



THE SOCIAL ECONOMY - A MODEL OF CONSENSUS

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Abstract

The social economy is a relative young field of research, but a very interesting and generous one. This paper brings into discussion this branch of the economy, at a time when social phenomenon is due to attention. As for prior works, here is short presentation of them, this approach trying to go further in this line. The main methods employed are the observation and survey. This research could be considered an essay on the proposed topic, hoping to be useful both for the academics and also for the state representatives that could take into account this subject. We hope that the reader is convinced of the paper's added value for this field of research.

Key words:

Analytic changes,
contemporary revival,
environmental, emerge

JEL Codes:

D69, E29, J62, O15, Z13

1. Introduction

At European level there is no generally accepted definition of the concept of social economy. Since the peculiarities of understanding of the field are related to the specific development experiences of some countries, sometimes talking about the Anglo-Saxon and French parentage of the social economy. Meanwhile, in the last decade, an effort to measure the impact of social economy system of national economies macroeconomic indicators such as GDP, employment rate etc. To achieve this, clarifying the structure of the sector is inevitable and European Commission mandated CIRIEC (International Center of Research and Information on the Public, Social and Co-operative Economy), The Social Economy on the European Union (developed for the European Economic and Social Committee, covering 25 countries of the European Union (it was completed in 2006 so that Romania and Bulgaria were not included). In December 2006 it issues a manual guide to the classification of social economy actors in order to integrate their input into the calculation of national macroeconomic indicators.

The concept of social economy

The term social economy emerged in the economic literature, probably for the first time in 1830. In that year the French liberal economist Charles Dunoyer published a Treatise on social economy, which advocated a moral approach to economics. In the second half of the 19th century has expressed a number of ideas related to the concept of social

economy, by various prestigious economists (T.R. Malthus, S. de Sismondi, F. Le Play, John Stuart Mill, Leon Walras etc).

2. Literature review

Jacques Defoumy (1999) tries to clarify the concept of the social economy, by putting it back in its historical context. Then, in order to explain contemporary conditions in the so-called the third sector, the author examines the definition and origin of the social economy, in his attempt to characterize the benefits and limitations of the social economy approach. And, finally, with a view of highlighting the main conditions allowing the social economy to emerge and grow, he compares the contemporary revival of the social economy with older currents, identifying the most powerful forces that underlying the social economy.

Frank Moulaert and Oana Ailenei (2005) attempts to provide a clear perspective on defining the social economy today. They outline the analytic challenges to a reconstruction of the social economy concept and finally suggest improvements to current 'social economy' concepts, by linking them to both the lessons of history and the views of social economy practitioners today. Abbas Ziafati Bafarasat (2015) identifies three schools of thought on strategic spatial planning: the performance school, the school of innovative action and the school of transformative strategy formulation. In addition to providing a guide for a more informed design and analysis of spatial strategy practices, some conceptual flaws and empirical gaps are suggested for future studies to focus on.

Giorgos Grizas and Karolos Iosif Kavoulakos (2015) argue that while the debate on alternative and diverse economies may reflect a willingness on the part of the scholars to cooperate in order to build a post-capitalist future, it is also necessary to consider the possibilities and constraints operating at different scales, from individual to global, in order to consider the extent to which alternatives may be successful.

Ash Amin, Angus Cameron and Ray Hudson (2003) in their book provide an account of experience in the social economy, in order to evaluate its strengths and weaknesses and its future potential, explaining the range of expectations that have emerged in recent years across the developed world and focusing on the policies of United Kingdom at the time this book appeared.

G Brennan, P.Pettit (2005) ascertains that while making connections with older patterns of social theorization it offers a novel orientation for contemporary thought about how society works and how it may be made to work. It puts the economy of esteem firmly on the agenda of economics and social science and of moral and political theory.

Alejandro Portes (2014) analyses a tradition in the social science literature that for a long time now, he has deplored the loss of "community" and the advent of individualism, social atomization and anomie. This literature features prominent titles and this tradition culminated in the celebration of "social capital" - defined as participation in associations and general trust in others - as an unqualified public good.

Bruce Pietrykowski (2007) discusses about a key question for social economists that is whether material pleasure and the symbolic expression of identity through consumer goods is compatible with a more politicized, socially conscious consumption ethos. Food consumption offers a fruitful starting point for pursuing this issue. He begins by examining food and its symbolic role in identity formation and then considers the Slow Food movement and explores the ways in which it maintains a central role for material pleasure while promoting a socially and environmentally conscious stance toward consumption.

