



THE 2025 ISSUE OF **BAROMETER** OF SOCIAL ECONOMY

**TENDENCIES, DYNAMICS AND CHALLENGES
IN THE SOCIAL ECONOMY SECTOR FROM
ROMANIA**
(DATA PERTAINING TO 2024)



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The 2025 issue of the Barometer of the Social Economy from Romania is based on a rigorous analysis combining official statistics with the results of a sociological research developed through a questionnaire filled in by social economy enterprises.

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BAROMETER OF SOCIAL ECONOMY

2025 EDITION

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1. Short introduction to the social economy

1.1. The start of the social economy in Europe: from workforce solidarity to sustainable growth models

The history of the social economy in Europe is linked to the social, cooperative and workforce movements at the end of the 18th century and in the first decades of the 19th as a reaction to the effects of the Industrial Revolution. People needed social protection and assistance at work, given the difficult conditions in which they worked in industrial enterprises in the modern period. Social economy concerns, referring to economic solutions to social problems, appear as a reaction to the deep social and economic inequalities generated by industrialization processes and mass production. During that time appeared several contributions to the social problems faced by industrial and agricultural workers, though largely utopian or idealistic: Robert Owen (Great Britain) imagines a utopian community based on cooperation and social responsibility, while Charles Fourier (France) theorizes a model of cooperative community called the "phalanx". At the same time, Pierre-Joseph Proudhon contributes through his ideas to theorizing mutualism, advocating for the creation of free associations of workers.

The first consumer, production and credit cooperatives appeared in Europe. The Rochdale Society in England (1844) is the first consumer cooperative considered to be the founding model of the modern cooperative movement. As forms of socioeconomic organization, cooperatives are based on participatory democracy in economic decision-making, solidarity and profit reinvestment. Later on, in France, Germany, Italy and other countries appeared production cooperatives, mutual aid or popular credit entities, cooperative banks. Gradually, the field of social economy takes shape, bringing together entities of economic activity managed democratically-participatively, acting on the free market and

being oriented towards community interests. In time, mutual societies developed as early forms of health and retirement insurance, created by workers to protect themselves through life events that endanger the physical and mental capacity to carry out an income-generating activity: work accidents, occupational diseases, aging. This sector of activity can also include charitable associations that initially emerged alongside churches or philanthropic groups.

In the interwar period, the development of trade unions and labor movements strengthened cooperativism. Some European governments began to collaborate with social economy structures. The post-war reconstruction of Europe strengthened the idea of a social state and an economic sector oriented towards the interests of the many (the common good). In Western Europe, we witnessed a consolidation of cooperatives and mutual aid associations. All this time, in Central and Eastern Europe, social economy structures were abolished by the leaderships of communist regimes in the context of the implementation of a centrally planned economy in which there was theoretically no private property. The 1970s and 1980s, marked by economic crises and rising unemployment, led to a revival of the social economy as a solution to problems related to employment and unemployment. New concepts such as the "the third sector" or the "solidarity economy" appeared, completing the range of definitions given to the social economy.

The phrase "social economy" was first used in scientific literature by the French economist Charles Dunoyer (1830) in his article entitled "*Nouveau Traité d'Économie Sociale*". One of the first operational definitions of the social economy appears in the *Charter of Principles of the Social Economy* within the European Confederation of Social Economy Enterprises (CEP-CMAF, 1993), known as *Social Economy Europe*: "The social economy is made up of all enterprises and organisations which, driven primarily by a social purpose, operate democratically, are independent of the public sector and reinvest the majority of their profits in social purposes".

1.2. Recognition at European level of the social economy: from definitions of policies and strategies.

In 2007, the European Economic and Social Committee published the study *Social Economy in the European Union* prepared by CIRIEC in which we see a separation of the components of the social economy in the EU-25 countries: "The social economy represents the set of formally organized private enterprises, with decision-making autonomy and freedom of association, created to meet the needs of their members through the market, by producing goods and providing services, insurance and financing, in which the decision-making process and any distribution of profits or surpluses among the members are not directly linked to the capital contribution or the contributions paid by them, each of the members having one vote. The social economy also includes formally organized private organizations with decision-making autonomy and freedom of association, which provide non-commercial services for households and whose surpluses, if any, cannot be appropriated by the economic agents that create, control or finance them".

According to the OECD, the phrase "social and solidarity economy" is not defined and used similarly in all countries. Other instances, such as "the third sector", "social economy", "solidarity economy" and "non-profit sector" are used to refer to certain private (non-governmental), non-profit economic entities (organizations, cooperatives, companies) that pursue social objectives and implement alternative business models (OECD, 2023). Although they partially overlap, these terms are not necessarily synonymous and rather reflect the different social, economic, legal and cultural contexts in which they have developed. Some countries have adopted specific legislation for the social and solidarity economy or its components, clarifying the legal entities that are included in the field. Following research on the social economy sector, the OECD identified the following types of entities: associations, foundations, non-governmental organizations and similar;

cooperatives, mutual societies and similar; social enterprises regulated by a special legal framework, including those operated by the formerly mentioned entities.

In the 21st century we may speak about recognizing the contribution of the social economy and the strategic development of “the third sector”. The Lisbon Strategy (2000) emphasizes social inclusion and the knowledge-based economy, paving the way for recognizing the role of the social economy. In 2011, the European Commission launched the Social Entrepreneurship Initiative, aiming to support the development of social enterprises in Europe as part of a more inclusive and sustainable economy. This European initiative was launched in the context of the economic crisis of 2008–2010. Decision-makers in Brussels officially recognized the role of social enterprises in combating social exclusion, creating new jobs and social innovation. The creation and development of social enterprises is supported through funding policies (e.g. the Employment and Social Innovation Programme), development (the legal framework for the functioning of social enterprises and the regulation of public procurement from social enterprises) and increasing visibility through assessing social impact, the exchange of good practices and transnational networks of social enterprises.

A decade later, the European Commission adopts the plan *Building an economy that works for citizens: an action plan for the social economy*, for the period 2021–2030. This document proposes to “unleash the full potential of the social economy for a fair, sustainable and inclusive recovery”, taking into account the demands of the transition to the green and digital economy. *The Action Plan* refers to the social economy sector, which includes mutual cooperatives, associations and foundations, social enterprises, organizations that promote social objectives as a priority. The strategic axes of the Action Plan are the following:

- 1) creating favourable conditions for the social economy by developing national strategies for this sector, supporting legislative and fiscal reforms, assisting social public procurement and public-private partnerships;
- 2) improving funding opportunities (e.g. InvestEU, ERDF, ESF+, Horizon Europe), creating tailored financial instruments (microcredits, guarantees, social investment funds), promoting ethical and responsible financing;
- 3) promoting visibility and recognition by launching the European Social Economy Portal.

1.3. The social economy in Europe: inclusion, sustainability and resilience.

Every day, around 2.8 million social economy entities in Europe¹ provide concrete and innovative solutions to the main challenges we face. They create and maintain quality jobs, contribute to the social and labour market inclusion of disadvantaged groups and ensure equal opportunities for all, stimulate sustainable economic and industrial development, promote the active participation of citizens in our societies, play an important part within social protection systems from Europe and bring back to life rural areas² and depopulated areas around Europe³.

The social economy can contribute to implementing the principles of the European Pillar of Social Rights and to achieving its 2021 Action Plan and the headline targets for 2030, for example, increasing the employment rate and reducing the number of people at risk of poverty and social exclusion. The social economy ensures work places for approximately 13,6 million people, the paid workplaces varying between 0,6 % and 9,9 % between member

¹ This number refers to UE-28. Please see The European Economic and Social Committee– Monzon J. L. and Chaves R., „Recent evolutions of the Social Economy in the European Union”, 2017, p. 66.

² Please see the communication of the European Commission entitled “A long-term vision for rural areas”, COM(2021) 345 final.

³ Krlev G., Pasi G., Wruk D., Bernhard M., „Reconceptualizing the Social Economy”, Stanford Social Innovation Review, 2021.

states⁴. The percentages indicate the uneven development of the social economy within the EU, but also that, when appropriate measures are implemented, there is a significant untapped economic and job creation potential of the social economy in several member states and regions.

The social economy complements actions of member states in order to provide quality social services in a cost-effective manner. It also complements efforts to integrate on the labor market and in society in general young people and disadvantaged groups – people with disabilities, elderly people, long-term unemployed, people with a migrant background or people from racial or ethnic minority backgrounds (in particular of Roma origin), single parents⁵. For example, the social economy helps people with disabilities obtain jobs in the open labour market and provides essential services to support their autonomy. In addition, the social economy contributes to improving gender equality. Many women have access to the labour market through the jobs created by the social economy. The social and care services provided by the social economy allow women in situations of risk or social exclusion to access available jobs.

At the same time, at EU level and globally, the social economy supports the application of the Sustainable Development Goals (SDGs)⁶ included in the Agenda 2030, as they actively contribute worldwide to lowering poverty, to a transition towards sustainable cities and communities, responsible use and production and sustainable financing. As such, collaborative and non-profit organisations are a key pillar of Europe's social and economic resilience⁷.

⁴ Please see The European Economic and Social Committee– Monzon J. L. and Chaves R., „Recent evolutions of the Social Economy in the European Union”, 2017, p. 69.

⁵ The importance of the social economy is highlighted including in the Commission's Action Plan for Integration and Inclusion 2021-2027 [COM(2020) 758 final].

⁶ <https://sdgs.un.org/goals>.

⁷ COM(2020) 493 final.

The social economy has the potential to reshape the economy after the COVID-19 pandemic through sustainable and inclusive economic models, leading to a fairer ecological, economic and social transformation.

