availability to get involved in the local initiatives, irrespective of the situation, with or without reward. Theoretically, it is quite little probably that a person allocates resources for an activity without expecting something in return (benefit). The way in which the question is formulated, the reward might be understood as an immediate and concrete material benefit. The previous theoretical analysis shows that any action brings a benefit, even if it is just a moral one. The latent orientation towards involvement is interesting for the concept of sustainable development: this resource of the community can be activated by improving the level and quality of the individual capitals.

Independent variables

The intention to get involved in local initiatives is expected to vary according to some factors. The factors considered in this analysis are shown in Table 74.

Table 74 – Independent variables in the involvement predicting models

Variable	Observations
Household income in the past month (March 2010)	We decided for the household income, rather than the individual income, because it has a higher power of inclusion: the financial resources of a household are distributed towards the needs of everyone, the answers to this question reflecting more adequately the situations of risk. The income is a measure of the material capital.
How do you evaluate the current incomes of your household?	Stating the value of the income has two problems: 1) sincerity of the respondent and 2) it excludes the evaluation of the necessity. An amount of money can be insufficient for a decent living. This is why we have decided for this indicator.
How do you think that the financial status of your household will one year from now?	The way in which we look at the present and at the future is a drive or a break to the future projects. If we perceive that our situation has worsened, and the negative trend persists, it is then more likely to focus all resources on subsistence.
Education	Measure of the cultural capital. We have set a new encoding for this variable, as follows: middle school, vocational school, high school, post high school education, foreman school, higher education.
Status	The hypothesis is that the active persons, or those who are temporary inactive (unemployed, for instance) are a latent resource for the community involvement. The data do not allow testing a second hypothesis, according to which the time allotted to the professional activity intermediates this relation. The variable has three categories: active (employee, entrepreneur, peasant, self-employed), temporary inactive (unemployed, maternity leave), permanently inactive (pensioner).
Area of residence	Proximity of the opportunities which the subjects can access. The nearer to large towns, the most probably is a higher welfare state.
Gender of the respondent	

Results

Intention of involvement in the two regions of development

Table 75 shows the distribution of answers for all indicators of latent involvement in local initiatives. The table shows, and the proportion tests supports this observation, that the people from South Muntenia Region have a better view on the involvement in local initiatives than the people from South-West Oltenia Region.

Table 75 – Latent orientation towards local initiatives, by region of development, %

	South Muntenia Region			South-West Oltenia Region		
	<i>Yes, no reward</i>	<i>Yes, with reward</i>	<i>No</i>	<i>Yes, no reward</i>	<i>Yes, with reward</i>	<i>No</i>
Environmental arrangement/protection	29 ^{a)}	14	57	26	9	65
Arrangement of roads, hospitals, schools, infrastructure etc	18	16	66	11	12	77
Curbing delinquency	19	9	72	13	5	82
Support the gifted/performant young people	20	10	70	14	5	81
Organising sport activities	15	10	75	11	6	83
Organising shows/concerts	12	10	78	9	7	84
Organising other leisure and free time activities	16	9	75	11	7	82
Helping the disfavoured people (sick people, poor, elder, unemployed)	34	8	58	25	6	69
Awareness raising on serious problems (social, health, AIDS etc.)	24	7	69	17	5	78

^{a)} The values represent percentages calculated from the total valid answers for each region.

The two regions differ in the number of local initiatives in which their inhabitants would get involved (Table 76). For the people from South Muntenia Region, the involvement is seen in “yes/no” terms: if I get involved, then I do it seriously, five initiatives or more. For the people from South-West

Oltenia Region, the intention stops somewhere at a maximum of three initiatives.

Table 76 – Intensity of the intention to get involved in local initiatives, by region of development, %

Would you participate pro bono, or with rewards in...	South Muntenia Region		South-West Oltenia Region	
	% ^{a)}	Residuals ^{b)}	%	Residuals
No initiative	43	-	52	+
1	13	+	10	-
2	8	-	11	+
3	5	-	7	+
4	4	ns	3	ns
5	4	+	3	-
6	4	+	2	-
7	3	+	1	-
8	4	+	2	-
All 9 initiatives	12	+	9	-

^{a)} The values represent percents calculated from the total column.

