



RO1 National report on the state of the art on innovative models of community enterprise development - Romania

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Fundatia Alaturi de Voi Romania

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ComEnt ROMANIA Report

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1. INTRODUCTION

The ComEnt project defines a community enterprise as an organisation owned and managed by the community, whose mission and vision are centered on serving individuals from a defined geographical area (predominantly disadvantaged locations) and / or communities of interest (predominantly marginalised groups in society). This makes community enterprises a distinct group within the wider social enterprise sector, not only trading for social purposes but reinvesting any profits in ways that provide benefits to a particular community.



2. CONTEXT

During the workshop held in Thurles, Ireland on 5th May, we discovered that the term “Community Enterprise ” is not very common in Europe.

Romanian social enterprises have deep roots in associative, mutual and cooperative traditions. Its evolution has been influenced by the political, economic and social context within Romanian society.

Associations and foundations have acted as the most important policy entrepreneur, pushing the social enterprise issue on the government agenda. Conversely, the contribution of the cooperative sector in the development of the social enterprise concept and reformed policy framework has remained limited.

The recent evolution of the social enterprise concept and practice in Romania very much ties in with new developments of the concept of social economy. From here, some confusions and blockages

emerge when defining and promoting new legislation that recognises social enterprises as organisations with distinct characteristics and a well-understood social role within Romanian society.

As in other countries in Central and Eastern Europe, the systemic political changes that occurred after 1989 have contributed to the rebirth of associations and other non-profit organisations (NPOs). The history of these organisations is deeply connected with the main political, economic and social evolutions within Romanian society.

So actually in Romania there is no specific legislative framework for community enterprises, but for a few years now, everything revolves around the concept of social economy. The social economy is the sector that combines economic performance with social impact. In this sector we find business friendly to man, environment and Community.

Principles of social economy:

- priority given to the individual and social objectives over the increase of profit;
- solidarity and collective responsibility;
- convergence between the interests of associate members and the general interest and/or the interests of a community;
- democratic control of the members, exercised over the activities carried out;
- voluntary and free character of association in the forms of organization specific to the field of social economy;
- distinct legal personality, management autonomy and independence from public authorities;
- allocation of the largest part of the profit/financial surplus to achieve the general interest objectives of a community or to the non-patrimonial personal interest of members.

Objectives of the social economy:

- strengthening economic and social cohesion;
- employment;
- development of social services.

Types of activities in the social economy

- the production of goods, the provision of services and/or the execution of works that contribute to the welfare of the community or its members;
- promoting, as a priority, activities that may generate or provide employment for persons belonging to the vulnerable group;
- development of training programs dedicated to people in the vulnerable group;
- developing social services to increase the employability of people in the vulnerable group.

What should have been the term: "Community Enterprises", in Romania is viewed from a different angle. Many community organisations are registered as social enterprises: community enterprises, housing co-operatives and community interest companies with asset locks, community centres, pubs and shops,

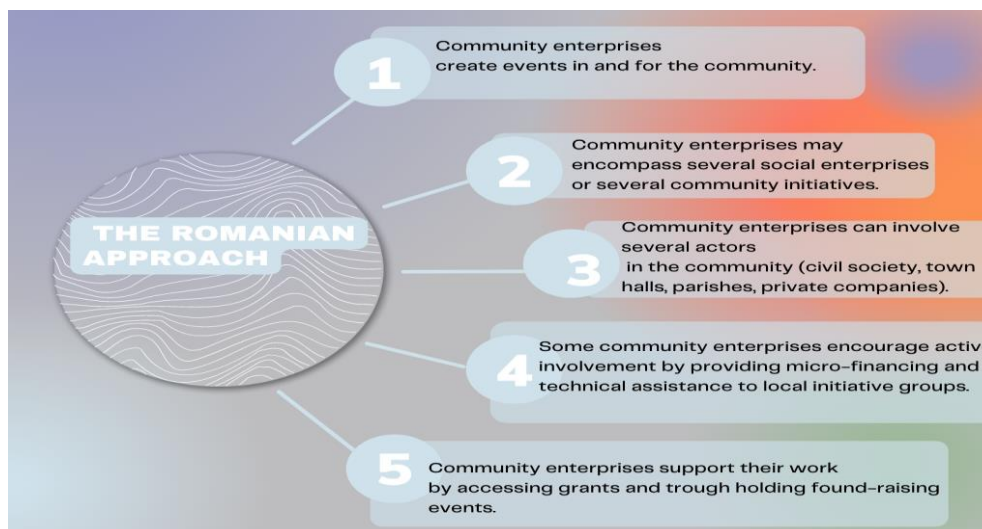
associations, housing associations and football clubs. They all act to invest profits back into the community

What is a Social Enterprise?

Social enterprise is any legal entity governed by private law that carries out activities in the field of social economy, which holds a certificate of social enterprise and respects the principles of social economy. The social enterprise certificate shall be granted to those social enterprises which comply with the following criteria:

- act for social and/or community interest;
- allocate at least 90% of the profit achieved to the social purpose and statutory reserve;
- undertakes to transmit the assets remaining after liquidation to one or more social enterprises;
- it applies the principle of social equity toward employees, ensuring fair levels of pay, among which there can be no differences exceeding the ratio of 1 to 8.

Social enterprises come in different shapes and colors. One type of social enterprises are the community enterprises- enterprises owned by and operated for the benefit of the community.



Social enterprises have both business and social goals and can be more sustainable than a community organization that can rely only on grant money, donations or federal programs. They do not depend on philanthropy and can sustain themselves over the long term. Their models can be expanded or replicated in other communities to generate greater impact.

As for the differences and similarities between community enterprises and social enterprises, we can see above that they are very similar if we are to emphasize their main role – that of having social impact. In conclusion, defining a community enterprise in Romania is not an easy thing due to the fact that there are many terms used to define organizations that are part of the social sector, but, from the research we conducted, we have deduced that community enterprises can be identified as part of a subcategory

of social enterprise because they are registered as social enterprises: community enterprises, housing co-operatives and Community interest companies with asset locks, Community centers, pubs and shops, associations, housing associations and football clubs.

