

## The Contribution of Professional Associations in Romania to the Prevention of Poverty and Exclusion by Developing Social Businesses. - Part II

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### Abstract

Global poverty is neither created by the poor, nor the result of any incapacity associated to them; instead, it is the outcome of the system built by all the people, the institutions they set up and the concepts they have formulated. In what follows we don't want to suggest that Professional Associations would become philanthropic associations through the establishment and development of specific social economy foundations that concentrate their activity on poverty issues. Such associations have actually come to witness the problems mentioned above, namely the difficult situation of former employees from different areas; an example in this respect could be the massive and "the most successful privatization of all time" of oil companies, in 2004, when, by various subtle (compensatory) means, the new capitalists have fired more than 40 thousand people, relegating them and their families to a life of poverty. Private oil companies have outsourced more services, which subsequently became the property of the capitalists managing them, at the expense of society, proving their clear interest in gaining significant profit. Therefore, Professional Associations in this area might become, among other things, active organizations within society, assuming a social role, for both their members from the oil industry and for non-members, for society at large. Professional associations promote the idea of a new form of capitalism and a new type of company (understood as a business), based on the generosity of people and defined by experts as "social business". The fundamental purpose: to eliminate the social, economic and environmental problems; reduce the consequences of many other problems in society, such as hunger, homelessness, disease, pollution, lack of education, which finally lead to national insecurity.

**Keywords:** Professional associations; poverty; social exclusion; vulnerable groups; social business; social economy; social entrepreneurship, a new form of Capitalism.

### Gathering evidence

For this study, we have gathered evidence from: documents, archives, best practices, direct observation, participant observation. Our attention is focused on each source in particular, respecting the principles of priority: "a.) multiple sources of evidence (two or more sources that converge towards the same findings); b.) a database (it refers to the evidence collected, not to the final report of the study); c.) a logical succession of evidence (explicit links between the data collected, the questions and the conclusions reached)" (Yin, 2005, p.122).

## The primary analysis unit: vulnerable social groups (the unemployed and graduates without a job in Romania)

Vulnerable social groups in Romania are usually socially excluded groups, which were generated by poverty and social exclusion and are made up of persons without a job: unemployed persons, graduates of universities and secondary education, the disabled, Roma persons, former inmates, drug users, single-parent families, young persons from orphanages, children and young persons in different situations, persons with any form of protection, refugees. Our study focuses only on a part of the vulnerable social groups mentioned above: the unemployed persons and university and secondary education graduates without a job. The other categories will probably be the object of a future study.

### 1. Employment in Romania

Expressed by the employment rate in Romania and at European level:

Table 1. Employment rate - total and by age group (15-64 years)

	2010	2011	2012	2013	2014
Total	60.2	59.3	60.2	60.1	61
Age groups					
15-24 years	24.3	23.4	23.7	22.9	22.5
25-34 years	75.9	75	74.4	73.5	75.1
35-44 years	81.3	80.1	80.4	79.9	80.1
45-54 years	71.9	71	73.9	74.8	75.64
55-64 years	40.7	39.9	41.6	41.8	43.1

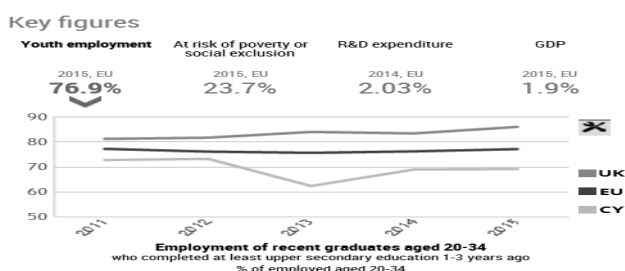
Source: [http://www.insse.ro/cms/files/Web\\_IDD\\_BD\\_ro/index.htm](http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm)

Symbol: ROC

U.M.: %

Aggregation level: national

Employment in the European Union:



**Figure 1.** Youth employment - Employment of recent graduates aged 20-34 who completed at least upper secondary education 1-3 years ago % of employed aged 20-34  
 Source: EUROSTAT <http://ec.europa.eu/eurostat/web/main/home>

2. Expansion of unemployment in Romania and in Europe, measured in terms of:

a) ILO unemployment rate - total and by gender:

**Table 2.** ILO unemployment rate - total and by gender

	2010	2011	2012	2013	2014
Total	7.0	7.2	6.8	7.1	6.8
Male	7.6	7.7	7.4	7.7	7.3
Female	6.2	6.5	6.1	6.3	6.1

Source: [http://www.insse.ro/cms/files/Web\\_IDD\\_BD\\_ro/index.htm](http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm)