^{b)} Adjusted residuals. Reading: the people from South Muntenia Region are less likely than the people from South-West Oltenia Region to score zero for participation; the people from South Muntenia Region are more likely than the people from South-West Oltenia Region to participate in all 9 local actions.

Chi square value: 94.275, $p < 0.001$.

Profile of the people who would get involved

The factorial analysis by main components⁸⁵ shows the existence of a single latent variable when we consider the following indicators: environmental arrangement/protection; arrangement of roads, hospitals, schools, infrastructure etc.; supporting the gifted/performant young people; helping the disfavoured people and leisure time initiatives. Under these conditions, it makes more sense to create a profile for the total intention of involvement. Actually, there are just a few those who actually have the

⁸⁵ KMO = 0.863, the lowest communality = 0.663, explained total variance = 70%, lowest saturation = 0.814. We used the Varimax method of orthogonal rotation.

resources necessary to put into practice each of the listed initiatives. What matters here is understanding what would make the people having a positive latent orientation towards the community/society, to act within the proper circumstances. Table 77 gives several features of the people who get involved and of those who don't get involved, in each region.

The first observation is that the access to resources favours the ideology of involvement in local actions. The urban area, characterised by a higher level of access to information, different life styles, better quality educational resources, is by itself a catalyst for involvement. As reported in other studies (Vasile, 2010; Voicu and Vasile, 2009), the mere fact of living in the rural is a disadvantage. The low level of education (a maximum of 8 grades) doesn't established proactive mental mechanisms. It seems that the vocational education, in its current form, doesn't help to establishing a positive mentality, opened towards the community.

Table 77 – Who would get involved in local initiatives, by region of development

	South Muntenia Region				South-West Oltenia Region			
	Would not participate ¹		Would participate		Would not participate ¹		Would participate	
	%	Residuals	%	Residuals	%	Residuals	%	Residuals
Area of residence								
Urban	41 ^{d)}	-	59	+	ns ^{e)}		ns	
Rural	46	+	54	-	ns		ns	
Gender								
Male	ns		ns		48	-	52	+
Female	ns		ns		58	+	42	-
Age								
18-24	25	-	75	+	42	-	58	+
25-34	34	-	66	+	42	-	58	+
35-44	41	ns	59	ns	45	-	55	+
45-54	36	-	64	+	47	-	53	+
55-64	49	+	51	-	59	+	41	-
65+	70	+	30	-	79	+	21	-
Education								
8 grades	61	+	39	-	66	+	34	-

	South Muntenia Region				South-West Oltenia Region			
	Would not participate ¹		Would participate		Would not participate ¹		Would participate	
	%	Residuals	%	Residuals	%	Residuals	%	Residuals
Vocational school	42	ns	58	ns	44	-	56	+
High school (first stage included)	34	-	66	+	50	ns	50	ns
Post high-school education	43	ns	57	ns	52	ns	48	ns
University (and post-university)	29	-	71	+	40	-	60	+
Household income								
Less than 100 lei	41	ns	59	ns	49	ns	51	ns
100.1-250 lei	33	ns	67	ns	48	ns	52	ns
250.1-450 lei	59	+	41	-	58	ns	42	ns
450.1-650 lei	55	+	45	-	60	+	40	-
650.1-850 lei	49	+	51	-	63	+	37	-
850.1-1150 lei	46	ns	54	ns	58	+	42	-
1150.1-1400 lei	46	ns	54	ns	54	ns	46	ns
1400.1-1800 lei	42	ns	58	ns	45	-	55	+
1800.1-2500 lei	33	-	67	+	46	-	54	+
2500.1-3500 lei	24	-	76	+	44	ns	56	ns
Over 3500 lei	26	-	74	+	36	-	64	+
Number of household members								
1	69	+	31	-	73	+	27	-
2	50	+	50	-	59	+	41	-
3	43	ns	57	ns	46	-	54	+
4	31	-	69	+	44	-	56	+
5	31	-	59	+	50	ns	50	ns
over 6	36	-	64	+	49	ns	51	ns
Professional status								
Active	34	-	66	+	43	-	57	+
Temporary inactive (school pupils/student)	35	-	65	+	42	-	58	+

