

SOCIAL ECONOMY - A SOLUTION TO THE LABOR MARKET INCLUSION

Abstract

EU social economy takes a wide variety of national, regional, local, which does not prevent the formation of networks of social economy enterprises cooperation at national and European level. The dominant principle of social economy institutions is increasing scope of social responsibility policies to promote social cohesion, building stable community solidarity and a new moral model oriented towards developing an inclusive society.

Key words: *social economy, social inclusion, labor market, sustainable development, economic crisis.*

“Social economy” is a more ambiguous concept of European interest in the dispute which concerns the particular social and economic policy strategy of the European Union. Starting with the reduction of unemployment, the equality promotion, the security of labor migration and the social assistance to disadvantaged people, to create jobs, to promote citizenship in an economy of local communities, the “social economy” is the hope and the subject main attraction of solutions more or less realistic in solving urgent situation generated by the current crisis. This study is dedicated to social objectives and economic philosophy applied to labor market inclusion policies. The importance of various social sectors of the economy is illustrated by using solidarity networks of local or regional communities in the establishment of the new jobs for marginalized people. Organizations within the cooperatives, the association, mutual associations including voluntary welfare associations are just some examples regarding how to develop and position certain organizing principles, ideas or projects operating institutions shaped by modern philosophy of social economy type discrimination. To these are added particular emphasis on civic motivation problem without which there would be no economy of the local community as a strategic process euroregionalism into a spirit of competitiveness and cooperation and mutual assistance.

Motivation for the social economy at European level is the main option for economic cohesive arguments founded on the principle of social inclusion, supported by a network of solidarity at family, community and regional. The beginnings of social economy as movements based cooperative entrepreneurial models of the nineteenth century influenced by the ideology of utopian socialism, liberalism and neo-liberalism and Christian solidarity. Economic activities of cooperatives, associations and foundations were centered on the interests and collective needs, not only in pursuit of purely economic objectives, but also noneconomic benefits, type formative educational, moral and social. By creating community networks of solidarity and active support to those in need, at risk of social marginalization in the labor market, to track changes in individual consciousness plan leading to the formation of a workplace culture. It can acquire such a professional and economic autonomy to eliminate forms of welfare dependency. Social economy type organizational structures such as cooperatives, associations, foundations, mutual aid community associations etc. based on specific forms of entrepreneurship with its economic and social actors, who centered for both product development and its social and human effects. Thus, it aims the increase of the life quality of vulnerable people.

The economic capital is not in itself a basic target of the actors involved in social economy. This is supported only by the results of the change of life to those in need, through their integration into the labor market or by developing a profit-centered social welfare of the

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individual and/or community. Through a specific management of the social economy is reached in time to an individual harmonious with the general interest of the community, able to ensure autonomy and independence forms of organization as social economy principles and their recognition by public authorities. Any profit institutions is reinvested for the development of social economy enterprise services to its members or collective welfare centered services. Association, self motivated people accepted the social economy businesses, plus community and voluntary actions are a constant process in defining the social economy (up free), especially during the current crisis.

Key areas, where the social economy has developed open interest, are that social enterprises which explicitly link the field of social inclusion policies of the population at risk of marginalization and social protection. These areas shall be directed towards social services such health and medical/health, social insurance and social security, education and vocational training, agriculture, banking and cultural environment, leisure activities, neighborhood services for the poor and at risk of marginalization for those who want a profitable business for them and the community safe.

Creating jobs in the community through organized forms of social economy is an essential feature, its major goal which increases its desirability in times of economic crisis, especially financial and social. To increase the employment rate for those in need through mechanisms for social economy can be achieved in many ways: directly through conscious and deliberate development of a productive activity for the system integration problems on the labor market and indirectly through the cooperation to the cooperative network of institutions that offer to provide permanent employment for those excluded from the labor market or by taking the professional difficulties that independent outside organizations using the services provided by institutional forms of social economy.

In the process of developing, broaden and strengthen the opportunities for development of an active employment in the community, by increasing capacity and performance professional education for those at risk of social exclusion, social economy consolidates its principles. These concerns expressed the solidarity and community involvement at the individual, job development activities which enhance the living standards of citizens, creating a culture of work, community democracy and moral values to support their behavior. These are formulated so explicitly, the social dialogue in the community needs to support stability in employment through alternative economic development, pluralism centered professional profile required by the market offers, stability and social balance in local and regional control and management members' skills. Real competition dominated by social responsibility in production goods and services is an intrinsic type which leads to successful practice in social economy organizations.