3. KEY FINDINGS

a. Community enterprise in practice

In Romania, social enterprises are currently in an incipient stage of development. A combination of governance-related elements currently hinders the prospective growth of social enterprises; these elements include for example the limited capacity of administrations to understand the potential role of social enterprises, and the lack of (central or local) policies designed to facilitate citizens' access to goods and services produced by social enterprises. The main public support schemes for social enterprises stem from European funding. Certain financial instruments remain unavailable to social enterprises and the recently adopted procurement legislation impacting the area of general interest services has yet to be fully implemented. Also, the nascent social enterprise networks and coalitions have not yet fully advocated or promoted the concept and how the general public may benefit from them.

Social entrepreneurship represents the third economic sector, between public and private sector, having its own dynamics. The economical activity is reinvested in social programs and the welfare of the community.

The main characteristics of the sector are:

- The entrepreneurship – having an economic activity
- Social dimension – an explicit and primary goal
- Government dimension – limited distribution of profit and goods

The impact of social economy:

- The social enterprises produce economical and social impact
- The work integration social enterprises create jobs for people from vulnerable groups and have a strong pedagogical dimension.
- The social enterprises are a useful tool in combating poverty and reducing social inequality.

In accordance with the Social Economy Law from Romania, published in 2015, social enterprises are those entities of social economy that fulfill their social purpose through continuous activities of production of goods, execution of works and provision of services, insurance and financing:

- act for social purposes and/or in the general interest of the community;

- allocate at least 90% of the profit achieved to the social purpose and statutory reserve;
- undertakes to transmit the assets remaining after liquidation to one or more social enterprises;
- apply the principle of social equity toward employees, ensuring fair levels of pay, between which there can be no differences that exceed the ratio of 1 to 8.

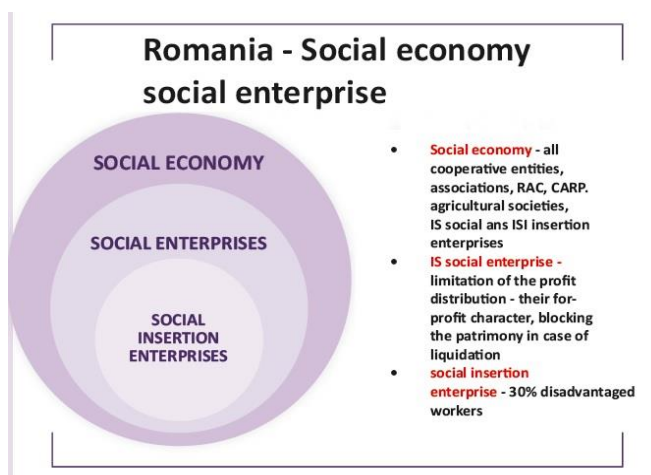
The work integration social enterprise is the social enterprise which:

- have permanently at least 30% of the employed staff belonging to the vulnerable group, so that the cumulative working time of these employees represents at least 30% of the total working time of all employees;
- aims to fight exclusion, discrimination and unemployment through the socio-professional insertion of disadvantaged persons. Social insertion enterprises can create for people in the vulnerable group both indefinite employment within the social insertion enterprise and fixed-term employment aimed at preparing for the sustainable and full reintegration of the vulnerable group into the labor market;
- allocate at least 90% of the value of the realized profit to the social purpose or reinvestment for the development of the work integration social enterprise.

b. The actors of social economy

The following categories of legal entities may be social enterprises, including the protected units set up by them.

- cooperative societies;
- agricultural cooperatives;
- credit cooperatives;
- associations and foundations;
- mutual aid houses of employees;
- retirement mutual aid houses;
- any other categories of legal entities that cumulatively meet the principles of social economy and cumulatively fulfill objectives of the social economy.



c. Dynamics of social economy entities in Romania and their main sectors of activity

(We will use the data from the National Institute of Statistics from the demography of enterprises for *private administration organizations* and INS and Eurostat data for *the category of enterprises with legal forms other than companies and authorized natural persons* – respectively: **partnerships**,

cooperatives, and associations, using this category as a proxy for the category of social economy enterprise, in the absence of other data.)

The number of social economy organizations is increasing year by year, especially through the registration of a large number of associations and foundations.

d. Associations and foundations

The associations and foundations constitute the largest segment of the social economy in Romania, both in terms of numbers (89,7% of the organizations were active in 2009), this sector being the most important, both in terms of income, fixed assets or employees.

According to the INS, the category of **organizations of private administration** includes non-profit, nongovernmental organizations, represented by associations and foundations, trade unions, political parties, organizations of religious denominations established under Government Ordinance no. 26/2000, Law no.62/2011, Law no. 14/2003 and Law no. 489/2006. In 2020 there were 210,400 such units, with an average number of employees of 163,620. Of these, 172,880 were non-governmental organizations.

e. Mutual aid houses, credit cooperatives

The Mutual Aid House is a non-banking financial institution, without patrimonial purpose, organized for the support and financial assistance of the associated members. According to the definitions used at European level, the entities of Mutual Aid Houses type fall within the scope of mutual financial support, their role being to prevent financial exclusion. Financial exclusion refers to “the process by which people encounter difficulties in accessing and/or using those services and financial products

of the dominant market that correspond to their needs and enable them to lead a normal social life in their society” (Réseau Financement Alternatif, p.9). In Romania, Mutual Aid Houses operate under two distinct laws: one for employees and another for pensioners, namely Law no. 122/1996 on the legal regime of mutual aid houses for employees and their unions, republished in the Official Gazette 261 of 22.04.2009, and Law no. 540/2002 on mutual aid houses for pensioners.

