Chapter 12

Realities and Challenges of the Social Enterprises in South-Eastern European Countries: Comparative Analysis

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ABSTRACT

The chapter objectives focus on mapping the sector of social economy in some states from South-Eastern Europe, presenting their role and impact due to the activities achieved in society. The theoretical part of the chapter comprises the evolution of social economy in Europe, in general, and in South-Eastern Europe, in particular, the identification of the types of organizations in this area. The case study identifies and presents the stages of development of the social enterprises in countries such as Romania, Bulgaria, Cyprus, Serbia, Slovenia, Croatia, Greece, Republic of Moldova, and explores, by comparative analysis the institutional frameworks, the regulations of social enterprises, the eligible judicial forms, presenting similarities and differences, as well as the contribution to social inclusion and impact on community in general. The chapter identifies and explains the influence of the European actors and presents the factors specific to each country which have influenced and supported the emergence of social enterprises as well as the challenges faced.

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INTRODUCTION

Three major forms of institutions are available to every society: private, governmental and non-profit. Within these three categories, the variety of institutional forms that may exist in a society is not fixed. New forms can be and are invented (Weisbrod, 1988, p. 16). Different institutional forms have different effects on society.

In time social and economic distress and enormous pressures on governmental budgets, the third sector and the private sector through social enterprises represent a “renewable resource” for social and economic problem-solving and civic engagement in Europe, not an alternative to government, but as a full-fledged partner in the effort to promote the European progress (Enjolras, 2018, p. 4).

The social economy, an increasingly expanding area has become a genuine concern at public policy making level when the states acknowledged their need for enhancing the capacity and resources in view to ensure social services for their citizens, to create wealth and to develop the social capital.

The social, political changes and the economic crises affecting in the latest decades the European states, as well as other countries all over the world, have imposed other types of solutions and state interventions.

Worldwide, the countries are facing a broad range of social problems, without still identifying or implementing efficient solutions. Low economic growth rates, migration of labour force, poverty, social exclusion or the development of technology have created new needs and require new services in society. In this context, the social enterprises have provided activities which adjusted the services to the needs of various vulnerable groups, supported the increase of living standard and equitable breakdown of incomes.

The social enterprises become a factor of change, due to their capacity to generate benefits for community, their important role in creating jobs, combating exclusion and poverty and identifying innovative solutions for increasing the life quality. Adaptability to social changes and the innovative potential represent the key features of the social enterprises. The innovative approaches proposed by social economy enterprises are designed to increase the social capital and to inspire people for deeper involvement in community.

The social economy plays an essential role in the European economy, combining profitability with solidarity, creating jobs, consolidating the social, economic and regional cohesion, generating social capital, promoting active citizenship, solidarity and a type of economy awarding priority to people, supporting sustainable development, social, technological, environment innovation (European Parliament, 2009, p. 6). The social enterprises contribute to a sustainable economic model: the primacy of the individual and the social objective over capital, voluntary and open membership, democratic control by membership, combination of the interests of members/users and/or general interest, the defence and application of the principle of solidarity and responsibility, autonomous management and independence from public authorities, most of the surpluses are used in pursuit of sustainable development objectives (European Parliament, 2009, p. 6).

The emergence and evolution of the social enterprises at the European level have been influenced by the diversity of the countries, their own economic, social and cultural specificity as well as by external actors.

The social enterprises promoting the social change and innovation represent the main provider of services designed to change society by the social benefits generated, the concern for vulnerable groups, education, insertion on labour market, fair trade and environment protection.