J. Gregory Dees, Jed Emerson and Peter Economy (2001) illustrate in their book the simple of existing the social enterprises: the two extremes - purely philanthropic organizations on one hand, and purely commercial on the other - and all the other possibilities in between. Furthermore, the new opportunities that social entrepreneurship can bring into an organization also come with many potential new challenges and the author points out that it is important to be aware of these challenges, as to be ready with solutions that the social enterprise evolves.

As social capital is increasingly used in the field

of community development and the social economy, Alan Kay (2006) describes some of the results to emerge from a three-year research project, which looked at the contribution that social capital can make to the social economy within local economic development. Following the definition of social capital, the article examines how it can be assessed and then goes on to list the main findings on the significance of social capital in the understanding of the social economy and community development. It concludes with a number of policy implications on how social capital can be used within the context of community development.

Lorena M. Iburgüen-Tinley (2015) in her article explores some of the factors that may affect women's social capital development, such as the capacity for trust and cooperation, through the example of a case study of a women's micro-enterprise in rural Mexico. The analysis focused on three aspects that confirm the social bases of trust: the existence of rules and norms, experience arising from repeated interactions and the characteristics of the members of the group. It concludes that the main factor, which influenced the creation of social capital and therefore the capacity for cooperation among the group, was the personal characteristics of the group's leader.

3. Presentation

"The social economy consists of non-profit activities designed to combat social exclusion through socially useful goods sold in the market and which are not provided for by the state or the private sector."

The CIRIEC Report proposes the following working definition for the social economy: "The set of private enterprises organized official basis, with autonomy of decision and freedom of membership, created to meet their members on the market by producing goods and providing services, insurance and financial support, the decision making and any distribution of profits or surpluses among the members are not directly linked to the capital or the amounts contributed by each member, each having one vote. The Social Economy also includes private organizations set up on the official basis, with autonomy of decision and freedom of membership that produce services non-market for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance. For a better understanding of ES and concepts in very close contact with the field, further clarify terms such as: third sector, nonprofit sector, social enterprises, active inclusion and employment.

The third sector and the nonprofit sector

If classically society was divided into two sectors (public and private) in companies, modern talks about the third

sector as "an intermediate area between sector business, public sector and private sector comprising family and friends". The differences between the three sectors are evident in terms of the objective pursued, the criteria for fixing the success, financing sources and how decision-making. Despite the lack of a unanimous definition for the "third sector", a number of common characteristics of organizations in the sector: a relative degree of institutionalization, autonomy from the public and private restrictions or prohibitions on the redistribution profit. Organizations of the third sector are "businesses and organizations that are not part no traditional private sector nor the public sector. "Their identification varies both by discipline that deals with the subject, and according to the social and economic context in which we referring.

In defining the "third sector" there is an important distinction between sense European period and the American home. American approach¹ became the international model dominant for the third sector or the nonprofit sector by definition "of the third sector". It is composed of various nonprofit organizations with the following characteristics: legal entities (companies) or social formally organized, independent and private structures meaning that they have their own rules and mechanisms of decision making in order to produce goods or services, but whose status does not allow them to be a source of income, profit or generate other financial gains involving voluntary.

The European approach is more analytic and the social economy stresses develop the mode of generation and development of various structures, mode of action and transformation over time. It is useful European Research Network distinction (EMES²) between the preponderant economic indicators and the mainly social. The economic criteria are: continuous production or marketing activity of goods and services, the high degree of autonomy, the high degree of economic risk and the minimum paid work. Socially relevant indicators include: purpose (aimed at community service), quality initiative launched by a group of citizens, "one man, one voice" as a way of establishing power decision regardless of capital ownership and participation in profit distribution, while distribution is limited profit (Defounny and Nyssesns, 2001).The criterion for differentiating organizations of the third productive sector to other organizations refer to the limits of redistribution of profits. In 2007, the European Commission (EC) proposed the term "third system" to include organizations establish a limit distribution of profit³.

The meaning of "third sector" is therefore divided between two international currents: first American in origin meaning the nonprofit sector and second home French, meaning ES concept adopted by institutions EU⁴

"The social economy (or "solidarity economy" or "third sector") grew out of the need to find new solutions, innovative social issues, economic or environmental communities and meeting the needs of community members who are ignored or insufficiently covered by public or private sector. In recent decades, social economy not only asserted its ability to contribute effectively to solving new social problems, but also solidified its position as the institution indispensable for sustainable economic development and stable path. As such, the social economy aims to adapt services needs, add value to economic activities that meet social needs and ensure a fairer distribution of income and wealth, redressing imbalances in the labor market and succeeded in deepening and strengthening economic democracy. From the perspective of national accounts, it comprises two major sub-sectors of the social economy: a) trade or business sub-sector and b) sub-commercial. This classification is very useful for the development of reliable statistics and analyzing economic activities in accordance with existing national accounts systems. However, in terms of socioeconomic, there is obviously a permeability between the two sub-sectors and close ties between the commercial and non-commercial social economy as a result of a characteristic common to all social economy organizations: they are organizations those who carry out an activity whose primary goal is to satisfy the needs of people and not pay investors capitalists.

