

Social Entrepreneurship in Romania: Opportunities and a Research Agenda

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Overview

- Role of Social Entrepreneurship in Romanian Economy
- What is Social Entrepreneurship ?
- Romanian Social Entrepreneurship past and present.
- Review of Literature on Romanian Social Entrepreneurship
- Key Issues for Social Entrepreneurship in Romania
- A Research Agenda for Social Entrepreneurship and Social Economy in Romania
- Conclusion

Role of Social Entrepreneurship in Romanian Economy

The Social Economy - “Third Sector”

Social Entreprises and Social Entrepreneurship (SE)
— Economic and social development

Objective:

- The state of SE development in Romania
- Agenda for further development

What is SE?

Definitions:

- Social Entrepreneurship is a form of entrepreneurship
(Shane and Venkataraman, 2000)
- A commercial approach to solve social problems
(Haugh, 2005).
- Innovative process for social value creation (Austin, 2006)

What is a Social Enterprise

Definitions:

- Innovative firm, market-based business model and identify a social need as a business opportunity (Haugh, 2005)
- Exclusively creating social equities vs commercial focused on profit maximisation (Mair and Martí, 2004)
- Objective is to achieve social effects, rather than profit (EU 2011 – the expert group on SE)

Typology of Social Entrepreneur

Social entrepreneurs: Individuals who pursue a mission of creating social, instead of commercial value.

(Dees, 1998)

Typology of Social Entrepreneurs:

- Social Bricoleurs
- Social Constructionists
- Social Engineers

(Zahra et al., 2009)

Romanian Social Entrepreneurship past and present

Past:

T. Diamant, 1835; I.I. de la Brad 1880, V. Madgearu, 1929

WW I, WWII; The communist era

Present:

- Post communist era – numerous social and economic issues
- Romania 2007 - EU member. Foundation for Civil Society Development (FCSD) – Atlas of Social Economy—2011
- Barna (2014) report ‘Making Social Economy Visible in Romania’
- The Romanian Institute of Social Economy- 2014
- EC 2017- Report on Romanian -underperformed the EU average on SE development

Review of Literature on Romanian Social Entrepreneurship

- Studies into the integration and implementation of EU requirements for Social Entrepreneurship
- Studies by various Romanian Government agencies
- Studies by the EU and other international bodies into Social Entrepreneurship in Romania
- Academic studies into Social Entrepreneurship in Romania.

Key Issues for Social Entrepreneurship in Romania

Social Entrepreneurship challenges in Romania

Positive economic and financial position but failed *particularly the poor and vulnerable*' (The World Bank, 2017, Country Report - Romania)

Poverty and Marginalisation - goes hand in hand!

World wide phenomenon - not characteristic only to Romania

Key Issues for Social Entrepreneurship in Romania

Poverty:

- Poverty elimination -international concern (Sutter, et al., 2018)
- The EU, World Bank, Romanian Gov.
 - Poverty in less densely populated areas (NE and S of Romania)
 - Urban poverty – unemployment
- Social Entrepreneurship could be an efficient mechanism to alleviate unemployment and hence poverty in Romania

Key Issues for Social Entrepreneurship in Romania

Marginalisation: individuals or groups who are wholly or partially excluded from participation in the society (European Foundation, 1995, p.79).

Drivers:

- Unemployment, housing, health, social security

Elements of marginalisation:

- education, behaviour, employability skills, gender, ethnicity

(The Atlas of Urban Marginalised Areas, 2014)

Social Entrepreneurship - building individual's capability:
education, behaviour, employability, etc.

Research Agenda for Social Entrepreneurship and Social Economy in Romania

Five SE research themes for future academic research in Romania

- Examination of *SE processes, practices and business models*
- How to promote *stable and sustainable social enterprises*
- Romanian *SE legal system, institutional capability and government policies* supporting social economy, SE and social enterprises
- Individual *motivations* that encourage (or discourage) individuals to engage in Social Entrepreneurship
- *Impacts* of SE and social enterprise *on the Romanian economy and society*

Conclusion

Social Entrepreneurship is growing strongly in Romania. There is still more to learn and do.

Social Entrepreneurship:

- increase social and economic development
- alleviate poverty and marginalisation

Research agenda:

- could position Romania as the forefront of nations promoting Social Entrepreneurship and social economy

Thank you!