1.4. Consolidating the European strategic framework for the social economy: recommendations, commitment and institutional restructuring.

Recently were approved the following strategic documents for the growth of the social economy:

1. The EU Action Plan on Social Economy⁸.
2. Recommendation of the European Council on the development of framework conditions for the social economy, adopted by the EU Council on 27 November 2023, which provides a political, legal and economic framework necessary for the social economy to fully develop its potential.
3. Recommendations of the OECD for a social and solidary economy and for social innovation⁹.
4. The UN Resolution for Social Economy¹⁰.
5. The commitment assumed by 23 member states (Romania included) within the first informal Conference of European Ministers for Social Economy from February 17th 2022 in Paris and within the Strasbourg Conference entitled "The Social Economy, the future of Europe", organized by the French Presidency of EU Council on May 5– 6, 2022.
6. The San Sebastián Manifesto, signed on November 14th 2023 by 19 Member States (Romania included), at the initiative of the Spanish Presidency of the EU Council, together with the European Economic and Social Committee, the European

⁸ https://ec.europa.eu/info/law/better-regulation/have-your-say/initiatives/12743-Planul-de-actiune-al-UE-pentru-economia-sociala_ro

⁹ <https://www.oecd.org/cfe/leed/social-economy/social-economy-recommendation/>

¹⁰ <https://unsse.org/wp-content/uploads/2023/04/A-77-L60.pdf>

Committee of the Regions and Social Economy Europe, and which states in particular the importance of Member States implementing the Council Recommendation on the development of framework conditions for the social economy, by developing and implementing comprehensive strategies to recognize and stimulate the social economy or by adapting their existing strategies.

Within the European Commission function two directorate – generals focusing on issues around social economy:

- **Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG GROW)**. Until May 2025, DG GROW has been responsible for promoting social economy and social enterprises in the European Union. This activity implied supporting the growth of social enterprises, facilitating their access to markets and financing, and integrating social economy principles into industrial and entrepreneurial policies. However, on May 1st 2025, DG GROW disbanded the Social Economy and Social Enterprises Unit, which points to a restructuring of responsibilities in the field.
- **Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL)**. DG EMPL plays a central part in promoting the social economy as an instrument for employment and social inclusion. Its attributions include: Developing and implementing European employment and social affairs policies, with a focus on the integration of vulnerable groups into the labour market; Managing European funds designed to support the social economy, such as the European Social Fund Plus (ESF+), which finances vocational training, social entrepreneurship and active inclusion projects; Promoting the European Pillar of Social Rights, which supports equal opportunities, fair working conditions and social protection for all EU citizens.

The disbanding of the Economy and Social Enterprises Unit within DG GROW suggests a possible consolidation of responsibilities in the field of social economy under DG EMPL or

redistribution to other directorate generals. The change reflects a tendency for deeper integration of the social economy within employment and social inclusion policies of the European Union.

The *“Intergroup on the Social Economy”* was created within the European Parliament, having as role to monitor and inform on the social economy and to promote the idea of building a competitive and solidarity-based Europe. In 2025, the group became the *“Intergroup on the Social Economy and Services of General Interest”*, a platform for the exchange of information between MEPs and civil society. The Council of Europe plays a fundamental role in the stability, economic growth and social cohesion of the EU Member States. Through the Development and Research Division for Social Cohesion, the Council of Europe is involved in activities to promote the social economy as a form of development of social cohesion, active citizenship and social responsibility.

2. The social economy in Romania in European context: legislation, institutions and actors

2.1. The social economy in Romania: from passive assistance to sustainable solutions and community impact.

For a long time, social issues were treated by public policy decision-makers with passive measures, which generated dependence on state support, without sustainable solutions that harmonize the social and economic perspective with environmental protection.

The social economy brings together forms of organization such as associations, foundations, mutual aid entities, production and service cooperatives that propose economic solutions to social problems of individuals or groups in difficulty or at risk: poverty, marginalization, discrimination, social exclusion (Petrescu & Negruț, 2018).

The social economy refers not only to social services, but also to economic activities (production of goods and services) that aim to satisfy individual, group or society needs (Constantinescu, 2011). At the same time, compared to companies that are focused on making a profit, social economy enterprises are concerned with the social recovery of people in difficulty by offering opportunities for integration into the labor market in one of the sectors of the national economy. The social economy focuses on people with their needs and problems and then on the profit of the economic activity. Social enterprises developed in Europe as a response to the welfare crisis (Petrescu, 2013).

The evolution of the social economy in Romania has a sinusoidal variation, influenced by the historical, political and economic context. The modern history of Romania goes through a series of stages that can be individualized according to the political regimes: democratic

(1901-1938), dictatorial with a national-legionary sequence (1938-1944), communist (1947-1989), democratic (1990-present). The first consumer, credit and agricultural cooperatives began to be established as early as the 1860s and 1870s. For example, the Central House of Romanian Cooperation, established in 1903, became a symbol of the cooperative movement. Cooperatives were active especially in rural areas, offering loans, support for agriculture, trade and services.

The communist ideology proposed the abolition of private property and private, community forms of association, based on the principles of solidarity. At the same time, the communist government did not accept that the social and economic problems faced by workers (proletarians) be solved by non-governmental associative structures. The cooperatives that still functioned in the early years of the communist regime were later and gradually transformed into forms of collective state property (agricultural production cooperatives, industrial cooperative enterprises, mutual aid entities, etc.). Even if some cooperative structures continue to function, we cannot speak of a social economy under the communist regime.

Following the fall of communism in Central and Eastern Europe and starting the transition to democracy and market economy, the civil society is re-activated in Romania. Several non-governmental organizations are established: associations, foundations, cooperatives. At the same time, we also witness the revitalization of the cooperative movement. The first social enterprises begin to appear in the 2000s, within non-profit organizations that provide social services and/or create jobs for vulnerable groups.

Under the coordination of the Foundation for the Development of Civil Society, the *Social Economy Atlas* was developed, a reference document offering a detailed statistical analysis of the main types of organizations in the field of social economy in Romania. The Atlas includes general, economic and financial data on the activity associations,

foundations, cooperatives, mutual aid entities for retired individuals and for employees, companies owned by social economy organizations.

The 2014 edition of the Social Economy Atlas presents statistics for 2011 and 2012, the main source of information being micro-data from financial balances of 2000–2012 for the types of organizations mentioned above, included in the Statistical Register (REGIS) of the National Institute of Statistics, excerpted and supplied by the National Center for Training in Statistics (CNPS) within the National Institute of Statistics, partner of FDSC within the “Making Social Economy Visible in Romania 2” project (for 2011 and 2012) and within the Prometheus project (for 2000–2010). Other sources of information used were: The NGO Register of the Ministry of Justice, Register of non-banking financial institutions – Section B – Mutual Aid Entities – National Bank of Romania, National Office of the Trade Register, internal data provided by the National Union of Mutual Aid Entities for Employees in Romania, data from the National Federation of Mutual Aid entities for Retired individuals in Romania, data from the UCECOM Statistical Yearbook 2013, data from reports of the Central Cooperative Bank CREDITCOOP 2012.

2.2. The Law no. 219/2015 of Social Economy: Legislative framework for a sector with a social mission.

An important moment in the development of the social economy in Romania is the passing of the Law 219/2015 on the social economy, following a legislative process which lasted for approximately five years. A determining factor in the passing of this legislative framework was the implementation of the POSDRU program, which included a funding line dedicated to the social economy and required clarifications on the allocation of funds in this sector.

The promulgation of the Law No. 219/2015 on the social economy represented a defining moment for the development of this sector in Romania. Through this law,

the state established a clear and coherent legal framework, officially recognizing the social economy as an integral part of the national economy. One of the most important advances brought about by this law is the explicit definition of the concept of social economy and the principles that govern it, such as solidarity, general interest and the integration of people from vulnerable groups into work. At the same time, the law introduced clear criteria for obtaining the status of social enterprise, as well as the special status of work integration social enterprise, which requires steady commitments on the professional integration of people in difficulty. This status is highlighted by the granting of the social mark – a distinctive element that certifies the social mission of the enterprise.

In addition to these conceptual aspects, the Law No. 219/2015, together with its methodological rules adopted in 2016, established a set of concrete support mechanisms for social enterprises, such as tax incentives, the possibility of accessing non-reimbursable funds and their inclusion in public programs.

Unfortunately, such benefits are actually far too low and often cannot be applied. The lack of an effective correlation with secondary legislation, such as the Administrative Code, the Fiscal Code or the Law on Unemployment, affects the coherent implementation of the law. Moreover, not all competent authorities have assumed their role in the development of this sector. An eloquent example is the Ministry of Economy, which has not yet launched a national program for financing social enterprises, although they are obliged to do so through legislation.

Despite all these challenges, Romania remains one of the few European countries to benefit from a law dedicated to the social economy, a law with a clear vision regarding the potential of this sector to contribute to reducing social disparities. With this legislative framework and a growing understanding of the social impact generated, important steps

can be taken in building an ecosystem favoring the development of the social economy – a powerful tool for social cohesion, inclusion and sustainable development.

2.3. The European Funds – motor for the growth of the social economy in Romania: progress, challenges and perspectives.

A determining factor in the development of the social economy in Romania has been the financial support provided by European funds, especially through the European Social Fund. The operational programs implemented since 2007 – POSDRU (Sectoral Operational Program for Human Resources Development), POCU (Operational Program Human Resources), PEO (Education and Employment Program) and PoIDS (Social Inclusion and Dignity Program) – have had a significant impact on the consolidation of this emerging sector.