The global economic crisis and massive layoffs imposed assess the effectiveness of measures active promotion of employability. The strategy" Europe 2020 for smart, sustainable and inclusive growth "became the expression of common European efforts to ensure jobs and reduce unemployment.

In this context, it increased interest in social economy, due to the "recognition of the limitations both sectors. Traditional public and private to meet current challenges in the labor market and the quality and quantity of services of collective interest."⁵

The social economy seems to be one of the most bandied solutions for its ability to create and secure jobs. Over time, social economy solidified the position of an alternative form of economic development based on a set of social-economic values and principles,

¹ John Hopkins University Comparative Nonprofit Project Sector Project conducted in 1990

² European Research Network <http://www.emes.net/>

³ In the pilot action "Third System and Employment", Antonella

Noya and Emma Clarence "The Social Economy. Building Inclusive Economies", OECD, 2007

⁴ Ibidem p. 2

⁵ *** European Parliament, "Report on the Social Economy", 2009 p. 15

different from the market economy and the welfare state universalist: volunteer, democracy, patrimonial purpose, the professional development of members and autonomy from the state. The social economy provides a business development based on principles of equity, social responsibility and transparency, encouraging democratic participation in decision making. So changes produced by crisis may be considered the "opportunities" which also returns valuation to the social economy field.

From its origins, the social economy was designed to address to the poverty issues. The firms of professional insertion, as forms of specific organization of social economy effectively respond to the difficulties in the insertion on the labor market of people at risk of social exclusion. Over time, the social economy has demonstrated ability to adapt to difficult economic and social contexts and created new forms of intervention, essentially responsible business requirements and contribute to the active inclusion of beneficiaries. An important role in strengthening the partnership plays public - private by implementing initiatives of social economy by non-government organizations, with support from the state, especially from local authorities. Social Economy in figures: social economy enterprises account for 2 million units (i.e. 10% of all businesses in Europe) and use over 11 million paid employees (the equivalent of 6% of the working population in the EU). Of these, 70% work in non-profits, 26% in the cooperatives and mutual 3%. Social economy entities are companies, mostly micro - sized enterprises, small and medium enterprises (SMEs)⁶.

Institutional representation Organization CEP - CMAF (Permanent European Conference of Cooperatives, Mutual Societies, Associations and Foundations) was established in November 2000, after the European Conference of Tours on the social economy, it was decided to improve cooperation between the various families social economy. To improve the visibility of the sector in 2007 and changed its name to Social Economy Europe.

Social Economy Europe is the representative of the European Union for the social economy. Social Economy Europe aims to promote social contribution and economic enterprises and social economy organizations, to promote the role and values of social economy in Europe and strengthen recognition of the political and legal social economy and cooperatives, mutual societies, associations and foundations in the EU⁷.

Pursuit of public interest determines principles of organization and can identify social economy structures which differ from institutions targeting profit of at least

four perspectives: fundamental, the presence of the allocation principles based on solidarity and reciprocity, to include ways to participate and democratic decision-making process in the organization's structure and resources plurality (Noya and Clarence, 2007).

The fundamental objective is a response to a need increasingly larger society. Thus, during the last two decades, many forms of organization have emerged in response to new social needs and insufficient response to social assistance institutions to some of these needs. The presence of the allocation principles based on solidarity and reciprocity is a defining feature of social economy structures, unlike their profit generating, by contrast, they are structured to prevent that third parties to gain clear advantages and ensure the allocation of gain residual by owners. Through the initiatives of social economy creates social relations based on the principle of economic action non-contractual. Change resulting from this allocation system generates benefits for beneficiaries other than the owners (the concept of indirect beneficiaries).

4. Conclusions

The social market economy stands out as both economic system of socialism and laissez-faire capitalism. Unlike the latter, the social market economy combine the interests of private enterprises regulations of the State in the economy, in an attempt to establish free competition, high levels of employment service, ie low unemployment, a high standard of life and appropriate working conditions. In a social market economy, collective bargaining often behaves at national level between employers' organizations and trade union confederations.

The efficient functioning of the social economy will help both realistic and efficient social- professional reinsertion of vulnerable groups and increase social cohesion and community development.

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*** European Parliament, "Report on the Social Economy ", 2009 p.