

MEASURING THE IMPACT OF A SOCIAL ENTERPRISE – CASE STUDY CONCORDIA BAKERY, ROMANIA

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Abstract

This paper presents the first impact study of a social enterprise in Romania, conducted on behalf of CONCORDIA Humanitarian Organization (Romania) to measure the effects and impact of the social enterprise CONCORDIA Bakery (developed by CHO) in Romania and to evaluate its contribution to social change. We aim to give accounts on how the interventions of a social enterprise can be assessed and put to use for the benefit of the organization in particular and of the larger environment in general. The purpose of the study was to develop and assess CONCORDIA Bakery's program and activities, using the theory-based evaluation approach in order to better understand its contribution to improving the lives of its beneficiaries, customers, donors and its shareholder, by 1) showing insights of the main intended and unintended impacts achieved by CONCORDIA Bakery, 2) identifying what makes CONCORDIA Bakery work (or not work) and how it might be replicated, improved, adapted or up-scaled elsewhere, 3) exploring and analysing the changes in the external environment of CONCORDIA Bakery that have influenced its results and impact over time and 4) helping set realistic future objectives for CONCORDIA Bakery. The study covers the period 2011-2017 and it was carried out from 1st of August to 15th of December 2018 by the authors, as external evaluators. The evaluation had a strong exploratory component, since it has been the first time for the enterprise and for a Romanian social enterprise to go through such a process. A mix of quantitative and qualitative methods were used, in order to ensure the triangulation of the data obtained and the consistency of our results and conclusions, taking into account all the relevant perspectives. The methods included: documents analysis, in-depth interviews with relevant stakeholders and participative observation. Findings confirmed that CONCORDIA's Social Businesses Model focuses on the impact it creates for beneficiaries rather than creating profits. CONCORDIA Bakery's goal is in line with the agreed social business definition as it targets explicitly an increase of the employability rate of vulnerable young people and provides on-the-job professional training. In addition to the impact created by increasing the employability of vulnerable young people is also considered a therapeutic intervention in order to build responsibility by helping them to gain self-confidence and improve the abilities for an autonomous life.

Keywords

Social enterprise, social economy, social impact, theory-based evaluation, theory of change

List of entities and used acronyms

- **CONCORDIA Humanitarian Organisation** – The CONCORDIA organisation operating in Romania. Also referred to as CONCORDIA Romania or CHO.
- **CONCORDIA Development / S.C. CONCORDIA Development S.R.L.** - The entity legally registered to run the economic activities developed by CONCORDIA Humanitarian Organisation, having the organisation as unique shareholder.
- **CONCORDIA Bakery** – Section of CONCORDIA Development in charge with the production and sale of bakery and pastry products. Also referred to as the Bakery, the enterprise, CB (in Annex 1 – The Theory of Change) etc.
- **CONCORDIA Vocational School** – Programme of CONCORDIA Humanitarian Organisation that trains and supplies the work force for the Bakery. Also referred to as the Vocational School or Bakery VET
- **CONCORDIA Social Projects** – The CONCORDIA organisation operating in Austria, the international headquarters. Also referred to as CONCORDIA Vienna or CONCORDIA Austria.

Introduction and background

This impact study was conducted on behalf of CONCORDIA Humanitarian Organisation to measure the effects and impact of the social enterprise CONCORDIA Bakery (part of CONCORDIA Development) in Romania and to evaluate its contribution to social change. The study covers the period 2011-2017 and it was carried out from 1st of August to 15th of December 2018 by two external evaluators contracted.

By acting in a context where NGOs funding for social services is still fragile, while many years in existence as a service provider, CONCORDIA Humanitarian Organisation (CHO) has looked for alternative methods to provide the necessary resources to cover the gap left by the lack of funds from state budgets (central and local). A trading company called SC CONCORDIA Development SRL was established in 2006 for the construction of the Judah House. Later, since the company was already in place and given the context mentioned, CHO decided to conduct all its social businesses through this company. Along with corporate fundraising and individual donations, the social businesses were seen as means to generate income to support the social projects.

CONCORDIA Bakery was established in 2010, as part of S.C. CONCORDIA DEVELOPMENT S.R.L. The Bakery is active in the field of production of natural products (bread and pastry) based on traditional recipes created by Romanian and Austrian bakers. Since its founding, it has sought to provide job opportunities for those young people who have graduated the Bakery class of the Vocational Training School of the CHO. As a general characteristic, the young people came from socially disadvantaged groups, from disorganized families affected by poverty or from the street. CONCORDIA Bakery is a place of education and training for work in a real bakery. These jobs are temporary, with the goal that young people working for a period in the Bakery are better prepared for their professional future and for engaging on the free labour market.

CONCORDIA Bakery has a bold social objective: the socio - professional integration of young people coming from disadvantaged backgrounds. Therefore, it was expected that the development of the Bakery would create a long-term social impact on the young people who, after graduating from the Bakery class and obtaining their qualification diploma, were hired for a temporary period in the enterprise. These represented two important stages that prepared and equipped them with the knowledge and skills necessary to get a job on the free labour market. As far as the business objective is concerned (even if initially CONCORDIA Bakery did not have a ready-made business plan with clearly defined benchmark indicators to monitor and assess the economic impact), it was clear from the onset: to generate profit that will be used to support the training of other young people from disadvantaged backgrounds who needed support. Before becoming a social enterprise, however, CONCORDIA Bakery's story was inspired directly by the lives of its young beneficiaries.

This paper presents the first impact study of a social enterprise in Romania, conducted on behalf of CONCORDIA Humanitarian Organization (Romania) to measure the effects and impact of the social enterprise CONCORDIA Bakery (developed by CHO) in Romania and to evaluate its contribution to social change. We aim to give accounts on how the interventions of a social enterprise can be assessed and put to use for the benefit of the organization in particular and of the larger environment in general. The purpose of the study was to develop and assess CONCORDIA Bakery's program and activities, using the theory-based evaluation approach in order to better understand its contribution to improving the lives of its beneficiaries, customers, donors and its shareholder, by 1) showing insights of the main intended and unintended impacts achieved by CONCORDIA Bakery, 2) identifying what makes CONCORDIA Bakery work (or not work) and how it might be replicated, improved, adapted or up-scaled elsewhere, 3) exploring and analysing the changes in the external environment of CONCORDIA Bakery that have influenced its results and impact over time and 4) helping set realistic future objectives for CONCORDIA Bakery.

Theoretical and research framework

The theoretical and research framework used for this evaluation was the one offered by the theory-driven evaluation framework, also called program theory (Chen, 1990, 2015, White, 2009). Social enterprises around the world face the big challenge of measuring and demonstrating their social and economic impact, and the Theory of Change tool demonstrated its efficiency (Clifford, Markey and Malpani, 2013).

One of the definitions of the program theory is “a set of explicit or implicit assumptions by stakeholders about what action is required to solve a social, educational or health problem and why the problem will respond to this action” (Chen, 1990, 2012). In this case, the evaluations doesn’t limit its range of questions to be answered to whether the intervention is successful or not, but it also seeks to identify in which way and way it works or not (Chen, 1990, 2012, White, 2009).

