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## Assessment of the dynamics and structure of the Romanian social economy

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### Abstract

The current paper contributes to the debate on social economy by highlighting the significance of the legal framework in the correct assessment of the structure and dynamics of the social economy of a country, providing evidence for Romania. The study presents the real dimension of Romanian social economy in the light of the new laws in the field and reveals the social enterprises' profile. Findings show that, two years after the legal framework of the social enterprise and one year after the regulation of the Romanian Register of Social Enterprises, few operators of the social economy took the necessary steps for the official registration in the category of social enterprises. By analyzing the profile of certified social enterprises, we have shown that they are vulnerable from at least two points of view: viability (only 19% of the certified social enterprises have developed activities on a sustainable bases, having more than three years old) and efficiency (more than a third of the social enterprises go through financial difficulties from/after the first year of function). The analysis of the output indicator that measures the evolution of the average number of employees in the social enterprises showed a modest increase. Lastly, the study draws attention on the need to reconsider the national statistics regarding social economy.

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*Keywords:* social economy; social enterprise; Romania; viability; employed people; vulnerable group.

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### 1. Introduction – Evolution and convergence of research

The start-up and development of social enterprises was the combined result of interests from the part of politicians, entrepreneurs, and researchers in order to identify alternate solutions to major problems such as

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unemployment, insufficient public resources, marginalization or discrimination of certain groups, based on age, sex, ethnicity, or social status. Political decision makers were acknowledged their contribution to the regulation of the legal status of the social enterprise, thus allowing the diversification of the types of entities with social impact. Social entrepreneurs were appreciated their capacity to identifying resources there where the others saw only problems. Researchers were acknowledged their contribution to the improvement of the gap between theory and practice, by organizing conferences, debates, and international forums. The action on the three levels has led to the mitigation of the role of passive policies in the field of work and to the application of active policies for rebalancing of the work market.

Researches regarding social enterprise have flourished after 1990, first in Europe and the United States, and then in Asia and Latin America (Defourny & Nyssens, 2010). The starting point was represented by the simultaneous existence of unsatisfied social needs and of a great number of people fit for work but inactive from a professional point of view. Social enterprise, by providing social services, was meant to improve upon (along with the state and the other non-profit organizations) general and individual welfare (Figure 1).

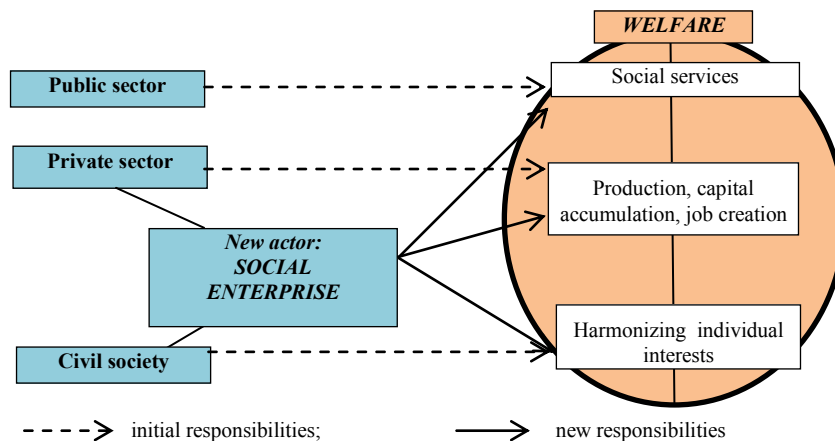


Fig. 1. Redefining the role of the private sector due to the development of social enterprises  
Source: Own processing

In both traditional liberal states (e.g. UK), interested in limiting social expenses, and in social-democratic states (forced to reduce public expenses), under the wing of the new public management (based on quasi-market mechanisms for increased efficiency in providing services), the development of social entrepreneurship and the foundation of social enterprises were accepted as necessary alternatives. This is also the conclusion drawn by the two great thought schools: Earned Income and Social Innovation (Dees & Anderson, 2006). The first one claimed the development of trade activities by non-profit organizations for supporting their mission; the second one supported the capitalization of the opportunities for entrepreneurial social innovation – the social entrepreneurs being considered generators of change because they make new combinations in at least one of the following fields: services, production, institutional organization, market (Mulgan, 2007).