Starting in 2025, this effort will be continued through the Just Transition Programme (PTJ), financed by the European Union's Just Transition Fund, which aims to support social enterprises in regions affected by the transition from polluting industries to a sustainable economic model. Thus, Romania benefits from a strategic opportunity to correlate regional development policies with social economy objectives, stimulating social innovation, professional inclusion and community cohesion in the most vulnerable areas of the country.

In 2024, Romania benefited from the launch of several financing calls dedicated to the establishment of start-up social enterprises through the European Social Fund. These calls have been managed through two operational program: Education and Employment Program (PEO), meant for urban areas and the Inclusion and Social Dignity Program (PoIDS), addressing rural areas.

Both programs aimed at establishing a minimum of 21 social enterprises per project, each

of which was required to create at least seven part-time jobs (minimum 4 hours/day). For PoIDS, achieving the maximum score in the evaluation stage required establishing at least 34 social enterprises and generating a minimum of four jobs per entity.

According to official data published on the site of the Ministry of Investments and European Projects (MIPE), in 2024 the total amount contracted through these two programs was 616,325,771.50 euros, 211 projects submitted by grant administrators in the field of social economy benefiting from financing. Given the high level of scoring obtained by the contracted projects, it is reasonable to anticipate beneficiaries assumed maximum indicators regarding the number of social enterprises established and jobs generated.

The following results are estimated:

- PEO: 2.205 social enterprises in urban areas, generating at least 15.437 workplaces for people at risk.
- PoIDS: 3.604 social enterprises in rural areas, generating at least 14.416 workplaces of which at least 4.325 (approximately 30%) meant for people at risk.

In total, the two programs will contribute to the establishment of 5.809 social enterprises and the creation of at least 29.853 jobs in 2025, of which at least 19.762 will be occupied by people from vulnerable groups. It can be concluded that these calls essentially support the development of work integration social enterprises, with a clear mission to ensure the social and professional integration of disadvantaged people, as defined in the Law on Social Economy.

However, it is important to note that a significant part of grant administrators does not have practical experience in the field of social economy. During the time in which the two calls have gone through public consultation organizations such as RISE, ADV Romania, SFA, AFIN, and other entities included in the social economy cluster entitled "Social Enterprise

Accelerator" proposed the introduction of tie-breaking criteria that would favor grant administrators certified as social enterprises, but this suggestion was rejected by the Management Authority.

Another proposal aimed at allocating funds not only for the establishment of start-ups, but also for the development of already existing social enterprises, especially for work integration social enterprises – a clear need signaled by the social economy sector. It was also requested to eliminate the requirement that social entrepreneurs must come from vulnerable groups, emphasizing on the employment of these categories within new social enterprises, not necessarily in the role of founder. Accepting the condition that a certain number of social economy entities established have people from vulnerable categories as founders, should also have been an advantage in the evaluation of projects submitted by grant administrators, using a tie-breaking based on quality criteria.

Given the complexity of the calls, the strict sustainability conditions and the requirement for co-financing of at least 10% of the business plans, it is unlikely that people from vulnerable groups will be able to participate competitively in the selection process. Thus, the risk of unsustainability of the established structures is high. In this context, grant administrators would have had the opportunity to include additional points for business plans submitted by vulnerable people, in order to stimulate their access to financing – but, unfortunately, these proposals were also not accepted by the Management Authority. Consequently, there is a high probability that, after the minimum sustainability period, many of the social enterprises will give up the certificate or even cease all activities before the end of the minimum sustainability period.

Financing social economy in 2024 – the distribution of PEO and PoIDS throughout Romania:

PEO:

- 99 projects approved, with a total value of 293.679.801,20 euro (under-developed regions);
- 5 projects approved within the Danube Delta Integrated Territorial Investments (ITI) program, in value of 7.126.601,94 euro;
- 1 project approved for the Fagarasului Integrated Territorial Investments (ITI) program, in values of 1.402.637,29 euro.

PoIDS:

- 100 projects approved in under-developed regions, in total non-reimbursable value of 296.171.687,58 euro;
- 6 projects approved for the Bucharest – Ilfov Region, in total non-reimbursable value of 17.945.043,49 euro.

2.4. Financing opportunities for the social economy in 2025: extended support through PTJ, ITI and the single credit with grant loan.

New calls for the establishment and development of social enterprises are planned for 2025, with funding available exclusively in certain disadvantaged areas of Romania (Gorj, Hunedoara, Dolj, Galați, Prahova and Mureș), under the Just Transition Program (PTJ) 2021–2027, financed by the Just Transition Fund of the European Union. In addition, the social economy will also benefit from support through the Danube Delta Integrated Territorial Investments (ITI) program, applicable in the Tulcea County and four communes of the Constanța County. Through these interventions, the total estimated number of social enterprises created or developed during 2024–2026 will reach at least 6,500 entities.

Another support mechanism within PEO combines credit with grant, of which 80% is guaranteed by the state, with a total financial allocation of 99,411,764 euros. This scheme aims to support the development, innovation and scaling of social enterprises, with an estimated 647 such entities to be financed (582 in less developed regions and 65 in developed regions). The call is expected to be launched in 2025 and will be implemented by FNGCMM. To develop the market study and implementation design, FNGCMM contracted the consulting services of the consortium formed by ADV Romania – a reference organization in the development of the social economy in Romania – and the Social Finance Association (SFA).

2.5. The pillars of reform in the field of social economy: legislative improvement, parliamentary initiatives and strategic governing.

There are three moments worth mentioning, very important for sector growth:

1. **Legislation revision in 2022**, in the context of reforms undertaken through the National Recovery and Resilience Plan (PNRR). On April 1st, 2022, Government Emergency Ordinance no. 33/2022 was published, with amendments and additions to the Law 219/2015. Subsequently, on July 6th, 2022, the Government adopted the Decision 876/2022 to amend the Methodological Norms for the law, initially approved by Government Decision no. 585/2016. These amendments aimed to align national legislation with European standards, to simplify the process of certification as social enterprise and lower the number of members in the National Commission for Social Economy (from 14 to 8), in order to facilitate its establishment.
2. **During 2022–2023, four legislative initiatives were submitted to the Parliament**, with the aim of improving the operating framework of work Integration Social Enterprises, as a result of the needs identified by the ADV Romania Group, RISE – Romanian Social Economy Network, the "Social Enterprise Accelerator" cluster, the

Social Finance Association (SFA) and AFIN IFN – social financing institution for the sector.

- a. **Unemployment Law:** Proposes the recognition of work integration social enterprises as insertion employers and the extension of subsidies for the employment of all vulnerable people, not just for those in the limited categories included in the legislation on-going at the time of the initiative. It also provides for the extension of the subsidy period to 36 months. The initiative passed in the Labor Committee of the Chamber of Deputies, but, for budgetary reasons, it has been blocked for almost a year.
- b. **The Law on Public Procurement:** Public authorities with procurement budgets over 3 million euros are required to allocate at least 0.5% of this budget to work integration social enterprises, through reserved agreements. The law was passed by the Senate, but is blocked in the Chamber of Deputies. The provision will be included in an emergency ordinance on social and green procurement, which is currently being drafted.
- c. **The Fiscal Code:** Implies exemptions from the payment of the tax on income in the case of work integration social enterprises, since already 90% of the profit obtained by such entities is reinvested for social purposes. The project passed the Senate, but is blocked in the Chamber of Deputies.
- d. **The Administrative Code:** Proposes that work integration social enterprises are exempted from participating in auctions for the allocation of land or buildings, in accordance with the provisions of the Social Economy Law. The project was approved by the Senate, but is blocked in the decision-making committee of the Chamber of Deputies.

3. **Establishment in September 2024 of the National Commission for the Social Economy**, as included in Article 26 of the Law 219/2015 on Social Economy. The Commission has no legal personality, its role being collaboration, coordination and monitoring in the field of the social economy. It has a joint structure, consisting of eight members: four representatives of the relevant ministries (Labor, Economy, Agriculture, Finance) and four representatives of the social economy sector (two social enterprises and two work integration social enterprises). Among the appointed members are Angela Achiței (UtilDeco – ADV Romania group), Roxana Damaschin Țecu (OilRight), Bogdan Merfea (AFIN IFN S.A.) and Chiș Andreea-Roxana (Maramureș Food Bank). This structure aims to promote and support social economy entities in Romania, providing an efficient framework for the development of social enterprises and the implementation of public policies dedicated to strengthening this sector.

In 2024, the Ministry of Labor, Family, Youth and Social Solidarity announced the submission of a strategic project proposal under the Education and Employment Programme (ESF+), dedicated to the development of the social economy in Romania. The project, to be contracted in 2025, includes a series of key components:

- Creating a digital platform that will integrate virtual incubators, online marketplaces for social products and services, knowledge centers and networks of ambassadors of social entrepreneurship;
- Elaborating the National Strategy in the field of social economy, accompanied by an action plan based on field research;
- Developing modern tools for collecting and analyzing data on social enterprises, with a focus on the green and digital transition;
- Campaigns for the promotion and public recognition of the social economy, as well as organizing events dedicated to increasing the visibility of this sector;

- Supporting cooperation between social economy entities, facilitating the exchange of good practices and connecting them with actors from the public and private sectors.