	South Muntenia Region				South-West Oltenia Region			
	Would not participate ^{c)}		Would participate		Would not participate ^{c)}		Would participate	
	%	Residuals	%	Residuals	%	Residuals	%	Residuals
included)								
Permanently inactive ^{a)}	62	+	38	-	72	+	28	-
Evaluation of incomes								
Not enough for the bare necessities	50	+	50	-	59	+	41	-
Enough for the bare necessities	45	ns	55	ns	53	ns	47	ns
Enough for a decent living ^{b)}	28	-	72	+	40	-	60	+
Define the financial situation one year from now								
Will worsen	48	+	52	-	55	+	45	-
Will remain unchanged	39	-	61	+	52	ns	48	ns
Will be better than now	33	-	67	+	44	-	56	+

^{a)} Because of the measurement problems, we didn't use the category of housewives.

^{b)} The category was obtained by joining the variables „enough for a decent living”, „we manage to buy more expensive goods”, „we manage to have all we need”.

^{c)} Variable resulting from the following items „environmental arrangement/protection”, „arrangement of roads, hospitals, schools, infrastructure etc.”, „support the gifted/performant young people”, „ help the disfavoured people”; variable resulting from combining the following items „ organising sport activities”, „ organising shows/concerts”, „ organising other leisure and free time activities”

d) the values show the percentage of the total number of valid cases from the variable on the line. Reading: 41% of the urban residents from South Muntenia Region declared that they would not get involved in those local actions. They are less likely that the rural resident to choose this variant. The association is significant for a confidence level of 95%. This relation doesn't exist in the South-west Oltenia Region.

In another paper (Vasile, 2010), we were showing that community involvement is part of a small complex called life style. It is more probable when the individual moves away from the rural area and gets closer to the large towns,

has high level of resources and has a variety of experiences (Box 2). The study of the life cycle is important within this context. The results are consonant with what Table 77 shows. Here are three more important observations:

- a. In both regions, the proximity of the end of active life (55+) and the status of permanently inactive (pensioner) are equivalent with the end of the community/social life. The age brings along static, meek perspectives regarding the future. It is rather a catalyst for living one day at a time.
- b. The large incomes (somewhere higher than the average net national wage) and the perception that it is enough for a decent life generate a positive orientation towards the involvement in local initiatives. We are confronted with a vicious circle: the social economy initiatives and, in general, the initiatives of community participation, may find poor support if welfare is low. Those who can be beneficiaries of these projects by direct or indirect involvement, must be convinced that a proactive behaviour has positive effects, even if they are not of the short-term (the people evaluating that the financial situation will worsen, have a higher probability not to get involved).
- c. The temporary inactive persons declared that they would get involved in local activities. Such projects may be a way to get a job, even if it is only temporary.

Box 2 – Community involvement as part of the life style

Survivors outside the society – 22%. Those adopting this life style have a higher probability to be housewives or pensioners living in peripheral villages, in household with a maximum of two members. They can also be peasants. Generally, they graduated a maximum of 8 grades. Their income is very low and they evaluate that the household incomes are not enough for the bare necessities. They are most likely to spend a lot of time within the household, hence discussion subjects. They are drawn by social interactions, not necessarily very diverse, but don't do leisure activities: those adopting this life style are most likely not to spend their free time outside the household. They have few discussion subjects, such as faith, household activities and health (probably because they have health problems). Sometimes they also discuss community problems, but maybe just as a matter of observation, or to complain about them. They consume little media, being the penultimate cluster in this category. They are religious people, with

high odds to obey the advices they receive from the Church. Although they are less likely to consume alcohol, by adopting this life style they can be more attentive to their health. The odds to be involved in community activities are low.