The main objective of the paper was to assess the structure and the dynamic of Romanian social economy. In order to attain this objective, we have analyzed 81 social enterprises registered in the *Romanian Register of Social Enterprises*. The element of originality that we assume is represented by the elaboration of the first analyses taking as sample only the entities that acquired the legal status of social enterprise. The operational objectives were as follows: a) outlining the current status of knowledge in terms of social economy (through the concepts of social enterprise and social entrepreneurship); b) presenting the main legislative coordinates for regulating social enterprise; c) assessing the structure of social enterprises in Romania from the perspective of the legal status, as well as assessing the dynamic of social economy from the perspective of sustainability and of viability of the activity of social enterprises and of the number of employees.

We elaborated this study based on the following reference points: the temporal reference point (targeting the evolution in time) and the content reference point (targeting research contributions). Consequently, the study is

organized as follows: section 2 synthesizes the conclusions of the most relevant researches in the field; section 3 outlines the legal framework of social economy in the European Union and Romania; section 4 presents the methodology, methods, and the used instruments of research; section 5 presents the findings of the research; the last section summarizes the findings and provides some conclusions.

## **2. Social enterprise – an alternative for economic and social revitalization**

Initially, the concept of social enterprise was debated in correlation with social entrepreneurship. Approached together, social enterprise and social entrepreneurship were considered "a set of strategic answers to turbulence of environment and to situational challenges that non-profit organizations face nowadays" (Dart, 2004). Recent studies have revealed the need to approach the two concepts separately because "social businesses that want to change society do not necessarily involve innovation at the organizational level" (Luke & Chu, 2013).

Social enterprise as a legal entity represents a form of human association in order to conduct commercial activities. They are distinguished from both the proper enterprises (because they have a *noble* purpose with an obvious social impact, thus generating positive externalities), and from the traditional non-profit organizations (precisely given the side of trade activities). They can be regarded as an innovative answer to a small segment of the market, where gaps have been noted between the two sectors (public and private), with a double focus: on both efficiency and efficacy. In other words, social enterprise combines "the passion to solve social and environmental issues with the power of commercial enterprise" (Loosemore & Higgon, 2016).

Social entrepreneurship as a process is associated with identifying opportunities, innovating, and taking risks entailed by a social type of activity.

Regardless of their legal status and the sector they belong to (the dominant one is still the services sector, the tertiary sector, respectively), social enterprises are private entities that respect the market rules and, at the same time, assume diverse social programs (Barraket, Collyer, O'Connor & Anderson, 2010), such as the sustainability of the work integration of various marginalized or disadvantaged categories. Hence, their mission focuses on social impact, to the detriment of the higher remuneration for founders.

Scientific debates have also highlighted a skeptical approach regarding the role of social enterprise. In this view, social enterprise is the consequence of skepticism regarding "the ability of governments and businesses to meaningfully address pressing social problems such as poverty, social exclusion, and the environment" (Dacin, Dacin & Tracey, 2011).

By covering the rich array of debates without the intention of launching a diatribe, we have concluded that there is no convergence concerning the definition of concepts (social economy, social entrepreneurship and social enterprise). Consequently, we subscribe to the opinion that the research of social economy remains a challenge (Loosemore, 2015), though the field lacks "the necessary epistemology" (Nicholls, 2010), it is "exposed to confusion" (Grassl, 2012) and it "has matured beyond definitional debates" (Doherty, Haugh & Lyon, 2014).

## **3. European and national regulations regarding social enterprise**

By accepting the diversity of enterprises activating at European level, the European Economic and Social Committee proposed a "diversity matrix" that groups enterprises as follows: public sector, listed, unlisted, family, partnership, social economy (social economy enterprises). The last of the six associative forms – considered a sociological, not a legal category – integrates the social enterprises registered as: foundations, cooperatives, mutual societies, associations or other non-profit forms.

According to the European System of National and Regional Accounts (ESA 95) institutional units are grouped on five sectors: non-financial corporations (S11), financial corporations (S12), public administration (S13), households (as entrepreneurs or consumers, S14), and non-profit institutions which serving households (S15). According to this categorization, social enterprise is found partially in sectors 11 and 12 and integrally in sector 15.