2.6. Institutional architecture in the field of social economy: public actors and strategic partners

The public institutions playing a role in regulating the social economy in Romania and the activity of social enterprises are the following:

- **The Ministry of Labor, Family, Youth and Social Solidarity (MMFTSS)** - coordinator of social inclusion policies, in particular through the Directorate of Social Inclusion Programs and the structures dealing with the protection of persons with disabilities, the family and the child, as well as through the National Employment Agency (ANOFM), which is under its authority. Its role is to promote the professional integration of vulnerable groups, including through social economy structures. The Ministry also ensures the Presidency of the National Commission for Social Economy, through a designated state secretary, thus consolidating their role of institutional coordinator in the field.
- **The Ministry of Economy, Entrepreneurship and Tourism:** has responsibilities with an impact on cooperative societies and SMEs (types of entities most widely encountered in the field of social economy. The Ministry is represented in the National Commission for Social Economy by a state secretary.
- **The Ministry of Agriculture and Rural Development (MADR)** manages public policies regarding agricultural cooperatives and is also represented in the Commission by a state secretary.
- **The Ministry of Finances:** contributes to shaping the fiscal code for social enterprises, including when it comes to fiscal benefits. Ensures the allocation of

public funds for the sector and is represented by a state secretary in the National Commission for Social Economy.

- **The Ministry of Justice:** manages the National Register of Legal Entities without Patrimonial Purpose (associations and foundations), as well as the National Office of the Trade Register, which keeps records of cooperative entities.
- **The National Employment Agency (ANOFM).** This institution has several attributions specific to the field of social economy.
 - a. Certification and social mark. The County Employment Agencies analyze and evaluate the demands received from juridical entities developing activities in the field of social economy in view of certifying them as social enterprises or of granting them the social mark of work integration social enterprise.
 - b. Monitoring the activities developed by social enterprises. The County Employment Agencies monitor the activities of social enterprises and of work integration social enterprises based on the annual reports submitted by these entities.
 - c. Updating the Single Register of Social Enterprises. The County Employment Agencies (AJOFM) fills in the Single Register of Social Enterprises with information on social enterprises and work integration social enterprises into the Single Register of Social Enterprises.
 - d. Information and methodological support. The County Employment Agencies (AJOFM) informs and offers methodological support for the procedure of certification of social enterprises and of work integration social enterprises, as well as for supporting the activities they develop.

- e. At county level, elaboration of the plan for social and professional integration, through consultation with the work integration social enterprises and in accordance to the methodological norms.
 - f. Proposes measures for improvement. The County Employment Agencies (AJOFM) proposes the Ministry of Labor measures for improvement and development of the social economy sector.
 - g. Suspension or withdrawal of the certificate of social enterprise or of the social mark. The County Employment Agencies (AJOFM) can suspend or withdraw the certification as social enterprise or the social mark of work integration social enterprises.
- **National Bank of Romania (BNR):** regulates and supervises the activity of loan cooperatives and of other non-banking financial institutions with a social focus (including mutual aid entities).
 - **Private structures:** the Romanian Chamber of Commerce and Industry, employers' associations and trade unions can actively contribute to promoting the social economy, supporting social dialogue and collaboration between economic and institutional actors.

2.7. The social economy in action: definitions, structures, instruments and impact for inclusion and sustainable development.

In national legislation, the social economy is defined as the set of activities organized independently of the public sector, with the purpose of serving the general interest, the interests of a community and/or personal non-patrimonial interests by increasing the employment of people from vulnerable groups and/or the production and supply of goods, the provision of services or the execution of works. The social economy represents private, voluntary and solidarity initiatives to solve the socioeconomic problems faced by people and groups in various situations at risk. Social enterprises contribute to the consolidation of

economic and social cohesion, the employment and the development of social services in an environmentally friendly framework. The objectives pursued by the social economy fully correspond to the sustainable development goals set out in the 2030 Agenda, which are also operationalized in the National Strategy for Sustainable Development of Romania (2018–2030).

The social economy sector in Romania represents an essential pillar of the national economy, located at the intersection of economic initiative and social objectives. This sector brings together organizations and entities that combine economic activity with social missions, contributing to social cohesion, to the inclusion of groups at risk and to community growth.

Entities activating in the field of social economy have different juridical forms, but they share the same principles of solidarity, social responsibility, democratic participation and reinvestment of surplus for social purposes. These entities include:

- Non-governmental organizations (NGOs) – associations and foundations developing economic activities to support a social mission and to offer services of public interest;
- Cooperatives – especially consumer, agricultural and crafts cooperatives, functioning in accordance to the principle of mutuality and shared benefit of members;
- Mutual Aid Entities (CAR) – entities for community micro-financing, with an important role in supporting access to financing resources for individuals, especially from disadvantaged environments;
- Certified social enterprises, especially work integration social enterprises – they can either be companies or federations, provided they respect the requirements of the Law 219/2015 on the social economy. They function according to clear social

objectives, respect the principle of profit reinvestment and contribute to the social and professional integration of groups at risk.

Their role is to generate economic value and to produce a positive social impact: providing jobs for disadvantaged people, providing social and educational services, developing social capital and supporting local communities. They actively contribute to achieving the sustainable development goals and modernizing public policies of inclusion and solidarity. An essential aspect of social enterprises is their ability to provide innovative solutions to complex social problems, using sustainable economic mechanisms.

The category of certified social enterprises also includes **work integration social enterprises**. These are economic organizations whose main objective is to support the integration on the labor market and in society in general of people in vulnerable situations (long-term unemployed, people with disabilities, young people from the child protection system, homeless people or those who have suffered a criminal conviction, etc.). These entities combine economic activity with an explicit social mission, reinvesting most of the profit in social purposes.

In accordance with provisions of the Law 219/2015 on the social economy, work integration social enterprises must permanently maintain in their staff structure at least 30% of people belonging to vulnerable groups, with at least 30% of the total work norms of all employees ensured by the former.

The role of these enterprises is essential for:

- The work and social integration of marginalized people;
- Lowering social exclusion and combating discrimination;
- Developing local communities through offering services and workplaces as needed;

- Promoting a model of responsible business, focusing on solidarity, sustainability and social impact.

These social enterprises own a social mark which should:

- Ensure visibility and credibility in front of their partners and financiers and in the community;
- Be a condition for accessing certain forms of public support, such as European funds, fiscal benefits or other financing programs;
- Reflect their commitment to their social mission statement and their responsibility regarding the beneficiaries.

To conclude, the social mark is an essential instrument for validation, differentiation and support for actors in the field of social economy.

Social enterprises and work integration social enterprises are an essential part of the social economy from Romania. To monitor and record them, the Single Register of Social Enterprises (RUEIS) was created, managed by the National Employment Agency (ANOFM). The Register is public and is available online on the site of the National Employment Agency and includes all certified social enterprises and work integration social enterprises (social enterprises with social mark).

The information included in the register is structured in several sections and provides essential information about:

- the identity of the organization (name, tax code, county, legal form);
- legal status (certification as social enterprise and, where applicable, social mark);

- technical and financial indicators (number of employees, ratio of employees from vulnerable groups compare to the total number of employees, forms of support received);
- possible violations or sanctions.

The Register is permanently updated, including when the entities included in it submit their annual activity and financial reports, thus offering a dynamic image on the functioning and the evolution of social enterprises from Romania.

Another essential mechanism of the social economy from Romania are the **Authorized Sheltered Units** (generically known as UPA) dedicated to the professional integration of people with disabilities.

Regulated by the Law 448/2006 on the protection and promotion of the rights of persons with disabilities, UPA are legal entities –companies, non-governmental organizations or other structures – that operate under an authorization received from the National Authority for the Protection of the Rights of Persons with Disabilities (ANPDPD).

In order to obtain and maintain this authorization, an organization must respect the following conditions:

- to employ with work agreement at least three persons with disabilities;
- at least 30% of the total number of employees are persons with disabilities;
- the work hours of the persons with disabilities is at least 50% of the total work hours of all employees.

The activity carried out by UPA must be real, sustainable and create economic and social value, thus contributing to the general objectives of the social economy: inclusion, solidarity and community cohesion.

The main instrument for monitoring and transparency, The Register of Authorized Sheltered Employment Entities is managed by the National Authority for the Protection of the Rights of Persons with Disabilities (**ANPDPD**) and comprises:

- identification information of the entities (name, identification number, address);
- juridical form;
- the main field of activity;
- county in which it is registered;
- issue date and validity of the authorization.

The register is updated periodically, reflecting any changes regarding the authorization, suspension or withdrawal of the authorization. It is publicly available online, facilitating access for employers, public institutions and other entities interested in social partnerships or responsible procurement.

UPA contribute directly to increasing the degree of employment of persons with disabilities, to lowering social exclusion and to promoting a fair economic pattern. At the same time, they offer an alternative for companies who wish to respect legal stipulations on the employment of people with disabilities through procuring products and services from authorized sheltered employment entities.

Note: Although not all entities for sheltered employment are currently certified as social enterprises or as work integration social enterprises, they are included in the field of social economy through their social mission statement. Their activities aim directly at the social and professional integration of persons with disabilities and facilitate their transition to the traditional labor market – an essential objective of the social economy, in accordance to the Law 219/2015.

Since these entities benefit from a preferential legal and economic status, including access to the reserved market and dedicated public procurement mechanisms, it is justified for the state to intervene to condition this privileged status on obtaining the social enterprise certificate and particularly the social mark of work integration social enterprise. This would ensure:

- Compliance with clear social impact criteria, by providing integrated socio-professional inclusion services;
- Transparency and financial responsibility, through the obligation to reinvest a minimum of 90% of the profit in achieving the social goal;
- Alignment with the principles of the social economy, such as democratic governance, equal opportunities, wage equity and active participation of beneficiaries;
- Increasing the quality and sustainability of social interventions, thus strengthening public trust and the efficiency of inclusion policies.

Therefore, connecting the access to public facilities to obtaining a social enterprise certificate is not only justified, but necessary for the consolidation of a credible, equitable social economy sector with a real impact on the integration of people with disabilities.

