



Working Paper

**Challenges of impact measurement
in an emergent social economy.
An exploratory research in Romania**

Cristina BARNÁ & Adina REBELEANU

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**Challenges of impact measurement in an emergent social economy.
An exploratory research in Romania***

Cristina Barna^{**} and Adina Rebeleanu^{***}

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Abstract

The social impact measurement theory and practice is an early emergent field in Romania, despite all the recent significant advances and of the maturation of the topic at the international level. However, even if the size and dynamics of the social economy sector are not yet comparable with European countries with tradition in the sector, Romania faces a trend of discovery, re-discovery, and development of the social economy, present in a diversity of organizations and fields and models of classic or highly innovative social enterprises. Advancing social impact measurement in Romania becomes imperative for public authorities and also the whole society to understand how much positive social change can be attributed to the social economy organizations. The main objective of this paper is to test the effectiveness of the impact indicators proposed by the Ministry of Labor and Social Justice (MLSJ) in the indicative guidelines, which were elaborated after the adoption of the Methodological Norms for applying the Law of the Social Economy by Government Decision no. 585, on 10 August 2016, and which represents the first official regulatory attempt of impact measurement. Applicative research will be carried out in two social economy organizations active in the social services field (Heart of Child Foundation from Galati county, and Charitable Foundation Sf. Daniel from Cluj county, Romania) for analysing the current metrics used in measuring the social impact in the last three years (2017 – 2019), and the relevance of the indicators proposed in the indicative ministerial framework for their organizations. After reviewing various international approaches and frameworks of impact measuring, testing the indicative impact indicators proposed by the MLSJ, and having in-depth interviews with the managers of the analysed social enterprises, the article concludes with a set of recommendations for the development of a more effective impact measurement framework.

Keywords: social impact, impact measurement, social enterprise, social services, social and solidarity economy, Romania

JEL Codes: L31; B55

1. Introduction

Although the social economy is slowly expanding in Romania, the sector is still an emerging one compared to other European countries. The organizations of the social economy sector offer a wide range of products and services, with the main objective of satisfaction of the needs of its own members or the community and not making a profit for investors or shareholders. Even if the size and dynamics of the sector are not yet comparable with European countries with tradition in the social economy, Romania is part of the same trend of discovery, re-discovery, and development of the social economy, present in a diversity of organizations and fields, models of classic social enterprises, hybrid or sometimes even innovative models. Satellite accounts for the social economy were developed in Romania in 2011 and 2012, offering an image of the size of the social economy sector in the national economy (according to the data provided in the Atlas of Social Economy 2014 edition, the share of the Gross Added Value of the social economy in the total national economy was 1.9% in 2012, up from 2011 when the social economy sector represented 1.3% of the total national economy). The Atlas of Social Economy (Barna, 2014), but also other recent reports developed by the Civil Society Development Foundation, showed that the non-governmental organizations are important actors of the social economy (Kivu et al., 2017). According to CIRIEC International Report 2017, Romania's social economy sector is enjoying only a moderate level of recognition, coexisting alongside other concepts, such as the non-profit sector, the voluntary sector, and social enterprises. CIRIEC International Report 2017 also presents the most recent data on the social economy sector: the Romanian social economy provides under 2% of the working population (136.385 paid employment); the associations, foundations, and other similar accepted forms count 99.774 jobs, 42.707 entities, and the cooperatives and other similar accepted forms sum up 31.573 jobs, 4.934 enterprises, 3.032.000 members (including credit unions).

The Law of Social Economy No. 219, adopted in July 2015, responded to one of the main challenges perceived by Romanian stakeholders in previous years – the lack of a clear legal and regulatory framework for social enterprises in Romania. The law has the merit of recognizing the social economy sector in Romania, even if it is about a small sector. According to the legislative text, in Romania are recognized as part of the social economy (can obtain the certificate of social enterprise) the following categories of entities: cooperatives, associations and foundations, credit unions for employees or pensioners, agricultural societies, and other organizations that comply with the principles of organization and operation stipulated in the law.

However, after the adoption of the law, a decisive step for the social economy consolidation in Romania, many questions remain open in the sector. One of them is: How to effectively measure the impact of social economy organizations? An answer to this question is all the more desirable as Romania is now in the middle of the implementation of the successful European Structural Funds grants financed under the Call Human Capital Operational Programme 2018 “Strengthening the capacity of social economy enterprises to operate in a self-sustaining manner - Support for the establishment of social enterprises.” The present call for projects aims to set up social enterprises for the integration on the labor market of people from vulnerable groups and, in support of the fight against poverty, it is dedicated exclusively to the less developed regions in Romania. The budget allocation for this competitive call is 70,000,000 euros. On the other hand, in September 2020, a new European Structural Funds Call for social enterprises start-ups in rural areas, including social insertion enterprises (“Support for the establishment of social enterprises in rural areas”) will be launched, with the total budget allocated to the call of 30,000,000 euros, also being dedicated exclusively to less developed regions. In this specific context, many new social entrepreneurs, but also the existing social economy organizations, come to ask themselves about how to measure the effects that a social enterprise generates in the society and how to enhance its recognition among the external stakeholders. On the other hand, as stated in the European Commission report, “Social enterprises and their ecosystems. Updated country report – Romania”, the social enterprise sector in Romania remains little known by policymakers and the general public and exists in the margins of the welfare state. The logic of investing in social enterprises and opening the public market to all social economy entities currently remains a novelty and challenge for public policy decision-makers (Lambru, Petrescu, 2019). Therefore, we consider that advancing social impact measurement in Romania becomes imperative in order public authorities and also the whole society to understand how much positive social change occurred can be attributed to the old and new social enterprises, and the social entrepreneurs to succeed to manage and communicate the social value effectively that their social enterprises create.

2. Research objectives and methodology

This paper is an exploratory and descriptive study, aiming to investigate the challenges of impact measurement in Romania, considering the complexities and the additional challenges of an emergent social and solidarity economy.