On 29.04.2022 there were 2506 active entities of Mutual Aid Houses in the Registry for evidence of the National Bank of Romania. The National Union of Mutual Aid Houses for employees in Romania (U.N.C.A.R.S.R.) is the authorized national organization responsible for maintaining and developing the solid and safe system of mutual aid houses for employees – non-banking financial institutions. U.N.C.A.R.S.R. has 38 affiliated territorial unions, which included 1146 mutual aid houses for employees – non-banking financial institutions on June 30, 2020.

f. Factors which promote Community Owned Enterprise

As it was mentioned throughout this material, but also from the conclusions we found after discussions with the social enterprises that we chose as case studies, in Romania discussions about social economy

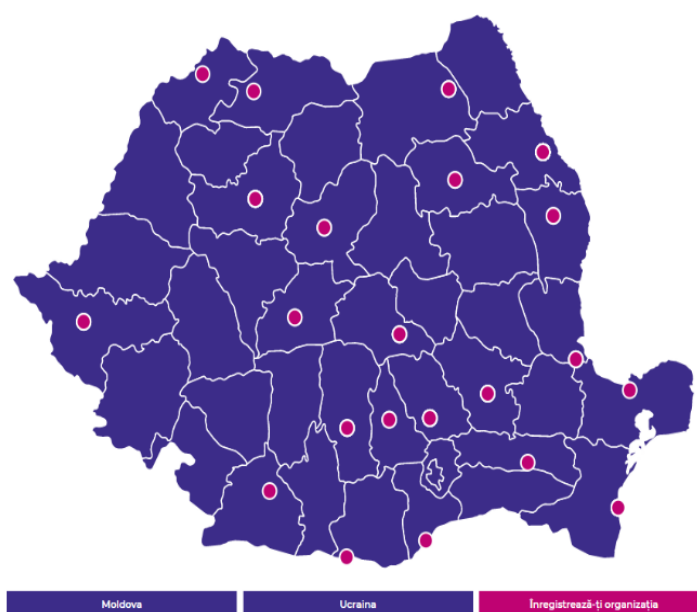
are relatively recent, being stimulated by the promotion measures included in the projects financed by the European Social Fund, especially through the Operational Sectoral Program Human Resources Development 2007-2013.

At the same time, there are several main factors that really support social enterprises. In addition to the funding and grants that turned out to be a very important element for the sustainability of social enterprises, it has been noted that in Romania many of the factors are based on the active involvement which is achieved through every citizen and through the effort of all to strengthen the activities of social enterprises.

Another factor that helps the development of social enterprises is the involvement of stakeholders. In order for social enterprises to perform economically, it is essential to develop a business that creates responses for the actual societal need. In our view, a close relationship between the social enterprise and its stakeholders is great for effective development of the social business itself because stakeholders can help in making certain decisions that will eventually lead to better management and efficiency of activities, also their ideas and their involvement can help to increase the quality of products and services offered.

A close relationship between the social enterprise and its stakeholders can also lead to the establishment of strategic partnerships with other enterprises in the ecosystem. In Romania, ADV (Close to You Foundation) created the map of social enterprises which is the first digital platform with economic operators of social impact in Romania, the Republic of Moldova and Ukraine. The main objective of this platform is to promote socially responsible procurement.

Map of social enterprises in Romania



In Romania, you can help support employees from vulnerable social groups by simply purchasing products and services made by them within social enterprises. In addition to the guaranteed quality of the products and services offered by these types of companies, if interested persons choose to make socially responsible purchases, they can bring a positive social impact and support the development of communities. In addition, companies in Romania, with over 50 employees and who do not have 4% disabled persons employed, can purchase products and services from social enterprises with the status of authorized protected unit and can settle the costs of the purchases from the disability tax paid to the state budget.

4. Barriers

Romania is facing financial exclusion. According to a World Bank analysis, this is the result of a small (and declining) network of bank branches, especially in rural areas.

Although the recent law introducing the zero tax represents about 50% of the population and can increase inclusion, it can also have negative effects, such as higher interest rates and fees for other customers or the acceleration of the withdrawal of banks from rural areas. The improvement of the financial inclusion requires broader solutions, measures to support credit cooperatives and mutual aid houses, to expand and provide more financial services, while strengthening their supervision. Incentives are also needed to accelerate the expansion of digital financing solutions and the promotion of financial inclusion and literacy, as well as effective consumer protection mechanisms.

Financial services can help stimulate development. They help people to get out of poverty by facilitating the investments in health, education and business, and facilitate the management of financial emergencies, such as job losses or crop failure, which can push families into poverty. Many poor people do not have access to financial services such as bank accounts and digital payments that can perform these functions. Instead, they rely on cash, which can be unreliable and difficult to manage. The World Bank has made it a key priority to promote financial inclusion — access to and use of formal financial services.

The support of the state for social enterprises is extremely low. As for 2022, only 102 of the 2,596 certified social enterprises, i.e. 0,079% receive any form of support, most of them receiving support in promoting the products. Thus, none of the social insertion enterprises benefits, for example, from measures to subsidize jobs for employers, when they employ workers even from disadvantaged groups.

5. Policy Considerations

In Romania, the social economy is regulated by Law no. 219/2015 and represents the whole of the activities organized independently of the public sector, the purpose of which is to serve the general interest, the interests of a collectivity and / or the personal non-patrimonial interests, by increasing the degree of occupancy of the persons belonging to the vulnerable group and / or the production and supply of goods, provision of services and/or execution of works.

The Law 219/2015 on the Social Economy came into effect in 2015 as a “recognition law”: it specifies the criteria that diverse types of organisations shall fulfill in order to qualify as social enterprises, such

as: priority given to social objectives, allocation of the largest share of its profits to sustain the social aim and the statutory reserve, democratic governance. The Law also introduces a new type of social enterprise: the social insertion enterprise, which aims to combat exclusion, discrimination and unemployment through the socio-professional integration of disadvantaged people and employs at least 30% of workers from vulnerable groups. The Law on the Social Economy does not provide advantages for social enterprises.