Employment rates and growing concerns for innovation of organizational forms and institutional mechanisms to foster labor market integration of socially disadvantaged groups coincides with the priorities of the new EU Strategy 2020, recently launched as an addition and revision of the Lisbon Strategy. In the forefront of priorities this strategy we find requirements for generating real social cohesion, the fight against poverty, adopting local, regional and European civic participatory democracy. These are found, with a major importance, requirements for improved governance based on legal mechanisms focused on the support of social economy networks at local, regional, national and European level (associations, cooperatives, corporate companies etc.). They can provide a stable economic and social balance, sustainable economic growth through training, continuing education and use of skills in modern areas of specialization.

The role of cooperative enterprises in contemporary social market economy was minimized and often marginalized type neoliberal economic approach. This lack of attention paid comes from limited applicability of basic microeconomic principles, neglected or taken

indiscriminately in the development of cooperative enterprises. The discrepancy between theoretical assumptions and empirical evidence led to underestimating the growth potential of social economy enterprises, hampering the involvement of these major corporations in the interests of the community. It is therefore a need to improve scientific understanding of social and cooperative enterprises, from the perspective of modern organizational management, able to propose and disseminate relevant models of social and human growth. Individuals who run these corporations can not be characterized otherwise than as mere actors motivated by personal, and community development. Instead, as suggested by the behavioral approach, the importance and complexity of documents generated by various causes' motivation to find the final evaluation in models of collective interest, "moreover, firms can not be interpreted only in a exclusive (in) aimed at winning only their selfish profit. They are the main mechanisms for coordination of economic activity, as would suggest evolutionary approach to winning. To this end, we must develop a specific organizational strategy, even if their objectives can be diverse, ranging from purely private credit to their mutual benefit and reciprocity-based collective, targeting public benefit supported by state policy formulation will choose of social preferences in the public interest".² Through these fundamental principles underlying the social economy ensure the establishment of the companies to develop activities and income generating projects for the welfare of individuals and communities. The emergencies related to job security are blending harmoniously with the satisfaction priorities of the associates' quality life indicators. Thus, some instances are generating disappearance/bankruptcy or withdrawal of large companies, giant-hit institutions, forms of organization leaves smaller, local/regional economic and financial stable during the crisis, and voluntarily accepted supported the professional efforts of the actors involved in various types of social economy. They appear as human social and profitable solutions which can be more sustainable, constant employment, thanks to a flexible management, organizational innovation, supported by the Community. Also, the social economy forms by their economic and social efficiency, through competition, can take some activities/services that belong to the public sector, each developed responsible successful local projects.

In the major concerns related to employment policies, the EU appreciates the social economy, with its good tradition for over a century as an effective means in the occupational integration of the vulnerable. It is not only a viable alternative to the modern market as a social response to the problems of the current crisis, but as a serious civil society and the State. In answering her specific point in the area of jobs, social economy can become a major player in policy formulation, particularly social inclusion policies. As noted in 2020, the social economy is an integral part of a future social and economic model of the European Union. Culture of democracy and labor, associated with social responsibility aimed at the institutional forms of social economy, is part of the priorities of the new European Strategy 2020. These requirements are formulated in numerous studies, books and organizations management principles: "The concentration of all medium and long term efforts will focus primarily on diplomatic negotiations between EU representatives and federal legislators from each Member State. Any democratic and social constitutional state should contribute, in accordance with recommendations made in Articles 20 and 28 of the constitution Welfare build social rights and local authorities put in a position to be able to develop their own interests, without mixture of central authority. State social economy is a welfare state, as postulated unspecified, and in terms of this contract design, it can not be established without a

