

The Development of Social Entrepreneurship – The Key to an Inclusive Society through Social Businesses.

Case Study – A Farm of Roses from Alba County, Romania

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Abstract

The current international context, marked by the economic crisis and by the expansion of social problems, placed the concept of social economy and that of social entrepreneurship as being an effective tool in solving certain problems of socially excluded or under social risk persons, with real impact on their social inclusion and labour market integration. Regardless the goods or services produced or their price, the social economy organisations operate in a competitive environment, together with the classically organized enterprises, with the mention that their principal purpose is in equal measure to obtain profit and the labour market integration of vulnerable persons, as well as their empowerment and development of some self-marketing skills, for a self-determined life.

In the present article, I will address as practical example of social business, a farm of roses from Alba county, situated in the Sâncrai village, belonging to the municipality of Aiud, an area known in Romania for the specific agricultural activities of cultivating roses, as well as other plants or shrubs. The development of such a viable social business, having as specific this activity, represents a great opportunity offered to vulnerable persons or to those who are in social risk in Sâncrai area and in the surroundings, by the fact that this offers a chance for a better life and for their social and labour market inclusion, but also for acquiring certain professional abilities, as well as human ones, in the same time with the development of a local brand namely the culture of roses.

Keywords: *Social Economy, Social Entrepreneurship, Farm of Roses, Clustering.*

Introduction

Given the current international context, marked by the financial crisis and by the expansion of social problems, the approach of certain directions addressing the implementation of some social economy programs or projects, which lead to the development of social entrepreneurship spirit, is a subject worth taking into

account, for solving different socio-economic problems. Because of this aspects, these directions of economic and social development are addressed increasingly more pregnant, both by specialists in social, political and economic sciences, but also by the political class.

The concept of social entrepreneurship within the development framework of some social economy projects should be the strategic objectives of social problems solving in any state and also it must pay a special attention to these issues. One of the main arguments in this sense is represented by the contribution that the social economy brings to increase employment, especially for vulnerable groups. Regardless of goods or services offered or of their price, the social economy organisations operate in a competitive environment, alongside of classical firms.

A society is truly respectable if it is responsible to its citizens, by creating a legislative framework allowing the development of traditional business, but also the development of social business. These last ones are realised when there are an entrepreneurial spirit in terms of what social economy represents, innovativeness and persuasion in achieving some objectives regarding the labour market integration of vulnerable persons, social risk or disabled persons.

Each of these persons have the right to life, to a paid job, from which to ensure their existence and especially they have the right to social inclusion. Even in society there is a certain reluctance as regards the creation of some successful business in which to activate vulnerable or in social risk people, in this world there are plenty of examples showing that these persons can be successfully activated on the labour market and that performance can be achieved.

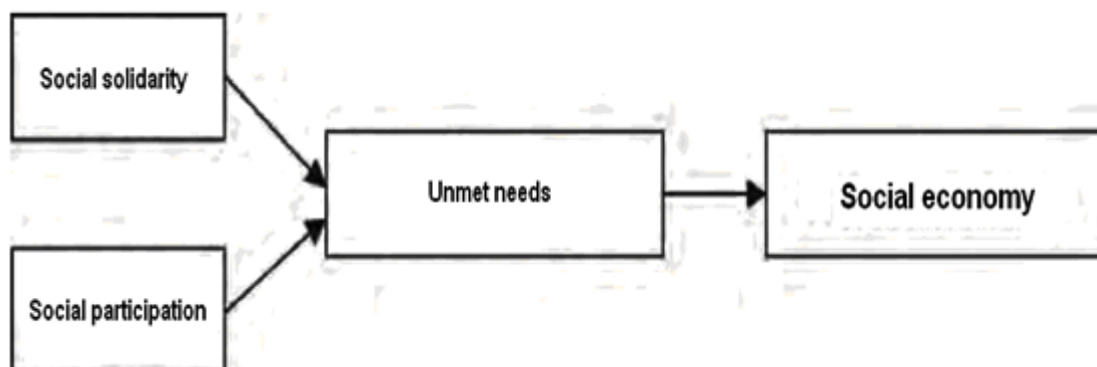


Figure 1 – *The sociological assessment of social economy potential – a hypothetical model* (Source: R. Asiminei, “Social economy – conceptual delimitations,” *The Journal of Social Economy*, no. 1, vol. 2 (2012): 19.)