Symbol: RSBIM

U.M. : %

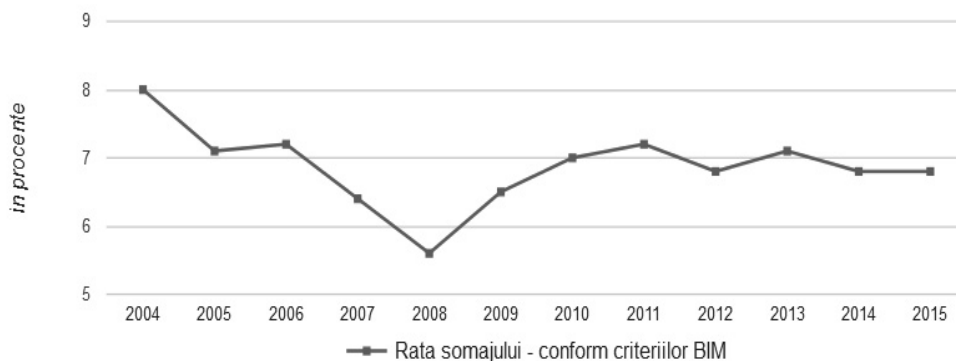
Aggregation level: national, by gender

**Table 3.** The unemployment rate - according to ILO criteria

	2011	2012	2013	2014	2015
	7.2	%	7.1	6.8	6.8

Source: Table, the contribution of the authors

Graph ILO unemployment rate:



**Figure 2.** The unemployment rate - according to ILO criteria %

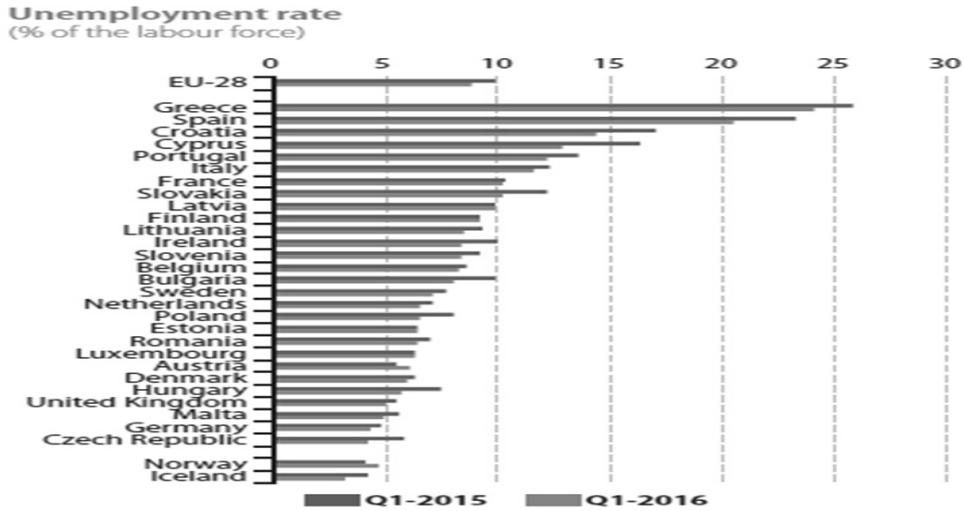
Source: <http://www.insse.ro/cms/>

in percent (%)

The unemployment rate - according to ILO criteria %

Unemployment rate in the European Union:

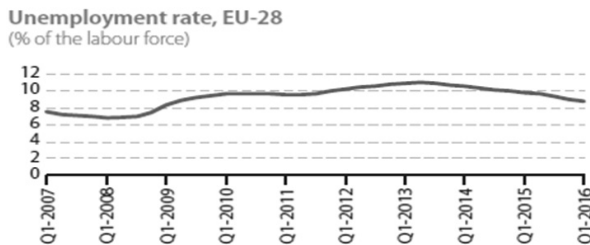
**Table 4.** Unemployment rate (% of the labour force)



Additional information: [http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics) and [http://ec.europa.eu/eurostat/cache/metadata/en/une\\_esms.htm](http://ec.europa.eu/eurostat/cache/metadata/en/une_esms.htm)  
 Source: Eurostat (online data code: une\_rt\_q)

Source: Eurostat (online data code: une\_rt\_q)

Graph Unemployment rate, EU-28 (% of the labor force):



**Figure 2.** Unemployment rate, EU-28 (% of the labour force)

Source: Eurostat (online data code: une\_rt\_q)

b) ILO unemployment rate by level of education:

**Table 4.** ILO unemployment rate by level of education

	2010	2011	2012	2013	2014
Higher level	4.8	4.7	5.1	5.4	5.8
Average level	8.0	7.9	7.3	7.8	7.2
Low level	5.9	7.2	6.7	6.7	6.7

Source: [http://www.insse.ro/cms/files/Web\\_IDD\\_BD\\_ro/index.htm](http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm)

Symbol: RSBIM\_EDUC

U.M. : %

Aggregation level: national, education level  
 c) ILO unemployment rate by age group):

**Table 5.** ILO unemployment rate by age group)

	2010	2011	2012	2013	2014
15-24 years	22.1	23.9	22.6	23.7	24.0
25 and over	5.6	5.7	5.4	5.7	5.5

Source: [http://www.insse.ro/cms/files/Web\\_IDD\\_BD\\_ro/index.htm](http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm)