White (2009) identifies 5 principles that will lead to a successful application of the theory-based evaluation approach: (1) map out the causal chain (programme theory) – taking into account different theories of how the program can work; (2) understand context – the social, economic and political context essential for the program’s success; (3) anticipate heterogeneity; (4) rigorous evaluation of impact using a credible counterfactual; (5) rigorous factual analysis; and (6) use mixed methods – both qualitative and quantitative.

The theory-based evaluations allow social entrepreneurs and evaluators to identify “preconditions, pathways, and interventions necessary for an initiative’s success” (Kickul & Lyons, 2016, p. 95). Moreover, this tool enables the identification of both whether the activities undertaken are leading to the envisioned impact and if there is another way to do the job (Kickul & Lyons, 2016) and also enables the identification of the potential risks that can arise by bringing into attention the underlying assumptions of every pathway considered (Bacq, S., 2017).

Clifford, Markey and Malpani (2013) identified 5 necessary points essential for a sound impact evaluation: a theory of change, beneficiary perspective, evidence of outcomes - or causal link between outputs and outcomes with an intention to collect outcome data over time, demonstration of change over time and linking learning based on analysis back to organizational learning. Moreover, in order to social services organizations to prove their efficiency, they should be able to account for: clients / individuals progress through interventions, how measurement is integrated into the organisation's governance, processes and procedures (as opposed to an add-on), define outcomes against client groups, the impact the organisation has on the wider community.

Methodological approach

This impact evaluation of CONCORDIA Bakery had a strong exploratory component, since it has been the first time for the enterprise to go through such a process. Moreover, previous strategic planning and administrative processes have not involved any clear benchmark indicators nor any minimum success measures for tracking performance. Preliminary data was collected in August 2018 and the major part of the data was collected between October and November 2018. With very few exceptions (highlighted when this was the case), in our analysis we referred to the period 2011-2017.

Evaluation questions

We defined three major groups of research questions

- Q1. To what extent did CONCORDIA Bakery achieve the overall intended impact on its stakeholders during 2011-2017?
- Q2. Which were the most important factors that led to or hindered the achievement of these impacts?
- Q3. What changes occurred during 2011-2017 in the external and internal environment of CONCORDIA Bakery, which influenced the impact of the enterprise?

In answering these questions, our research was driven by three main working hypotheses, which also provided the basis for the Theory of Change. Their confirmation or dismissal will be discussed in the conclusions section of this report.

- **H1.** The young graduates of the Bakery Class of the CONCORDIA Vocational School are more likely to obtain and retain a job on the open market if they are previously employed on a fixed-term basis in a social enterprise.
- **H2.** Young people from disadvantaged backgrounds have an increased chance of obtaining and retaining a job on the free market if they receive psychosocial and accompanying support.
- **H3.** It is expected that the social enterprise where the young graduates are employed is a high-performing and competitive enterprise on the free market.

Used methods for data collection and analysis

A mix of quantitative and qualitative methods were used, in order to ensure the triangulation of the data obtained and the consistency of our results and conclusions, taking into account all the relevant perspectives. The methods included: documents analysis, in-depth interviews with relevant stakeholders and participative observation.

The data collected was mainly analysed by reference to the defined indicators in the Theory of Change and, if the case, their minimum defined value. Furthermore, all data was analysed and filtered in a reflective manner, in order to identify all causal relations between the different events and situations. For the quantitative data specific analysis software was used, such as SPSS Statistics and Microsoft Office Excel.

Sampling

Access to the different categories of respondents was facilitated by CHO's representatives. Since there were a rather small number of potential respondents in either category, we decided for non-probabilistic sampling procedures - convenience and judgment sampling, chosen according to the respondents' typology. Whenever the case, especially in regard to the former

employees-beneficiaries, we resorted to snowball sampling, in order to ensure the most efficient outreach to all individuals that could provide relevant information.

For the employees-beneficiaries group, we decided to conduct in-depth interviews with all the individuals that we were able to contact and that would accept to take part in the study. Thus, we conducted 20 semi-structured in-depth interviews with 6 current and 14 former employees-beneficiaries of CONCORDIA Bakery, adding up to almost 8 hours of recorded discussion material, with an average of 25 minutes/interviewee.

In regard to CONCORDIA Bakery's clients, we decided to choose 6 of the major corporate clients to conduct in-depth interviews with, based on two criteria - the duration of the collaboration with the Bakery - minimum 4 years - and the value of the purchased products. All six customers who have met the established criteria are legal entities. The interviews have included the qualitative aspects of the business relationship with the Bakery as a bread and / or pastry supplier, the customers' satisfaction with the quality of products, the packaging, delivery and price. Since the final consumer of the baked products are the customer's beneficiaries (e.g. restaurant clients, children enrolled in kindergarten or company employees), an opinion about their satisfaction has been also requested.

From the other categories (donors, national and international management, similar bakeries), a judgment call was made for their choosing, based on their relevance and information-sharing capacity. Thus, we interviewed one of the main donors, one representative of the top management of CONCORDIA Social Projects, 3 national representatives of CONCORDIA Humanitarian Organization, 5 of the current and former managers and supervisors of CONCORDIA Bakery and the managers of the only similar bakeries in Bucharest – MamaPan¹ and Nazarcea².

Ethical principles of the research and observation methods

¹ <https://www.mamapan.ro/>

² <https://nazarceamag.ro/>

In all our research endeavours, we paid special attention to the ethical aspects of this kind of work. Thus, all our data collection instruments and data analysis were designed in such a manner so as to ensure the integrity and quality of the research. All the researched individuals received detailed information on the purpose of the study, the use of the information provided and the degree of risk involved, in order to obtain their informed participation consent.

Furthermore, we took all the necessary measures to ensure that participation in the study would be fully voluntary and that the confidentiality of all our respondents would be respected, especially when it came to sensitive information (e.g. in the case of the employees-beneficiaries). All recordings (audio and transcripts) were archived for the exclusive usage by the evaluation team and no third party had or has access to the specific information obtained. The whole research and evaluation was carried out by two independent external evaluators and there is no conflict of interest.

Limits and challenges of the research

In the first phases of our evaluation, we foresaw little or no difficulties in contacting the stakeholders targeted for the study. However, few considerations need to be made here.

One of the main challenges of our study was contacting the former employees-beneficiaries of CONCORDIA Bakery, given a limited list of contacts available, which usually included only the Facebook account of the individual. Most of the initial conversations - the explaining of the purpose of the contact “out of the blue”, the role of the evaluator and her relationship with CONCORDIA etc. - took place through the messenger app, which for some of the former employees created an environment of mistrust. For 3 of the contacted employees, this was the reason to decline our invitation and for other several respondents to provide only little or poorly detailed information. Also, conducting interviews with the employees-beneficiaries was at times a difficult endeavour, given their limited expression capabilities and level of understanding.

Another smaller challenge was the identification of suitable timeframes to conduct the interviews with employees, the top managers or the managers of the similar social businesses. The overall data collection phase registered minor delays for this particular reason.