Captive in their status – 22%. They are young people disadvantaged by the social system: they come from large families living in peripheral villages, with low education (probably the number of school dropouts is higher in this cluster), they are unemployed or working as hired hands. Not having other options, they are captive in this space of status. They spend a lot of time in the household, being the second cluster in this category. Unlike cluster 1, they are less religious. They are likely to drink alcohol and 50/50 odds to smoke, they have a high risk behaviour, which may be the result of their social situation. They are involved in social interactions, but their social network is probably small: they want to expand it, but don't have access to "quality" resources. They consume more types of media than cluster 1, but few given their age category: within an IT society in which labour market flexibility is fundamental, the young people at the beginning of their professional career cannot compare as perspective of competencies with the people who left the labour market for good. The household activities are their only subject of discussion, which shows the informational isolation and forecasts the perpetuation of their peripheral social position.

Transition winners – 16%. They are adult people close to end of their active period, or pensioners, with a high level of education (at least high school) and with a high level of professional abilities and skills. Their income is medium to high compared to the rest of the sample and they live a decent life. Their children may already have their own families and live outside the parental household. Living in towns, usually in the largest ones, thus with access to many resources which they could manage correctly due to their education, they seem to be the winners of the transition, managing one way or another to pass successfully through the hardships of the transition to the market economy. With these features, it is no wonder that they are very likely to be very informed, consuming all four types of media. They have many discussion subjects, including the education and the problems of the locality of residence. If they are properly motivated, they may be an important source for the community programs: the trend of civic involvement exists to a certain degree in a latent form. They are probably opinion leaders, discussing what they have seen on the TV and being very likely to interact with all three categories of persons that were considered. They frequently go to church and they are most likely to have a father confessor. On the one hand, this might suggest the age effect which reflects health problems, the fact that the children left the parental household, etc. On the other hand, it may also suggest that they are people who accept that they can learn something new or try to understand comprehensively the world in which they live. They prefer the quite, peaceful ways to spend their free time, and they have low odds to adopt a risky behaviour for their health.

The (future) individualist entrepreneurs – 15%. They are school pupils or students, who probably have a job, even part-time, and a work contract irrespective of its nature, they are educated in high schools and faculties. They belong to households located in large urban areas, consisting of at least four persons, with an income per capita above the average of the sample, whose family has at least a decent standard of life. They may be the beneficiaries of the parental capitals, parents who might be included in cluster 3. Naturally, their priorities are other than household activities, to which they allocate little time. They are very likely to spend the free time outside their home, and are very likely to perform leisure activities, sports included. These, and the information about how "business" is done are the most important elements of life. Having in view the low chance to give credit to the other topics of discussion, they are probably those who "can manage", who seek alternative solutions, not being very much interested in going on a known path. For them it is important to succeed: either set the basis for a profitable career, or foster the one they have started. They prefer the multiple sources of information, consuming at least three types of media. They are sociable, but probably inconstant, their relations being motivated primarily by their utility. They are little religious, with a trend towards risky behaviours: the time is probably compressed for them, the stress being the main reason of this option. However, they are seeking a balance, compensating by making exercise and other activities during their spare time. They display a certain probability for civic involvement, although the problems of their locality is not a priority for them: they would get involved in community activities only if they would make profit from it.

Rationalist experimenters with social orientation – 15%. This segment of population is the closest to the standard definition of the middle class. They live in very large towns, they are aged up to 49, have own business, work in jobs which require technical knowledge, graduated at the least the high school, have an individual income above the average level of the sample and have at least a decent standard of living. Unlike cluster 4, who probably still benefits of the parental resources, these ones are independent, making their own family with at least one child, probably. Besides the households, their priorities are the leisure activities, which are important to them; they are the most informed and probably have the most critical spirit of all the life styles. Compared to cluster 3, they benefit of the fact that they are less affected by the life under the communist regime, being probably open to new experiences, risky even; compared to cluster 4, they seem to be one stage of maturity ahead. The business they can make are those generating social value, additional jobs. They have the largest number of discussion topics, probably being leaders of opinion. They have the lowest level of religiosity, the religion not existing in any of their discussion topics. They interact with very many persons from different categories and probably have a consistent and stable social

network. They display the highest odds to get involved civically. They are very likely to discuss about the local problems and about entrepreneurial orientation, or at least about business knowledge.