The main research objective is to test the effectiveness of the impact indicators proposed by the Ministry of Labor and Social Justice in the indicative guidelines, which were elaborated after the adoption of the Methodological Norms for applying the Law of the Social Economy by Government Decision no. 585, on 10 August 2016, and which represents the first official regulatory attempt of impact measurement. We will analyze the possible limits of these indicators, and identify the practical challenges of the assessment process. Applicative research will be carried out in two social economy organizations active in the social services field (Heart of Child Foundation from Galati county, and Charitable Foundation Sf. Daniel from Cluj county) for calculating the relevant impact indicators for their social enterprises. According to national law regarding social services, the main criteria for organizations selected have been to be accredited as social services providers. Also, qualitative research will be carried out, which will be based on interviews with the organizations' managers. Both cases are built on the following thematic units: a short description of the organization, objectives and main targets in measuring the social impact in SE organization, current metrics used in measuring the social impact in the last three years (2017 – 2019), calculation of the indicators proposed in the Indicative Guidelines elaborated by the Ministry of Labor and Social Justice in 2017 (for the last three years: 2017 – 2019), analyzing the relevance of the indicators proposed in the Indicative Guidelines elaborated by the Ministry of Labor and Social Justice in 2017, and proposals for improvement of social impact indicators. We do not intent to generalize these case studies. Still, an in-depth exploration will be made to analyse how it is better to measure the social impact created by a SE organization that is accredited as a social services provider, but, at the same time, it created social enterprises to sustain better its social mission and the needs of the community.

The second research objective is to analyse the effectiveness of the indicative impact assessment framework proposed by the Ministry of Labor and Social Justice compared with other existing international approaches, methodologies, and standards in social impact measurement. Possible areas for improvements will be identified following the testing process made in the two case organizations; or even a set of recommendations for a potential new impact assessment framework if it will be the case.

3. Discerning the approaches and methodologies of Social Impact Measurement

Recently, there has been a significant academic and practical debate and an increase in interest in measuring social impact across the European Union, and not only.

From an academic perspective, over the past decades, the social impact measurement topic has gained a high relevance among researchers and academics. There has been an expansion in methodologies and tools for assessing social impact (social utility). The evaluation of social impact is naturally part of a collective approach, being consistent with the principles of the social economy (Lasida et al., 2018), and often requiring that evaluation capacity builders to be able to sort out subtleties of the implementation problems associated with an organization's evaluation efforts (Carman, Fredericks, 2010). As diverse as the social economy organisations, so are the motivations behind the decision to engage in evaluations or impact assessments or how the evaluation information is used: to obtain legitimacy from external actors, to satisfy funders' need for information, to reduce uncertainty, and to secure the internal resources by managing the organization more effectively, or to ensure trust and service quality (Carman, 2011). As it was demonstrated in Carman's study, different organizational theories (agency theory, institutional theory, resource dependence, stewardship theory, rational choice) can be used to understand the evaluation practices of various social economy organizations.

By way of example, we mention only a few of the many social impact measurement methodologies and tools debated in the last decades, such as the contingency framework for measuring social performance proposed in 2010 by Ebrahim A. and Rangan V. K., which suggests that some organizations should be measuring long-term impacts, while others should stick to measuring shorter-term results, or the multidimensional theoretical model proposed in 2011 by Bagnoli L. and Megali C. which integrates the economic-financial performance, the social effectiveness, and the institutional legitimacy of a social enterprise. Also, the role of Blended Value Accounting in SEs, with specific reference to the application of the model of Social Return on Investment (SROI) analysis in SEs was largely analysed in the academic literature (Manetti, 2014). To have a comprehensive approach, we refer to an extensive review of the academic literature on various tools and instruments potentially relevant to deal with performance measurement in social enterprises elaborated by Arena M., Azzone G., and Bengo I. in 2015. They identified in their research two groups of approaches: (1) specific approaches and instruments to measure performances in SEs and organizations oriented to social objectives (e.g., adaptations of

the balanced scorecard; contingency Performance Management Systems (PMS) models; PMS models that integrate the views of different stakeholders; SROI), and (2) general approaches and instruments to deal with the multiple informative needs of different stakeholders, in particular in the non-profit sector (the second group being centered on stakeholders theory and the use of stakeholders analysis). Also, the authors proposed a general PMS model for SEs (based on three elements – input, output, and outcome and on three performance dimensions – efficiency, effectiveness, and impact), and a stepwise method in six steps to be used by SEs to develop their own PMS.

Other academic papers highlighted very well the fact that there is a need to go beyond conceptualisation of evaluation as a form of control by those providing funding over those providing the impact (Arvidson, Lyon, 2014), many organizations facing an increasing externally imposed performance accountability in the context of the new public management and follow-up reforms (Greiling, Stötzer, 2015). An alternative or additional view can see evaluation or social impact measurement as a space of resistance and a strategy for organisational promotion. The organisations that engage in evaluations do so with a dual purpose. On the one hand, they do so to comply with social audit norms and thereby ascertain organisational legitimacy and survival. On the other, they engage in this in a way that allows them a level of independence as well as influence over how the performance of social purpose organisations is understood and measured. (Arvidson, Lyon, 2014, p. 871 - 872)

Recently, we can observe that the demand for systems of measurement and indicators that could more rigorously assess and demonstrate SSE's contribution to social and environmental objectives such as the Sustainable Development Goals (SDGs) has grown (Salathé-Beaulieu, Bouchard & Mendell, 2019). The authors reviewed and illustrated by examples numerous tools to measure the impact and performance of social and solidarity economy organizations (e.g., Social Accounting, Reporting and Auditing, Cooperative Performance Indicators, Evaluation of *utilité sociale* in France, Balance Social in Spain, Sustainable Livelihoods Framework, Outcome Mapping method for tracking behavioural changes in development programs developed in Canada, a series of initiatives linked to social enterprise and impact investing, etc.), also addressing what role indicators may play in determining the contribution of SSEs to the SDGs.

On the other hand, in the academic literature 'next generation' evaluation approaches have emerged, for example, the approach of Meaningful Evaluation (ME), which deal with complex social phenomena in a holistic and systemic manner and which is based on the Map of Meaning (MoM) model

(Zappalà, 2020). As meaning is a subjective phenomenon, ME approach acknowledges the importance of focusing on the subjective experience of participants and their active participation in any program evaluation, although it is also applicable with more positivist approaches (Zappalà, 2020, p. 130).

At the same time, in the last decade, at the macro level, academics, researchers, practitioners, decision and policymakers are increasingly interested in collecting sound statistical data for assessing the impact and the value added by the social economy sector (Bouchard, Rousselière, 2015). The authors drew attention to the importance of the statistics on the social economy sector, to the weight of the social economy, and how should be measured in order to demonstrate the contribution of the social economy sector in job creation, social cohesion, social innovation, regional development, and environmental protection.

However, despite all the above significant theoretical advances and of the maturation of the topic of research in the recent decades, the social impact measurement theory and practice is an early emergent field in Romania, as we have highlighted in the Introduction. Therefore, we also present shortly below some of the main European approaches in the area, which could provide valuable issues for Romanian social economy practitioners and public authorities to easily understand and apply the impact measurement logic.