An essential aspect of our research process, detailed also in the Findings and Conclusions sections, is the rather limited capacity of both the evaluators and in general, all the interviewed individuals to fully separate the story of CONCORDIA Bakery from the story, involvement and effects of its mother-organisation – CONCORDIA Humanitarian Organization. Separating the impact of the two entities was a difficult task for both our interviewees during the discussions and observation and for us as evaluators, in analysing the information obtained. Even if we tried to keep the conclusions as “clean” as possible in this respect, and at the same time not wanting to force an unnatural separation, we recognize the limitations of such an endeavour.

Findings

The presentation of the findings is structured along the three groups of evaluation questions defined in the methodology section. However, to contextualise these findings we will first present briefly some general considerations on the social economy sector in Romania and the social business model of CONCORDIA Bakery, in order to offer the reader an overall idea of the programme.

General considerations about social economy in Romania

After a long process of public consultation and debates, in 2015 the Romanian Parliament voted the Social Economy Law, no. 219 with its application norms issued in 2016, (www.mmuncii.ro). According to the new law, social economy is defined as a set of activities organized independently of the public sector in order to serve the general interest of community and / or personal non-patrimonial interests by increasing employment of vulnerable groups and / or the production and supply of goods, the provision of services and / or the execution of works. Social economy is based on a private, voluntary and solidarity initiative, with a high degree of autonomy and responsibility, as well as limited distribution of profits to associates.

According to the Romanian law, the social economy activities are carried out by legally registered entities called Social Enterprises (SE). The SE accepted by law may also (among others) be associations and foundations, which, according to legal acts of establishment (Statute) and internal organization, cumulatively respect the definition and principles of the social economy stated by the law. Among the SE, those enterprise that aim to combating exclusion, discrimination and unemployment through the socio-professional insertion of disadvantaged people are considered Work Integration Social Enterprises (WISE) with the condition, in addition to the other defining criteria of a SE, permanently have at least 30% of the staff employed representing the vulnerable group so that the cumulated working time of these employees represents at least 30% of the total working time of all employees.

In the 2011-2017 period to which we refer in this report, the NGOs, including CONCORDIA Humanitarian Organization, have been lobbying for a social economy law and tax incentives for employers who create jobs for NEET youth. Although the effect of these steps came later by updating in March 2018 the Law 76/2002 on the unemployment insurance system and the stimulation of employment, it is important to mention it here because it offers some opportunities and could be taken into consideration in the future strategic planning of CONCORDIA Bakery. This legislative addition, provides for a 12-month period a monthly subsidy, in proportion to the actual working time (to which is added the rest leave), amounting to 2250 lei (about 500 Euro) for employers who hire NEETs for an indefinite period and signs a convention with the county employment agency. In order to benefit from the subsidy, employers have the obligation to respect the conditions stipulated by the law and to maintain working relations with NEET youth at least 18 months from the date of employment. If the employment relationship is closed before the 18 months for reasons related to employers, they are obliged to return to the employment agencies in full the sums earned for each person for whom the work relation has been closed plus the interest.

Despite all the legislation, policies, and national strategies, the Government has not allocated the necessary funds to implement its action plans. In 2011-2017, the financing of social services, as an active measure of inclusion of vulnerable groups, was not based on a transparent and sustainable system of allocating funds from the state budget or from local budgets. The only financial mechanism available for NGOs to support social services that had continuity was subsidization under Law no. 34/1998, but which does not fully cover the cost of the service. Moreover, from year to year the budget allocated for the subsidization of the social services at the national level has been dramatically reduced, which makes difficult the situation of NGOs accredited as providers of social services, such as CONCORDIA Humanitarian Organization. A research regarding the situation of the NGO sector in Romania (Source: Non-Governmental Sector Profile, Trends, Challenges - Coord., Mircea Chivu, FDSC, 2016) , revealed that 49.5% of social services on the market addressed to vulnerable groups are provided by NGOs. However, the funds allocated from the public budget to NGOs represent less than 10% of the total cost. Also, according to this source, in 2016, NGOs licensed to provide social services have been faced with a serious precariousness of financial resources: 24% of NGOs had 0 revenue; 23% - max. 2000 Euro; 15% - 2000 - 10,000 Euro; 20% - 10,000 - 40,000 Euro and only 18% had revenue over 40,000 Euros.

Most measures and public social inclusion policies have a particular relevance to a range of target groups of young people, such as young people who have left the placement institutions, young people from the streets, young people without access to housing, young Roma, young people with disabilities and special educational needs, young victims of discrimination etc. for which the support can only be provided through an integrated approach, through the participation of all decision-makers on policy areas.

NGOs represent an important stakeholder and partner for the Romanian Government in terms of social and professional integration of disadvantaged young people. Although, the central and local authorities are aware about the importance and contribution of NGOs, the mechanisms for

granting financial resources for the implementation of the measures stipulated in the legislation and the national strategies are not finalized, which poses major difficulties for NGOs to ensure the sustainability of social services and_of the social enterprises and still maintains their dependence on the financing of foreign donors.

The CONCORDIA Social Business Model

The data collected illustrates that CONCORDIA's Social Businesses Model focuses on the impact it creates for beneficiaries rather than creating profits. CONCORDIA Bakery goal is in line with the agreed social business definition as it targets explicitly an increase of the employability rate of vulnerable young people and provides on-the-job professional training. CONCORDIA Bakery as a social business confirms the mission of CONCORDIA organization which aims to give a chance to vulnerable young people to get an independent life by vocational training and work track-record. In addition to the impact created by increasing the employability of vulnerable young people is also considered a therapeutic intervention in order to build responsibility by helping them to gain self-confidence and improve the abilities for an autonomous life.

In the graphic representation below, the CONCORDIA Social Businesses Model is divided into three sections: the first represents the non-profit structure (the internal environment of CONCORDIA Humanitarian Organisation) with the social services it offers to its beneficiaries and the relationships it develops with donors, grant makers, sponsors and supporters. Within this section are also placed the Vocational School that prepares and supplies the work force to the bakery and the job coaching service, which guides young people in search of a job on the free market.

At the centre is CONCORDIA Development, the entity legally registered to run economic activities, where the Bakery runs its activities. In addition to the production and on-the-job training, the bakery continues to offer social and emotional support to the young beneficiaries

employed. The Bakery is a transient workplace, a stage of deepening, in real working conditions, the knowledge and abilities obtained at the Vocational School.

The third section of the chart represents the entities with which the Bakery collaborates – the for profit sector - business partners, suppliers, individual clients and other potential employers who could hire the young people after leaving the enterprise. There is a capital movement between these three sections. The red dotted line - from the social enterprise to the non-profit structure - represents a proposed financial objective of the Bakery (according to its Business Plan, Section 4): to sustain from its profits the bakery training of several students in the Vocational School. Since the enterprise is not yet sustainable, so it does not register profits, this transfer of resources is not yet happening.