The social business, developed by social entrepreneurs, must be an integral part to contribute to the welfare of society, alongside with classical business. In this framework, the human resources that work in both types of business, are the most important, because it influences the performance of these business and implicitly the welfare of society after all. Even if within social economy business type, in some cases the gains are not as great as in the classic business, where the focus is on profit, however the satisfaction of certain vulnerable or in social risk vulnerable people integration on labour market remains a gain of this type of business, increasing the self-esteem of these persons, giving them the courage to develop themselves even on their own, after the acquisition of knowledge and experience. Below, I summarized the factors that a society must take into account, train and develop for ensuring its welfare, having as raw material the entire human resource available within its borders, whatever this would be or whatever environment comes from.

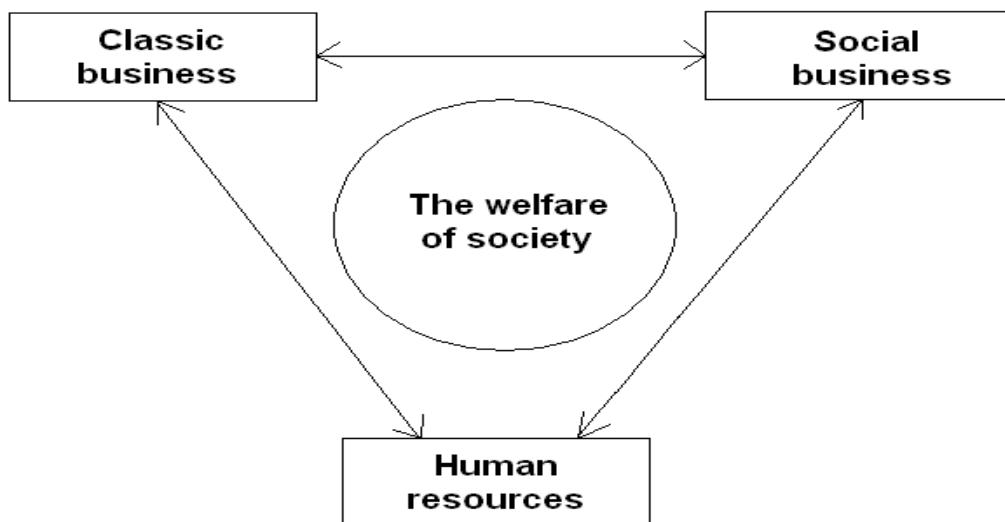


Figure 2 – *The factors that ensure the welfare of society by integrating all persons on the labour market*

2. Related aspects to the general European development framework of social economy

According to Lallement,¹ the industrial revolution that marks the Europe by the end of the eighteenth century culminated with the invention of the social

¹ M. Lallement, *The history of sociological ideas* (Bucharest: Antet Publishing House, 1997), 61-63.

paradigm. The industrialization coupled with urbanization, which has known a real explosion in this period, caused the destructure of the traditional social ties and the break away of the economy of the society, operating autonomously. In this context a new social state is delimited – which is “unstable and sometimes rebellious”², characterized by social problems such as heavy conditions of work, promiscuity and lack of hygiene, alcoholism, prostitution, delinquency and so on. For solving this problems, the political and scientific authorities have made efforts to learn more about the social context in which are taken both empirical studies, but also theoretical elaborations. As a consequence of this aspect, it can be said that the ideological foundations of social economy are rooted in social and philosophical approaches from that time.

From the ideological point of view, the specific ideas of social economy are circumscribed both to a left orientation (socialism), because it promotes the equality and the rights of all citizens to get involved in political, economic and social activities, but also to a right orientation (liberalism), which promotes the welfare maximization on the freedom background. Despite a leftist ideological baggage which is much richer, the current trend of defining the social economy is for adopting a right approach. Anyway, the main idea revolves around the fact that it must be realised a compromise between these two ideologies, in the sense that the essence of social economy and of the social entrepreneurship is at the intersection of these ones, according to the figure below.