Symbol: RSBIM\_VARSTA

U.M. : %

Aggregation level: national, age groups

3. Early school leavers

**Table 6.** Early school leavers

	2011	2012	2013	2017
Romania	18.1	17.8	17.3	18.1

Source: [http://www.insse.ro/cms/files/Web\\_IDD\\_BD\\_ro/index.htm](http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm)

4. Total employed population growth (aged 15 - 65 and over)

**Table 7.** Total employed population growth (aged 15 - 65 and over)

	2010	2011	2012	2013	2014
Total	-0.3	-0.8	-4.8	-0.9	0.8

Source: [http://www.insse.ro/cms/files/Web\\_IDD\\_BD\\_ro/index.htm](http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm)

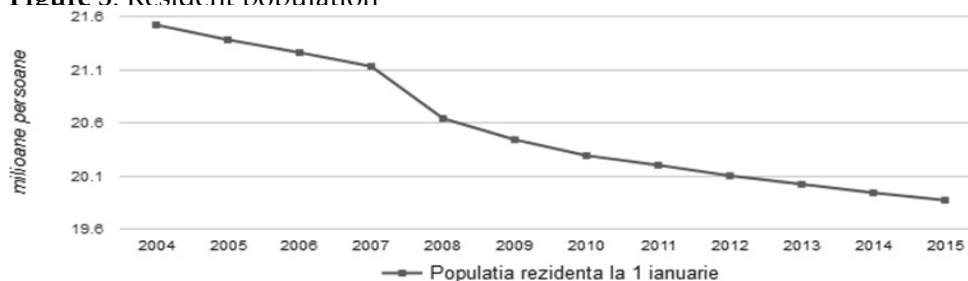
Symbol: CtOCn,n-1

U.M. : %

Aggregation level: national

Graph of resident population:

**Figure 3.** Resident population



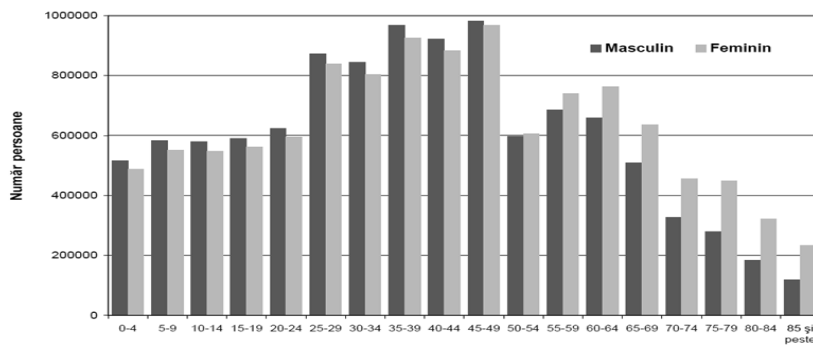
Source: [http://www.insse.ro/cms/files/Web\\_IDD\\_BD\\_ro/index.htm](http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm)

personae million

Resident population on 1 January

**Table 8.** Resident population on 1 January

	1 Jan.2011	1 Jan.2012	1 Jan.2013	1 Jan.2014	1 Jan.2015
personae million	20.2	20.1	20.2	19.94	19.87



Source: Table, the contribution of authors  
 Population by home, age and gender, July 1st, 2016:

**Figure 4.** Population by home, age and gender, July 1st, 2016:

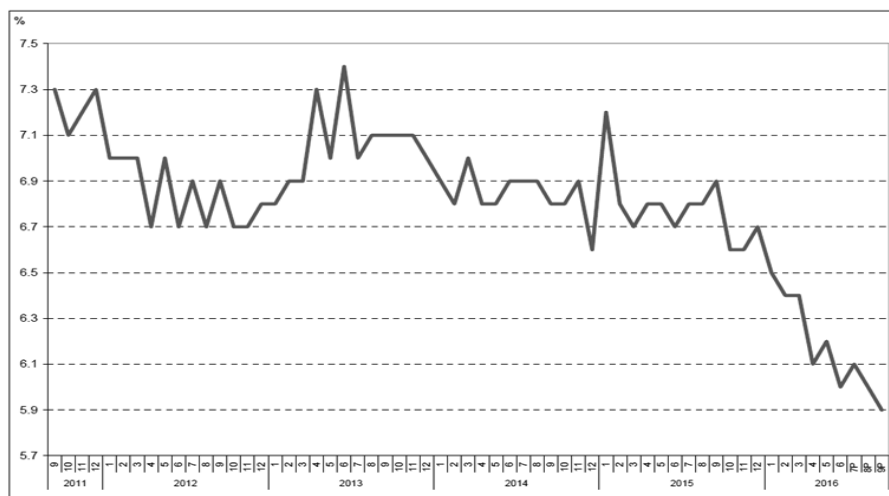
Source: <http://www.insse.ro/cms/ro/comunicate-de-presa-view> .