Table 1: Framework legislation for legal entities which are part of the social economy

Entities of the social economy – legal forms	Specific legislation
Cooperative societies with sub-types of cooperatives with specific legislation	Law no. 1/2005 on the organization and functioning of the cooperation, republished
Credit-cooperatives	Government Emergency Ordinance no. 99/2006 on credit institutions and capital adequacy, approved with amendments and completions by Law no. 227/2007
Agricultural cooperatives	Law on agricultural cooperative no. 566/2004
Agricultural societies	Law no. 36/1991 on agricultural societies and other forms of association in agriculture
Associations and foundations - NGOs with sub-types	Government Ordinance no. 26/2000 on associations and foundations, approved with amendments and completions by Law no. 246/2005
Mutual aid houses for employees;	Law no. 122/1996 on the legal regime of mutual aid houses for the employees and their unions
Mutual aid houses for pensioners	Law no. 540/2002 on mutual aid houses for pensioners
Owners' associations	Law no. 230/2007 on the establishment, organization and functioning of owners' associations
Communities and community-property states	Art. 95 Associative forms of forest owners Forest Law no. 46/ 2008
Other non-profit organizations (associations and foundations) with economic activity	Government Ordinance no. 26/2000 on associations and foundations, approved with amendments and completions by Law no. 246/2005
Companies certified as social enterprises	Law 219/2015 on social economy, Law 31/1990 of companies

(from Social Economy Barometer in Romania – Annual research report of the social economy in Romania 2022, ADV)

In Romania four types of de facto social enterprises fulfil the EU operational definition:

- associations and foundations that carry out economic activities and pursue general interest aims;
- WISE-type enterprises, including two models—sheltered workshops and social insertion enterprises;
- mutual aid associations of retirees (RMAA);
- cooperatives pursuing general interest goals.

Associations and foundations appear as the most dynamic actors in the field of social enterprise development, and they have created innovative projects. In order to address social issues, associations and foundations can engage in economic activities either directly or by developing a separate commercial company.

Examples of economic activities include the delivery of services to the general public (social services, care giving, education, environment protection, labour market services, culture, sport, tourism, fair trade, accounting, archiving, printing, etc.) and even the production of goods (food, jewellerys, toys, textiles, decoration, etc.). Surplus has to be used in line with statutory purposes. Only associations and foundations engaged in economic activity and which serve the general or community interest can qualify to register as social enterprises according to the Law on the Social Economy.

Government Ordinance 26/2000 (completed by Law 246/2005) regulates associations and foundations. GO 26/2000 explicitly mentions the possibility for associations and foundations to conduct economic activities, directly or indirectly. Direct economic activities must be auxiliary in nature and separate accounting records should be kept. Under specific conditions, establishing a subsidiary company whose main shareholder is the mother association/foundation may prove more convenient.

Social enterprises set up with the support of various associations and foundations pursue predominantly social goals, namely reaching out to the community or to specific disadvantaged population groups. To achieve their social goals, they engage in different economic activities, depending on their members' skills and knowledge, and they adopt various types of legal form: producer, agricultural or marketing cooperatives, sheltered workshops (WISEs), socio-medical units, service provision businesses (body care, repair shops, tourism, etc.) or farmers' associations.

6. Education and Training Requirements

In the present moment, there are several training programs delivered by some NGO's, but the need of more consistent programs is very tangible. Also, to the moment, there aren't any university courses on this specific topic.

7. Conclusion and recommendations – extracted from Social Economy Barometer in Romania

The social economy is a force, even though its recognition as a sector by public authorities is low – 172,880 entities with 151,729 employees. The social economy in Romania is mostly represented by nonprofit organizations – associations, foundations and mutual aid houses, which have a higher share among social economy organizations both in number of organizations and as an employer.



Too few social economy organizations opt for certification as social enterprises – only 0,9% of all social economy organizations have this certification. It results that this certificate is not motivating, not being accompanied by any support measures after the start-up phase on European funds.

The largest part – 87% of the certified social enterprises are certified as companies, this being the only legal form that needs to be assisted to the social purpose by an administrative act. The other legal forms—associations, foundations, mutual aid houses, and cooperatives—do not need the attestation of the social purpose, because it is enshrined in their own laws of organization and functioning.

Social enterprises have an uneven evolution and a high degree of dependence on European funds. There is a large number of certifications as social enterprises among European-funded enterprises, while other enterprises do not opt for this status.

With 1,682 workers, the share of social enterprises as employers remains very low, at around 1%.

Social enterprises are still seen as a tool for the insertion of disadvantaged groups into work. The number of social insertion enterprises that have opted for social mark recognition is even lower.

Romania has not yet connected to the European policies in the field, the attention of Romanian decision makers being limited to the limited regulatory framework of certified social enterprises and social insertion enterprises without unlocking the huge potential of social inclusion, economic development and facilitation of the green and digital transition that the social economy as a whole, with the diversity of its actors, is capable of, as this report shows.

The sector faces many difficulties, with a hesitant evolution in the context of an ecosystem far from the one recommended in the European Plan and in the recently adopted Recommendation of the Organization for Economic Development and OECD Cooperation to which Romania aspires to join. The emergence of the European Action Plan for the Social economy should radically change the paradigm and vision of the decision-makers, but also the social economy actors in our country.

ComEnt Case Study 1

Section A: Organisational Details

Name: ADV Romania Foundation (Romanian: Fundatia Alaturi de Voi Romania)

Location: sat Uricani, com. Miroslava, Iasi county, Romania

Aims and purpose of Organisation:

ADV Romania is a Romanian non-governmental organization, founded in February 2002, whose mission is to include people with disabilities and other vulnerable groups.

ADV Romania is one of the pioneers of the social economy in Romania, which has developed 3 own social enterprises and contributed to the creation of the Social economy Law. The experience in the field is currently transferred to Romania, Republic of Moldova and Ukraine through advocacy, training, consulting and financing activities for social enterprises.

ADV Romania is one of the grant administrators who contributed to the establishment / financing of 42 social enterprises (4,2 million euros allocated to the start-ups), and in 2021-2022, 8 social enterprises will be established in the Republic of Moldova and Ukraine. ADV Romania is an authorized provider of professional training in 7 fields, developing the brand Academia ADV, which in 2021 becomes the cross-border Resource Center Romania - R. Moldova, following that the package of courses in the field of social economy transferred to the Academy of public Administration and authorized in the Republic of Moldova Moldova.

In 2020, ADV Romania established 4 social innovation laboratories in Chisinau, Cahul, Cantemir (Republic of Moldova) and Ismail (Ukraine)

More than 150.000 people, especially young people from vulnerable and disabled categories, benefited from the direct services provided over time by the organization. More than 200 people with disabilities, especially young people, have worked / work at ADV or on the labor market, benefiting from a full package of socio-professional insertion services.

“What we do every day, practically defines our future.”

Number of Staff: 45 (100 if we include the social enterprises)

Number of Volunteers (if applicable): 30

Number of Clients (if applicable / available): more than 500 for Util Deco and Wise (according to Util Deco website)

Economic Sector / Activity: NGO/social economy

Principle goods / services provided by the Community Enterprise: work equipment, archiving and storage, biodegradable packaging, digital print, volumetric forms of polystyrene, recruitment services, premium fresh roasted coffee.