The Group of Experts of the European Commission on Social Entrepreneurship (GECES) established in 2013-2014 a sub-group focusing on Social Impact Measurement. The sub-group elaborated the report "Proposed Approaches to Social Impact Measurement in European Commission legislation and in practice relating to EuSEFs and the EaSI" that refers to social impact as 'the reflection of social outcomes as measurement, both long-term and short-term, adjusted for the effects achieved by others (alternative attribution), for effects that would have happened anyway (deadweight), for negative consequences (displacement) and for effects declining over time (drop off)' (GECES sub-group of Social Impact Measurement, 2014, p. 12). The sub-group agreed that there is a range of approaches to measuring social impact, each of which promotes particular types of indicators, but that none of these has yet reached the state of a 'gold standard'. Whilst some of these are becoming more widely used than others, it is unlikely that any will become such a 'gold standard' since the diversity of social need, intervention, scale, and stakeholder interest demand different information and presentation of it (GECES sub-group of Social Impact Measurement, 2014). Another conclusion of the sub-group work was that for the measurement of social impact to be of durable value, measuring should visibly contribute to good management of the social enterprise. If

this is achieved, the measurement of social impact is not only an instrument for accessing funding but also for helping the social economy organisation perform better and learn.

GECES sub-group of Social Impact Measurement embraced the approach of the steps of social impact measurement and the impact value chain proposed by the European Venture Philanthropy Association (EVPA). The European Commission endorsed the impact measurement standard used by EVPA as the EU-wide best practice standard of impact measurement. Launched in 2013, the EVPA "Practical guide to measuring and managing impact" was updated mid-2015 to include information on its uptake, the challenges practitioners continue to face, its contribution to policy work, and EVPA's plans in terms of research on impact measurement and management. To accurately (in academic terms) calculate social impact, EVPA advises to adjust outcomes for: (i) what would have happened anyway ("deadweight"); (ii) the action of others ("attribution"); (iii) how far the outcome of the initial intervention is likely to be reduced over time ("drop off"); (iv) the extent to which the original situation was displaced elsewhere, or outcomes displaced other potential positive outcomes ("displacement"); and for unintended consequences (which could be negative or positive). EVPA's recommendation for measuring social impact is to calculate outcomes while acknowledging (and if possible, adjusting for) those factors that contribute to increasing or decreasing the impact of the organisation; rather than aiming to calculate very specific impact numbers (EVPA, 2015, p. 17).

Created within the G8 Social Impact Investment Forum framework in June 2013, aiming to catalyse the development of the social impact investment market, the Social Impact Investment Taskforce (SIIT) also joined the debate on social impact measurement. It enlarged the GECES definition of social impact to include environmental objectives. It also refers to the notion of an 'impact value chain' to clearly identify the causal link between the planned work (inputs and activities) and the intended results (outputs, outcomes, and impact). The impact measurement process was divided into four phases ('plan', 'do', 'assess' and 'review') built around seven steps - goal setting, framework development and metric selection, data collection and storage, validation, data analysis, data reporting and data-driven investment management (OECD, 2015). As one of the outcomes of the Social Impact Investment Forum, the OECD produced in December 2015 a report on the social impact investment market entitled "Social Impact Investment: Building the Evidence Base". The Taskforce was superseded by the Global Social Impact Investment Steering Group (GSG) in August 2015.

The "Policy Brief on social impact measurement for social enterprises", elaborated by OECD in 2015 was another significant report which advanced

the debate of social impact measurement. This report explained why it is important to measure social enterprises' social impact, considering main academic and non-academic views on social impact measurement and focusing on the stakeholder-based approach to social impact measurement. The report provides three examples of measuring the social impact of social enterprises, using three methods: a cost-benefit analysis for measuring the social impact of WISEs, a rating approach for measuring the social impact of a social enterprise providing services, and social accounting and auditing for measuring the social impact of a community-based social enterprise. These examples and methods could be sources of inspiration for the improvement of the Indicative guidelines on outcome indicators, immediate achievement/output, and impact indicators to be used by social enterprises / social insertion enterprises in the annual reports from 15.03.2017, elaborated by the Ministry of Labor and Social Justice. For example, the Euricse metric consisting of the combination cost-benefit analysis and well-being indexes to evaluate the efficiency of the work-integration process in the Trento region could be developed for advancing impact measurement of the Romanian WISEs. Moreover, in case some private and public investors would need to obtain and compare readable data on social impact, a rating approach adapted from that developed by Le comptoir de l'innovation (CDI) will be effective also for the Romanian social economy realities, enabling the potential investors to determine which social business is more efficient and where their funding will be most useful. CDI Ratings is a tool designed to be adapted to social businesses' diverse characteristics and their sectors. On the other hand, any Romanian organisation of any size or scale, whether voluntary, public or private, can use a social account, embracing the Social Accounting and Audit (SAA) approach which was used for measuring the social impact of a community-based social enterprise in UK providing leisure services (the third example and method presented in the above mentioned OECD report). The UK enterprise developed its social accounts through a multi-stage process, which involved identifying the organisation's objectives and values, scoping the social audit with a map of the stakeholders, consulting the stakeholders and identifying realistic data-gathering methods, implementing the social accounting plan and writing, reviewing and publishing the accounts (OECD, 2015, p. 12, 13).

The OECD report concludes by outlining and discussing several conceptual and practical challenges concerning social impact measurement. Conceptual challenges include ensuring that: a measurement is a tool for achieving greater impact, rather than focusing on accountability and reporting; the private, public and social sectors have an equal voice to carve out a true hybrid space; guidelines do not restrict innovation in the social sector; difficulties in measuring

social impact do not discourage funding interventions in areas that are harder to measure but socially important. Practical challenges include ensuring that: social impact requirements are not overly burdensome for social enterprises; social enterprises have adequate resources and capacities to measure impact, and measuring is proportionate; the needs of both the stakeholders and the social enterprise are aligned. (OECD, 2015, p. 14). Considering these challenges, explained in detail in the OECD report, Romania could save time and advance more rapidly and effectively the impact measurement in the social and solidarity economy sector.

4. Indicative guidelines proposed by the Ministry of Labor and Social Justice – the first initiative of social impact measurement framework in Romania

After adopting the Methodological Norms for applying the Law of the Social Economy by Government Decision no. 585, these indicative guidelines were elaborated on 10 August 2016. They represent the first official regulatory attempt to impact measurement. Unfortunately, given the specific context of the previous years when there was no support and public funding for the Romanian social economy, they were not largely promoted and used in practice by the social economy sector. Probably, they will be used for the first time by the social enterprises which are now created in the framework of the European Structural Funds grants financed under the Call Human Capital Operational Programme 2018 “Strengthening the capacity of social economy enterprises to operate in a self-sustaining manner - Support for the establishment of social enterprises.”