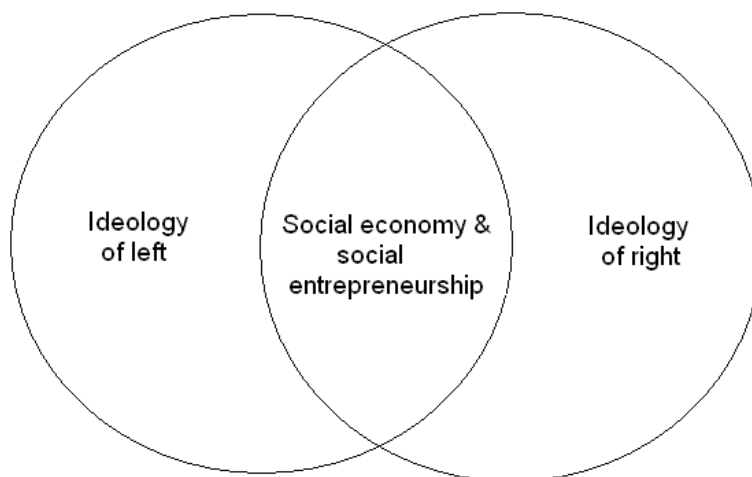


Figure 3 – *The essence of social economy and of social entrepreneurship*

² *Ibidem*, 61.

Referring to the figure above, The Economic and Social European Committee insists that organizations working in the sector of social economy are not primarily profit-oriented, but it must be economically efficient, in such a way that they can use the financial surplus for achieving the objectives.

In 2009, The European Parliament adopted a resolution regarding the social economy, through which was stressed the fact that the social economy plays an essential role in the European economy, combining the profitability with solidarity, creating quality jobs, strengthening the social, economic and regional cohesion, generating social capital, promoting the active citizenship, the solidarity and a type of economy that gives priority to people and supports the sustainable development and the social, technological and environmental innovation. At the same time, the document states that the social economy is based on a social paradigm that corresponds to the fundamental principles of the social and welfare European model, because the social economy currently has a key role in preserving and strengthening this model. By this resolution, The European Parliament requires to the European Union and to its member states to support this new field through a series of concrete actions: the recognition of social enterprises and the elaboration of a legal framework to define their legal status, the facilitation of access to credits and the provision of fiscal incentives to organizations that will carry out such activities.

3. The social entrepreneurship – the balance between the innovativeness in business and the labour market integration of vulnerable persons

The business models such as entrepreneurial initiatives can solve a lot of critical social problems from local communities in which these initiatives of social enterprises occur, this being a long-term approach for solving the concerned social problems. The innovativeness in social business in conjunction with labour market integration of vulnerable persons represents the balance of success of social entrepreneurship models.



Figure 4 - *The balance of success of social entrepreneurship models*

Therefore, the balance of success of social entrepreneurship models consists in the correlation of innovativeness in business related to the entrepreneur capacity to find a high-quality product-market couple, which brings profit, with successful labour market integration of vulnerable persons.

In the view of the NESsT Romania organisation, by the voice of Mrs. Damaschin-Țecu, the director of development of social enterprises within this, the way in which we define the social enterprise is very simple: “any business that has as main purpose solving the critical social problems”. The social problem relates to what is relevant for the local community. In some contexts it is about poverty, in rural communities is about facilitating access for small producers to market sales or in other contexts refers to universal human rights. A model focusing heavily on theorizing, legislative frameworks, denominations and restrictive criteria, would greatly complicate the work of those who wish to open social enterprises and would diminishing their creativity, initiative and enthusiasm. In the same time, it should be a legal framework allowing the creation of social enterprises just like any other enterprise.³

In order to realise a coherent strategy concerning the labour market integration of vulnerable persons within social enterprises, the state must be open to initiatives of social entrepreneurs, acting as “think tank” / advocacy

³ Gh. Pascaru and A. Doboș, “Interview with Roxana Damaschin-Țecu, enterprise development director at NESsT Romania,” within conference “*The Social Economy – innovative model to promote active inclusion of disadvantaged people,*” held on 12-14 October 2012 in Bucharest, *The Journal of Social Economy*, no. 1, vol. 2 (Bucharest: Hamangiu Publishing House, 2012), 137-143.

network/support network. The Romanian state pays monthly on social assistance budgets a lot of money, because it believes that those people can not work and should be assisted. On the other hand, a social entrepreneur can create a business in which to include this people for them to become then active persons (to obtain a salary, to pay taxes, contributions to pensions, etc.), thus that from absorbers of money from state budget, they turn into contributors to the same state budget. Therefore, the social entrepreneurship contributes to the state economy and the social business can successfully take over the burden of supporting this social assistance system.