Website: <https://alaturidevoi.ro/en/>

Facebook: <https://www.facebook.com/FundatiaAlaturiDeVoiRomania>

Instagram: <https://www.instagram.com/advromania/>



Section B: Reasons for Establishing the Community Enterprise

ADV Romania Foundation is a non-governmental organisation and a work integration social enterprise, established in February 2002 by Holt International Children's Service USA, whose *mission* is **the integration of people with disabilities or other vulnerable groups**. Its national headquarters is in Iasi and it is registered as a Romanian foundation, independent from state authorities, not conditioned by certain ideologies, doctrines or religions.

ADV Romania Foundation established in time 3 social businesses, being declared the 2016 Social Entrepreneur of the Year within the international competition EY Entrepreneur Of The Year.

ADV Romania is one of the biggest social enterprises from Romania, built around the one-stop-shop principle, according to which a disadvantaged individual or someone having lived in a placement center can access a package of services addressing several issues: social and psychological services, educational services, professional orientation, qualification, employment and assistance at the workplace.

In time, ADV Romania created 7 products for an integrated approach in the field of social economy:

- 2004 – The Youth Club – day center for children and young people from under privileged categories, including with disabilities. We teach them independent living skills in order to destroy the circle of poverty, continuously investing in education – a priceless possession of any individual!
- 2008 – UtilDeco – work integration social enterprise, having created in time more than 150 workplaces, of which more than half have been for people with disabilities and from other groups at risk. We offer archiving and document storage services, we produce protective and work equipment, printing services and work protection and safety services.
- 2016 – JobDirect – social enterprise and the first Agency for Placement and Assistance at the Workplace addressing people with disabilities. We offer services of evaluation, testing, counseling, professional capacity building, mediation and placement on the labor market, job – coaching for maintaining the workplace.
- 2017 – WISE.travel – social enterprise in the field of tourism – tour operator. Supports NGOs and social businesses by developing communities!
- 2018 –ADV Academy – we invest in education, research, public policies and social innovation in the field of social economy! The activities take place in Romania, the Republic of Moldova, Ukraine and the European Union.

- 2019 – The Social Enterprises Accelerator – grant administrator for 42 social enterprises established and developed in Romania, 5 in the Republic of Moldova and 3 in Ukraine! We multiply social enterprises and generate social and economic impact for the individual, the environment and the community!
- 2021 – OPYA - Coffee roastery where we try every day to turn disability into ability by creating the best possible coffee, freshly roasted and packed in Romania by people from groups at risk and with disabilities.
- 2022 – AFIN, the first non-banking financial institution from Romania dedicated to crediting and developing social enterprises together with our partners!

ADV Romania's story is written by people and represents their dream of creating a better world! Come close to us! Let's build together, let's be the change we want to see in the people around!

Section C: Community Enterprise Operations

Refer to the following items:

- **Decision Making**

Decisions are taken by consultation; it is a democratic leadership style and also inspirational because ADV comes up with many new ideas and innovative proposals for the development of the organization and the social economy sector.

- **Operational Structures**

ADV works on several levels. There is a board of directors, consisting of 3 people. One person represents the beneficiaries, is a person with disabilities and represents the interests of the target group of non-profit activity, the second person represents the interests of the employees, and the third person is the president (Angela Achitei), who from 2008 is part of the board of the organization. The next level is the management team, which includes the people who coordinate social enterprises and different departments (European programs, accounting, marketing and communication), respectively the 3 social enterprises, and program and project managers we develop. The next level is that of the young people, in which we have a youth council and in which these young people are involved in the form of volunteering. They participate both directly in part of the activities of the organization, but they are also a key point of consultation when we want to develop programs for young people. The entire management team is also published on the website, in a very transparent way. Quarterly there are meetings of the management team, in which it is presented official data about the organization's activity and plans for the next period.



- **Role of Stakeholders**

ADV Romania Foundation has 2 categories of clients, the main target group. The first is the one related to young people with disabilities and vulnerable categories and for which ADV offers this package of services integrated on the one stop shop principle (evaluation, testing, counselling, professional orientation, social assistance, psychological, mediation and placement on the labour market).



The second target group are the customers, those for whom ADV sells products and services and practically generate revenues that ensure our business continuity.

As a secondary target group, ADV has the social enterprises sector in Romania, Moldova and Ukraine, local and national public authorities, Because ADV has an important role in the public policy part in the field of social economy and advocacy, being a promoter of the social economy law in Romania and of 3 legal projects to support the activity of social insertion enterprises.



The market in which ADV Group social enterprises operate is related to companies with more than 50 employees who do not employ people with disabilities and who choose to make responsible purchases and buy from to the foundation's social enterprises, the products and services ADV make. ADV also has a very small group of individuals who are clients especially for Wise Travel services.

Section D: Financial Management

ADV has a financial accounting department of which 6 people are included. These persons ensure both the financial and reporting activities on European projects, but also the economic activity, as well as the accounting related to the law of Romania.

ADV has 3 financial sustainability pillars. The first pillar is that of generating income from economic activities, and compared to 2021, 54% of the revenues were from economic activity. The second pillar is financing through European projects, 41% of total revenue. And only 4% are donations and sponsorships, but ADV doesn't actively campaign for fundraising in the community, but rather it is a form by which the customers from economic activity, those who buy products and services, decide to support the additional organization through these donations and which are largely deductible, according to the Romanian law.

Section E: Legal Framework and Organisational Structure

ADV is founded as a foundation, it is an NGO that functions according to the Romanian legislation, and the other 3 social enterprises that are part of the foundation are organized in the form of commercial companies, to which the foundation is the sole shareholder. Basically, ADV operates as a group of entities that have very specific cost centers, but also a well-defined activity, precisely to be able to commend in the market the diversity of services and things they produce.

ADV Group has a diverse range of skills. On the one hand ADV has specialists working to generate social impact (psychologists, social workers, professional guidance counselors), there is the commercial team, which deals with business clients, the production and service department on each workshop. There are also coordinators and auxiliary departments, in which ADV have hired people with other types of skills (marketing and communication department, financial-accounting department, OSH service department, human resources department, projects and programs department, where the expertise required is diverse, both from the social area, as well as in the economic area.)