In the past years, a number of countries have tried to develop appropriate legal frameworks to support and stimulate the development of social enterprise (Tiponel & Agapitova, 2016). Legal frameworks for social enterprise vary country-by-country. The general landmarks are shown in Table 1.

Table 1. Legal aspects of social enterprises

Country	Year of regulation	Distribution of profit (minimum threshold)			Turnover from trading goods and services
		Reinvestment	& Statutory reserves	To the founders	
Romania	2015		90%	10%	-
France	2014	50%	20%	30%	-
Italy	2006		100%	0%	70%
UK	2004		50%	50%	75%

Source: Own processing

From a structural perspective, actors operating at the level of social economy are private entities formally organized, endowed with decisional autonomy and freedom of association, which:

a) are created as a response to the members' needs; they attain their objectives through the market; in their case, the decision-making and any distribution of the profit are not directly related to capital contributions or to fees paid by members;

b) provide non-commercial services for households and their excesses, if they exist, may not be taken by the economic agents who create, control, or fund them.

At European level, for almost two centuries, entities from the social economy were considered key actors in the process of the broad social and economic development both on a national and local level (E.C., 2013). Statistics showed that 2 million social economy enterprises operate in Europe (representing 10% of all businesses in the EU) which have all most 160 million members and approximately 11 million of employees ([https://ec.europa.eu/growth/sectors/social-economy\\_en](https://ec.europa.eu/growth/sectors/social-economy_en)). Among these enterprises, it is worth noting Work Integration Social Enterprise, with an important role in promoting social inclusion and occupation. They must recruit and maintain active a certain number of people belonging to vulnerable groups, calculated as a percentage of the total number of employees.

As a Member State of the EU, Romania has adapted the national regulations to the ones of the community. Our country has issued quite late the Law No. 219/2015 (published in the Official Journal No. 561/28 July 2015) regarding social economy, which regulated the first measures for acknowledging, promoting, and supporting social economy (the application norms of the law were issued one year later, in July 2016). Hence, they regulated the conditions for public authorities to certify two types of entities: social enterprise and social enterprise of insertion. The procedure for the organization, updating, and use of the *Romanian Register of Social Enterprises* was approved subsequently (through Order No. 2034/2016, published in the Official Journal No. 895, of 8 November 2016); it became operational as late as the year 2017.

According to the aforementioned legislative document, the status of social enterprise is acknowledged by granting a certification, upon the request of the following legal entities: first-degree cooperative enterprises; credit cooperatives; associations and foundations; mutual assistance houses for employees and pensioners; agricultural societies; any other categories of legal entities that respect the principles of social economy. Social enterprise is distinguished from the other economic operators because: a) it acts with a social purpose and/or in the general interest of the community; b) it allocates a minimum of 90% of the profit to the social purpose and to statutory reserves; c) it undertakes to leave the assets remained after liquidation to one or more social enterprises; d) it applies the social equity principle towards the employees, thus ensuring equitable wage levels, (difference may not exceed a 1 to 8 ratio).

Different from other economic operators, social enterprises benefit of facilities such as: free of charge for the issuance of the social mark and for registration in the Romanian Register of Social Enterprises; free counseling to startup and/or develop business; advantages in assigning spaces and / or lands in the public domain; support for the promoting products / services (every year, the month of May is dedicated to the organization of various events or actions to promote social economy); support for the identification of outlets; support in the promotion of tourism and related activities, by improving the local historical and cultural heritage; tax exemptions granted by local government authorities; subsidies for employers who hire young people at risk of social marginalization; government aid to stimulate the establishment and development of micro enterprises in the field of social economy. Other regulatory acts - such as those regarding public acquisitions and acquisitions by sectors - provide a number of

benefits for social enterprises (special conditions in awarding contracts) only to ensure social effects.

Starting with 2017, the social enterprises in Romania will be assessed based on specific indicators (outcome, output, impact). Taking into account the legal aspects, we appreciate the progresses made in terms of the legal regulation for the status of social enterprise and of instituting mandatory standardized reports for them. A proper assessment of the impact of Romanian social enterprises will be possible only insofar as a legal framework is created from mandatory social audit.