This could also prevent situations of abusive use of the reserved market in order to sell products and services which are not made by the activities developed by persons with disabilities, signaled on numerous occasions by [Observatorul de Integritate UPA](#) managed by ADV Romania.

According to the Law 448/2006, authorized sheltered employment entities (UPA) can sell products and services deductible from the tax on disability, provided such products and services are made through the direct activities of the persons with disabilities employed in these entities. This principle is essential in order to guarantee that the fiscal benefits offered to employers contribute to the social and professional inclusion of people with disabilities.

Nonetheless, the most recent [analysis](#) of the UPA and ADV Romania Integrity Observer, published in July 2024 for the fiscal year 2023 and based on official data from ANAF and ANPD data showed several illegal and dysfunctional practices which affect system integrity:

- Protected units with unrealistically high turnover compared to the small number of employees and field of activity;
- Excessively high productivity per employee, realistically difficult to be expected while employing people with disabilities;
- Protected units established as associations (type of NGO) and intermediating products that are not made by persons with disabilities employed in their own organization or in other protected units in the country;
- Protected units constituted as companies that sell products and services under the umbrella of leasing or rental services (such as IT equipment, vehicles, consumables), claiming that the entire rate is deductible, although only the commission for this service reflects a possible contribution from persons with disabilities.

Even more, the analysis shows that 8 of the 388 authorized protected units made together 29% of the total annual turnover, but created only 5% of the workplaces registered in the system, including for persons with disabilities. This lack of proportion indicates an abusive use of fiscal benefits, in contradiction with the declared goal of legislation in the field.

These findings confirm the urgent need for legislative and administrative intervention through:

- Strengthening the mechanisms for monitoring and checking the activities developed by UPA;
- Clarifying the legal framework regarding deductibility, so that only the value added through the direct involvement of people with disabilities is eligible;

- Introducing criteria of social efficiency and economic transparency in the authorization process and maintenance in the UPA register;
- Modifying the legal framework by which authorized protected units, especially those established within companies, are required to also be certified as work integration social enterprises to ensure integrated support, qualification and employment services, as well as the reinvestment of at least 90% of the profit for the assumed social mission, together with ethical governance and fair salaries.

In the absence of such measures, there is the risk that the fiscal support mechanism will be diverted by opaque commercial practices, to the detriment of people with disabilities and social enterprises that truly respect the mission of social inclusion.

3. The methodology of the 2025 edition of the Barometer of the Social Economy

According to the OECD, the collection and analysis of statistical data on the social and solidarity economy is an essential step for strengthening sector visibility, for its institutional recognition and for the formulation of empirically based public policies.

Relevant information on the organizational structure, the activities developed, the employed workforce and the socioeconomic impact allow a thorough understanding of the contribution of the social economy to sustainable growth and social cohesion. At the same time, these data support the decision-making process at government level, facilitate the access of actors in the field to sources of financing and allow assessing the efficiency of public interventions. Therefore, the existence of a coherent framework for collecting, monitoring and interpreting statistical data becomes a must for assessing the impact of the social economy and the development of this sector.

Many European countries do not possess a unified framework for monitoring, measuring, evaluating and reporting the performance/results of the social economy. For this reason, a comparative analysis of the social economy sector within the European Union is really difficult. In Romania there is also no unified methodology, there are no tools and working procedures for the analysis of the social economy, even though relevant studies have been carried out on this sector of activity in the last decade. The data sources (official statistics and administrative data) are not reliable (incomplete and/or with errors).

The 2025 issue of the *Barometer of the Social Economy in Romania* proposes a comprehensive and updated analysis of the dynamics within the social economy sector, starting from a mixed methodological approach integrating rules of statistical, sociological and territorial research. Within the context of a wider European recognition of the sector and of persistent challenges regarding the availability and the quality of data at national level, the current edition proposes to contribute to shaping a realistic and useful image for formulating public policies.

The approach starts from a clear definition of the social economy, as included in Law no. 219/2015 on the social economy, which identifies the following types of legal constitution as accepted for entities within this sector: cooperatives, mutual aid entities, associations and foundations, agricultural entities, loan cooperatives, social enterprises and authorized work integration social enterprises, which may also be liability companies, share companies or even federations, as long as they comply with the economic and social criteria stipulated by ongoing legislation. These entities are characterized by the priority given to social objectives over economic profit, functioning on the principles of solidarity and democratic participation, as well as by the reinvestment of surplus for social purposes.

The methodology of the barometer includes:

- descriptive statistical and cartographic analyses based on data obtained from official sources (Eurostat, INS – The National Institute of Statistics, ANOFM – The National Employment Agency, and ANPDPD – the National Agency for the Protection of Rights of People with Disabilities;
- multiscale analysis to explore territorial and sectoral differences, from local to the national level, as included in the Sole Register of Social Enterprises and in the Register of Authorized Shelter Units;
- sociological research based on an online questionnaire addressing social economy entities in Romania with or without economic activity, with the goal of gathering qualitative information on the profile of the organization, the difficulties encountered and the solutions identified;
- an analysis of approaches in the field of social economy made by several private entities promoting the sector: social enterprise, networks in the field, clusters and accelerators, insertion or integrity observers, etc.

In the section dedicated to the social economy reflected in official statistics, we used the data available from Eurostat – *Business Demography* and the National Institute of Statistics – *Enterprise Statistics and Enterprise Demography*. These sections mainly refer to active enterprises in the national economy. According to official statistics, active enterprises (economic entities) represent entities (multi-person or individuals) with legal personality created to carry out activities defined under the Law no. 15 / 1990, the Law no. 31 / 1990 with subsequent amendments, the Law no. 507 / 2002 and the Ordinance no. 44/2008.

Active enterprises also include social entities represented by organizations (multi-person or individuals) with legal personality, created to carry out an activity dedicated to social interest. Official statistics also specify that the "legal unit" refers to any economic or social agent that has its own assets, can conclude contracts with third parties in its own name and defend its interests in court (has legal personality). Legal units are either authorized

individuals or family businesses (entrepreneurs), or juridical entities. An enterprise is a group of legal units that is established as an organizational entity for the production of goods, commercial services, or services of social interest, with decision-making autonomy, especially for ensuring its current resources. An active enterprise is an entity that, during the statistical observation period, produces goods or services, records expense and draws up a balance sheet.

For the statistical analysis of social enterprises, we used as a database the Register of Social Enterprises (RUIS) managed by the National Employment Agency (ANOFM), as it was available in November 2024. The database has been cleared, processed and standardized to become compatible with the statistical analysis and the mapping undergone in our research. The database includes information about identification of the organization, the date when they became certified as social enterprise / work integration social enterprise, technical and financial information, sanctions, while mentioning the fact that the register is not uniformly filled in at national level and it requires improvement in view of consistently using it for public policies.

At the same time, the methodology includes an analysis of authorized shelter units (UPA), entities tackled by through the Law 448/2006 and who employ people with disabilities. For this topic, we analyzed the Register of Authorized Shelter Units updated by the ANPDPD, turned into a statistical and mapping database to highlight the impact and distribution of these entities at national level.

In addition to these sources, the Barometer capitalizes on data provided by the INS through *TEMPO Online* and *Eurostat* databases, for the analysis of active enterprises and private administration organizations, used as a proxy to evaluate the components of the sector in the absence of direct classifications in official statistics.

The largest component of the research is represented by Section 7 – Sociological Study, which provides a detailed image of the current state of the social economy in Romania. The data obtained through the questionnaire cover the profile of the entities, the types of activities, the human resources involved, the challenges encountered in their growth and direct recommendations for public policies and support interventions. These results complement the quantitative image of the sector with qualitative values essential for a deep understanding of the national context.

4. The social economy reflected in official statistics

According to the Law no. 226/2009 on the organization and functioning of the field of statistics, the National Institute of Statistics, its territorial offices, the offices of the central and local public administration and the National Bank of Romania are providers of official statistics in Romania. The current section includes a descriptive statistical analysis based on data provided by the National Institute of Statistics (INS) regarding private administration organizations and Eurostat data for the category of enterprises other than companies and authorized individuals – more precisely, partnerships, cooperatives and associations.

The source of data from the INS comes from the Statistical Register of Companies (SBR) which represents the infrastructure for collecting and compiling data for European business statistics. The legal basis for establishing statistical business registers is defined in the EU Regulation 2019 / 2152 on European business statistics. REGIS includes all enterprises with headquarters in a specific country, carrying out activities that contribute to GDP. As in the case of the 2023 edition of the Social Economy Barometer, we will use this classification as a *proxy* for categorizing social economy enterprises, in the absence of other data.