² Carlo, Borzaga; Emanno, Tortia; Sarah, Depedri, *The Role of Cooperative and Social Enterprises: a Multifaceted approach for an Economic Pluralism*, European Search Institute on Cooperative and Social Enterprises, Working Papers, Trento, 2009, p.19

negotiation to be taken first political society each member country”.³ A significant aspect of these cooperative associations on their appearance is voluntary, freely accepted by those concerned. They will develop economic activities mainly focused on helping the poor / economically excluded. Mutual aid functions of these cooperative associations, although they often remained within utopias, attained in the present context, a strong modern, labor market inclusion of the socially marginalized. They are thus an incentive of self-governing and self-organization, through various ways of cooperation / mutual aid at Community level economic and social, family, local. They are aimed at gradually taking over state functions and strengthening the spirit of democracy, social justice and morality in labor relations and solidarity. Through these objectives, explicitly formulated, social economy, the very beginning, can be considered as having multiple links with the innovation and creation of employment suitable to the economic profile of all social groups under conditions of scarcity of employment offer. Also it copes to the requirements of the sustainable development. By its nature, social economy, with precise rules of mutually beneficial cooperation imposed by the structure and culture of voluntary organizations, associations, cooperatives, economic production, the cooperative banks etc. fails often exceed local conflicts, the Community can occur in a context of austerity caused by the economic crisis, financial, political and social. Thus, it makes economic forms of cooperation in modern business models, pragmatically oriented to individual and community welfare.

In Herman Schulze opinion, the traditional liberal doctrine appears as a source of modern social economy. This doctrine emphasizes business principles related to social innovation, autonomy and local democracy in jobs in the community value issues in interpersonal relations, elements of a culture of cooperation and solidarity. Such principles are generating community welfare, and social inclusion for those at risk of marginalization in the labor market, proved effective for the middle class or rich.

With its central objective itself on the social impact of economic development, social economy and modern philosophy is claimed Christian solidarity, which move the moral values of mutual cooperation, trust and solidarity at Community level, self-help and voluntary corporate complex in differentiated. These rules of cooperation at work bring coherence and stability in the long term economic development goals.

Depending on the cultural patterns of life, European social economy by specific organizational forms and a variety of cooperative, corporatist, associations etc., develops solutions to the current crisis by creating new jobs in the context of an offer work is always narrow. However, the social economy appears as a boost innovative entrepreneurship development through training and continuing education required by the labor market and high economic performance. It is found as a product request an inclusive economy. It is updated as a possible model for sustainable economic development at local, regional, community and family environment close to their normal requirements of the individual. A decentralization policy principle desirable modern development of any social and economic gains immediately, in the context of social economy, a pragmatic and effective in the reconstruction so the quality of life and individual and collective welfare. Organizational forms of social economy can take while a good part of their social protection and state paternalistic type, helping thus social inclusion of vulnerable people and groups.

The three theoretical and ideological sources of the modern social economy: utopian socialism, Christian philosophy and liberalism/neoliberalism modern, can provide more detail in the definition and characterization of social economy enterprises, the scale and emphasis on philosophy, objectives and historical models inspiration taken in time.

³ Arnold Ulli, Maelicke Bernd, *Lehrbuch der Sozialwirtschaft*, Baden-Baden, Nomos, 2009, p.97

If we consider the new demands of Europe 2020, we can say that the social economy as a looming economic and social development orientation line of “smart growth”, a “sustainable growth” and a “growth type inclusive”.

Permanent European Conference definition of Cooperatives, mutuality, Associations and Foundations, one of Europe Committee which comprises the most representative forces in the social economy, emphasizes that “social economy organizations and social actors are active in all sectors, characterized, mainly by their specific goals and form of entrepreneurship. The social economy includes organizations such as mutual cooperatives, associations and foundations. These companies are particularly active in certain areas, such as social protection, social services, health, banking, insurance, agricultural production, neighborhood services, education and training, culture, sport and recreation”.

Training of specialists in the social economy in difficult times of acute economic and social crisis becomes a pressing requirement of inclusion policies for vulnerable labor market. “Promoting growth and employment lead to a general development of wealth. Helps safeguard social participation, above all, to increased employment opportunities and generate a consolidated social security system aimed at the principles of personal responsibility and solidarity, which is essentially a viable way in which any employee can- and protect the interests of the risks from work”.⁴ The training in the social economy and long term investment in human capital will be based on major objectives, which bring the community, on the one hand, solidarity and individual involvement in the economic development and on the other hand, generation of occupations/professions suitable to market needs and target groups at risk of social exclusion. Offering a modern institutional framework, allowing the emergence of new enterprises and new forms of work activities and new social roles requires key local development and social cohesion. On the social responsibility involved the social economic structures, institutional development decisions are imbued with a democratic spirit visible. This increased stability is reached and pluralism economic market models in the context of modern social diversity, cultural and political.