#### **4. Research methodology**

The sample that made the object of our research was represented by 81 social enterprises listed in April 2017 in the *Romanian Register of Social Enterprises*. Additional information for social enterprises has been collected from the database of the Ministry of Public Finances. The data available for our analysis refer to the period 2015-2016.

The first objective in terms of empirical research was to identify the extent to which the regulation of social economy (of the social enterprise, respectively) produced effects at the level of Romania. This aspect was assessed by the conformation level of social operators to the new legal framework. To this end, two series of data regarding the social enterprises have been compared, namely: a) before the Law 219/2015 came into force; b) after the constitution of the *Romanian Register of Social Enterprises*. In order to elaborate the first database, we exploited the information provided by the European Commission and the Social Economy Institute. For the second database, we accessed the electronic system of the National Employment Agency.

The second objective was to outline an image regarding the structure of Romanian social economy (by relating to the legal status of social enterprises). To this end, we explored the information provided by the Romanian Register of Social Enterprises: name of the legal entity, territorial structure to which it belongs, tax identification code, date of constitution, main field of activity, category of social enterprise, issue date and expiration date of the certification, etc.

The third assumed objective was to assess the dynamic of social economy from the perspective of viability and sustainability of the activity of social enterprises. Additionally, we took into consideration the dynamic of the average number of employees in the social enterprises. In this respect, we correlated two databases. Starting from the list of social enterprises registered in the *Romanian Register of Social Enterprises*, we collected information by accessing the database of the Ministry of Public Finances, section “Tax information and statements of account”.

The methodology underlying this paper was a hypothetical-deductive one. The quantitative and qualitative analysis enabled me to formulate relevant conclusions. The element of originality with the article is represented by the elaboration of a – descriptive and critical – synthesis regarding the stage of social economy in Romania.

The mission assumed in the first stages of the paper was to write a paper with a triple utility: scientific (by outlining the stage of knowledge in the field), theoretical-methodological (through the original research methodology that opens new debate directions concerning the topic), and practical (empirical research findings will be highlighted by the decision makers within social enterprises).

#### **5. Findings**

##### *5.1. Effects of regulating social economy in Romania*

In 2016, the Ministry of Labor, Family, Social Protection, and the Elderly reported that in Romania there were over 10,000 active legal entities – aiming at making a social impact using economic mechanisms, under diverse forms – which were able to request a certification as social enterprise. According to the *Romanian Register of Social Enterprises*, in April 2017, only 81 social enterprises were registered (their territorial repartition is illustrated in Figure 2).

The aforementioned situation underscores that social operators respect only to a low degree the new legal framework. Many of the legal entities without profit (associations, foundations, cooperatives, mutual assistance houses) conduct economic activities and they prefer to be treated similarly to economic agents in terms of administrative tasks and tax regime. Matei & Matei (2012) have shown that Romania has issues to face regarding

the culture of social entrepreneurship for at least two reasons: the low private initiative in the social sphere and the insufficient economic and financial advantages for stimulating social entrepreneurship.

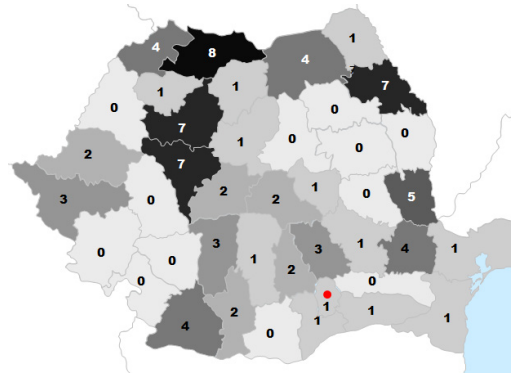


Fig. 2. Territorial repartition of social enterprises from Romania  
Source: Own processing

Through this research regarding the effects of regulating the social enterprise in Romania, our aim has been to draw attention on the real dimension of social economy. The existence of a ratio of 81:10,000 (81 entities registered as social enterprises; 10,000 legal entities wishing to make a social impact through economic mechanisms) forces a reconsideration of previous statistics regarding the dimension of social economy and a more realistic view.

5.2. Profile of social enterprises in Romania in the period 2015-2016

The processing of the information collected from the *Romanian Register of Social Enterprises* (April 2017) has enabled the configuration of the structure and dynamic of social economy in Romania (Table 2).