For a better understanding of the Romanian context and of the indicators presented below, we mention that according to Law no. 219 / 2015 on the Social Economy, a certificate of social enterprise recognizes the status of social enterprise in Romania. The certificate is granted to those social enterprises which meet the following criteria through the founding and functioning documents: a) acts for social purposes and/or in the general interest of the community; b) allocate at least 90% of the profit made to the social scope and the statutory reserve; c) undertake to transfer the assets remaining after the liquidation to one or more social enterprises; and d) apply the principle of social equity to employees, ensuring fair pay levels, between which there can be no differences exceeding the ratio of 1 to 8.

The guidelines differentiate between three categories of indicators: result indicators, immediate achievement/output indicators, and impact indicators.

The first two categories of indicators are, in fact, mainly addressed to work integration social enterprises (insertion social enterprises), which represent the most popular type of social enterprise in Romania, while the proposed impact indicator is appropriate for any type of social enterprise.

1. Results Indicators

According to the indicative guidelines, the outcome indicators measure the real benefit of immediate results on the target group. The purpose of the result indicators is to measure the accompanying stage's efficiency in the process of reintegration of people from the vulnerable group. Relevant for this category of indicators is the insertion rate (MLSJ, 2017):

$$\text{Insertion Rate} = \frac{NVGp}{NTVG} \times 100$$

NEVp = the number of employees in the vulnerable group representing positive outputs in the reporting year;

NTVG = the total number of employees in the vulnerable group in the reporting year;

Positive outputs = positive results of the application of the accompanying measures; they represent employment with another employer regardless of the type of employment contract, resumption of the education process for people who have not completed compulsory education, inclusion in the form of higher education, high school, post-high school or enrolment in the form of professional training of adults, carrying out a private activity.

2. Immediate achievement / Output Indicators

According to the indicative guidelines, the indicators of immediate achievement represent the way of measuring the effects, benefits, and immediate and direct benefits on the vulnerable group involved in work integration social enterprises' activity. The purpose of the indicators of immediate achievement is to measure the evolution of the average number of employees of the vulnerable group in social enterprises and in insertion social enterprises. The relevant indicators in this category are:

- 2.1. Percentage change in the total number of employees in social enterprises and insertion social enterprises in the reporting year compared to the previous year;
- 2.2. Percentage change in the total average number of employees in the vulnerable group in insertion social enterprises in the reporting year compared to the previous year.

In the case of insertion social enterprises, the evolution of the average number of employees in the vulnerable group is closely linked to the evolution of the average number of employees, given the provisions of Law no.219 / 2015 on the social economy, according to which the social insertion enterprises must have employees from the vulnerable group at least 30% of the total number of employees. This indicator allows monitoring the increase or decrease of the average number of employees in the vulnerable group in the insertion social enterprises compared to the previous year.

3. Impact Indicators

One of the principles of the social economy is the allocation of the largest share of profit / financial surplus to achieve the general interest objectives of communities or in the non-patrimonial personal interest of the members, which implies reinvestment of at least 90% of the profit made for social purposes and of the statutory reserve, according to Law no. 219 / 2015 on the social economy. According to the indicative guidelines, the impact indicators provide information on the overall long-term benefits of the measures taken. The relevant indicator in this category is the social return rate.

The social return indicator is a measure of the social enterprise's ability to obtain profit so that 90% of it covers the costs of economic and social activity of the social enterprise within one year. This indicator measures the social impact by reinvesting 90% of the total profit obtained in the year to be reported.

$$\text{Social Return Rate} = \frac{VR}{V} \times 100$$

VR = Value reinvested for social purposes;

V = Value of the percentage of 90% of the profit.

5. Case Studies – Social Impact Measurement in Romanian social services organizations and social enterprises

We have chosen to carry out our research on two active foundations in the social services field because social services represent an important part of Romania's social economy. For example, a report elaborated in 2013 entitled "Social services in Romania. The role of the social economy actors" (coordinated by Dima G.) demonstrated the very good positioning of the social services in the social economy sector. Funded primarily from international public and private sources, associations and foundations from the social field laid the foundations of the first social services provided in Romania in the fields, such as protecting the child's rights, persons with disabilities, or the elderly. The report mentioned above brought to the public attention the fact that from the 2703 accredited providers of public and private social services that were registered in 2011, 1385 of them (51% of the total accredited providers) were private providers (associations, foundations, religious organizations, authorized individuals). The report also showed that in the period 2000-2010, there was a doubling of the number of organizations accredited as suppliers of social services. This indicates a great and constant concern for the social field on the part of civil society, increasing the level of professionalization of service providers in the context of public policies relatively favorable to the development of the social services sector: Government Ordinance no. 68/2003 on services offering their recognition alongside public services.

Moreover, according to the law in force regarding social assistance in Romania (Law no.192/2011), the social economy is an active, inclusive measure for vulnerable people. If from the perspective of employment and labor market policies the main role of social economy expects to generate new jobs, especially for vulnerable people, as well as providing services in the field of vocational training and facilitating labor integration, from the perspective of social assistance, the social economy is expected to deliver social services to individuals and communities, especially in areas where neither the public or the private sector are able to meet increasing social needs, but also to contribute to the development of new social services (Rebeleanu, Popescu, 2016; Melinz, Pennetstorfer, Zierer, 2016).

In 2015, in Romania, the most important field of activity in which the non-governmental organizations are active was the social/charitable field. According to the Civil Society Development Foundation report 2017, 21% of the total number of NGOs activate in the social/charitable field, and 30% of the

total number of employees in NGOs belong to the social/charitable field (Kivu et al., 2017). The social component of the NGOs sector has emerged as a consequence of the public institutions' limitations to respond to the basic social needs of the most disadvantaged social groups: children, the elderly, or people with disabilities. NGOs' role is to act as subsidies or replace social services offered by public institutions (public social services), often insufficient or with low quality (Kivu et al., 2017: 11-26). This is why most of the social services in Romania are provided by the non-profit sector, as outlined above. NGOs have a key role in social innovation by targeting new social needs. Social innovation also mobilizes each beneficiary to become an active part of the innovation process (Rebeleanu, Demian, 2019). NGOs providing social services operate in a highly competitive environment, characterized by their target communities' ever-increasing.