Atemporal people – 10%. Demographically, the most pregnant theoretical aspect is the lack of education: these persons didn't graduate more than 4 grades. They live in peripheral villages, in households with just one person and are aged 60+. They are the peasants who barely subsist, living their life without being interested in something in particular. Practically, these persons are isolated from the community by the very low level of their resources, or they have self-isolated either due to a deep feeling of disappointment, or simply due to old age. They are not sociable, and when they discuss about something, they speak of health. They consume no more than two types of media and all their information is probably taken from the TV. Thus, the messages about the world "outside the fence" are limited to what they see at the TV or hear at the church. Community involvement is a difficult concept for them. They listen to what the priest says, but don't necessarily do what he says. The behavioural inertia is high for the people leading this life style, preserving a traditional status quo, limited as positive experiences.

Data source: *Barometer of public opinion*, October 2006.

The clusters are the result of the latent class analysis. Community involvement was measured as index from the answers to the indicators "NGO member" and "participated in a form of protest".

How does the intention to get involved in local actions looks when we take into consideration simultaneously all the independent variables analysed previously? To answer this question, we made a binary logistic regression analysis by which we predict the answer "yes, I would participate in local initiatives with or without reward". Table 78 shows the results.

Table 78 – Factors determining the ideology of getting involved in local activities, by region of development

	South Muntenia Region		South-West Oltenia Region	
	Exp(B)	Wald	Exp(B)	Wald
Residential area				
Urban	.	.	.	.
Rural	ns	ns	ns	ns
Gender				
Male	.	.	.	.
Female	ns	ns	0.729*	5.875
Age	0.985**	8.743	0.985*	6.260
Education				
8 grades	0.540**	15.299	ns	ns
Vocational school	ns	ns	1.620*	6.067
High school (first stage included)	.	.	.	.
Post high school education	ns	ns	ns	ns
University (and post-university)	ns	ns	ns	ns
Household income	ns	ns	ns	ns
Number of household members	1.127**	8.385	ns	ns
Professional status				
Active	.	.	.	.
Temporary inactive (school pupil/student included)	ns	ns	ns	ns
Permanently inactive	ns	ns	0.535**	9.553
Evaluation of incomes				
Not enough for the bare necessities	0.506**	15.567	0.497**	11.388
Enough for the bare necessities	0.594**	10.521	0.702†	3.821
Enough for a decent standard of life	.	.	.	.
Define the financial situation one year from now				
Will worsen	0.734†	3.636	ns	ns
Will remain unchanged	ns	ns	ns	ns
Will be better than now	.	.	.	.

The categories of reference are those marked with (.).

South Muntenia. Increase of the correct prediction between 0-9%. R² Nagelkerke = 19%, R² Cox și Snell = 14%. $p \chi^2$ (omnibus test) = 0.000. $p \chi^2$ (Hosmer and Lemeshow test) = 0.032.

South-West Oltenia. Increase of the correct prediction between 0-12%. R² Nagelkerke = 17%, R² Cox and Snell = 12%. $p \chi^2$ (omnibus test) = 0.000. $p \chi^2$ (Hosmer and Lemeshow test) = 0.926.

Reading: Exp(B)=0.729* means that $p < 0.05$. Exp(B)=0.985** means that $p < 0.001$. Exp(B)=0.702 † means that $p < 0.10$. Exp(B) = ns means that $p > 0.10$.