Table 2. Structure and dynamic of social economy in Romania

Social entities	No. entities	% in total	Of which, founded			
			before 2015		starting with 2015	
			no.	%	no.	%
Limited Liability Companies (Ltd)	34	42%	2	6%	32	94%
Association (A)	31	38%	15	48%	16	52%
Homes for mutual help (MH)	7	9%	5	71%	2	29%
Cooperatives (C)	6	7%	3	50%	3	50%
Foundations (F)	3	4%	3	100%	0	0%
<b>Total 1</b>	<b>81</b>	<b>100%</b>	<b>28</b>	<b>-</b>	<b>53</b>	<b>-</b>
			<b>Total 2</b>	<b>35%</b>	<b>-</b>	<b>65%</b>

Source: Processing of the *Romanian Register of Social Enterprises* (April 2017)

Social enterprises are organized and operate according to specific laws. For example, limited liability companies are organized and operate under Law No. 31/1990 on commercial companies; associations and foundations operate under Government Ordinance No. 26/2002 and Law No. 22/2014. Beyond the laws that regulate their establishment and operation, by acquiring the certificate, social enterprises take on obligations and benefit from certain rights stipulated in Law No. 219/2015 regarding the social economy (presented in the contents of the article).

From a tax point of view, foundations and other non-profit-making entities (associations) benefit from tax exemption on profit/economic incomes (up to 10% of total non-taxable incomes). It assimilates and exemption from

the tax on buildings and land belonging to foundations which support humanitarian, social and cultural actions.

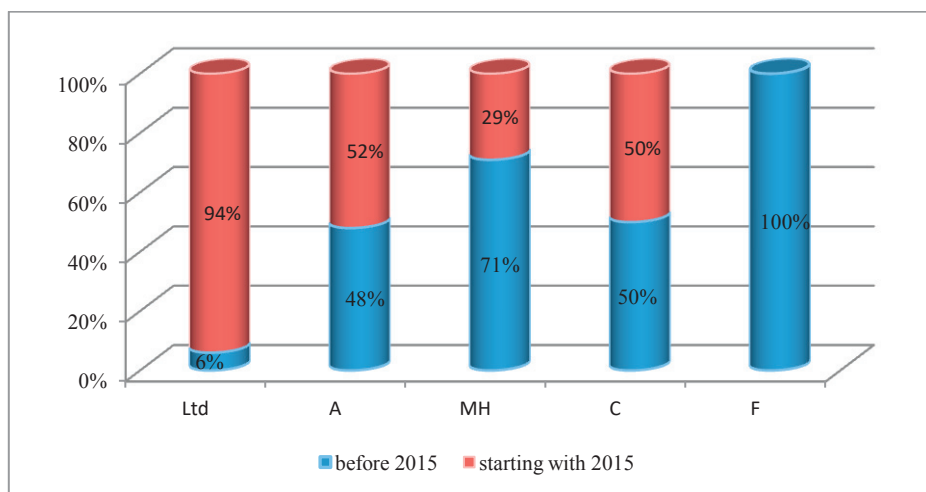


Fig. 3. Dynamics of social enterprises in Romania

The information in Table 2 may be interpreted as follows:

a) concerning the categories of social enterprises, limited liability companies are dominant (42%), followed by associations (38%); with a more modest representation, we mention the mutual assistance house (9%), the cooperatives (7%), and the foundations (4%);

b) 65% of the social enterprises have been constituted recently (in 2015 and 2016); 35% have been constituted before 2015 and they requested to be registered in the *Romanian Register of Social Enterprises*; only 19% have functioned for more than 3 years. 94% of the limited liability companies registered as social enterprises have been founded in the past two years. It was in the same period that social enterprises have been regulated; almost half of the associations had – when they obtained the status of social enterprise – 7 years of existence on average. The three foundations were constituted in 1997, 2007, and 2001, respectively, and they acquired the status of social enterprise in 2016 and 2017, respectively.

The conclusion we wish to highlight is that most social enterprises in Romania (65%) are yet to prove their viability and sustainability. The suspicion regarding the viability of social enterprises is also raised by the statistics provided by the European Commission (E.C., 2016), which report that very few newly-founded European enterprises survive the critical period of the first 2-3 years, and that even fewer of them develop into bigger enterprises.