According to the INS, the category of private administration organizations includes non-governmental organizations without patrimonial goal, such as:

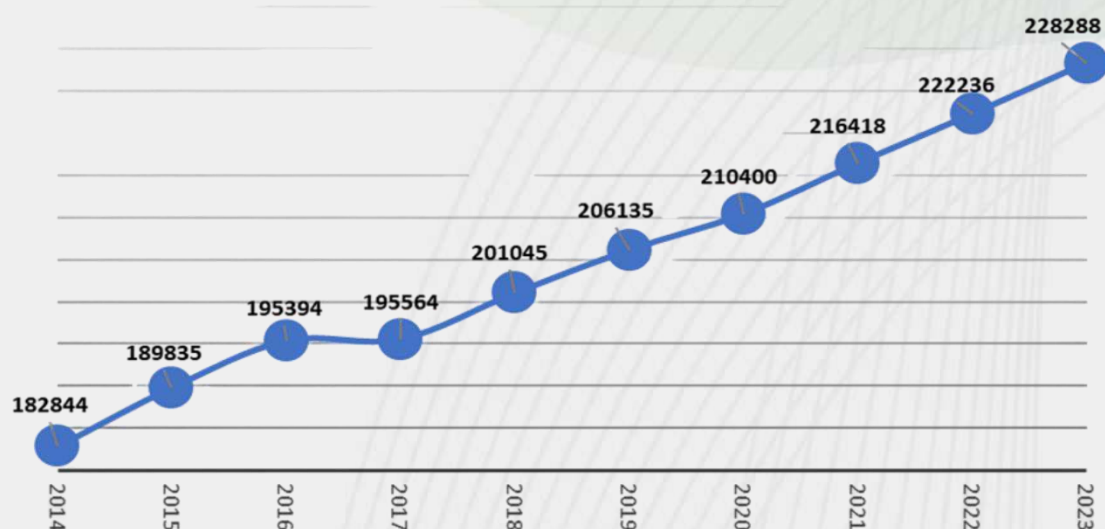
- Syndicates or syndic confederations;
- Parties, factions, coalitions;
- Professional and patronal unions / associations;
- Foundations;
- Cultural associations;
- Sports associations / clubs;
- Religious organizations;
- Owner`s associations;
- Communities;
- Mutual aid entities;
- Other organizations.

After having queried the TEMPO Online database (the section addressing enterprises, private administration organizations) of the INS, the authors selected data for the period (2014-2023), in order to capture the dynamics in the number of these organizations before the passing of the Law 219/2025 on the social economy and up to the present. As can be seen in the following figure, in 2014, there were 182,844 private administration organizations active in Romania, and over a decade later, in 2023, their number reached 228,288 organizations, which means an increase of 45,444 organizations (+24.8%).

BAROMETER OF SOCIAL ECONOMY

2025 EDITION

Organizations of the private administration sector



For example, we have selected several years that may represent timestamps in the evolution of the number of private administration organizations: 2014 – prior to the passing of the social economy law, 2015 – the passing of Law no. 219/2015 on the social economy and the last three years in which social economy barometers were conducted in Romania. The following table comprises data resulting from the query of the INS – TEMPO Online database, expressed in absolute values and structured by types of private administration organizations.

	2014	2015	2021	2022	2023
Total	182844	189835	216418	222236	228288
Sindicates, sindical confederations	9686	9855	10202	10246	10286
Parties	42	44	63	61	65
Uniuns / Professional and patronal associations	9645	10107	11399	11439	11606
Foundations	17718	17836	17811	17888	17922
Cultural associations	42847	46301	61012	64038	67090
Sports / club associations	11246	11876	16055	16921	17943
Religious (cult) organizations	19050	19238	20044	:	20292
Owners` associations	53851	54939	62307	63773	65040
Shared ownership entities	3218	3249	3111	3097	3092
Mutul aid entities	5833	5856	5216	5134	5101
Other organizations	9708	10534	9198	9472	9851

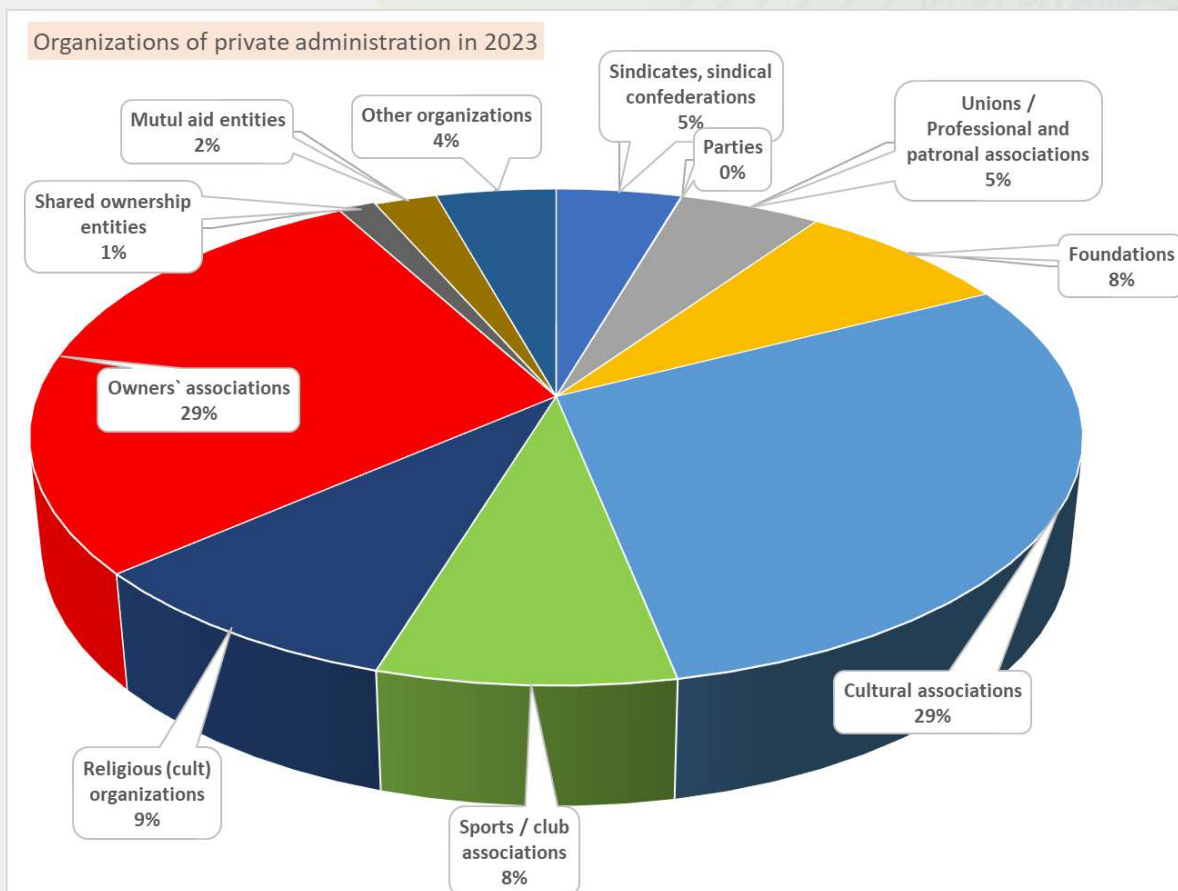
© 1998 - 2018 NATIONAL INSTITUTE OF STATISTICS

In 2023, the category of private administration organizations includes a number of 228.288 entities, the majority of which are associations and foundations. Without taking into consideration unions, confederations of trade unions, parties, religious organizations, tenants' associations and "other organizations", **the entities with social impact that correspond to the European definition of the social economy are in total amount of 122,754 private administration organizations (54% of the total)**; organizations belonging to religious denominations and tenants'/owners' associations were not included in the calculation.

We can see that cultural associations show substantial growth over the years, from 42,847 in 2014 to 67,090 in 2023. Tenants'/owners' associations also benefit from a constant growth from 53,851 in 2014 to 65,040 in 2023. Unions, confederations of unions, communities are relatively stable, with small variations in the analyzed period, while mutual aid entities have registered a slight decrease. The category "other organizations" is included under associations and foundations, which share the specific legislation – the Governmental Ordinance 26/2000. The image below presents the distribution by type of organization of private administration organizations, in 2023. The increase in the number of cultural and owner associations could indicate increased civic involvement and better community organization. The changes in the category "other organizations" are difficult to interpret without additional details, such as the types of organizations included in this category.

BAROMETER OF SOCIAL ECONOMY

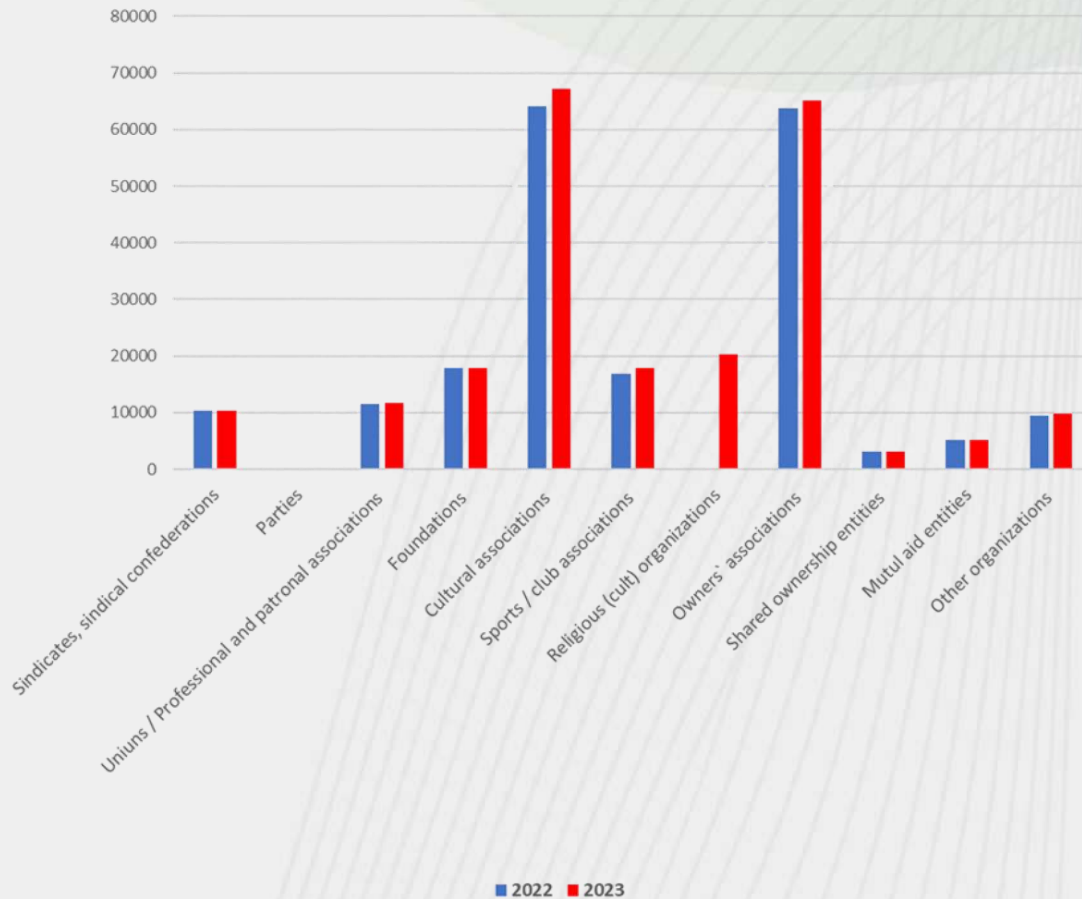
2025 EDITION



When we refer to the year 2023, the types of private administration organizations that correspond to the definition of the social economy register slight positive variations in the number of foundations and associations, together with slight decreases for entities with joint ownership and mutual aid entities.

