Social Entrepreneurship in Romania: Opportunities and a Research Agenda

Dr. Sorin Blaga
University of Newcastle- Australia
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 Enterprises 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
• 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!