The accreditation of social services provided by NGOs presents advantages at the level of serving local communities and at the level of diversification of financing sources for the non-governmental sector. For this reason, the main selection criteria used for the case studies was the organizations to be accredited as social services providers. European experience indicates that the associations and foundations play an important role in promoting an ecosystem in which social enterprises can thrive. In fact, it is facilitated an approach beyond the perspective of social work: reciprocity practices are activated, and both economic and social value is produced (offering jobs, adapting the work conditions to the needs of vulnerable people, and social workers can support integration into work by integrated social services). (Caritas Europa, 2018). In our case studies, both organizations prove that they can create and implement new ideas to deliver social value. They have a real contribution to increasing the quality of life and well-being of their beneficiaries and to increasing the local community's solidarity. Both developed creative solutions to ensure vulnerable people's social inclusion (unemployed persons, aging persons, disabled, children, etc.). Their solutions are based on the needs of local communities. Moreover, both created social enterprises in the framework of POSDRU projects co-financed by European Structural Funds to support their social mission better and diversify their sources of income by obtaining sustainable economic incomes.

CASE 1: Measuring the social impact of Heart of a Child Foundation
("Workshops with Soul" social enterprise)

Short description of the SE organization	<p>Heart of a Child Foundation (www.inimadecopil.ro) was established in December 1996. It serves the interests of a large number of children and young people, providing social and support services for children and families. By Government Decision 451/2016 the Foundation was recognized as a public utility organization.</p> <p>The Foundation gained many awards for its outstanding activity, such as 2016 - Civil Society Gala - 1st Prize for Improving access to education for children and preventing school and family abandonment for children in Galați County, 2015 - Civil Society Gala - 1st Prize in the section "Education and Research," for the project "A village, a child!", 2013 - Erste Foundation Awards - finalists in the Social integration category for the project: Early intervention center for children with disabilities in Galați, 2012 - Civil Society Gala - 1st Prize in the Social Assistance Services section for the project: Early Intervention Center for Children with Disabilities, etc.</p> <p>In 2015 the Foundation created a social enterprise "Workshops with Soul," which supports and offers jobs for people from vulnerable groups - people with disabilities, women at risk, the supporters of single-parent families, young people who have left the institutions. This social enterprise was created in the framework of the project POSDRU/173/6.1/S/148943 "ȘEȘ - Economic and Social Support for Vulnerable People", co-financed by European Social Fund.</p> <p>The social enterprise "Workshops with Soul" is currently organized as a section with separate financial management within the Heart of a Child Foundation.</p>
Objectives and main targets in measuring the social impact in SE organization	<p>Heart of a Child Foundation measures the social impact for the whole organization, including the social economy section ("Workshops with Soul").</p> <p>The objectives and main targets in impact measurement at the level of the social enterprise are:</p> <ul style="list-style-type: none"> - Maintaining the number of jobs in the social enterprise, and the percentage of 60% of employees from vulnerable groups in total employment; - At the same time, increasing the social enterprise's income to reach the break-even point, and subsequently, to obtain profit.
Current metrics used in measuring the social impact in the last 3 years (2017 – 2019)	<p>Quantitative indicators:</p> <ul style="list-style-type: none"> - The number of employees from vulnerable groups: 2019: 2, 2018: 6, 2017: 10 - Percentage of employees from vulnerable groups in the total number of employees: 2019: 62%, 2018: 75%, 2017: 67% - The total number of employees: 2019: 3, 2018: 8, 2017: 16 - The average number of employees/ month: 2019: 3, 2018: 5,41, 2017: 11,33 - Percentage of economic incomes in total expenses of the social enterprise: 2019: 65%, 2018: 38%, 2017: 77%

	<p>Note: In 2017, the social enterprise "Workshops with Soul" was still certified and functioned as UPA (protected workshop). In 2018 the legislation concerning UPA was changed in Romania, having a strong negative impact on the social enterprises certified as UPA. Only in this year (August 21, 2020), Law no. 193, amended and completed Law no. 448/2006 on the protection and promotion of the rights of persons with disabilities. Social enterprises of this type can benefit again from the facility from 2017 and before: companies and institutions that have over 50 employees can purchase products and services made by people with disabilities, within the authorized protected units, in the amount of 50% of the tax paid to the state budget.</p> <p>Qualitative indicators:</p> <ul style="list-style-type: none"> - Life stories (how working in "Workshops with Soul" social enterprise changed the life of the parents with disabilities) <p>Example of a life story:</p> <p><i>"I am 49 years old, and I have been in the Inimă de Copil (Heart of a Child) family for many years... 3 of my children were in the foundation's programs; they went to the Day Center where they received a hot meal daily, homework support, went to camps, to sea or in the mountains, at the beginning of each school year, they received school supplies, and for the holidays we were supported by food packages. Our life would have been much harder without the support of the foundation... I have a locomotor deficiency, and because of this, it was impossible for me to find a job.... At the foundation I was able to work while my children were at the Day Center, to integrate into an environment where there were other people with different disabilities. I received support in a good environment for me, a salary, and the chance to do something useful with my hands. The Heart of a Child Workshop is the place where I felt I meant something to society. I had and still need this job. Here I paint on the glass, model, sew, give life to the products that are then sold."</i></p> <p>Niculina J, a person with disabilities, an employee in the workshop.</p>
<p>Calculation of the indicators proposed in the Indicative Guidelines elaborated by the Ministry of Labor and Social Justice in 2017 (for the last 3 years: 2017 – 2019)</p>	<ol style="list-style-type: none"> 1. Results indicator: The Insertion Rate 2. Immediate achievement / Output Indicators <p>"Workshops with Soul" social enterprise is not accredited as a social insertion enterprise. Therefore, the above categories of indicators are not relevant.</p> <ol style="list-style-type: none"> 3. Impact indicator: Social Return Rate <p>"Workshops with Soul" social enterprise is not obtaining profit. Therefore, this indicator is not possible to be calculated.</p>
<p>Analyzing the relevance of the indicators proposed in the Indicative Guidelines elaborated by the Ministry of Labor and Social Justice in 2017</p>	<p>Strengths:</p> <ul style="list-style-type: none"> - The Indicative Guidelines represent a necessary starting point in impact measurement of social enterprises in Romania; - The insertion rate and the proposed immediate achievement/output Indicators are relevant indicators for social insertion enterprises.

