

Chapter 13

Social Economy: Romanian Rural Area Development Support – Practices and Theories in the New Economy

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ABSTRACT

At the European and global levels, the social economy has a strong impact in society with significant results that can be summarized both by the market shares held and their activity contribution to GDP, and by the number of members and the citizens' welfare offered by the jobs created. This chapter is part of the CAP reform in Europe after 2013, by which Romania will have to undergo a series of transformations including promoting the social economy by encouraging cooperation and joint agriculture, stimulating the development of alternative economic activities such as organic farming, ecotourism, development, and promotion of local products labeled, specialized human capital development, and collaboration and sharing of best practices with experts from other EU Member States.

INTRODUCTION

Romania has a sad experience in the social economy, marked by the communist period and although it has been more than 20 years does not have a specific law that would encourage such activities.

In Romania, the most common form of activity organization in agriculture was agricultural cooperative, so we plan to bring back to farmer consciousness as the only can bring welfare to him and to rural community he belongs.

In our approach, this paper wants to answer a series of questions (Turek, Zugravu, & Cristea, n.d.):

- Is the agricultural cooperation a viable alternative for the peasant husbandry?
- What is the economic and social impact of cooperation in the next stage?
- Through cooperatives, agricultural products can penetrate on better markets closer to the consumer?
- What is the specific model of cooperation to follow by the Romanian society?

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In terms of agricultural producer, the study aims to identify:

- What is the motivation to join the cooperative?
- What are the rights and obligations of members?
- Is the cooperative an institution to ensure business continuity to agricultural producer in return for a membership fee?
- What is the cooperative strategy in attracting new members?

A major component of the social economy in Romania is cooperative movement that has a significant presence in processing industry, trade, agriculture, and financial intermediation. The other component represented by mutuality, is found in financial intermediation and health.

This study aims to diagnose the current state of the social economy in the Romanian rural area with the following general objectives:

- Highlighting the current state of knowledge in the social economy
- Presentation of some guidelines for social economy as part of the countryside
- Knowledge of organizational and manifestations forms of social economy actors in rural areas

Given that in Romania, cooperative societies are the most famous actors in the social economy, at the end of this chapter we aim to achieve through a specific field investigation the following results:

- Estimating the size and trend of the social economy sector in the economy;
- Estimating the impact of social economy on the community in terms of knowledge;
- Update number and dimensional characteristics of social economy organizations;

- Identifying constraints and opportunities for expression of the main actors of the social economy in rural areas (finance, skills).

Context

This chapter is part of the major concerns of Member States included in the Europe 2020 strategy objectives on increasing employment of active labour:

- Improve the “employability” of the active population;
- Promoting entrepreneurship, in particular through the creation of local jobs;
- Improving the adaptability of businesses and their employees by modernizing work organization;
- Strengthening policies on chance equality, in particular through the development of public policies that allow reconciling family life with professional life

As a member state of the European Union, Romania must make considerable efforts to implement the concepts of social economy and rural space can create premises for specific activities. Through information, multiplying best practices and carry out projects that have the effect of stimulating initiative, solidarity, need for training and development on medium and long term, the rural area will become an integrating centre for social economy institutions¹.

Future associative structures in Romania are considered key elements in the new social economy that lists three specific organizational forms, namely: cooperatives, associations and foundations and mutual societies. Cooperatives are flexible production and supply networks suitable for small businesses from local small or rural geographic areas.

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