Section F: Leadership Structures

The activity of **ADV Romania Foundation** is directed by the Executive Council, consisting at the moment of 5 members: Angela Achitei, president; Petrisor Ostafie, member - the beneficiaries' representative; Ana Drelea - member, the employers' representative; Ana Vasilache, honorary member and Olivia Baci, honorary member.

Section G: Final Thoughts

“One of the lessons learned by our organization over time, especially in the active social economy was that this field of social entrepreneurship is a simple field to develop, and in order to be successful, at least 4 conditions should be met. The first condition: To make outstanding products and services, other than your competitors do. This is where social innovation comes into play. How do we manage to make these products and services to best meet individual, but also environmental and community needs. To be friendly with the environment and the Community. Second, understand the numbers. And the figures must be understood both from the perspective of market study, trends in the sector, but also from the perspective of activity management and implementation of a business plan or project. Understand what a cash flow means, what a production report means, how a production or service price is made, what a commercial addition means, what profit means and other financial accounting aspects. The third important and defining thing, and again it was a lesson that we learned, was that you need to attract competent people and people with diverse skills, who can be involved in both the social impact and the economic impact part. Basically it's the team you go with and the team you invest in every day, because the most valuable asset an organization can have, are people. The more we invest in these people, the more valuable the organization's assets become on the market, and their value derives from the fact that the organization is sustainable and grows beautifully and organically and is self-sustainable and manages to go through these storms of economic life. And the last thing, which may be specific to the social economy, is that not everyone can do social entrepreneurship.”



ComEnt Case Study 2

Section A: Organisational Details

Name: OILRIGHT SRL

Location: Timisoara, Timis County, Romania.



Aims and purpose of Organisation: *“Our belief is that a strong and sustainable community is an engaged and active community. It started with the need to secure jobs for some very vulnerable persons, adults with intellectual disabilities and with an institutional past, meaning persons that lived for 20,30,40 years in orphanages and segregated residential state institutions that are supported by a charity to live in the community. And for them not having any independent living experience, no previous jobs, it was very important to start inclusion in the labour market in a safe environment. So, because we have OilRight the social enterprise and a strategic partnership with this nonprofit that supports these individuals, we started the idea to walk on the social enterprise road with the goal to find something that is able to generate meaningful jobs for these persons. And also, environmental sustainability is very important for all of us.”*



Number of Staff: There are seven part time employed people. Out of them four have disabilities. But we have pro bono partners or we have cooperations with companies that support us. I would say maybe 7,8 such partners in the local community.



Clients: *In terms of social clients, the main social client for OilRight is the planet, the environment, because we're collecting used cooking oil and preventing pollution with this type of waste. And the other clients are regular paying clients.*

Economic Sector / Activity: *Social enterprise is an entrepreneurial endeavour whose purpose is to solve a social and/or environmental problem in a financially sustainable way. OilRight SRL is a social enterprise authorized by AJOFM according to the social economy law. It will also obtain the social mark (which proves that it employs vulnerable people) and the status of a protected unit (50% of the work volume is performed by people with disabilities). OilRight, an actor in the circular and inclusive economy, offers a short chain of recycling and reuse of used cooking oil, employing vulnerable people.*

Principle goods / services provided by the Community Enterprise: Scented candles and DIY kits to make candles in your own kitchen with your own used cooking oil. Also, OilRight provides educational workshops for children, the main clients being the schools, after-schools, educational clubs, etc.. So the educational component has quite a strong appeal among corporations that are just paying us to spread the message.

Website: <https://oilright.ro/>

Facebook: <https://www.facebook.com/OilRightRo>

Twitter: -

Instagram: -

Section B: Reasons for Establishing the Community Enterprise

Starting July 11, 2020, Romania lives on environmental credit until the end of the year. Earth Overshoot day is the day when environmental consumption exceeds the planet's regenerative capacity for that year and is calculated annually by the Global Footprint Network. Global reach this day on August 22, 2020. We are measuring this day since 2006, when we reached this limit in October. This environmental credit means the liquidation of the stock of environmental resources and the accumulation of waste.

In Romania, we recycle less than 3% (the second lowest rate in Europe) of what we collect (the third weakest place). A neglected waste is spent food oil, whose improper disposal leads to massive pollution and high costs for the population.

One liter of uncollected spent oil pollutes one million liters of water, which is the survival requirement for an adult for 14 years; once in the natural water resources, it forms a film that prevents adequate oxygenation of aquatic plants and animals; reached in the soil – it ranceses, decreasing its fertility and reducing its regenerative capacity (according to www.icdv.ro).

OilRight focuses on the involvement of individuals in the role of collectors of household consumers who produce over 50% spent food oil. There is no legal obligation for them to collect properly, so over 90% of them do not collect it selectively.

A serious social problem is the low level of employment of those with disabilities – only 7,25% of people with disabilities are employed (ANAF), compared to 10-20% in developing countries or 30-50% in developed countries (45% is the EU average), according to United Nations estimates. 18,000 adults with disabilities are institutionalized (700 in Timis county), and almost all adults in families are at risk of institutionalization when their parents age. There are no support and prevention services in the community – which is tragic for our entire society. The problem of institutionalization is one of the great national shame, Romania failing to close those large, segregated, abusive residential centers, despite the national and international commitments made by our country.

As a result, OilRight will employ, for the oil collection and candle production process, persons with disabilities with institutional background or at risk of institutionalization – one of the most excluded groups not only from the labour market, bur from the life of the Community in general – and will donate part of the profit to UnLoc, the social service of the Hope Empowerment Foundation that supports people with disabilities with institutional background or at risk of institutionalization on their way to an independent life.



Section C: Community Enterprise Operations

The operational structure is mainly related to the production process, and although there is an operational plan for collecting, it has to be improved and to be made more efficient. OilRight contacted a production consultant, who would work pro-bono, to come and audit the process and to come up with improvement ideas.