	<p>Weaknesses:</p> <ul style="list-style-type: none"> - The Indicative Guidelines do not propose indicators to measure jobs for vulnerable people created by the social enterprises that are not accredited as social insertion enterprises; - Social Return Rate does not cover the situation in which social enterprises do not make a profit, but they are related to parent organizations and their social mission (the case of "Workshops with Soul" social enterprise, which, even if it is not profitable, it creates social impact, being closely linked with the Heart of a Child Foundation – for example, it employs vulnerable mothers of the children who are beneficiaries in the foundation programs). <p>How these indicators are helping the SE organization to perform better and to learn:</p> <ul style="list-style-type: none"> - The impact indicators help the social enterprise to see the extent to which they meet their social objectives and are also sustainable. <p>Practical challenges:</p> <ul style="list-style-type: none"> - Unfortunately, the proposed indicators do not cover the "Workshops with Soul" social enterprise. However, it is a social enterprise that creates a sound social impact, linked with the Heart of a Child Foundation. This Foundation gained many awards in Romania for its outstanding social activity.
Proposals for improvement of social impact indicators (at SE organization level, and related to the Foundation)	<ul style="list-style-type: none"> - Developing new impact indicators for the social enterprises which are not accredited as social insertion enterprises; - Also, considering qualitative indicators, in addition to quantitative indicators, would have been beneficial.
Concluding remarks from the interview with SE organization Manager	<p><i>"For Heart of a Child Foundation, it is important to develop the social economy section because it can be associated with the social programs of the Foundation. An impact indicator of success refers to the number of jobs created by a social enterprise and the percentage of jobs for vulnerable people in total jobs. Regardless of whether the respective social enterprise is accredited as an insertion social enterprise or not. Also, the long-term maintenance of these jobs reflects the success of the social enterprise and the fact that it creates a social impact in the community".</i></p> <p>From the interview with dr. Anna Burtea, Executive Director of the Heart of Child Foundation</p>

CASE 2: Measuring the social impact of **Charitable Foundation Sf. Daniel**

Short description of the SE organization	<p>The Charitable Foundation of ST. DANIEL from Turda is a private NGO founded in 1996 to raise charity and self-help values between people, protect and help minors deprived of parental care, and give nursing. During its 23 years of activity, it has been involved in community development by implementing and supporting more than 39 transnational projects in social protection that contributed to improving the living conditions of vulnerable people, stimulating partnerships and participatory practices between local actors. It offered alternatives to the classic institutionalization by opening a residential center of family-type houses for children and a residential center for elderly people. Also, the foundation provides organizational consultancy to NGOs carrying out activities in the social field.</p> <p>The services offered by St. Daniel Foundation are social services (specialized assistance for children, elderly people, vulnerable families), employment services (professional counseling and vocational guidance, mediation on the labour market, training and apprenticeship), entrepreneurship services (sustainable support for the process of setting up a business from idea to reality) and educational services (parents workshops, alternative programs to formal education, school counseling, summer holidays, excursions and thematic camps).</p> <p>Within the project "SES – Equal safe chance for your social inclusion", a project co-financed from the European Social Fund through the Sectorial Operational Program for Human Resources Development 2007 - 2013, priority axis 6 "Promoting Social Inclusion", the major area of intervention 6.1. "Social Economy Development", there were established 8 social economy structures, 5 structures in the rural area and 3 in the urban area (2 after schools, 3 construction works, 3 home care for elderly people). There were created 32 jobs, 24 for vulnerable people (people with disabilities, Roma people, and supporters of single-parents families and of families with more than 2 children). The social enterprises created have separate financial management, and only one of them (Kinder SES, after school) is organized as a separate section within the Foundation.</p> <p>In 2019, the foundation started a new project focused on creating new social enterprises: POCU/449/4/16/127307 – "Social Businesses in a Solidarity Society", in partnership with the Center Solidarity Business from Bucharest. This project aims to develop social entrepreneurial skills for a minimum of 105 people and to create 21 social enterprises.</p>
Objectives and main targets in measuring the social impact in SE organization	<p>Charitable Foundation Sf. Daniel measures the social impact for the whole organization, including the social economy enterprises.</p> <p>The objectives and main targets in impact measurement at the level of foundation are:</p> <ul style="list-style-type: none"> - To support financially the social services provided and to create new opportunities for employability and development of new social services in the community; <p>Note: For achieving the above objective, the foundation constantly accesses new funding. For example, since 2018, the foundation is involved in two projects, financed by the Operational Program for Human Capital, priority axis Social Inclusion and Combating Poverty, the major area of intervention Decreasing the number of marginalised communities, for one of them as the main applicant: „Turda – Community development by promoting active social inclusion”</p>

	<p>(POCU/140/4/2/113953) and „Rodna, integrated measures for a solidarity community” (POCU/141/4/1/115056). By both projects, the foundation offers social services, but at the same time, it provides counseling, mentoring, and supervision, as well as 49 grants for those people from the two marginalised communities who want to develop their own business.</p> <ul style="list-style-type: none"> - To maintain the complementary services offered by the day center to children from poor families, to prevent the early school leaving; - To maintain the services offered by their social enterprises; - To maintain the jobs created for vulnerable people; - To create new social enterprises in the community at poverty risk and social exclusion.
<p>Current metrics used in measuring the social impact in the last 3 years (2017 – 2019)</p>	<p>Charitable Foundation St. Daniel is not accredited as a social enterprise, but many employees are from vulnerable groups.</p> <p>Quantitative indicators:</p> <ul style="list-style-type: none"> - The number of employees from vulnerable groups: 2019: 5, 2018: 5, 2017: 4 - Percentage of employees from vulnerable groups in the total number of employees: 2019: 20%, 2018: 20.83%, 2017: 54.17% - The total number of employees: 2019: 25, 2018: 24, 2017: 7 <p>Because the foundation is working by projects, <i>the current metrics used in measuring the social impact are represented by the indicators required by the financiers.</i></p> <p>For example, for the project POCU No.140/4.2 (priority axis Social Inclusion and Combating Poverty, the major area of intervention Decreasing the number of marginalised communities (non-Roma) at poverty risk and social exclusion by implementing integrated measures, co-financed by European Social Funds), quantitative indicators used are:</p> <ul style="list-style-type: none"> - marginalised communities at risk of poverty and social exclusion that benefited by support: 1 - services for the marginalised community: 4 (3 social services, 1 medical-social service) - people at poverty risk and social exclusion from marginalised community who benefited from the integrated services (Roma people): 90 - people at poverty risk and social exclusion from marginalised community who acquired a professional qualification at the end of the participant quality: 255 - children who benefited from educational and social services: 350 <p>Qualitative indicators:</p> <p>The Foundation uses social impact indicators recommended by the national standards for social services:</p> <ul style="list-style-type: none"> - satisfaction of beneficiaries - changes occurred after the suggestion of beneficiaries or their parents, etc. <p>Note: According to the national standards for social services accreditation, it is recommended to measure efficiency, efficacy, satisfaction, and social impact. For each dimension, several qualitative indicators are stipulated. (EC, SRSS, 2017).</p>