Numar de personae = Number of persons

Masculin = Male; Feminin = Female

85 si peste = 85 and over

5. The unemployment rate developments:



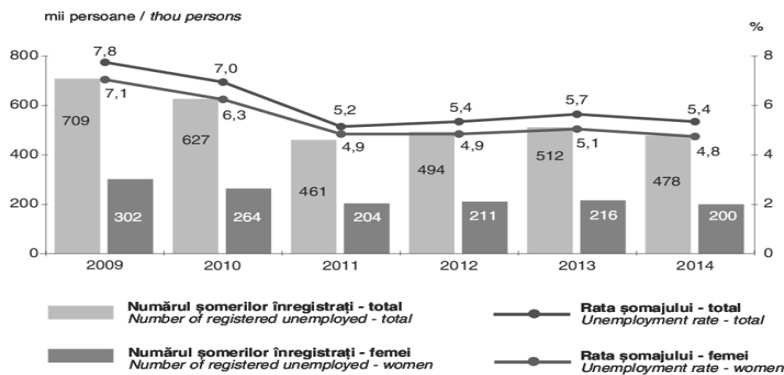
\* Date provizorii - conform politicii de revizuire a datelor (vezi punctul 6 din *Precizări metodologice*).

**Figure 5.** Graphic the unemployment rate developments

Source: <http://www.insse.ro/cms/ro/content/%C8%99omajul-bim-7>

<sup>P</sup> Provisional data - according to data review policy (see point 6 in the Methodological notes).

6. Number of registered unemploend and unemployment rate:



**Figure 6.** Number of registered unemploend and unemployment rate

Source: Romania's Statistical Yearbook

[http://www.insse.ro/cms/sites/default/files/field/publicatii/anuarul\\_statistic\\_al\\_romaniei\\_1.pdf](http://www.insse.ro/cms/sites/default/files/field/publicatii/anuarul_statistic_al_romaniei_1.pdf)

In terms of gender, the unemployment rate in the case of men has gone beyond 1,9 percent points in relation to the situation of women (the respective values being 6,7% in the case of men and 4,8% in the case of women).

**The analysis unit of the context: poverty and social exclusion**

Part of the proofs referring to poverty and social exclusion, which generate vulnerable social groups are presented as follows.

1. The number of stable resident population in Romania  
 This indicator has been presented at Table 7 and Figure 3.
2. Gross National Income (as GDP share)

**Table 9.** Gross National Income (as GDP share)

	2011	2012	2013	2014	2015
Total	99.0	98.7	98.1	99.0	98.1

Source: [http://www.insse.ro/cms/files/Web\\_IDD\\_BD\\_ro/index.htm](http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm)

Symbol: PIBR/loc

U.M. : lei (RON)/capita

Aggregation level: national (as share of the GDP)

3. Growth rate of GDP per capita

**Table 10.** Growth rate of GDP per capita

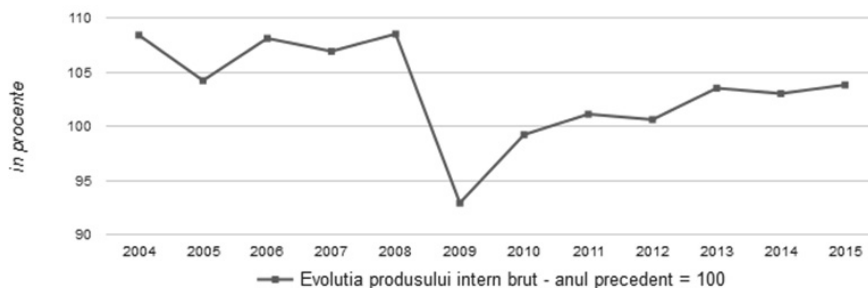
	2010	2011	2012	2013	2014
Total	-0,2	1.6	1.1	3.9	3.5

Source: [http://www.insse.ro/cms/files/Web\\_IDD\\_BD\\_ro/index.htm](http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm)

Symbol: PIB/place

U.M. : %

Aggregation level: national (the previous year =100)  
 Graph indicating the evolution of gross domestic product (GDP):



**Figure 7.** Evolution of gross domestic product (GDP) - the previous year = 100  
 Source: <http://www.insse.ro/cms/>  
 in percent (%)

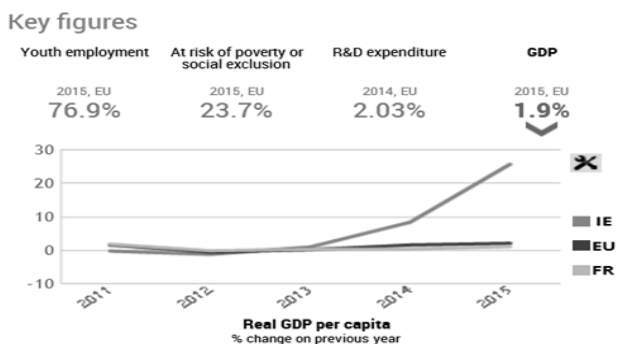
Evolutia produsului intern brut (PIB) - anul precedent = 100 = Evolution of gross domestic product (GDP) - the previous year = 100