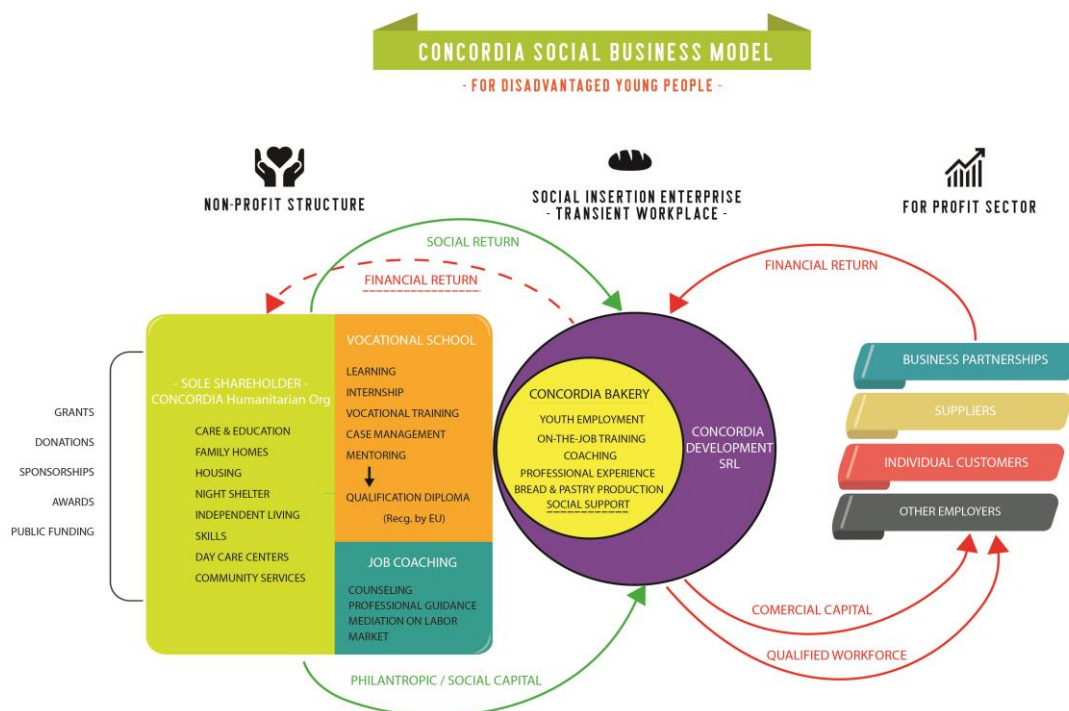


Figure 1. Representation of the three interrelated arms of CONCORDIA social business model

The CONCORDIA social business model illustrates that the Bakery's economic activity interferes with the organization's social and educational activity. Even if, for better organization, the two entities are legally separated and the production and distribution activity is exclusively the responsibility of the Bakery, certain functions such as fundraising, external communication and promotion, human resource management, accounting etc. are fulfilled by

the organization. From a financial point of view, this business model is supported by two types of sources: economic income from the sale of goods (bread and pastry) produced in the bakery and from non-reimbursable financing received on projects from, or through CONCORDIA Social Projects with the specific purpose of increasing or strengthening the capacity of the Bakery. An important segment of the market for the Bakery was represented by customers, both legal entities and individuals, for whom to attract those, efforts were made during 2011-2017 to consolidate the CONCORDIA Bakery brand and improve the marketing strategy.

Another important aspect of the business model is that CONCORDIA Bakery is also the bread supplier for the centres and homes where the children assisted by the CONCORDIA Humanitarian Organization are hosted. Between 2012 and 2017, the revenue from sales to cover the needs of the organization was on average 25%, with variations in the start-up period when this percentage was lower, in 2012 and 2013 only 2% and reached 37% in 2017.

This system of selling products within its own network of a social enterprise, is also applied by other similar bakeries in Romania with whom interviews were made: Mama Pan and Nazarcea bakeries.

The Bakery's impact on its employees-beneficiaries

The employees-beneficiaries of CONCORDIA Bakery, their training and qualification, workplace security and wellbeing are at the core of the enterprise's mission and vision. Consequently, one of the most important evaluations made during this project was that of exploring and measuring the impact that the Bakery had on them. Moreover, we went one step further and explored which were the successful or unsuccessful, internal or external factors that led to the achievement of the impact identified and how did other CONCORDIA projects influence it in the short or long term.

This section will assess the two pathways of change identified in the Theory of Change (see Annex 1) that specifically address the employees-beneficiaries: professional qualification and

psychosocial skills related to employment. Our analysis will start with some general considerations about the specific challenges related to this task.

During the period set for our evaluation (2011-2017), CONCORDIA Bakery (CB) had 29 employees-beneficiaries (from which one was still employed in 2018). In 2018 the enterprise employed 5 new bakers from the Vocational School. Most of the findings discussed here are based on the information obtained from and regarding the employees qualified as bakers, but the enterprise also employed auxiliary staff (sellers and drivers) during this time. We interviewed 16 bakers and 4 of the auxiliary staff.

Most of the employed bakers we talked to (10 out of 16, 63%), became employees of the Bakery before graduating from the bakery classes, and in their view, with one exception, the job offer came as a recognition of their skills and capacities on the job, either from the teachers or the coordinators of the Bakery.

On the other hand, according to the Bakery's coordinators (the senior baker and the production manager), employees are chosen from the Vocational School by recommendation from the school's trainers and / or by being observed by the production manager and the executive director of the enterprise. One of the management's selection criteria mentioned by the coordinators is that usually the Bakery employed those graduates that had been through traumas, have adaptation problems or certain diagnosed deficiencies and were seen as unable (yet) to perform on the free market, but capable to work and continue their professional training and psychosocial development in a protected environment such as the case with CONCORDIA Bakery.

According to the Bakery's Theory of Change (see Annex 1), three intermediary outcomes were targeted regarding the professional qualification of the employees-beneficiaries, which we also followed in collecting our data: to be capable to apply the flow of production at all stages, to be able to work independently or with minimal guidance in a free-market bakery and to be able to plan the execution of daily orders and report the daily production of the bakery.

When joining CONCORDIA Bakery as employees, most of the young people are either still attending the bakery classes or are recent graduates from the Vocational School, having acquired limited experience in both baking and having a workplace. According to the coordinators, the new employees are usually low or even poorly qualified in following the production flow and a period of on-the-job training is necessary for most of them. During our observation shift, we actually found out that in the past years, given the school's schedule, the students had to interrupt the practice session just before the final proof and the actual baking of the bread and as a result, they never get to exercise, test and develop their skills for the final steps of production. According to the Vocational School's coordinators, this situation changed for the last 3 generation of trained bakers.

The workplace experience in the Bakery proves to be a positive experience for most of the employees. According to the senior baker, after 6 or 7 months, those who are interested and involved can usually follow the process all by themselves, and those with a stronger personality can even become shift managers. This is consistent with the employees' own responses. When asked how CONCORDIA Bakery contributed to their professional training, 13 of the 16 interviewed bakers (81%) declared that there they learned new recipes and their way of preparation, 9 (56%) stated that they learned new techniques to knead, shape or bake the bread varieties, 4 (25%) mentioned learning how to use the machinery and also 4 (25%) mentioned learning the responsibility of their work reflected in the quality of the final product obtained for the client. Each employee interviewed mentioned at least 2 of the aspects listed above.