Calculation of the indicators proposed in the Indicative Guidelines elaborated by the Ministry of Labor and Social Justice in 2017 (for the last 3 years: 2017 – 2019)	<p>1. Results indicator: The Insertion Rate</p> <p>2. Immediate achievement / Output Indicators</p> <p>The social enterprises of the foundation are not accredited as social insertion enterprises. Therefore, the above categories of indicators are not relevant.</p> <p>3. Impact indicator: Social Return Rate</p> <p>The social enterprises of the foundation are not obtaining profit. Therefore, this indicator is not possible to be calculated.</p>
Analyzing the relevance of the indicators proposed in the Indicative Guidelines elaborated by the Ministry of Labor and Social Justice in 2017	<p>Strengths:</p> <ul style="list-style-type: none"> - The indicative guidelines represent a starting point in the measurement impact of SE in Romania. The insertion rate and the outputs indicators are relevant for social insertion enterprises. <p>Weaknesses:</p> <ul style="list-style-type: none"> - Many of the indicators proposed in the ministerial framework are not useful if the social enterprises are not accredited as social insertion enterprises. - The indicators proposed by the indicative guidelines could create stereotypes considered universally valid, not taking into account other indicators such as standards of living, raising the quality of life, changing the occupational status, or developing social services in the community. - The Social Return Rate does not cover the situation in which social enterprises do not make a profit. Still, they are closely linked by the parent organization and their social mission, fulfilling the mission for what they were created, by involving voluntary human resources with expertise, by employing and offering training to people from the vulnerable group, by developing effective media campaigns on the issue of vulnerable people, or by working for developing integrated general services at the community level. <p>How these indicators are helping the SE organization to perform better and to learn:</p> <ul style="list-style-type: none"> - They are useful to see which social objectives are sustainable and cover the community's needs. <p>Practical challenges:</p> <ul style="list-style-type: none"> - The social impact created by foundation and its social enterprises is not possible to be limited only to the indicators proposed by the indicative guidelines. The measurement and evaluation made through these indicators imply only the objective dimension of the social process. The subjective components are missing (e.g., the data regarding the satisfaction and aspiration of the people).
Proposals for improvement of social impact indicators (at SE organization level, and related to the Foundation)	<ul style="list-style-type: none"> - Developing new impact indicators for social enterprises that are not accredited as social insertion enterprises. - If the social economy organizations are accredited as social services providers, they already must accomplish the social impact indicators requested by formal national standards proposed by

	<p>the Ministry of Labor and Social Justice, according to the type of services and beneficiaries.</p> <ul style="list-style-type: none"> - The quality of life indicators should also be considered (mainly qualitative indicators). - It could be useful to consider other variables which could have an impact on the level of profit obtained by a social economy organization (e.g., the level of education of the vulnerable/disadvantaged employees, the minimum income / the level of income in a community, the unemployment rate in a community, etc.). It is not enough to consider only the level of expenses and incomes of a social enterprise.
Concluding remarks from the interview with SE organization Manager	<p><i>“The function of integrating disadvantaged workers (often excluded from the free labor market, with low productivity due to complex factors) is the most important feature of action and innovation of the social enterprises. Social enterprises contribute to creating jobs for vulnerable groups and generate jobs in social, educational, and occupational fields. This means social inclusion... and, surely, social impact. These are only a few arguments for which the Charitable Foundation St. Daniel is concerned. This is why the foundation promotes by its projects the development of social enterprises – as tools of accessing to economic and social welfare, community development, and last but not least, the quality of life”.</i></p> <p>From the interview with Daniela Constatinescu, Executive Director of the Charitable Foundation St. Daniel</p>

6. Conclusions and recommendations

The indicative guidelines of the Ministry of Labor and Social Justice propose result indicators and immediate achievement/output indicators, which are mainly addressed to work integration social enterprises (insertion social enterprises). WISEs are the most popular type of social enterprise in Romania, but there is an inequality in approach to the detriment of other types of social enterprises, which in turn, create a significant social impact. The social return indicator, which measures the social enterprise’s ability to obtain profit so that 90% of it covers the costs of economic and social activity of the social enterprise within one year, is undoubtedly an impact indicator relevant for all types of social enterprises. However, as in the above case studies, in Romania, many NGOs established social enterprises to support their social mission better and diversify their sources of income. Sometimes, these social enterprises work at the level of break-even point or even below this level, their income being supplemented from other sources (grants, sponsorships, donations, etc.). In such cases,

the social return rate indicator cannot be calculated; however, this does not mean that their social enterprises do not create social impact.

Therefore, after reviewing the various international approaches of impact measuring, testing the impact indicators proposed by the Ministry of Labor and Social Justice, and having in-depth interviews with the managers of social enterprises in the above two case studies, we conclude with a set of points of reflection and recommendations for the development of a more effective impact measurement framework, calibrated on the realities of an emergent social economy sector, like Romania.

Impact measurement standard used by the European Venture Philanthropy Association (endorsed by the European Commission as the EU-wide best practice standard of impact measurement) could be a very good starting point in order to clearly understanding the steps and the value chain of social impact measurement in Romania. The five steps of social impact measurement are presented in sequential order (EVPA, 2015, p. 16): setting objectives; analysing stakeholders; measuring results; verifying and valuing impact; monitoring and reporting. The impact value chain proposed by EVPA clearly sets out the differences between inputs, outputs, outcomes, and impacts. The value chain has the following sequential order: inputs (resources invested in the activities); activities; outputs (tangible products from the activities); outcomes (changes resulting from the activities); impact (outcomes adjusted for what would have happened anyway, actions of others and for unintended consequences). We recommend starting with this approach because we have seen when discussing and working with the social economy practitioners that the difference between results, outcomes, and impact is not very well understood and outlined in their internal indicators and reports. At the same time, the Romanian training providers should design and deliver Social Impact Measurement and Management courses for social economy organisations. This is a niche market currently not covered in Romania. Moreover, academic courses on Social Impact Measurement topic should be included in the Master programmes related to the social and solidarity economy. Transversal subjects concerning social impact could also be debated in the academic disciplines for NGOs.

Also, we consider that developing a reporting process through social accounts could be possible and useful for any type and scale of social economy organization. A Social Accounting and Audit methodology would be a useful framework that can help Romanian social economy organizations prove, improve, and account for their difference. Developing and reporting through social accounts would better help them plan and manage their activities and

demonstrate their achievements. As outlined in the OECD report (2015), a social account helps a social enterprise understand its impact on people, resources, and the planet. It also helps manage the organisation and improve its effectiveness.