**Table 11.** Evolution of gross domestic product (GDP)

	2011	2012	2013	2014	2015
in percent %	101.1	100.6	103.5	103	103.8

Source: Table completed by the contribution of authors

Evolution of gross domestic product (GDP) - the previous year = 100  
 Real GDP per capita in the European Union:



**Figure 8.** Real GDP per capita % change on previous year

Sursa: EUROSTAT <http://ec.europa.eu/eurostat/web/main/home>

3. At-risk-of-poverty rate after social transfers

**Table 12.** At-risk-of-poverty rate after social transfers

	2009	2010	2011	2012	2013
Total personae	22.4	21.1	22.2	22.6	22.4

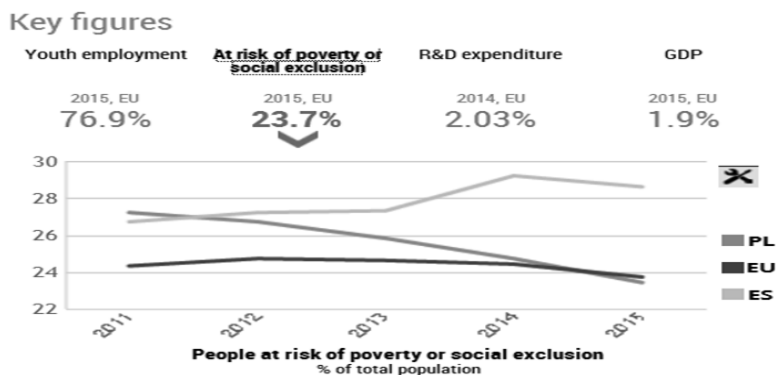
Source: [http://www.insse.ro/cms/files/Web\\_IDD\\_BD\\_ro/index.htm](http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm)

Symbol: Rs

U.M. : %



Aggregation level: national  
 Graph showing at risk of poverty or social exclusion in the European Union:



**Figure 9.** At risk of poverty or social exclusion în Uniunea Europeană

Sursa: EUROSTAT <http://ec.europa.eu/eurostat/web/main/home>

We argue that there are many more proofs demonstrating the level of poverty and social exclusion that generate vulnerable social groups and the level of unemployment among university and secondary school graduates in Romania. However, we could not present all these proofs in this chapter, but we took them into account in the next chapter, dedicated to the analysis of data.

### The analysis of evidence

Proof analysis refers to the evaluation, classification, interpretation of proofs presented in tables, graphs, documents, with the view of approaching the initial hypothesis of the study. We use strategies and data interpretation techniques that would allow us to demonstrate the existence of vulnerable social groups, generated by the presence of the generating phenomenon: poverty and social exclusion. We also focus on the solution: combating poverty and social exclusion by Professional Associations that get involved in the initiation of social businesses, using the entrepreneurship model.

### The vulnerable social groups: the unemployed and the graduates without a job in Romania

Examining the existing tables and graphs, part of them being included in chapter 3.1.1, we can observe that the proofs showing employment in Romania indicate the unemployment rate and the number of the unemployed, in relation to the stable resident population, on the 1st of July 2014 (19.909 thousand people), more reduced in number, with 3.80 thousand inhabitants as compared do 1st of July 2009 (20.364 thousand people), of which 1.63 thousand men and 2.17 thousand women, with a total active population (aged 15-65) of 13. 866 thousand people, in 2009; in 2014 the total active population (aged 15-65) of 13.486 million people, less 400 thousand

inhabitants of which: men, in 2009, 6.641 thousand and women 6.926 thousand, as well as 6.807 thousand men and 6.679 thousand women in 2014.

Related to the active population determined above, following the analysis of graphs and tables presented, we could see that the number of unemployed persons, registered in Romania, that is "those that meet the cumulative relations stipulated by current legislations as well as those assimilated to the unemployed" (ASR, 2015), in other words the graduates without an occupation, are distributed as follows: in 2009 the number of registered unemployed persons and unemployed graduates was of 709 thousand, of which: 407 thousand were men and 302 thousand were women. The figures dropped in 2010 to 627 thousand, of which: 363 thousand were men and 264 thousand were women, a figure that further decreases in 2011 to 461 thousand, of which: 257 thousand were men and 204 thousand were women; an increase became obvious in 2012 – 494 thousand, of which: 283 thousand were men and 211 thousand were women, the figures rising further in 2013 – to 512 thousand people of which: 296 thousand were men and 216 thousand were women. So far the evidence gives us reliable data, still at the end of 2014 the figure dropped to 478 thousand people, of which 278 thousand were men and 200 thousand were women, while for 2015 we have only provisional data and therefore we have excluded them from this calculation. The registered unemployment rate is 7.9% among men and 7.1% among women in 2009, percent that decreased to 7.0% in men and 8.3% women in 2010, and continued to drop in 2012 to 5.2% in men and 4.9% women, increasing to 5.7% in men and 5.1% women in 2013, falling back to 5.4% in men and 4.8% in women at the end of 2014. At the end of 2014 we also have the unemployment rate by age groups and gender, distributed as follows: for the group aged 15-24, the unemployment rate is 24.7% for men and 23.65% for women; the percent decreases in the case of the group aged 25-34 to 8.7% for men and 6.9% for women and also decreases for the group aged 35-44 to 5.7% in men and 4.6% in women; decline can also be observed in the group aged 45-54 to 5.3% in the case of men, but the percent increases in the case of women 5.2%; the percent still falls in the age group of 55 years and over, to 3.4% in men and 1.6% in women. Unemployment by education level and gender: in 2013, for higher education, the total reached 7.1%, of which: 7.7% refer to men and 6.3% refer to women; for the average level the total unemployment rate reached 5.4%, of which: 5.2% in the case of men and 6.2% in the case of women; in 2014, for higher education, the total percent was 6.8%, of which: 7.3% in the case of men and 6.1% in the case of women, while for the average level the total percent was 7.2%, of which: 7.2% for men and 7.1%. The explanation is that the activity rate by education level and gender was as follows: as regards higher education, in 2013, the total rate was of 87.4%, of which: 89.6% for men, and for the average level the total was 69.1%, of which 77.7% for men; in 2014, for higher education the level was 87.6% in total, of which: 90.0% for men, while for the average level the total was 70.0%, of which: 78.6% were represented by men. As regards the employment rates by education level, the situation was as follows: total employment rate in 2013, for upper education level, was 82.6%, of which 85% for men and 80.5% for women; for the average level, the total was 63.7%, of which: 71.4% for men and 54.9% for women; in 2014 the employment rate for the higher