Conclusions

The analysis shows that it is difficult to study the ideology of involvement. How does someone do to get out of the private social space and reach out towards the community? When the individual is in an early stage of life, has theoretical or vocational studies, when he/she evaluates to lead a decent standard of living (unlike the people whose income is not enough for the bare necessities) they are active (unlike the permanently inactive people). The most important factor seems to be subjective standard of living self-defined by everybody: if the income is not enough for a decent standard of living, it is then probable that the individuals focus on the accumulation of resources needed for the basic necessities, their mistrust in institutions may deepen and, they implicitly may acquire the feeling that any initiative of the institutions is just another way to collect votes, etc. The next research in this field must definitely include indicators defining this standard, which to measure the relation of the individuals with the entire community. The residential area effect seems to vanish. For the people with higher levels of education, who dedicate much of their time to their profession, the structure of an ordinary day may be a hindrance to involvement: the higher standard of living and the extended time allotted to the professional activities leave little room for participation.

CONCLUSIONS

Although in Romania social economy is a rather new concept, the social economy activities have a tradition of more than a century. The craftsman cooperatives had a significant importance by the employment opportunities they offered and by the support services for their members. The cooperatives functioned even during the period of the communist regime and there have been situations when the cooperatives contributed with up to 50% to the economic activity of some counties. The contribution of these structures was not limited simply to the economic component; they also played a major role in the supply of social services for their employees or for their family members (kindergartens, doctor's office etc.). The credit cooperatives have been operating in Romania since late 19th century and they developed swiftly during the period when the banking institutions were confronted with problems. Adapted to the financing necessities of categories of people which the banking system ignored, the credit cooperatives had a significant share of the market and a significant impact for the support of entrepreneurs, particularly in the rural areas. Banned after the instauration of the communist regime, the credit cooperatives were re-established by a legal regulation in 1954. The NGOs had a legal framework as early as in 1924, but didn't had as spectacular evolution as the other types of organisations. Their decline, which started in 1938, continued throughout the communist regime.

The recent past is characterized by the overall decline of the social economy forms, even if the activity of the credit cooperatives, the CAR or NGOs enhanced due to the favourable circumstances (such as the limitation of the banking activity, which favoured the CAR, or the support of the structural funds for the NGOs).

The period 1990-2000 meant a dramatic decrease of the volume of activity of the craftsman cooperatives, some due to the sale of assets, others being shut down because of the new economic conditions. The shrinking of cooperative activity continued after 2000, particularly in the areas where the cooperatives dominated the economic activity before 1989 (such as Teleorman County).

According to <http://www.banknews.ro>, the cross-nation turnover of the cooperatives decreased by 9% in 2008, compared to 2007. A similar trend was observed for the employee number and for the membership: 14% fewer employees and 13.5% fewer members in 2007 compared to 2006. The credit cooperatives had a better evolution than the other types of cooperatives. Their activity didn't contract significantly, and the repeated NBR regulations of the recent years supported the consolidation of their image. The recent years brought more members to the people's banks because the banking sector limited credit granting.

1990 was the start of a fast development for the non-governmental sector, the number of active organisations increasing significantly. There still are several vulnerable points of the non-governmental sector, which affect significantly the opportunities of the vulnerable people to integration services. According the NSI, in 2007, just 13% of the NGOs activities or supplied services in the rural areas. If until 2005-2007, the NGOs had access to a variety of sources of financing adapted to their potential to develop services for the beneficiaries, once the most active financiers had withdrawn, the smaller NGOs from the poorly represented areas were affected by the difficulty of accessing structural funds.

The CAR had a different evolution, according to their type. While the employee CAR restrained their activity according to the evolution of the large economic operators, or were badly affected by the layoffs or by the shutdown of the large enterprises, the pensionaries CAR were less affected. The recent limitation of the banking activity encouraged their activity, but within limits marked by a higher prudence in granting credits. The sector can be characterized as stable, with development potential. Another advantage is that even if the banking credits will be unfrozen, CAR activity will not be affected because they target market areas which are neglected by the banking sector.