### 5.3. Assessment of viability and sustainability of Romanian social enterprises from the perspective of financial outcomes

Analyzed in all its complexity, the chromatic of social economy in Romania configures a wide palette: it comprises both somber hues (determined by the entities that registered losses or failed to report their financial statements) and lighter hues (where social enterprises conduct effective and sustainable activities).

Only 54 of the 81 social entities registered activities in the two years and they made reports regarding the outcomes of the activity. From among them, only half have recorded a profit in both years of analysis (table 3).

In the year 2015, only 66 social enterprises reported their financial statements. From among them, 80% recorded a profit (the amount of net profits was around 10 million lei), while 20% of the social enterprises reported losses. In the year 2016, the situation worsened: the percentage of social enterprises that recorded losses rose to 36% (the global volume of profits remained comparable to the one of 2015, but the volume of losses increased by 50%).

Table 3. Financial results of social enterprises in Romania

Social entities	No. entities		Of which, they registered in					
			2015			2016		
	total	that reported for both years	profit	loss	without reporting	profit	loss	without reporting
Limited Liability Companies	34	26	21	9	4	13	15	6
Association	31	23	23	4	23	18	7	6
Homes for mutual help	7	0	0	0	0	2	0	5
Cooperatives	6	2	4	2	4	2	0	4
Foundations	3	3	3	0	3	3	0	0
Total 1	81	54	53	13	15	38	22	21
			Total 2	81			81	

Source: Own processing on the basis of the information provided by of Ministry of Public Finances

In an environment where more than a third of the social enterprises go through financial difficulties from/after the first year of function, the perspective of ensuring the sustainability of social economy becomes somber.

The analysis of financial outcomes of social enterprises may be considered irrelevant because their purpose is to create wealth. However, we have considered it useful because, according to the legal framework, profit represents an important self-funding source for the achieving of their social mission. The sustainability of social enterprises depends largely on the capacity of identifying and highlighting all possible resources in order to attain the purpose. Therefore, although social entrepreneurs have a social mission, they recognize a social problem and addresses it by means of social innovation, generating both a social impact and social value, of which it benefits both the business and the society (Hadad & Drumea Gucă, 2014).

#### 5.4. Assessment of the contribution of Romanian social enterprises to the increase in employment ratio

The *Atlas of Social Economy* reported that Romania outlines a more and more important role in the field, by mobilizing almost 2% of the work force in structures of social economy (Barna, 2014). Our research, which comprises only the certified entities, shows that the percentage of employees in the social enterprises out of the entire employed population is only 0.006%, both in the year 2015 and in the year 2016 (Table 4). This may be explained by the fact that, in the year 2015, the social enterprises had 525 employees. In the year 2016, 537 people were attracted towards a job. A specific aspect for the two years is that over 50% of the employees conducted activities without a patrimonial purpose (the other employees were involved in economic or financial activities).

Table 4. Annual average number of employees in the social enterprises in Romania

Social entities	The average number of people employed				The evolution of the average number of employees	The situation at national level (Source: INS)	
	2015		2016			2015	2016
	total	for other activities	total	for other activities			
Limited Liability Companies	159	159	163	163	+2,5%	No. people employed	No. people employed
Association	231	54	199	74	-13,8%	8535000	8449000
Homes for mutual help	0	0	35	0	-	unemployed	unemployed
Cooperatives	32	0	28	0	-12,5%	624000	530000
Foundations	103	32	113	20	+9,7%		
Total	525	245	537	257	-		

Source: Own processing on the basis of the information provided by of Ministry of Public Finances and National Employment Agency



One of the output indicators regulated by the Romanian legislation – which measure the immediate and direct effects, benefits, and advantages – is the annual percentage modification of the total number of employees from the social enterprises (determined on the basis of evolution the average number of employees). The analysis of the dynamic of this indicator calculated for each social enterprise will make the subject of a future research. For this study, we will relate to the global variation at the level of each type of social enterprise. The data within Table 4 report a decrease in the average number of employees for associations and cooperatives, which is compensated by an increase in the average number of employees within companies, mutual assistance houses, and foundations. Related to the total number of people employed in social enterprises, the indicator shows a 2.2% increase. According to the legal framework, a positive and increasing evolution of the indicator is assessed as being positive.