education level was 82.5% in total, of which: 84.8% for men and 80.3% for women and, for the average level the total was 65%, of which: 72.9% for men and 56.1% women. Thus, it can be noticed that, looking at the rate by education in relation to gender, in total we get a percentage that is under 65%, of which 73.4% refer to men in 2013; and a total of 65.7%, of which 74.3% were men in 2014; an increase by 0.8% can be observed in the case of men, respectively at a total employment rate that is lower, reaching in total 60.1%, of which 67.6% for men and only 52.6% for women. There is a high overall unemployment rate of 7.1%, that is 659 thousand people, of which: a higher rate, of 7.7% in the case of men and a lower rate, of 6.3% in the case of women; in 2014 a decrease to 6.8% (629 thousand persons) can be observed. The unemployment rate is higher than in other European countries: in Austria, in 2013, 5.4% (231 thousand people), in 2014, 5.6% (245 thousand persons); the Czech Republic : in 2013, 7.0% (369 persons), in 2014, 6.5% (324 thousand persons); Germany : in 2013, 5.2% (2182 thousand persons), in 2014, 5.0% (2090 thousand persons), but the unemployment rate in Romania, in 2014, at a population of 19947.3 thousand persons and a Gross National Product of 150199.7 million Euros is of 6.8% (324 thousand persons), of which 6.1% in the case of women indicate a lower rate than the average in Europe, where, at a population of 506880.6 million people and a Gross National Product of 13944015.3 million Euros, it is of 10.2%, of which 10.3% are women. The number of unemployed persons and the unemployment rate, including graduates of universities and secondary education assimilated to the unemployed, is as follows: in 2009 there were 624 thousand unemployed persons, with an unemployment rate of 6.5% at a population of 21.3 million people; in 2010 there were 652 thousand unemployed persons and an unemployment rate of 7.0%, at a population of 20.2 million inhabitants; in 2011 there were 660 thousand unemployed persons at an unemployment rate of 7.2%, at a population of 20.2 million inhabitants; in 2012 there were 627 thousand unemployed persons, at an unemployment rate of 6.8%, at a population of 20.2 million inhabitants; in 2013 there were 653 thousand unemployed persons, at an unemployment rate of 7.1% at a population of 20.0 million inhabitants; in 2014 there were 629 thousand unemployed persons at an unemployment rate of 6.8%, at a population of 19.9 million people. A decrease in the population's number can be observed, especially as regards the active population, but the number of unemployed persons and the unemployment rate, though oscillating, continue to be high. However, though decrease appears to be obvious, international migration from Romania, namely the change of residence indicates that, in 2009, 247 thousand persons immigrated from Romania, of which 106 were men and 141 were women; in 2010 198 thousand persons immigrated, of which: 86 thousand were men and 112.3 thousand were women; in 2011, 196 thousand persons emigrated, of which 87.4 were men and 108.1 were women; in 2012, 170.2 thousand people immigrated, of which 70.2 thousand were men and 100 thousand were women; in 2013, 161.8 thousand persons immigrated, of which : 65.3 thousand were men and 96.5 thousand were women; in 2014, 184.6 thousand persons immigrated, of which 79.7 thousand were men and 104.9 were women. As a conclusion, one can observe that the number of women having immigrated is higher as compared to that of men. Most of the immigrants are

part of the active population and did not find a job in Romania, due to poverty and social exclusion, as we shall see in the analysis that follows thereof, which might allow us to suggest that the number of the unemployed, as well as the unemployment rate are higher.