The senior baker usually works towards autonomy with the ones that show potential and pairs them with the ones that still need guidance. Some of the employees are even kept close to her, in order to be able to sustain, coordinate and supervise their work. For example, R7 (male) showed outstanding skills and capabilities, thus he became a shift manager, coordinating the entire flow of production of the day and his colleagues. On the other hand, the senior baker kept close R17 (female) and R18 (male) who were both in a vulnerable position, having a hard time

adapting to the social context and / or to the professional requirements (e.g. not knowing the units of measurement or having trouble following and completing the tasks).

Planning the execution of daily orders and reporting the daily production of the bakery involves a set of more complex skills. Not many of the Bakery's employees are usually able to perform this requirement, so the shift managers are the ones in charge of it. However, 6 of the 16 employees interviewed (38%) stated that during their employment they learned how to organise and manage the daily orders, even though they weren't performing the task.

By the time they leave CONCORDIA Bakery, the employees are increasingly more self-confident. When asked if at the time they saw themselves capable to work independently or with minimal guidance in a bakery on the free-market, all of them were positive about this, while 6 (38%) also mentioned that they would still need some support or an adaptation period.

Besides the professional skills of its employees, CONCORDIA Bakery also aimed to support them to acquire the adequate psychosocial skills to cope in a workplace on the free market: interpersonal communication skills, knowledge and understanding of the rights and obligations of an employee, having a proper general conduct and to respect the discipline of work.

One of the main findings of our study is that CONCORDIA Bakery is more than a workplace for most of the employees-beneficiaries and their coordinators. The majority of the employees interviewed (19 out of 20, 95%) evaluated the working climate as a positive or very positive one, with only 7 of them (35%) reporting minor discussions or conflicts arising, which were ultimately seen as inherent to any workplace. However, as external observers, the Bakery's coordinators reported that, if not supervised, the employees-beneficiaries tend to become offensive to each other, giving way to conflicts that need to be managed by them or if more serious ones, by the executive director.

Given this fact, a great part of the coordinators' work in Bakery is supporting the employees to develop their interpersonal communication skills: teaching them politeness, nice and proper

language, punctuality etc. The results of this work are observed by most of the employees. When asked what was the contribution of CONCORDIA Bakery to the development of their workplace socializing skills, 12 employees out of 20 (60%) stated that it had a major impact in this respect and just 6 of them (30%) considered that only minor additions were made during their employment.

“[CONCORDIA Bakery] helped me because it taught me how to get along differently. As I worked in CONCORDIA, I had the opportunity to go to many fairs and to very different groups, of another world, another social class. I was at Petrom fairs, where there were only high class people, executives... I was at Unica, where were people with whom you needed how to talk to.” (R8, seller, employed in 2015)

The aspects regarding the employees' knowledge, understanding and application of the rights and obligations of an employee, either from an administrative point of view (the legal contract) or from a social point of view, are also part of their on-the-job training. At the beginning, new employees have trouble in respecting the work schedule and following the work discipline and by the time they leave (after 6-7 months), they are able to follow these requirements with no difficulty. All employees are informed by one of the coordinators about the requirements and benefits of the workplace, the points in their work contract and the job description and are encouraged to ask for clarifications whenever they feel the need, even when they have a new job offer. Deviations are not immediately punished with dismissal, but rather met with benevolence and the major aim to work towards their correction.

Most of our interviews with the former employees of CONCORDIA Bakery took place 2-3, or even 5 years after their employment period, and thus they were able to evaluate to a greater extent the impact that the Bakery had on their professional and social lives. When asked what was **the biggest benefit** obtained as a result of their employment in the Bakery, 7 out of the 15 former employees interviewed (47%) mentioned the psychosocial skills related to employment (a tempering in behaviour or the ability to manage their emotions and reactions) and 6 of them (40%) mentioned the professional qualification, transformed in a professional pathway.

For the majority of our respondents, CONCORDIA Bakery was their first workplace. Having a previous employment experience contributed greatly to the adaptation at a new workplace for 7 of our respondents (47%), from both a professional and a social viewpoint. Only two of the respondents (13%) reported only a moderate contribution or no contribution at all. With only one exception, all the former employees we interviewed obtained on their own a job on the free market after they left CONCORDIA Bakery, and are still employed at the time of our discussion, even if they changed jobs 2-3 times in the meantime. 6 of the former employees interviewed (40%) are still practicing in the field (3 cases - 20%) or in a related area (3 cases – 20%), such as confectionery, pastry or public catering in general.

Our evaluation process also revealed a series of **unintended impacts** of CONCORDIA Bakery on its employees-beneficiaries. The first to be mentioned here is that for some of the young people enrolled in the bakery classes of the Vocational School, without even knowing detailed aspects of such a job, and later on employed as bakers at the Bakery, the baking profession became a passion, an area in which they want to develop their skills and make a career.

A second very important aspect is that the employment in CONCORDIA Bakery and the other additional services of CONCORDIA in general, impacted their lives at a higher level. 7 of our 15 respondents, former employees (47%) stated that acquiring a range of abilities for an independent life is the most important benefit they obtained after being employed at CONCORDIA Bakery. They included here all kinds of abilities such as: the ability to manage their own finances, the understanding that they need to assume the responsibility of their own actions, the understanding of the responsibilities of a workplace, perseverance, courage and self-trust.

“They taught me a lot, you know? A lot. It changed my life altogether. [...] They struck me from all points of view. I have seen many, good and bad. They formed me. From class 0 to say so, they took from low level and took me to as high as my brain took me. From money, housing, job, how to take care of the

job, look for a job, guidance, all the way to be on my feet ”(R1, baker, employed in 2013)

CONCORDIA Bakery proves to be a suitable place for its young employees-beneficiaries to develop both their professional skills acquired in the Vocational School and their social skills that would allow them to integrate in a work place on the free market. The Bakery highly impacted their lives, by either offering them a qualification (sometimes transformed in a passionate career) or by equipping them with essential abilities for an independent life.

Impact on CONCORDIA Bakery’s customers

This section is organised according to the third pathway of the Theory of Change (see Annex 1) that addresses the capacity building and financial sustainability of the CONCORDIA Bakery. The long-term outcome 3 of the Theory of Change stated that the social enterprise where the beneficiaries are employed in the short-term is self-sustainable and competitive on the free market. Additionally, the intermediary outcome 3.3 foresaw that CONCORDIA Bakery is a visible social enterprise with a recognizable identity on the profile market, whose products are distinct from the average and are purchased by loyal customers.

Three assumptions were taken into account in the formulation of the long-term outcome and the intermediate outcome:

- A. There are potential customers (individual or corporate) interested in the quality of bakery and pastry products made with traditional recipes with 100% natural ingredients.
- B. Customers are willing to pay a higher price for healthy products.
- C. CONCORDIA Bakery has the production and delivery capacity to meet its contractual obligations.

CONCORDIA Bakery’s customers represent the most important stakeholders, so in the impact assessment we explored their profile, the length of time in which they were the Bakery’s customers, their motivation to buy the products of a social enterprise, their level of satisfaction regarding the quality of products and how they appreciate the collaboration relationship with

the Bakery. We also sought to find out to what extent CONCORDIA Bakery, through its products, has influenced or not a change in consumers' behaviour and what internal and external factors have led to this effect.