Of course that in creating and developing a business, there are certain risks and uncertainties, therefore either the creation of social business involve such phenomena. One of these refers to the fact that as a start-up, help is needed with regard to operational losses, until is reached threshold of profitability, so that the state could give this money as a grant from the economy that such a business can achieve it, thus contributing on long term to the sustainability of this type of business and eliminating from the expenses of social assistance programs. In Romania there are enough money, but they are not effectively administered.

Besides state support, as an alternative of financial support in the development of social entrepreneurship it could also be the European funds. In this sense, the European Union finance such type of activities through the European Social Fund, The Sectorial Operational Programme of Human Resources Development 2007-2013, The 6 Priority Axis “Promoting social inclusion”, The Major Field of Intervention 6.1: “The Development of Social Economy”.

Another way of funding social business and through this of materialization of the ideas of social entrepreneurs, consists in the help offered by the large companies through the Corporate Social Responsibility programs (CSR). In this regard, Vişinoiu⁴ recalled that in October 2011, The European Commission redefined the Corporate Social Responsibility (CSR), as “the responsibility of companies for their impact on society”, encouraging the enterprises to implement processes in order to integrate in their operations and strategy the social, environmental or ethical concerns, related to human rights and to consumer, in close collaboration with co-interested parties. “The European Union Strategy 2011-2014 with respect to corporate social responsibility” emphasizes the significant contribution of business environment to the achievement of European

⁴ C. Vişinoiu, “Strengthening the capacity of Romanian companies to develop social partnerships – the corporate social responsibility,” *The Journal of Social Economy*, no. 1, vol. 2 (2012): 194-198 (Bucharest: Hamangiu Publishing House, 2012).

Union objectives of sustainable development and to the creation of a competitive market economy, by integrating the international principles of CSR. In order to maximize their added value, the enterprises should adopt a strategic approach, on long term, of CSR and explore the opportunities of developing of some innovative products, services and business models, that contribute to society welfare and lead to high quality standards and to much more productive jobs. CSR supports the objectives of “Strategy of Europe 2020” for an intelligent economy, sustainable and favourable to inclusion, among which an employment rate of labour equal to 75%.

Vişinoiu⁵ specifies that beyond of charity and voluntary action, CSR is overlapping today increasingly more with business sustainability – a welcome development which places the social responsibility in the strategic core of business operations. CSR today is referring on how to do business and it is based on the assumption of reality according to which the businesses can be sustainable and can create value through partnership, involving all relevant stakeholders, by focusing on real progress and on sustainable innovation in business operations and not considering social responsibility in marginal terms. This means that in order to ensure its sustainability, a company must satisfy its customers, make profit and meet people’s expectations that affect them or affecting it in some way or another, such as employees, suppliers and / or the community in which it activates. In this context, the managers and entrepreneurs must be supported in recognition that operating in a responsible manner from a social point a view, can add direct business benefits and can ensure long term strategic competitiveness, by resolving the problems in a proactive and innovative way and by creating a support team that maximizes the opportunities.

Following the above mentioned aspects, we can say without hesitation that there are a lot of assumptions of ensuring a proper framework to support social entrepreneurship, but these must be continuously doubled by the perseverance and continuous innovation of social entrepreneurs.

4. Practical case of social entrepreneurship manifestation – the farm of roses Sâncrai, Alba county

In Alba county of Romania, through the Alba County Council which is the beneficiary, is being carried out a strategic project of social economy, through a grant equal to 98% of project value, respectively POSDRU/84/6.1/S/53560 –

⁵ *Ibidem.*

“Social inclusion and on labor market through social enterprises”. The project contains 8 modules of activity, respectively five community resource centers and another three social enterprises, among which stands out mainly the farm Sâncrai, within which are cultivated roses.