Compliance with EU priorities and strategic objectives focused on social cohesion, flexible employment, reducing poverty rates, participatory democracy, better coordination of economic processes of sustainable development, governance techniques in accordance with the present needs of the crisis become organizing principles activities of social economy.

Legal forms of social economy can vary from one country to another and have different status within the current European. However, these enterprises are distinguished from traditional companies, based on capital, the following distinctive aspects:

- Membership in voluntary and open membership;
- Democratic control by members;
- Harmonization of individual interests of participants with the general interest of the community;
- Defense and the principle of collective responsibility and solidarity;
- Autonomous and independent management of public authorities.

Business surplus is used to contribute to their sustainable development objectives, the services of common interest to its members or general interest services for the community.

Definition of social economy in the EU takes a wide variety of national, regional, local, which does not prevent the formation of cooperation networks of social economy enterprises at national and European level.

By Europe 2020, the European Commission has proposed that the main objective the development of market-oriented mechanisms at work include those at risk of unemployment

⁴ Ernst-Ulrich Huster, Benjamin Benz, Jürgen Boeckh, *Feeding in and Feeding out and Integrating Immigrants and Ethnic Minorities*, Social Inclusion, A Study of National Policies, Second Semester Report 2006, Bochum/Brussels: European Commission, p.1

and poverty. This can be done by creating the necessary labor market skills, the innovation of active labor market integration of those at risk of social exclusion, by increasing the democratic participation of the community to increase their welfare etc. In this respect, it emphasizes the emergence of efficient and competitive economy enterprises in the national and international networks of social economy. Therefore, understanding/diagnosis and analysis of economic phenomena in the social economy will be targeted mainly on the implications of direct and indirect, short and long term, the social sphere and human. Emphasis will be placed on the economic factor in itself and no capital gains, but the efficiency of human and social economic development, with the possibility to stop the negative effects of economic crisis on the individual.

Totalize the significance of the social economy in the current crisis several conclusions can emphasize the role of directions:

- Need to implement organizational development of alternative sustainable employment in the community response to the current economic crisis;
- Increased focus on local and regional development, much closer and friendly individual, family and community;
- Extending the decentralization process, institutional regionalization of the euro;
- Flexibility of national barriers and communication between cultures, the effects of Europeanization and globalization of labor;
- Tracking labor market migration process through its effects on the economy as well as on the social and humane;
- Forming a network of solidarity in the community to support labor market employment rate compared to rising unemployment;
- Increased opportunities for social inclusion within occupational;
- Increase confidence in the cooperation at work;
- Revival of moral values in our community;
- Growing importance of social factors influence the economic or political processes, by the relevant strategies to achieve long-term viable (sustainable development and sustainable);
- Need to use the methods, means and techniques of modern research in the social economy;
- Developing a critical understanding of the integrated type a multidisciplinary approach the economic size directly with impact to the social sphere;
- Formation of a scientific community working closely with the practice of social economy enterprises;
- Establish an active dialogue between community' actors involved in innovative social economy;
- Efficient use of structural funds in the institutional and legislative construction of social economy enterprises;
- An academic study of specific areas of social economy, the formation of specialized staff to provide real solutions for social inclusion, the successful economic policies, and also able to ensure stable development of communities.

In the modern social economy point to several possibilities open field of occupational and social inclusion policies in the crisis time:

- Launching nationally, a combined package of alternative economic development strategies responsive to social problems directly related to social inclusion. Protect those in need provides an environment favorable economic and social development, balanced and can stop the harmful effects of explosive that may occur in social and human;
- The imposition of targeted measures, focused on active social policies, with proper support priorities in the field of occupational, educational and vocational training;

- Labor market integration of disadvantaged groups, by stimulating their motivation for employment and decrease dependency on social welfare;
- Creation of complex services in diversity and social utility, the modern mechanisms of social economy;
- Promote the decision making of experts / technocrats, along with representatives of political democracy;
- Formulation of active measures to reduce the serious phenomena of social exclusion, with concern, in time, their eradication;
- Development of modern infrastructure in the social economy based on building organizational and social oriented legislative framework, to support them;
- Stimulation of human resources and capacity performance, proposing successful models for economic, social and human impact directly on social inclusion process.

The dominant principle of social economy institutions is increasing scope of social responsibility policies to promote social cohesion, building stable community solidarity and a new moral model oriented towards developing an inclusive society.

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