Chapter 3
The Role of Social Entrepreneurship and Social Economy in Romanian Sustainable Business Development: Social Entrepreneurship and Social Economy

Rodica Gherghina
The Bucharest University of Economic Studies, Romania

Ioana Duca
Titu Maiorescu University, Romania

ABSTRACT

In their scientific endeavour, the authors aim at analysing the concepts of social entrepreneurship and social economy, as well as emphasising the role these concepts play in sustainable business development and in the economic development of society as a whole. At the same time, several aspects of social enterprises are presented and their importance in the Romanian economic environment is emphasised. As these are two relatively new concepts in the social economy in Romania, the authors refer to the specialised literature throughout their research. The authors present several of the opportunities and challenges raised by social economy. The importance of financing is emphasised by means of presenting the organisations’ financing sources which are specific to social economy. The conclusions to this research include some of the authors’ own viewpoints, with reference to the aspects of social entrepreneurship – social enterprises – social economy and their role in overall economic development.

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INTRODUCTION

In the modern society, where the market cannot solve economic problems entirely, and the available measures and means are not always efficient, especially in terms of solving the social problems that all world countries are facing, it is necessary to involve the main “actors” in setting up some forms of organisation so as to attract resources and also to establish an interaction among people in order to build sustainable business with the aim of developing the communities they belong to and the overall economy.

In this context, setting up and developing a business of the social enterprise type may become a challenge to any entrepreneur, in response to a social or economic need of those setting it up, needs which the public sector and the market economy sector do not succeed in meeting.

All the more so as, in any economy, the central role is played by entrepreneurs and the authors state that social economy cannot exist without social entrepreneurs, but at the same time, neither can there be social entrepreneurs that do not participate in the process of creating the social economy. Thus, a change in paradigm is underway at macroeconomic level through the emergence of a new type of economy, called social economy, which is based on people, and simultaneously of a new type of entrepreneurship, namely social entrepreneurship.

In this context, social entrepreneurship may contribute to increasing social inclusion, creating employment, involving persons that belong to underserved groups into economic activities and facilitating their access to social resources and services.

Throughout the research, the authors emphasise the major role played by social entrepreneurship and social economy in sustainable business development at emerging economies level.

For this reason, the structure of the research paper includes a synthesis of the specialised literature related to defining the concepts and, at the same time, to the importance of approaching these concepts in the economic development process. Along the research paper, the authors present a series of differences between the social enterprise and the private enterprise, the types of indicators measuring the impact of the activity performed by social enterprises and, at the same time, their effects on the local development process triggered by the characteristics of such entities. Then, the authors present the concept of social economy in Romania, which is relatively new in the Romanian economy, being enacted by Law 219/2015. Then, some of the social economy opportunities and challenges in the Romanian socio-economic environment are presented. Also, the types of social economy entities acknowledged at regulatory documents level are presented. The financing sources are also presented in the scientific endeavour, as they are of major importance in the activity performed by the organisations that constitute the social economy.

It is mentioned that, in the future, new means of financing must be identified to replace the traditional ones, and performance-based employment policies must be pursued. Also, the authors must consider stimulating performance by means of material rewards, benefits that change the attitude to the organisation entirely and the operative commitment to achieving social objectives.

The authors’ scientific endeavour conclusions are presented at the end of the research paper.