The mission of this social enterprise is the active inclusion of vulnerable groups by creating jobs, by professional reconversion, by free labor market reintegration, developing a local brand – “The culture of roses”. In the same time, it aims to support the process of development of social and self-marketing skills of vulnerable persons, all these under the spectrum of development and sustainability of activities within Sâncrai farm.

The farm of roses is located in the Sâncrai village, belonging to the Aiud municipality, in the Alba county. This area is very well known because of the specificity of its activities, respectively those of cultivating of roses, of fruit trees or vines. The agricultural area cultivated within the farm is 2.2 hectares, in the first year here being a production of about 40.000 cuttings of roses. It should be mentioned that the market of roses is not saturated, but is open, depending on the ability of each enterprising to find that niche for sale.

The population living in this area contrasts in the social status, respectively there is a part of it which has very high financial possibilities, because of their undertaken activities that I previously mentioned, but also exists a very poor part of population, without a job, persons in social risk, dependent on alcohol or from institutionalized system. Some of these benefit of social aids, but they don't have a constructive mentality or a discipline of life in order to create something, in the sense of acquiring a self-determined life.

The social economy project conducted within Sâncrai farm, whose economic activity is in consonance with the specific of the area, is coming to help these vulnerable or in social risk persons, providing them the opportunities for activating within farm, providing training and knowledge for acquiring self-marketing abilities. Besides the agricultural land on which are cultivated the roses, this farm has its headquarter in a 200 years old castle, where until 15 years ago functioned a home for the institutionalized children.

If we consider the things from a broader perspective, if in the past here where institutionalized children, who were receiving education and food, nowadays, these children, how many of them remaining in the area, can be educated further, within the same location, for their professional, social and human development? Regarding this aspect, on the farm is working a 30 years old man, who grew up in the institutionalized system from this place and who is enjoying

now the services and the opportunity offered within this farm. Besides him, on the farm are periodically employed with journeyman contract, vulnerable persons from area, jobless, who are working alongside with the specialists of Sâncrai farm on the agricultural work required in the cultivation of roses. Simultaneously with their work, these persons learn a lot about the cultivation of roses, from their planting and until to their effective removal from soil in order to sale them. This aspect is very useful for these persons, in the purpose of acquiring certain knowledge and skills to cultivate these plants even at their particular home, with a perspective from them to create and develop small business with roses, which could ensure a consistent income, because why not, is has to be mentioned the selling of roses is profitable.

Beside this agricultural experience that they acquire within the activation on the plantation of roses, in addition to the money that they gain, these persons will follow this year a course of qualified farm workers, with a CNFPA accreditation, within which they will receive a sum of money for their participation, course that is very useful in further finding a job both in country as well as abroad. Besides these material and professional benefits, these persons will also receive counseling from specialized assistants and psychologists, in order for that people to build a self determined life and to acquire certain self-marketing abilities, in the perspective of being more responsible, creative and with initiative.

Making a summary of the ideas mentioned above, the Sâncrai farm through the social economy project within it activates, represents a strategic pawn of training and inclusion on labor market of some vulnerable groups of persons in the area, offering them the opportunity to develop certain business in the field, because of the expertise and entrepreneurial spirit which they will inherit by activating within this farm. Strategically speaking, Sâncrai farm is proposing to be a catalyst of stimulating the professional and human development of vulnerable persons from the area, by educating and stimulating their entrepreneurial spirit. In the same time, it aims to achieve profit in the perspective of reinvestment a part of this profit every year for ensuring the sustainability of activities of Sâncrai farm.