Most of the Bakery's customers are a niche category, represented by people living in Romania (Romanian and foreign citizens - employed in multinational companies or members of diplomatic bodies), educated for a healthy nutrition, looking for quality natural products, having the financial capacity to pay a higher price for the chosen product and who are interested in social projects. For the period 2012-2017, the customers were both individuals and legal entities, reunited in a database that brings together 283 clients, of which 221 are legal entities and 62 individual clients.

The main target group (221) was represented by legal entities with regular orders: firms (restaurants, hotels, etc.), multinational companies, embassies, kindergartens and non-governmental organizations (associations, foundations or other social enterprises). Of these, 76 (27%) bought the Bakery's products in at least two years.

It is worth mentioning that of those 221 customers registered as legal entities, 176 (80%) were for profit / corporate clients and 45 (20%) were non-profit ones such as NGOs, other social enterprises, kindergartens, religious associations etc.

Another important target group was represented by the clients of the selling point opened in the Promenada Mall, during the period October 2012 – December 2014. The placement of a stand where fresh bread and pastry were sold daily was possible due to a partnership agreement with the Mall owner who did not demand the payment of a rent. Later, the owner and conditions has changed, and since the revenue from sales at the Mall did not cover the expenses, this sales point was closed. Although the profit was not in line with the expectations, the location of a customized CONCORDIA stand where bread and pastries were brought daily, contributed to the increase of the organization's visibility and to a better understanding and knowledge of its field of activity by the large public.

A secondary target group, represented by individuals with small orders, was the clients at the fairs and events where the Bakery promoted its products.

The policy for corporate clients is to sign contracts with secured terms in order to be able to plan the acquisition of raw materials, and to predict the expenses and revenues generated on these contracts. The delivery terms, billing and payment deadlines are set with each customer depending on the frequency and amount of products ordered. In general, the sales are cyclical, and partially seasonal. Besides regular orders, customers make orders for events organized on different occasions (holidays, catering with cookies for a seminar or conference, gala or anniversaries). Each product is accompanied by a statement of compliance, and if the product does not match its return is acceptable. Since 2014, the delivery service has been improved by purchasing a mean of transportation authorized by the Sanitary Veterinary Directorate for the transport of food products under the temperature requirements of food standards.

„Our company collaborates with BC on two axes: the first is the purchase of bread for our employees, to whom we offer a warm meal at lunch. The second is that at any event we organize we buy cakes and pastries only from BC. It is our decision to support, in this way, a social enterprise and to enjoy healthy and quality products. At events, the products are highly appreciated and praised by our guests and partners”. (Client since 2012)

All interviewed customers were primarily concerned by the quality of bakery and pastry products made with 100% natural ingredients based on traditional recipes. The social value brought by CONCORDIA Bakery as a social enterprise for disadvantaged youth is also an important factor for clients, but it is secondary to the quality and safety of the purchased product. All of them consider the communication and collaboration relationship with the Bakery's management as very good and are satisfied with the terms and conditions of delivery (punctuality and delivery in the correct quantities), and two of them highly appreciate the responsiveness and flexibility to adapt the recipes or the weight of certain products to the needs and requirements of the client.

Five of the six interviewed customers were pleased with the presentation of the products and the way they are packaged as well. One (1) respondent expressed a preference for packaging from recyclable materials instead of plastic.

But beyond the positive characteristics of the products that the purchaser appreciates, in one of the cases it was mentioned that the final consumers are not yet sufficiently prepared to change their eating habits and to introduce in the diet the products with a special new taste, but healthier.

Regarding the price of the products purchased, three (3) customers expressed their willingness to pay a higher price for healthy products, first because the price / quality ratio is correct and then there is a social cause behind, while the other three (3) considered that the higher price has raised challenges in internal decision making process, meaning that in most situations involving procurement, the price criterion is a priority in choosing a supplier.

But a thorough market analysis and transparent communication with potential customers can convince them to pay more if they are presented with the benefits and impact that an effective social enterprise creates in the community. According to the MKOR Strategic Marketing research company (<https://mkor.ro/>) report with the title *Social Enterprises in Romania from the view of consumers (Intreprinderile sociale din Romania din perspectiva consumatorilor)*, based on a market research in 2015-2016, out of the 281 questioned consumers, 64% said they would be willing to pay extra for a product that would provide jobs for disadvantaged people, with the condition of transparency through media coverage. Of these, 79% would pay between 6 and 10% more for products from social enterprises, while 5% would be willing to pay even 20-50% more. The results of this research report on a larger sample of subjects confirm our findings from interviews with CONCORDIA Bakery clients. This reflects that there are premises for an increasing interest in bakery's products at the market level, as the customers become more informed and more willing to buy products at a higher price but including social values.

In conclusion we can say that, over the years, CONCORDIA Bakery has succeeded to have a loyal clientele who appreciates the products and constantly buys them, and at the same time is recognized by the general public as a social business model for the insertion of young people from vulnerable groups. CONCORDIA Bakery has a well-designed image, brand, and marketing tools to promote its products towards a wide range of potential customers.

Steps towards financial sustainability - It's not enough to simply have social value

For CONCORDIA Bakery, as for any other social enterprise in Romania, ensuring financial sustainability has been a major challenge over these years. How can you make a profit if the workforce needs a longer time to adapt to the job requirements until they get to work autonomously (without

The Netherlands' first professor of social entrepreneurship, Harry Hummels considers that the biggest challenge for social entrepreneurs is business management. He says that: *'It's not enough to simply have social value. At the end of the day, social enterprises can't make a real, long-term impact unless they're profitable. For many social entrepreneurs, there's a lot of tension between the social and business side.'*¹¹

supervision and guidance) and perform correctly all the operations in the production flow to deliver a quality finished product? How can you maintain the balance between the social enterprise's social mission to help young people with adaptation issues to integrate into work, and the economic goals that are just as important to prevent bankruptcy?

These are questions that concern both CONCORDIA Humanitarian Organisation's and the Bakery's management and Board of Directors. In the context of these challenges, the support provided to the Bakery by CHO was crucial. Since CONCORDIA Bakery works under CONCORDIA Development, which is registered as a business (SRL - limited liability company), in order to access grant opportunities, sponsorships or donations, the cost for the management was registered under CHO, throughout the years. The building, the equipment and the cars belong to CHO and CONCORDIA Development is paying a monthly rent to the organization. Also, the cost for the social services that the employees beneficiaries are provided is supported by CHO.

In Romania, social entrepreneurs still test markets to find out what social business models are sustainable, and financially self-sustained. The effort to make CONCORDIA Bakery a solid and sustainable social business was assumed through pathway 3 of the Theory of Change: capacity building & financial sustainability of social enterprise. The expected outcomes were:

- **Long term Outcome 3:** The social enterprise where the beneficiaries are employed on the short-term is self-sustainable and competitive on the free market.
- **Intermediary Outcome 3.1** CONCORDIA Bakery is administratively managed at high standards of efficiency and quality.
- **Intermediary Outcome 3.2** CONCORDIA Bakery is an economically and financially performing enterprise.