### **Poverty and social exclusion in Romania**

The proofs that indicate phenomena of poverty and social exclusion are: the evolution of the Gross National Product (GNP), which, in 2009 was of 510522.8 million lei at current prices, at a population of 21.3 million inhabitants and a final effective consumption, of 404803.3 million lei, at current prices; in 2010, the GNP rose to 533881.1 million lei at current prices, by 23358.5 million lei at current prices and a population of 20.2 million inhabitants and a final effective consumption of 423393.2 million lei at current prices, a sum that also rose by 18589.9 million lei at current prices; in 2011 GDP at current prices rose to 569097.2, with 31216.1 million lei in current prices, at a population of 20.2 million inhabitants and an actual final consumption of 439 129.1 million lei at current prices, which also increased to 15735.5 million lei at current prices; in 2012 GDP rose to 595367.3 million lei at current prices, by 30270.1 million lei at current prices, in a population of 20.2 million inhabitants and an actual final consumption of 465 156.9 million lei at current prices, which also increased by 26027.8 million lei at current prices; in 2013 the GDP rose to 637456.0 million lei at current prices, by 42080.7 billion lei at current prices, in a population of 20.0 million inhabitants and a total final consumption of 479 450.6 million lei at current prices, which also increased by 32293.7 million at current prices; in 2014 the GDP rose to 667577.4 million lei at current prices, by 30121.4 million lei at current prices, at a population of 19.9 million inhabitants and a total final consumption of 501 131.3 lei at current prices, which also increased by 21680.7 million lei at current prices. The Gross Domestic Product (GDP) per capita in Romania was, in 2009, of 25015.6 lei/capita in 2010 it rose to 26368.7 lei/capita, by 1303.1 lei/capita; in 2011 it increased to 28047.8 lei/capita, by 1679 lei/capita; in 2012 it rose to 29679.1 lei / capita by 1631.3 lei/capita; in 2013 it rose to 31895.4 lei/capita, by 2216.3 lei. Despite its constant growth, the GDP per capita in Romania continues to be low, as compared to European Union countries, where the situation is as follows: in 2009, the GDP in Romania was 5915 Euros/capita, in Bulgaria 4900 Euros/capita, in the Czech Republic 14,100 Euros /capita, in Germany 30,000 Euros/capita, in Austria 34300 Euros/capita; in 2010: Romania 6263 Euros/capita, Bulgaria 5000 Euros/capita, the Czech Republic 14900 Euros/capita; Germany 31600 Euros/capita, Austria 35200 Euros/capita; in 2011: Romania 6618 Euros/capita, Bulgaria 5600 Euros/capita; the Czech Republic 15600 Euros/capita; Germany 33100 Euros/capita; Austria 36800Euros/capita; in 2012 : Romania 6660 Euros/capita, Bulgaria 5700 Euros/capita, the Czech Republic 15300 Euros/capita, Germany 33600 Euros/capita, Austria 37600 Euros/capita; in 2013: Romania 7214 Euros/capita, Bulgaria 5800 Euros/capita, the Czech Republic 14900 Euros/capita; Germany 34400 Euros/capita, Austria 38100 Euros/capita; in 2014: Romania 7544 Euros/capita, Bulgaria 5900 Euros/capita, the Czech Republic 14700 Euros/capita, Germany 35400 Euros/capita, Austria 38500 Euros/capita. It can be noticed that Romania has the lowest GDP/capita, after Bulgaria, in the European Union. Hence, the presence of other indicators showing the extent

of poverty and social exclusion, which are as follows: the available gross income, at current prices was, in 2009, of 25113.7 lei/capita; in 2010 it was 26259.8 lei/capita; in 2011 it was 28285.2 lei/capita; in 2012 it was 29950.0 lei/capita, in 2013 it was 31947.2 lei/capita; Actual individual final consumption of households, at current prices was, in 2009, of 17760 lei/capita; in 2010 of 19071.1 lei/capita; in 2011 it was 20049.1 lei/capita; in 2012 it was 21320 lei/capita; in 2013 it was 21538.5; Gross household economy, at current prices, was, in 2009, of minus 162.2 lei/capita; in 2010 it was minus 364.5 lei/capita; in 2011 it was minus 1200.1 lei/capita; in 2012 it minus 2015.0 lei/capita; in 2013 it was 3036.3 lei/capita; The capacity (+) or the net financing necessary (-) of households of the population, at current prices, in 2009 was minus 172.7 lei/capita; in 2010 it was minus 1441.5 lei/capita; in 2011 it was minus 1957.0 lei/capita; in 2012 it was minus 3134.5 lei/capita; in 2013 it was 1661.3 lei/capita. The extremely low level of these indicators demonstrate a high level of poverty and social exclusion in Romania. The rate of poverty, after the social transfers in Romania, is distributed as follows: in 2009 it was 22.4%; in 2010 it was 21.1%; in 2011 it was 22.2%; in 2012 it was 22.6%; in 2013 it was 24%. The rates of poverty and social exclusion continue to stay at a high level in Romania. Romania's GNP, in 2013, was of 91549.0 million US dollars, at a population of 20.0 million persons and represents 0.25% of the global GNP, which is of 76123951 million US dollars, at a population of 7137 million people. Poverty and social exclusion in Romania are the generating element (cause) of social groups (effect), which are made up of the unemployed and graduates of universities and secondary education that have no occupation, which we focused on, together with other categories as well.