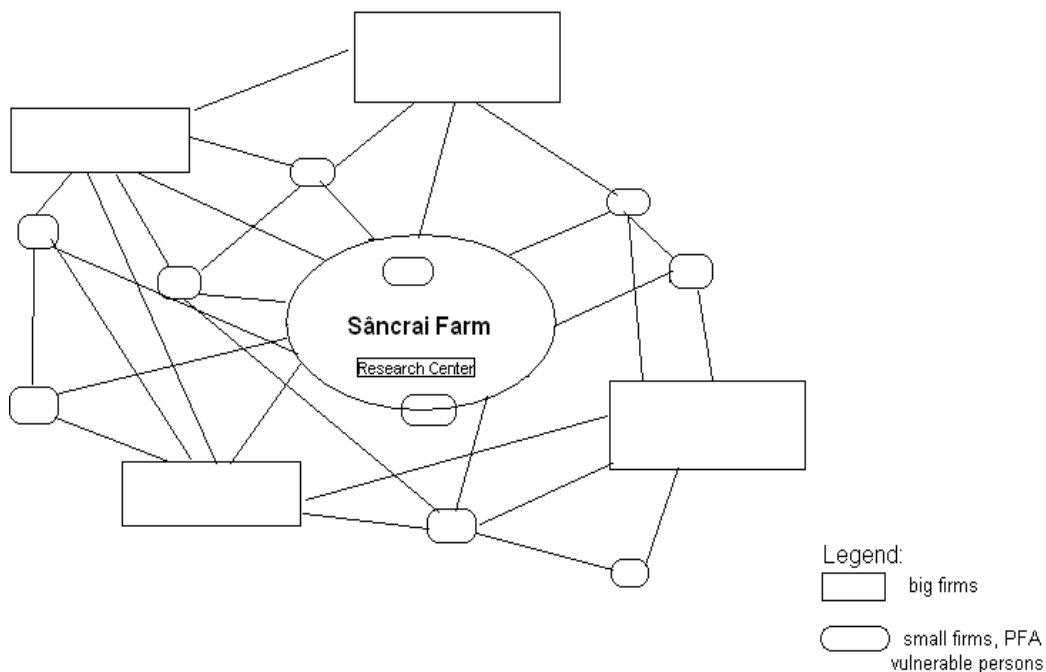


Figure 5 – *The implementation of a regional clustering in the production of roses in which to operate the big firms, the Sâncrai farm social enterprise and the small entrepreneurs vulnerable persons*

The people who will work on the farm will be able to build a business in the field of cultivation of roses or other related field, at a highest or smaller scale depending on the conditions and possibilities they have. If they will not find a channel in order to sale their products, these people could sale their products within Sâncrai farm, which will distribute them further on the market. Also the big companies represent an alternative for sale of this small entrepreneurs, because they already have distribution channels and a well defined market. In this way, the entire area could become an area with an increased productivity and reputation, in which most of the people will cultivate roses, besides the big firms that are already exist in the area, thus being able for creating a small regional cluster in the field of production of roses, as it can be seen in figure 5, within which there may be links between all its actors.

The headquarter of Sâncrai farm, a castle that has over 200 years old which is currently in rehabilitation, could be in the future a research center in the field of roses, that brings together all the entrepreneurs from area interested in the research area. At the same time, its image represents a strong point for Sâncrai farm within its marketing strategy.

In this context, the Sâncrai farm represents a strategic catalyst for boosting and spreading the entrepreneurial spirit in the area, especially within those vulnerable, without education and without a job persons, who activating a period within Sâncrai farm, will get and will some specific professional, human and social abilities and they will be able to build a life based on self determination and as a consequence of this fact they will be able to implicitly develop a business in the field.

5. Conclusions

The development of social entrepreneurship within social economy represents the most feasible solution in the present conditions of economy and of social aspects faced today, here referring to the problems of finding a job for the vulnerable and in social risk persons, as well as their reintegration into the labour market and the acquisition by them of certain professional, human and self-marketing abilities.

The creation and development of a social enterprise like Sâncrai farm, which have as economic object of activity the cultivation of roses, which otherwise is a specific brand of area in which it activates, can boost the vulnerable people from community in the same directions with the big producers of roses from area, after acquiring within Sâncrai farm of some knowledge, expertise and experience in the field, doubled by social and human abilities. These aspects can contribute not only to the human welfare in the area who develop such business at a lower or highest scale, but can be a catalyst factor for the development of the entire area by creating a truly local brand – the rose culture, within a small cluster of profile.

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