BAROMETER OF SOCIAL ECONOMY

2025 EDITION



Comparing the amounts regarding organizations for 2022 and 2023, we can easily see the following tendencies of entities specific to the social economy:

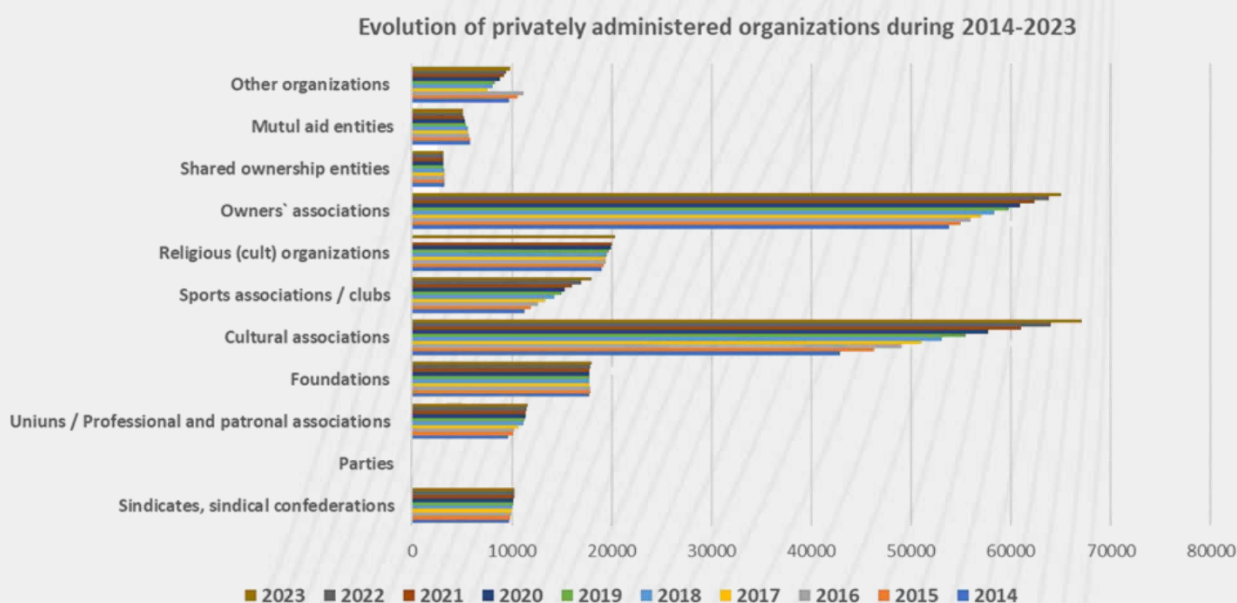
- Visible increases in sectors such as cultural associations and sports clubs;
- Foundations and mutual aid entities remain relatively;
- Moderate fluctuations for other categories (communities, owners' associations).

These variations can signal changes in the financial climate, new regulations or an adjustment of priorities from the legislative or the institutional point of view.

BAROMETER OF SOCIAL ECONOMY

2025 EDITION

The following image describes the dynamics of private administration organizations, by category, during the period 2014-2023. As can be seen, during the period studied, tenants'/owners' associations, religious organizations, sports associations / clubs and cultural associations recorded spectacular developments, while the other types of organizations that correspond to the definition of the social economy (foundations, associations, mutual aid entities, joint ownership entities) showed slight decreases towards a trend of stagnation.



For a more in-depth characterization of the evolution of private administration organizations, we calculated a series of indicators that describe the central tendency and variation, for all types of organizations, for the period 2014-2023. The following table summarizes the percentages obtained for the minimum and maximum values of the time series for each organization, the average results for the period 2014-2023, the standard deviation, the coefficient of variation, the amplitude, the coefficient of asymmetry and of skewness.

BAROMETER OF SOCIAL ECONOMY

2025 EDITION

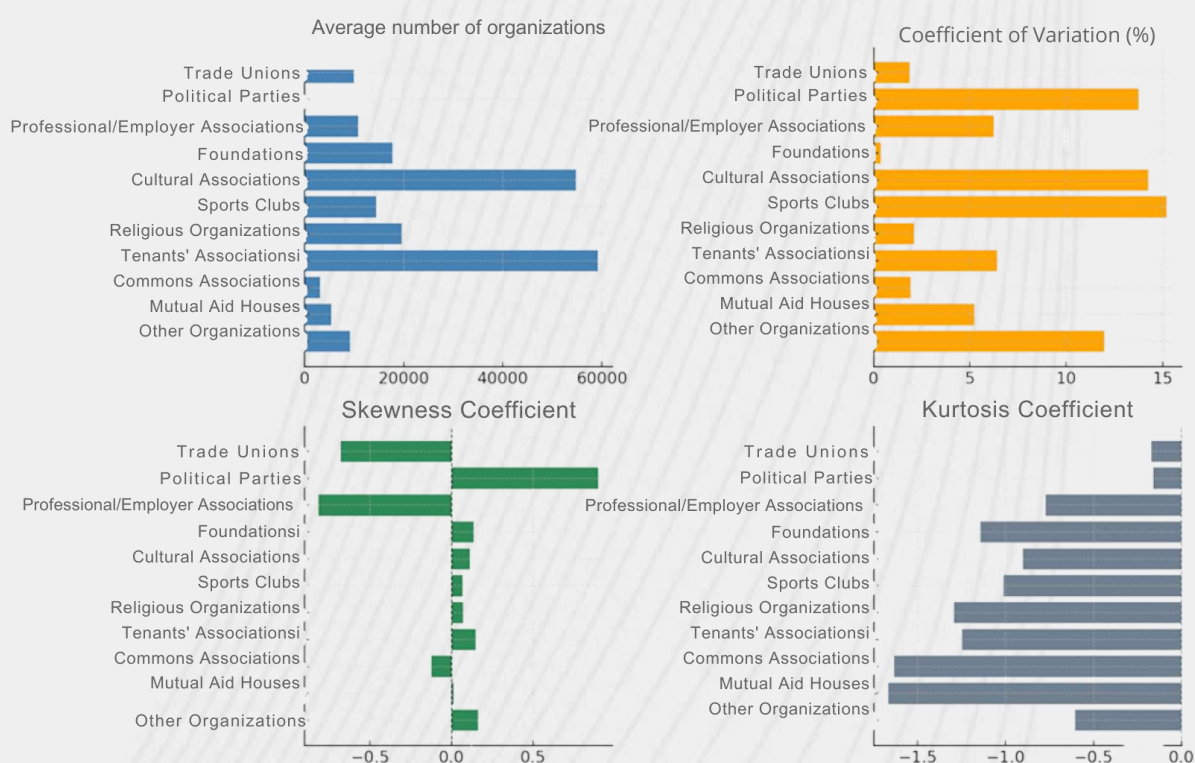
	Mean	Minimum value	Maximum value	Standard deviation	Coefficient of variation (%)	Range	Skewness coefficient	Kurtosis coefficient
Trade unions, union confederations	10051	9686	10286	189.391	1.88	600	-0.679	-0.173
Political parties	55.8	42	65	7.685	13.77	23	0.902	-0.162
Professional and employers' associations	10893.6	9645	11606	680.093	6.24	1961	-0.816	-0.773
Foundations	17812.7	17718	17922	70.35	0.39	204	0.136	-1.144
Cultural associations	54774.3	42847	67090	7809.027	14.25	24243	0.113	-0.901
Sports associations/Clubs	14445.3	11246	17943	2198.916	15.22	6697	0.07	-1.011
Religious organizations (denominations)	19675.2	19050	20292	418.386	2.12	1242	0.071	-1.295
Homeowners' associations / Tenants	59191	53851	65040	3808.612	6.43	11189	0.149	-1.247
Communal ownership associations (obštī)	3173.9	3092	3256	61.854	1.94	164	-0.124	-1.636

The descriptive analysis of the evolution of organizations from private administration for the period 2014–2023 shows the long-term tendencies and the possible implications for public policies and future research. There is a tendency for constant increase in the total number of organizations in private administration for the period 2014–2022, which can be explained through the availability of European funds, civic activities and mobilization, policies for the growth of the social economy. The average represents the average number of organizations in each category, especially owner`s associations and cultural associations.