### **Romanian Professional Associations develop social business by social entrepreneurship**

From the multitude of Professional Associations functioning in the Romanian economic environment in 2014, 5679 were professional and patronal Unions, from a total of 90984 non-governmental organizations. For the purpose of this study we have chosen four Associations, which we found representative and relevant for the topic approached, as most persons without occupation, assimilated to the unemployed, are graduates of universities and of secondary education. Most of them are prepared for the social-economic environment of Romania. Thus, even in circumstances where the number of graduates prepared for the job market has decreased dramatically (at high school level, in the school year 2013/2014 there were 172 643 graduates, by 32220 persons less than in the school year 2009/210; in the school year 2013/2014 there were 11915 graduates of vocational education, 77854 people less than in the school year 2009/2010; in post-high school and foremen education, in the school year 2013/2014 there were 3153 graduates, by 16 079 less than in the school year 2009/2010; as regards higher education, 54507 students graduated in the university year 2013/2014, by 136784 fewer than in the university year 2009/2010), the hope of finding a workplace in accordance with the studies completed is reduced, given the conditions of the subsistence economy, where poverty and social exclusion predominate. The job offer in terms of vacant places on activities of the national economy was as follows: in 2010 there were 24239 vacant jobs; in 2011 there were 26057 vacant jobs; in 2012 there were

24825 vacant jobs; in 2013 there were 30644 vacant jobs; in 2014 there were 38523 vacant jobs. The rate of vacant jobs: in 2009 it was of 0.88%; in 2010 it was of 0.59%; in 2011 it was of 0.64%; in 2012 it was of 0.59%; in 2013 it was of 0.72%, in 2014 it was of 0.89%. Comparing the indicators presented above to the number of unemployed persons and the number of potential unemployed from among graduates of universities, secondary education, vocational schools or post-high-school education, as well as with the rate of unemployment, it can be noticed that these social groups have no chance of being absorbed by the job market. In such circumstances, one of the solutions to their problem is the involvement of the four Professional Associations discussed here, which might initiate and develop social business, using the model of social entrepreneurship. The vulnerable social groups may be helped by:

- The setting of internal structures within the Associations, with activity focused on social entrepreneurship. The decision to create social businesses should be motivated by creativity, entrepreneurial spirit and the desire to make the world a better place;
- Creating an IT platform for the management of the social business (organization, planning, coordination, motivation, etc.);
- Starting from a certain issue that needs to be solved and then create opportunities for the development of the social business aimed at solving the social problem identified;
- Real objectives should be related to eradicating poverty and exclusion among social vulnerable groups: the unemployed and those assimilated to this category, by creating jobs without the intention of gaining benefit, on the part of the associations; training the members of vulnerable social groups in order to become entrepreneurs themselves, in other words creators of jobs, not job seekers; help in the microfinancing of the new entrepreneurs: the initiation of laws in order to help entrepreneurs get loans with very small interest rates; finding other sources for micro-financing;
- The Social business of the Professional Associations taken into account will be initiated in the fields of activity for which their members have trained and gained experience, knowledge and interest;
- Professional Associations should not start the social business by reforming a system, but by using the opportunities that exist in every domain.
- Finding partners for the social business such as: a model of a different social business, a non-governmental organization or charitable institutions, an investor, a developer of technologies, a producer, a partner from the field of human resources, a distributor, a partner for monitoring activities;

## Conclusions

It is crucial to introduce Social Economy as compulsory discipline in higher education curricula at all specializations, in order to make people aware of the real needs of a subsistence economy, in a country with natural resources but demonstrating inability to value such resources for the benefit of society. The purpose of such a discipline would be to prepare young people become entrepreneurs, that is „creators of jobs rather than job seekers“.

In Romania, poverty and social exclusion generate vulnerable social groups, made up of unemployed persons and graduates of higher and secondary education without an occupation, persons with disabilities, belonging to different ethnic groups, former inmates, drug users, single-parent families, young people coming from orphanages,

children and young persons in different situations, persons with any form of protection. The high number and rate of unemployment, the high unemployment risk, in the case of graduates, the phenomenon of migration from Romania, as well as the limited number of jobs on offer, reduced GDP/capita as compared to different other European Union countries, the small income/capita are as many opportunities for the Professional Associations activating in social and economic environments, not only the ones referred to in this study, to initiate and develop social businesses, using the model of social entrepreneurship.

Professional Associations may define, by finding solutions for action and developing social business, their contribution to creating a global infrastructure for social businesses and the emergence, in the future, of more and more social businesses; their contribution to eradicating poverty and making the first steps towards „a new form of capitalism” in Romania.

Social entrepreneurship is an adequate and relevant model for developing social businesses as a possible solution for reducing poverty and social exclusion among the vulnerable social groups in Romania.

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