The activity of a recyclable waste sorting worker is carried out both at the workplace and on the ground. It deals with the collection and sorting of raw materials, non-hazardous waste from suppliers. Together with the head of the production service, the company minibus travels to suppliers of used food oil: households or companies. They load the barrel full of used oil from suppliers into the minibus, with or without the help of the freight cart, depending on the weight of the barrel. They work on the production line. Preparation of raw materials. Place the used food oil barrel next to the centrifuge so that the oil is filtered by impurities and water. It weighs the raw materials needed to produce candles, kits and textile filters. Manufacture of candles and kits do it yourself (DIY). Prepare the necessary composition, according to the recipe, from the prepared raw materials: Wax oil and aroma and put it to heat in the heater. Put the containers where the candles will be poured on the worktable and with the silicone glue gun stick the wick on the bottom of the container. When the composition of the candles reaches the right temperature, pour it into the containers. In case of DIY kits: Carefully weigh the ingredients and put all the necessary items in the package: Plastic spoon, wax bag, wicks, wick holders, instructions for use and close the packaging.

Role of stakeholders:

OilRight is a community enterprise, as it relies on the people of Timisoara and around, who collect used cooking oil. Also, the restaurants and bistros are clients for the used cooking oil, the corporations for the easy access to the employees who are going to become collectors, the universities and schools where we implemented educational campaigns, and other social enterprises. OilRight has the privilege to be part of a great community, with social and creative entrepreneurs. They reinforce each other efforts and promote each other.

Section D: Financial Management

OilRight makes revenue by selling their products nationally. The orders come from all over the country. Also, they are selling processed used cooking oil, a new market niche. For the moment, all the profit is reinvested. The profit from the first year was reinvested in growing the team, in marketing and community outreach, but also in logistics.

Section E: Legal Framework and Organisational Structure

OilRight SRL is a social enterprise established within the project "Social Enterprise Accelerator" ID 127384, co-financed from the European Social Fund through the Human Capital Operational Program 2014-2020, project implemented by the Alături de Voi Foundation from Iași, in partnership with Fonduri- Structurale.ro. It is a social eco-inclusive business, who offers a clean alternative for collecting and reusing used cooking oil.

OilRight has five co-founders. There is an annual formal meeting, but informal meetings take place whenever there is an important decision to be taken.

There are also three advisers: a business consultant, a communication expert and the director of OilRight Slovenia.

There are 7 employees, from which, 4 are persons with disabilities. So 57% of the employees are from the vulnerable group.

Section F: Leadership Structures

The leadership is still very informal, as it is a small team. All decisions are democratically taken, having one formal meeting per year, and informal meetings when it is necessary. Also, there are the three advisers, who help in decision making process.

Section G: Final Thoughts

"It is important to have realistic expectations. Expect for delays in everything in term of timeline and seals income. You have to be committed to the values and consistent with the vision, knowing that in time, the results will come. The trust is gained in time and relationships are built on authenticity. Also, it is very important to invest in your most important capital: the team members, because in the end, they are the ones who make things happen.

As a conclusion, we stick to our vision: Protecting the environment in the context of the climate crisis with the dignified inclusion of vulnerable people."



Roxana Damaschin-Tecu –

Director of OilRight

ComEnt Case Study 3

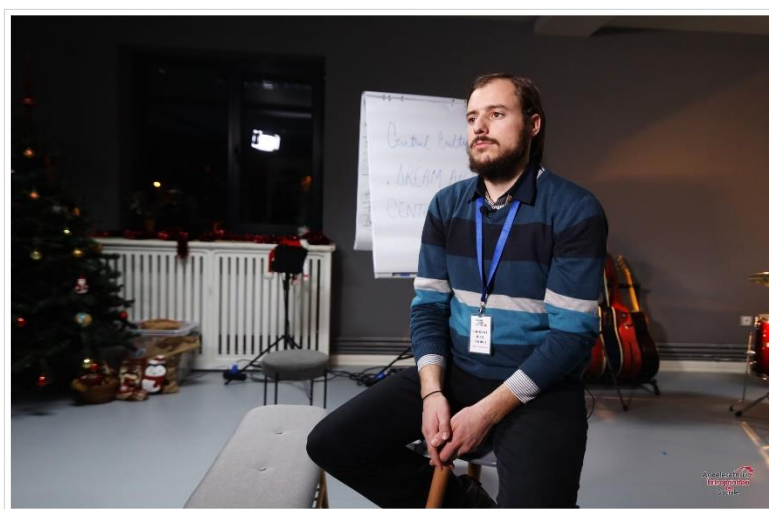
Section A: Organisational Details

Name: DREAM ART CENTER

Location: Bradului Street, no. 5, in Iasi.

Aims and purpose of Organisation:

As a social insertion enterprise, "Dream Art Center Iași - DACI" is constantly looking for guidance and counselling for disadvantaged and vulnerable young people, in situations of risk, who want to participate in the cultural-educational and professional guidance activities, thought and offered by our interested center, to permanently help identify and develop the strengths of people, regardless of who they are, with their vocational counselling, with insertion on the labour market, where the ability to capitalize on opportunities in personal and professional terms is reduced.



Andrei Grozavu- Director Dream Art Center

Number of Staff:

Currently have 6 full-time employees in their team plus another 10 collaborators: teachers, specialists in various fields, freelancers, artists.



Number of Volunteers (if applicable):

They have associate volunteers depending on the activities they carry out: camps or different events

Number of Clients (if applicable / available):

As a social enterprise, Dream Art Center collaborates with many institutions at local level, starting from the City Hall, the County Council, AJOFM and also with the community assistance directorate. With these institutions they develop partnerships by providing the services they offer to children and young people.

Economic Sector / Activity:

The sector of activity is "General Creative Industries". Going closely, they organize cultural educational activities, especially on the side of musical instruments, art, crafts, foreign languages.

Principle goods / services provided by the Community Enterprise:

The services consist of educational cultural services, a fairly wide range of activities. They have over 10 types of musical instruments, they currently conduct three types of language courses and they also have the component of creative workshops, painting courses, crafts.