The initial investment of 160,000 € (cash and in-kind) was assured by CONCORDIA Humanitarian Organization and partially by CONCORDIA Development (license, show-window, lightening box, suppliers and inventory items). From donations, sponsorships and grants, CHO arranged the space and endowed the bakery with fixed assets, the necessary equipment and purchased two cars for distribution. Also, it covered the administrative and developing expenses during the start-up phase.

The evolution of revenues and expenditures for period 2011-2017 is presented in figure below:

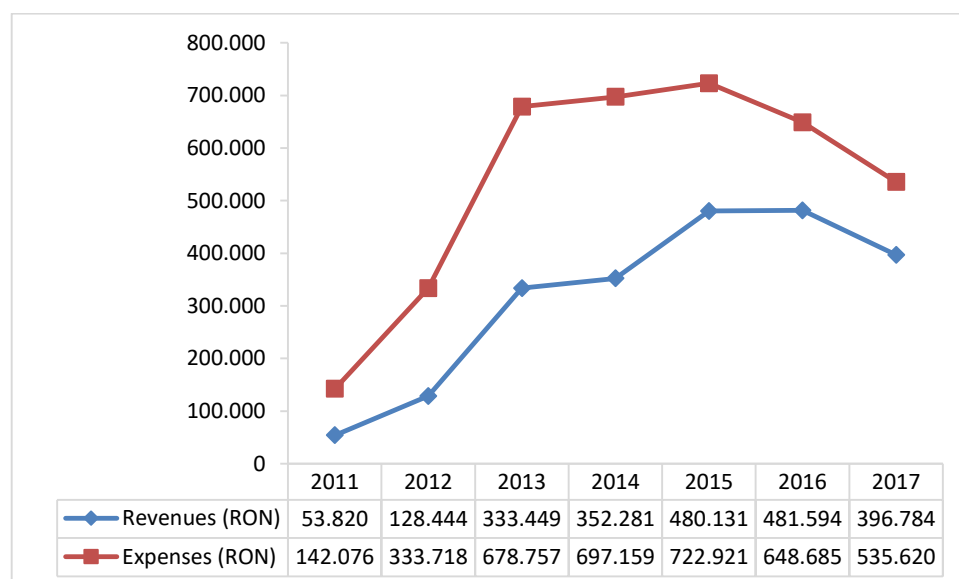


Figure 3. The evolution of revenues and expenses of CONCORDIA Bakery from 2011 to 2017

Both revenues and expenditures have grown steadily from 2011 to 2016, after which they declined slightly in 2017. This decrease in revenues in 2017 compared to 2016 was influenced by both internal factors such as the reorganization of a social service provided by the CHO and the closure of a sales point as well as by external factors related to market dynamics. The latter included the loss of six of the recurring clients who stopped collaboration with the bakery because some changed their field of activity and others closed the business, and the considerable reduction of orders from another important client. Also, the CHO was in a position to reduce the bread orders in 2017 because most of the children hosted at the Farm in Aricesti Rahtivani were reintegrated into the biological families and some were moved to the village at the Ursula house. Thus, less than half of the children remained at the farm, so the orders of the Bakery products were significantly lower. On the other hand, due to the increase of rent price and the change of location of the sale point of CONCORDIA Bakery operating in a mall, it was decided to close down it, which led to lower revenues in 2017 as well.

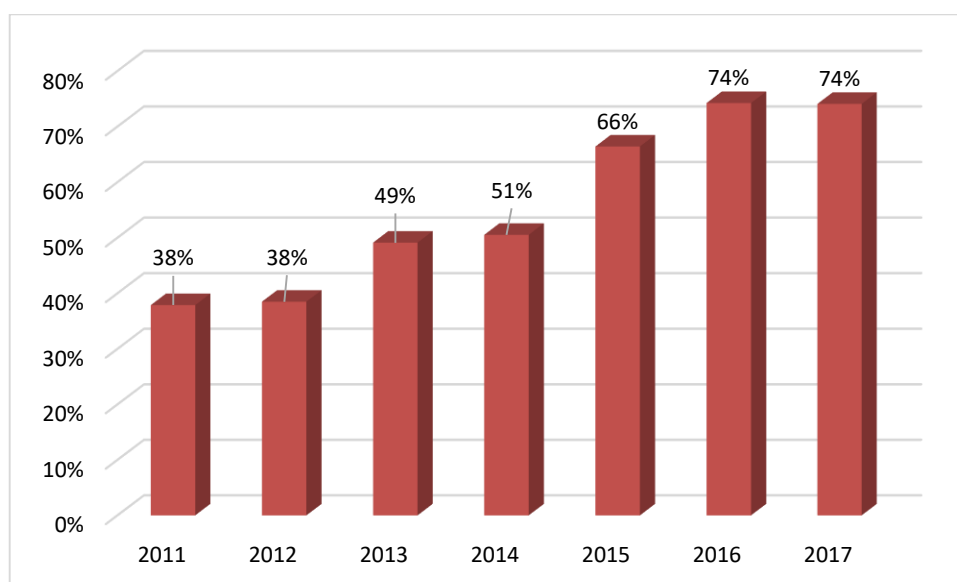
These changes have been countered by strategies to attract new customers that have brought cumulated revenue in 2017 from nine new clients bigger than the revenue brought in 2016 by the lost customers. With all these efforts, correlated with the other losses generated by the reduction of orders from the CHO and one of the clients, the revenues recorded from the new clients were not enough to cover the total loss.

In analysing the evolution of revenues, should be mentioned that in addition to revenues from sales, three important grants were implemented between 2013 and 2016, which contributed to equipping the Bakery and improving the infrastructure: the NESsT Social Entrepreneurship Prize, amounting to 19,000 USD (continued NessT as support in 2015 and 2017); ING Bank Romania's grant of 45.000 and the prize won in the METRO - THE STARS OF THE COMMUNITY competition 200,000 RON (about 50,000 Euro).

The financial sustainability rate was calculated as the percentage from the expenses that are covered by the incomes generated by the Bakery (the ratio between the incomes and expenses

*100). The graphic below reflects the evolution of financial sustainability rate in 2011-2017 and was calculated exclusively on the revenue (100%) from sales. To show how sales increased from one year to another without taking into account revenues from other sources, the 51% for 2014 does not include the METRO prize revenue of 50,000 euro which, if included, would grow the financial sustainability rate to 79%.

Looking at these figures, we can conclude that although in all seven years the amount of revenue was lower than the amount of expenditure, the financial sustainability rate has registered a steady increase, from 38% in 2011 and 2012 to 74% in 2016 and 2017. Except for 2014 when the financial sustainability rate increased with only 2% compared to the previous year, in 2015 this had a record increase of 15%, and in the following years by 8% due to the efficiency of the spending budget. An increase in the financial sustainability rate of only 2% in 2014 is also explained by the fact that it was a year of prioritizing the improvement of infrastructure and the acquisition of modern machinery due to the METRO grant, which subsequently led to an increase in production capacity, at optimization of technological processes and to superior product quality.