Concerning the Indicative Guidelines elaborated by the Ministry of Labor and Social Justice in 2017, we think that they should be enriched with a theoretical introductory part, or at least with a glossary, clearly defining the concept of social impact and differentiating between outputs – outcomes – impact. Again, we recommend the EVPA "Practical guide to measuring and managing impact" to be used. But also, some other definitions from countries with sound experience in the social economy sector could be consulted, such as the definition of the Superior Council of the Social and Solidarity Economy of France from 2011, which proposed a broad definition of the social impact, understood as "the whole consequences [...] of the activities of an organization both on its direct and indirect stakeholders from its territory, and internal [...] on the organization in general"(quoted from Besançon, Chochoy, 2019, p. 43). On the other hand, starting by establishing a set of indicative criteria and objectives for the evaluation, as well as principles of actions per three distinct dimensions (organizational, institutional, and in relation to the state and the market), would make things much easier to be understood by the social economy practitioners. We recommend as a model a theoretical framework proposed since 2001 by Bouchard, Bourque, Lévesque and Desjardins in *Cahiers de recherche sociologique* (Département de sociologie - Université du Québec à Montréal). Apart from those indicators proposed in the Indicative Guidelines elaborated by the Ministry of Labor and Social Justice in 2017, developing new impact indicators for the social enterprises which are not accredited as social insertion enterprises would have been necessary. As we have mentioned in the paper, this ministerial framework's focus is put on the social insertion enterprise model, which is indeed the most popular model of social enterprise in Romania. However, this approach should be enlarged to be applicable in other social enterprise types, for example, by including environmental objectives in impact definition. Romania should rapidly open the way to new types of social enterprises (e.g., renewable energy cooperatives, sustainable social housing, social enterprises activating in the circular economy, etc.), which are at the heart of the green and just transition, contributing to The European Green Deal. On the other hand, we consider that a cost-benefit analysis could be added to the indicators for WISEs proposed by the Ministry of Labor and Social Justice in 2017. The EURICSE metric used for the WISEs in the Trento region, Italy, is a good practice example that could be adapted and used in Romania for social insertion enterprises. More precisely, for measuring the social impact of 10 WISEs in

the Trento region, Italy, EURICSE used a metric combining cost-benefit analysis and well-being indexes to evaluate the work-integration process's efficiency. This metric compares different public policies supporting WISEs and performs a cost-benefit analysis in two parts: cost and benefits at organisational level, and cost and benefits for each disadvantaged person employed. It then studies the outcomes of the integration process, especially employment opportunities achieved after training in WISEs, and the questionnaires' results on the disadvantaged workers' well-being. (OECD, 2015, p. 8)

Referring to the field of social services approached in the case studies, we mention that in order to measure their social impact, the social enterprises accredited as social services providers need to take into account the qualitative indicators recommended by the national standards for each type of services (e.g., 26 indicators for social impact recommended for the sheltered houses, 48 for the satisfaction of beneficiaries, and 39 indicators recommended for the efficiency and efficacy of social services). On the other hand, if the organizations are developing projects under different grant programmes, the financiers also establish or even impose social impact measurement indicators. Based on both case studies' experience, although the organisations have a constant and real interest in measurement social impact, it could be an expensive activity, especially for the small social economy organizations that provide social services. Also, it is difficult to have too many templates for social impact measurement. Therefore, a general social impact measurement guide covering the whole diversity of social enterprises would be necessary. This guide should be based on a mixed approach entailing qualitative and quantitative methods. Relevant qualitative impact indicators should also be used in addition to the social return rate indicator proposed in the ministerial framework to capture better the positive social change created by social enterprises (even in the case they do not obtain high profits, as highlighted in our case studies).

We believe that a knowledge transfer regarding the system for measuring and reporting the social impact from European countries with sound experience in the social and solidarity economy would be beneficial for Romania in this emerging stage of social impact measurement development. For example, even if no coherent approach yet exists in France, there is awareness among public stakeholders and network organisations that the development of such a system is essential (Petrella, Richez-Battesti, 2020). Since 1996, le Bilan Sociétal, the tool (procedure) taking into account other than financial metrics in the evaluation process, has been developed by the Centre des Jeunes, des Dirigeants, des Acteurs, de l'Économie Sociale (CJDES). It is suitable for social economy enterprises as well as for classical for-profit enterprises. This Bilan Sociétal resembles an audit procedure and involves specific qualitative analysis based

largely on a designed questionnaire. The completed audit may serve as a starting point for improvement actions. (Petrella, Richez-Battesti, 2020, p. 37). Concerning the point outlined in the above recommendation (including environmental objectives in impact definition and consequently in impact measurement), the Bilan Sociétal could be a best practice example for Romania, because it has the objective to evaluate three dimensions of an enterprise (economic performance, social efficiency, but also impact on the environment). Information about Bilan Sociétal (objective, content, the methodology based on the principle of cross-evaluation) could be consulted on CJDES website. We recommend that other resources about France's experience on the topic should be consulted, e.g., a methodological guide: *Évaluer l'utilité sociale. Guide méthodologique pour les entreprises de l'économie sociale et solidaire*, version abrégée – mars 2018, ICP, UCLA.

Finally, we want to draw attention that is imperative the Romanian social economy actors should take a stand, discussing the Ministry of Labor and Social Justice's indicative guidelines with the ministerial representatives. Our empiric research based on the two case studies has revealed that the managers of the social enterprises interviewed consulted these guidelines for the first time on the case studies' occasion, even if the guidelines are available online on the website. Even if this ministerial framework is indicative and not mandatory for the social economy sector, the social economy actors' strong implication in this process would be highly beneficial. Impact measurement must enable the social economy to respond to the needs of the communities. A very good example of such a position is the recent Montreal Declaration on Evaluation and Social Impact Measurement (2019). The social economy actors, funders, and researchers have taken an effective stand concerning various issues, visions, and opportunities related to social impact measurement and evaluation. They considered the methodological challenges, the evaluative approaches' trends, and the risks of these trends. The Montreal Declaration on Evaluation and Social Impact Measurement (2019) can be consulted online on the website of Territoires innovants en économie sociale et solidaire (TIESS).

We conclude by stating that our research represents a first exploratory attempt to investigate the social impact measurement in Romania. As it was recently outlined by UNRISD (2018), measuring the impact of the social and solidarity economy is a challenge. It requires a joint effort from academics, researchers, civil society, SSE actors, and policymakers to improve existing measurement tools and envisage new ones. Such collective action is all the more necessary in Romania, considering the additional challenges of an emergent social economy, where conceptual overlapping is still existing, and the social economy actors are not provided with resources and training to strengthen

their capacity to conduct effective impact assessments in their organizations. Therefore, our research findings pave the way for further joint effort research directions such as adopting a national social impact definition adequate for a multidimensional concept (economic, social, and environmental), developing a logical and robust framework approach at the national level, and improving the existing ministerial indicative framework for succeeding to better capture the heterogeneity of SSE.

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