Services:

- *Personalized programs and services (vocational counseling, native skills tests, job coaching, labor placement, etc.);*
- *Diversity of activities (over cultural, educational, training);*
- *Counseling for the social reintegration of young people returning from abroad;*
- *Integrated socio-professional insertion services (human resources consulting);*
- *Assisted support for young people with initiative and ideas, who are concerned with solving the needs of society, at macro level;*
- *Consultancy services in the field of setting up social enterprises, applied symbolism and esthetics, interpretation of the icon, self-esteem, value and nonvalue, esthetics of welfare institutions.*

Website: <https://dreamartcenter.ro/>

Facebook: <https://www.facebook.com/DreamArtCenterIasi>

Twitter: -

Instagram: -

Section B: Reasons for Establishing the Community Enterprise

As a social insertion enterprise, Dream Art Center Iași – is constantly looking for directions and counselling for disadvantaged and vulnerable young people, at risk, who want to participate in cultural-educational and professional orientation activities, designed and offered by our interested center, to permanently help identify and develop the strengths of people, regardless of who they are, to their vocational counseling, to the insertion into the labour market, where the capacity to capitalize on opportunities in the personal and professional level is reduced.

Dream Art Center was founded in September 2020: „We wanted for a very long time to open a center that would also give us the opportunity to gain the necessary resources to attract specialists in this project. This is also the main purpose for which we have been waiting for around 8 years for a financing that will provide us with the answer to our needs. We have as a component the social part. From there we started, from a belief that young people from rural areas who have reduced possibilities remain in an environment where they are not given the chance to discover their vocation. We want to give them a chance, encourage them and support them.”

Section C: Community Enterprise Operations

Refer to the following items:

- Decision Making (200 words)

- Operational Structures (200 words)
- Role of Stakeholders (200 words)

„We sought to bring people who would best represent a certain segment of our activity. First of all we wanted to have an experienced financial expert on the European projects side who would know very well to help us have objective analysis at cultural sector where things are more different than in other classical areas. I then looked for a person who has the ability to think about projects, courses, activities of interest to young people. We wanted to have a person who came from the education sector to know the pluses and minuses of the classical system, and last but not least, we sought to have an experienced artist on the craft side.”

Their structure is made up of the general manager, a creative director and a research and development director. They have two other people who are in charge of activities, courses and new ways to offer our students a more positive experience. On the research and innovation side, they focus on the scientific platforms through which they discover the vocation and we focus on providing services at a level that is as well targeted as possible to the needs of each individual learner. They have three more people on the course side: psychologist, vocational counselor, who are in charge of guiding young people and children. Also another painter for artistic courses and last but not least, a financial expert who manages the financial part.



„We are thinking about how to bring as many activities as possible and make investments to facilitate access for as many young people as possible. Our operational plan comes very much in support of the social mission. We have a component through which we offer the musical instrument for free for children and young people who cannot afford it, somehow this operational plan helps us figure out how much we can support from the social group. The operational plan provides us with a flow through which each member of the team is aware of how to operate efficiently. We have meetings with the team of teachers, they help us and give us ideas how we can identify young people from social groups, how to respond best to their needs. We have a pretty good relationship with the authority that is AJOFM, ANOFM, they are the ones who are in charge of establishing the people in the vulnerable target group. They carry out several actions and somehow we manage to communicate effectively. We have several projects through which we also offer free counselling and career guidance for young people and these authorities are open to coordinate and redirect young people looking for a job.”

Section D: Financial Management

Outline how the community enterprise manages its finances (200 words)

Since they started in full pandemic, it was not until 2021 that they were able to open after the restrictions were lifted, but only for some of the activities. Also, the sustainability component for them was a challenge because they had more than 15 collaborating teachers and around 20 cultural educational activities. „We had teachers who helped us pro bono and these things easily, easily or with a design. Because unfortunately we did not have the possibility to make promotional campaigns, we considered it more important to invest in the atmosphere, in creating a team and equipping the center with all the necessary equipment. This was not enough, which is why we now set out to launch a promotion campaign to give young people and children the chance to understand that in this center they can discover their vocation, their native talent.”

They get most of the resources from the subscriptions that the people who pay for the courses cover. „We have other collaborations with the private sector, but the percentage would be 90/10. 90% of our own resources, we cover our expenses. The other 10%, 20% is allocated to vulnerable groupings.”



Section E: Legal Framework and Organisational Structure

Dream Art Center is socially involved in insertion, the legal form is commercial company, but most of it is reinvested in the community. „That is why this legal form seemed to us to be the best because it gives us the chance to gather resources from the community, to do economic activity on a pure level, but we can also assume the social purpose we serve. “

„Our structure is made up of the general manager, I. We have a creative director and a research and development director, we have two other people who are in charge of activities, courses and new ways to offer our students a more positive experience. On the research and innovation side, we focus on the scientific platforms through which we discover the vocation and we focus on providing services at a level that is as well targeted as possible to the needs of each individual learner. ‘

Section F: Leadership Structures

Dream Art Center provides leadership as in everyday life. „There are many challenges, we have many discussions with partners, we try to meet the needs of our beneficiaries, and decisions regardless of the day, regardless of the situation must be made.as in any other field, there are challenges, but most decisions are made through community participation. Each person on the team has their say and we make decisions based on the moment. I don't know if it's community style but I'd say I have a style, that of giving employees confidence. I want the team of teachers to assume the mark they leave on children

and young people, and my leadership style would say that it is result-oriented as long as everyone has the joy of doing and being part of this project. The materialization of our success lies in the joy of children and those who step into our center.”

Section G: Final Thoughts

“I think the most important lesson I’ve learned is that the team and the people you surround yourself with can give you wings or break them, and unfortunately I’ve had experience in both situations. Working with people and the education part is, in my view, the hardest part, because you end up putting resources, time, energy, your beliefs on the line, and there may be certain people who are unaware of and don’t value the work you do. Entrepreneurship is not easy, and the people you engage in such an ambitious project must understand social nature above commercial nature, because the financial aspect must not prevail. All those who came with us went through a selection process, after all this process materialized in lasting friendships, because the community is bound by common characteristics, and we managed to bring together people with a certain caliber and gladly present them to the children.

Our greatest joy is when we see the end result. The most valuable lesson is to bring together a consolidated team, united by the same interests, a team that is willing to go through more difficult times, But do not give up the common cause which is ultimately the joy of developing a project to help the disadvantaged. We want to become one of the national reference centers that will offer the chance to young disadvantaged children who do not have the resources for developing properly.”



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