## 6. Conclusions

Though later than in other States, starting with 2015, we have witnessed a consolidation of the legal regulation framework for the social economy in Romania. Important steps have been taken by legally acknowledging the social enterprise, by regulating a register of social enterprises and by making it mandatory to report in a standard manner certain specific indicators (outcome, output, impact). Nonetheless, the Romanian legal framework is still modest compared to the regulation of other States, which encourage and support the creation and development of social enterprises.

The study draws attention on the low extent to which social operators have respected the new legal framework. After one year from the regulation, only 81 entities took steps for acquiring the certificate and for registering in the *Romanian Register of Social Enterprises*. However, over 10,000 entities were active; according to their bylaws, they all declared they were watching achieving some social objectives through various economic mechanisms. But, in the absence of a system of social impact assessment and compulsory social audit, it is difficult to appreciate how many active social entities have pursued truly social objectives and how many were set up so that the founders will gain benefits such as access to certain acquisitions (material or financial) and/or tax avoiding (e.g. customs duties on imported second-hand cars); for the latter, the acquisition of social enterprise status is not a priority.

From the dialogue with the representatives of the social enterprises legally recognized we identified two major causes which explain the poor mobilization for obtaining the official certification:

a) the fragility of public support programs for the development of social economy; here are assimilated the difficulties regarding access to funds, (banking, non-banking, or non-repayable) and the non-stimulating tax systems;

b) the increased exposure to public control; social enterprises must be registered in two national official registers, they must draft two types of reporting (economic-financial and social), and they must support social dialog in order to increase the impact of their activities..

Therefore, in order to know the real size of social economy from Romania, the first responsibility is for the legislator, who must find the means of determining the social economy operators to register as social enterprise (an effective measure would be the introduction of the compulsoriness of clarifying the status). The second responsibility is for the associations, foundations, cooperatives, homes for mutual help, agricultural companies, etc. which must accelerate compliance with the new legal framework.

Research at the level of the 81 entities legally recognized as social enterprises reveals that most of them didn't prove their viability and sustainability. 65% of the analyzed social enterprises were established in 2015 and 2016; 94% of limited liability companies that applied for social enterprise certificate were established from 2015 onwards; instead, most associations and foundations have exceeded the critical period of the first years of existence.

More than a third of the social enterprises (in particular limited liability companies) have had financial difficulties from/after the first year of function. The percentage of social enterprises that recorded losses increased and the losses doubled. Associations and foundations generated the biggest part of the profit.

In both 2015 and 2016, the percentage of employees within social enterprises out of all employed people was 0.006%; social enterprises reported an increasing average number of employees from one year to another by 2.2% (from 525 to 537 people). The analysis at the level of categories of social enterprises reveals that two thirds of the total number of people working in the social economy have as an employer an association or foundation. Although

are more numerous, limited liability companies have contributed modestly to increase employment.

Recent studies reveal that economic activity in Romania is largely attributed to limited liability companies (Tudose, Avasilcăi, 2017), but more than half of those newly established fail to survive the critical period of 42 months (EC, 2017); some of them activate in the social economy. We assist a migration of limited liability companies to the social economy but that situation cannot be accepted as a sustainable solution to solving social problems. The results of the study show that associations and foundations are more efficient and can ensure the sustainability of the social economy.

Though progress has been made concerning the legal regulation of social economy, Romanian social enterprises are still poorly developed, vulnerable in terms of viability and of efficiency. The most vulnerable of them are the limited liability companies. Although the number of limited liability companies certified as social enterprises has increased, their performance (appreciated through economic and financial outcomes) has decreased a lot. Minor profits (or losses) do not allow the assumption and financing of social goals. Consequently, public support for the development of social entrepreneurship is still a necessity.

*Limits and future research directions.* The analysis of the dynamic and structure of social economy based solely on the information provided by the Romanian Register of Social Enterprises and the financial statements declared by them may be accused of relative representativeness or of lack of correlation with other variables. Beyond this limit, we believe that the findings of this study are valuable and that they may represent a starting point for future researches. This analysis will serve as a starting point in order to identify the extent to which the social enterprises in Romania have contributed to the anti-poverty struggle and to the increase in employment ratio (especially at the level of vulnerable groups, as they have been defined by the legal framework).

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