The recent evolution of the social economy organisations is not encouraging and there are no concrete forms of support from the state, Beyond the lack of a strategy for the social economy sector, there are no clear measures addressing the social economy sector. Of the three organisations, the cooperatives experienced the strongest reduction of activity and staff. It is worrying that the unfavourable economic circumstances don't seem to be the main cause, if we consider the fact that the turnover and the number of the staff decreased constantly during the recent years. Most probably, the effects of

the economic crisis will be felt over the next 1-2 years, particularly by the cooperatives operating in the areas badly affected by the crisis (constructions, textile production). The consumption cooperatives also contracted their activity because most of them activate in rural areas, where self-consumption is expected to increase. It is critical that by the volume of their activity, the cooperatives have a low impact in relation to the importance they had before 1989. They also don't address explicitly the disadvantaged groups, the cooperative sector being disadvantaged itself, experiencing a difficult period. There are no concrete forms of support and no intentions have been announced to support the activity of cooperatives, After a period in which h their patrimony has been practically stripped out, there still are legal provisions which prevent them from taking possession of the land or buildings they use.

The sector of the craftsman cooperatives, despite the steep decline of the recent years, ensures a significant number of jobs, particularly in the rural areas. The credit cooperatives or the mutual aid organisations, despite additional prudential measures in their activity, still are a form of support for the people on low incomes and for the farmers confronted by temporary difficulties with the cash flow.

Beyond the significant impact they have for the protection of the vulnerable or disadvantaged categories of population, the potential of the three types of social economy organisations to develop specific activities is low. There is no specific legal framework which to encourage the development of social economy activities (this syntagma doesn't even exist in the Romanian legislation), while the public institutions display a very limited availability to support the structures addressing the vulnerable groups. The cases in which the mentioned structures address directly the employment of the disadvantaged groups are rather isolated. As a general characteristic, except the NGOs, the other types of social economy organisations address indirectly the disadvantaged categories of population, having no kind of services supplied consistently in support of their social reintegration. However, by the nature of their activity and by the location of their areas of operation, they produce significant forms of indirect impact.

Social economy is an area insufficiently exploited, a field which doesn't yet get the attention it deserves given its significant potential to support the vulnerable groups.

During this study we have highlighted the failure of the classical employment strategies and the deficiencies of the passive systems of assistance.

The low employment rates have a structural determination in the two surveyed regions generated by the multiple level inadequacy of the demand for labour force with the offer of labour force in these regions:

1. Quantitatively, the demand exceeds by far the offer of jobs (in each of the two regions, less than 8% of the unemployed persons received a job offer since they lost their former job).
2. Qualitatively: just about a quarter in South-West Oltenia Region and 14% in South Muntenia Region, of the people who were offered jobs, actually accepted the offer. This shows the inadequacy of the job offer with the expectations of the people, particularly due to the low wages, which are not motivating in comparison with the alternative provided by the combination of the incomes from social benefits and from working in own household, or working informally, as hired hand or on a seasonal basis.
3. An important proportion of the unemployed people consists of people who had never worked on the labour market, most of them being women who self-declared to be housewives, in rural areas, with a low level of education, with no skills. Even if they would agree to work for a monthly wage below the minimal wage in the national economy, they are not offered jobs and they also don't have a proactive job seeking behaviour. The chronicization of the unemployment and of the social and economic precariousness, corroborated with the increasing necessity for resources (due to the large number of children in these families), will take to the short-term and long-term social vulnerabilization of these families, by the lack of health and old age insurance.
4. The quasi passive job-seeking behaviour of the unemployed people, which is accompanied by the poor involvement and by the very low efficiency of the measures encouraging the proactive behaviour. Over two thirds of the unemployed persons in each of the two regions didn't seek a job during the past year, and just 3% have participated in

training courses. Almost two thirds of the unemployed persons are not interested in training courses.

The current mechanisms which facilitate employment prove to be little efficient and their potential beneficiaries have little confidence in them. The low employment rates are accompanied by the lack of the adequate forms of social assistance support. Romania has one of the lowest levels of social public expenditure (on the bottom position within the EU, half of the European average), while the recent measures cutting the public expenditure will limit further the capacity of the state to provide social protection to the vulnerable categories of population.

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