The financial sustainability rate of CONCORDIA Bakery from 2011 to 2017

The impact created during 2011-2017 by CONCORDIA Bakery, as a social enterprise, has been assessed from the perspective of social business development, both in terms of increasing

production capacity and training and professional integration of young people from vulnerable groups. It can be summarized as follows:

1. CONCORDIA Bakery ensured employment opportunities in the social enterprise by offering temporary jobs for 29 young people who have graduated the Vocational School training courses (bakery and / or pastry).
2. The Bakery was equipped with a new production line, specific new machinery and equipment, which led to the improvement of the technological flow and the increase of the production capacity.
3. The enterprise implemented the quality standards ISO 9001/2005 and 22000/2008 for maintaining the quality of their products.
4. The business diversified and adapted its portfolio of products.
5. The Bakery expanded its customer base by testing multiple target audiences and selling techniques (e.g. stand in a mall, CONCORDIA Café, business partners, participation at fairs and events).
6. The social enterprise had implemented efficient management and production systems.
7. CONCORDIA Bakery has increased its visibility on the market by promoting its activity and its products (product catalogue, presentation brochures, e-newsletter, website, Facebook, personalization of the distribution vehicles with the Bakery's brand).

Conclusions

During the development of the Bakery's Theory of Change, together with the CONCORDIA team, we decided to develop a series of hypotheses and assumptions regarding the most important stakeholders and interested persons, which were seen as either necessary conditions or mandatory outcomes for the success of the enterprise. In this section we will discuss our findings by referral to the assessment objectives, hypotheses and assumptions and conclude the extent to which we can confirm or dismiss them.

The employees-beneficiaries of CONCORDIA Bakery, their training and qualification, workplace security and wellbeing are at the core of the enterprise's mission and vision. An important part of the evaluation was dedicated to the impact that the employment period in CONCORDIA had on them, either from a professional point of view, a psychosocial point of view or in general.

The first two hypotheses that guided our impact evaluation were that the young graduates of the Bakery Class of the CONCORDIA Vocational School are more likely to obtain and retain a job on the open market if they are previously employed on a fixed-term basis in a social enterprise where they receive psychosocial and accompanying support. Looking at the employment rate of the former employees-beneficiaries of CONCORDIA Bakery (which gets to over 90%), we can confirm this hypothesis and state that the enterprise was very successful and effective in fulfilling its intended purpose.

Nonetheless, even if the general purpose was fulfilled, and the majority of the young people employed by CONCORDIA Bakery are still in the work market, we need not to lose from sight the fact that extensive financial and time resources were invested in their formation as bakers. In this case, we can be tempted to say that the Bakery's impact shrinks, since less than a half of the former employees are still employed as bakers or on a related job. However, there is the need to also consider the socio-economic conditions in the environment, before raising the issues of lack of efficiency in using CONCORDIA's resources.

When asked about their new jobs and whether they still work in the field, several of the young people interviewed stated that, even if they enjoyed or had a passion for baking, they had to turn to other areas, since the bakeries in the free market that had jobs available had poor offers, with extended working times and rather low salaries. Given this fact, we need to partially dismiss some of the assumptions on which we initially based our Theory of Change. Thus, we conclude that, even if the young graduates of Bakery VET are interested in getting a job in the bakery and pastry industry, and there are jobs available in the free market, the payment level

and working schedule offered does not usually fulfil their needs and desires, and they choose to reorient to other areas of work.

Besides the professional aspects discussed above, CONCORDIA Bakery also aimed to offer psychosocial skills related to employment to its workers, assuming that the young people from disadvantaged backgrounds need self-confidence, emotional balance and specific psychosocial support to develop positive relationships at work. During our evaluation we were able to observe the confirmation and the positive results of such an assumption. As we detailed in the previous section, CONCORDIA Bakery is more than a workplace for most of the employees-beneficiaries and one of this job's greatest impacts is that it helped them in tempering their behaviour, to learn how to manage their emotions and reactions, contributing greatly to their adaptation to a new workplace.

A general very important conclusion that we were able to make in this respect, based on both the interviews conducted and our own observations at the Bakery, is that the enterprise's daily management and organisation of activities is tailored on the specific needs, problems and issues of the employees-beneficiaries activating at the moment (see the examples given in the Findings section of this report). CONCORDIA Bakery gains in this respect a great relevance for its most important stakeholders, meeting in a successful way their diverse life stories, even we talk about their need to be challenged with more difficult tasks (as in the case of the shift managers), their need to be continuously supervised and supported (as in the case of the employee who still has trouble in using the measure units or the one that made a tremendous number of mistakes) or their need to feel the warmth and protection of a family (and thus, calling the supervisors "mami / mommy").

This last conclusion comes in very close connection to another important aspect of our findings, regarding the coherence between CONCORDIA Bakery and other interventions/programmes with similar or related objectives, like CONCORDIA Vocational School and the social services offered by CONCORDIA Humanitarian Organization. As detailed in the previous section, at

least in the discussion conducted with the employees-beneficiaries, the story of CONCORDIA Bakery can hardly be separated from the story, involvement and effects of its mother-organization – CONCORDIA Humanitarian Organization - though its social services or the professional training program.

In this case, the conclusions point to more than coherence, but a synergy between these instances, whose different action strategies and activities have led to a notable impact on the lives of their beneficiaries. This is why in our evaluation we decided not to force any unnatural separation of the three interventions, although we kept as much as possible the focus on CONCORDIA Bakery.

The third pathway of the Theory of Change (see Annex 1) refers to the capacity building & financial sustainability of the CONCORDIA Bakery and the long term outcome of this pathway is to make the Bakery a self-sustainable and competitive social enterprise on the free market. This expectation is related to the potential customers (individual or corporate) interested in the quality of bakery and pastry products made with traditional recipes with 100% natural ingredients and willing to pay a higher price for healthy products.

The conclusion on this component is that CONCORDIA Bakery has managed to create a portfolio of individual and corporate clients over the past seven years, of which 17% have maintained a business relationship for at least two years. Our interviews have revealed that CONCORDIA Bakery customers appreciate its products and have a high level of satisfaction towards the terms of collaboration with the management, sales and distribution team. The customers perceived the products' and services' value of CONCORDIA Bakery that has led to commitment and loyalty from some of them. It is expected that the satisfaction of recurrent customers will lead to more loyal customers and more profitable business.

Although the sustainability rate has an increasing trend in the seven years, revenue from sales fail to cover expenses, which maintains the challenge of ensuring financial self-sustainability of CONCORDIA Bakery. However, in our conclusions we consider that there is a ready-made

framework for achieving this objective as from the point of view of increasing the production and delivery capacity of CONCORDIA Bakery, considerable progress has been made in properly arranging the work and storage space, equipping with modern equipment and obtaining the authorizations and certifications required by the relevant legislation.

Regarding the wider environment where CONCORDIA Bakery functions, the legal and public policy framework at national level on the implementation of social economy activities, we conclude that this is better regulated and favourable to the setting up and functioning of social enterprises in good conditions. However, CONCORDIA Bakery is not alone in this, and the two relative similar bakeries that activate in Bucharest as social enterprises share more or less the same challenges and outcomes. None of the two bakeries which we talked to aren't yet 100% sustainable (ranging from 60% to 80%) and both of them share the opinion that a better regulation of the social economy sector, together with several fiscal and financial facilities for such enterprises would increase their economic and social performance.

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