BAROMETER OF SOCIAL ECONOMY

2025 EDITION

The variation coefficient (%) indicates the degree of dispersion, the higher values (like in the case of sports clubs) suggest an uneven spread. The asymmetry coefficient shows whether the distribution is skewed towards higher or lower values – parties have a positively asymmetric distribution. The skewness coefficient indicates that most types of private administration organizations are platykurtic (flattened curves), a sign of a widespread distribution, without a concentration around the average. The following image shows a synthesis of the statistical analysis made based on the previous table: the values of the average number of organizations, the coefficient of variation, the coefficient of asymmetry and the coefficient of skewness for all types of private administration organizations.



Based on analysis above, the following conclusions can be drawn:

- most of the organizations analyzed present a flattened and heterogeneous distribution, with significantly dispersed values;

- foundations are the most statistically homogeneous organizations, which indicates the existence of a more uniform regulatory and operating framework and a relatively stable evolution over time;
- cultural and sports associations, although numerous, are very unevenly distributed, requiring policies to balance temporal variation;
- positive asymmetry coefficients for parties and other organizations indicate the existence of centers with high concentrations, which can be investigated in more detail in additional research.

Mutual aid entities register a decrease in the number of organizations, a trend most likely determined by the need for consolidation / stabilization, including through mergers, necessary to increase operational capacity in order to withstand an extremely competitive market for financial services.

In the INS – TEMPO Online database, in the section dedicated to *Enterprise Demography*, we find information about active enterprises, according to activities of the national economy included in their NACE Rev.2 section and according to legal forms (companies, authorized individuals, other legal forms). According to official statistics (INS), an active enterprise represents the entity that is economically active during the observation period, namely produces goods or services, records expense and prepares a balance sheet.

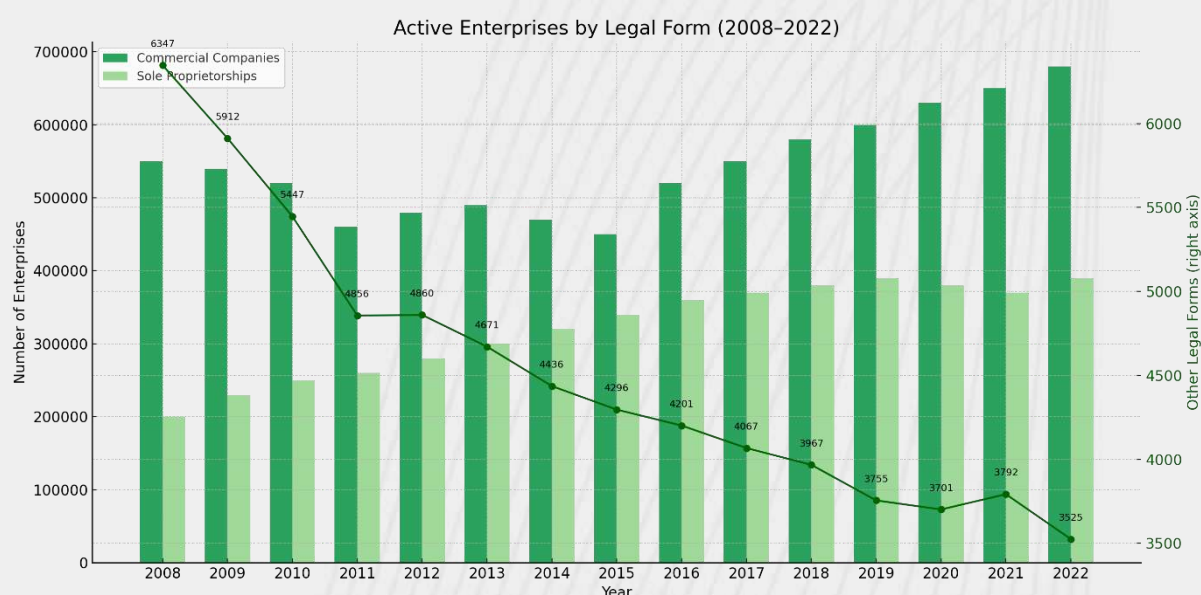
Normally, an entity is considered active when they start producing and collecting income. However, from the statistical point of view, entities that have already started an investment and record costs are also of interest. Therefore, any entity is considered active as long as they employ labor and record costs, including investment expenses related to productive activity.

The category of active enterprises "other legal forms" most likely also includes active enterprises in the field of social economy (social enterprises, work integration social

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enterprises, entities in the non-governmental sector carrying out economic activities), as also specified in previous editions (2021, 2022, 2023) of the Barometer of the Social Economy. The graphic below represents the evolution of active enterprises in the national economy by type ("companies" and "authorized individuals" – represented by bars, and "other legal forms" by a line).



As can be seen, the number of active enterprises under the category “other legal forms” (partnerships, cooperatives, associations), which also include social economy entities, decreased from 6347 entities in 2008 to 3525 entities in 2022 – the last year with available data. These data should be interpreted with caution, as they do not fully describe the social economy sector (social economy enterprises are not limited to active enterprises – “other legal forms”). In fact, the category of “companies” includes most social economic entities (with a social purpose), including social enterprises and work integration social enterprise.

For a comparative analysis at European level (EU-27), we queried the Eurostat database – *Business Demography* section to see the evolution of active enterprises – “other legal forms” (partnerships, cooperatives, associations), in recent years (2021 and 2022). According to

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Eurostat, in Romania, there were 3050 active enterprises – "other legal forms", in 2021, which decreased to 2713 active enterprises – "other legal forms" (–337 enterprises; – 11.05%).

	2021	2022	2022-2021	%
European Union - 27	2.131.861	2.128.839	-3.022	-0,14
Belgium	58.470	77.257	18.787	32,13
Bulgaria	8.150	8.009	-141	-1,73
Czechia	13.267	12.930	-337	-2,54
Denmark	16.082	17.232	1.150	7,15
Germany	448.627	434.921	-13.706	-3,06
Estonia	728	811	83	11,40
Ireland	8.644	8.916	272	3,15
Greece	120.317	127.709	7.392	6,14
Spain	220.518	223.262	2.744	1,24
France	37.317	40.436	3.119	8,36
Croatia	2.830	2.852	22	0,78
Italy	623.071	610.918	-12.153	-1,95
Cyprus	1.438	1.241	-197	-13,70
Latvia	2.485	2.486	1	0,04
Lithuania	2.626	2.541	-85	-3,24
Luxembourg	1.434	1.450	16	1,12
Hungary	96.009	91.657	-4.352	-4,53
Malta	1.938	1.893	-45	-2,32
Netherlands	221.501	224.503	3.002	1,36
Austria	52.441	52.347	-94	-0,18
Poland	66.857	64.075	-2.782	-4,16
Portugal	27.953	48.713	20.760	74,27
Romania	3.050	2.713	-337	-11,05
Slovenia	3.296	3.228	-68	-2,06
Slovakia	1.932	2.006	74	3,83
Finland	27.214	25.660	-1.554	-5,71
Sweden	63.666	39.073	-24.593	-38,63
Iceland	3.320	3.449	129	3,89
North Macedonia	4.334	4.353	19	0,44
Serbia	549	492	-57	-10,38
Türkiye	59.107	61.199	2.092	3,54

The table above shows that, in 2022, the countries with the highest number of active enterprises under the category “other legal forms” (partnerships, cooperatives, associations) are Italy – 610.918, Germany – 434.921 and France – 40.436. At the other end, the countries with the smaller number of entities under the category “other legal forms” in 2022 are Cyprus – 1.241, Luxembourg – 1.450, Slovakia – 2.006 and Romania – 2.713. The general tendency in UE-27 shows a slight decrease from 2.131.861 in 2021 to 2.128.839 in 2022 (–0,14%). The countries registering the highest increases of active enterprises under the category “other legal forms” (partnerships, cooperatives, associations) are Portugal with +20.760 enterprises (+74,27%), Belgium with +18.787 enterprises (+32,13%) and Greece with +7.392 enterprises (+6,14%). At the opposite end, the countries with the highest decreases are Sweden with –24.593 (–38,63%) enterprises, Germany with –13.706 (–3,06%) enterprises and Italy with –12.153 (–1,95%) enterprises.

While the total number of active enterprises under the category “other legal forms” in the EU-27 has remained relatively stable, significant variations are observed at the level of member states. The increase in the number of active enterprises under this category (partnerships, cooperatives, associations) can be attributed to government policies, economic reforms or a climate favoring the social economy ecosystem. The variation in time of this category of active enterprises can also be explained by financial and economic factors such as inflation, interest rates, government spending, global demand for goods and services provided by the social economy sector, and the availability of other economic agents to purchase goods and services from social enterprises.

The analysis of social economy entities (associations, foundations, cooperatives, mutual aid entities, active enterprises – “other legal forms”, etc.) according to data provided by INS and Eurostat does not exhaustively reflect the evolution of this sector, but only the trends limited to the available statistical indicators. The results must be interpreted contextually,

taking into account the definitions of the indicators, data sources and calculation methodologies, compared with other quantitative and qualitative analyses.

The results of the statistical processing in this section can be used as benchmarks in the development of support policies for the social economy sector in Romania, together with other analyses from administrative data sources (secondary data analyses) or analyses of data collected directly from social economy entities (primary data analyses).

5. The evolution of social enterprises in Romania. A statistical analysis of information provided by the National Employment Agency (ANOFM)

In Romania, the development of social enterprises is supported by specific legislation, through the Law no. 219/2015 on the social economy, which establishes the operating criteria and provides a support framework for these structures. At the same time, access to financing remains a major challenge, requiring effective public policies and support programs to facilitate the sustainability of these initiatives. Despite these obstacles, social enterprises are gaining more and more visibility, demonstrating that they can significantly contribute to the development of a fairer and more inclusive economy.

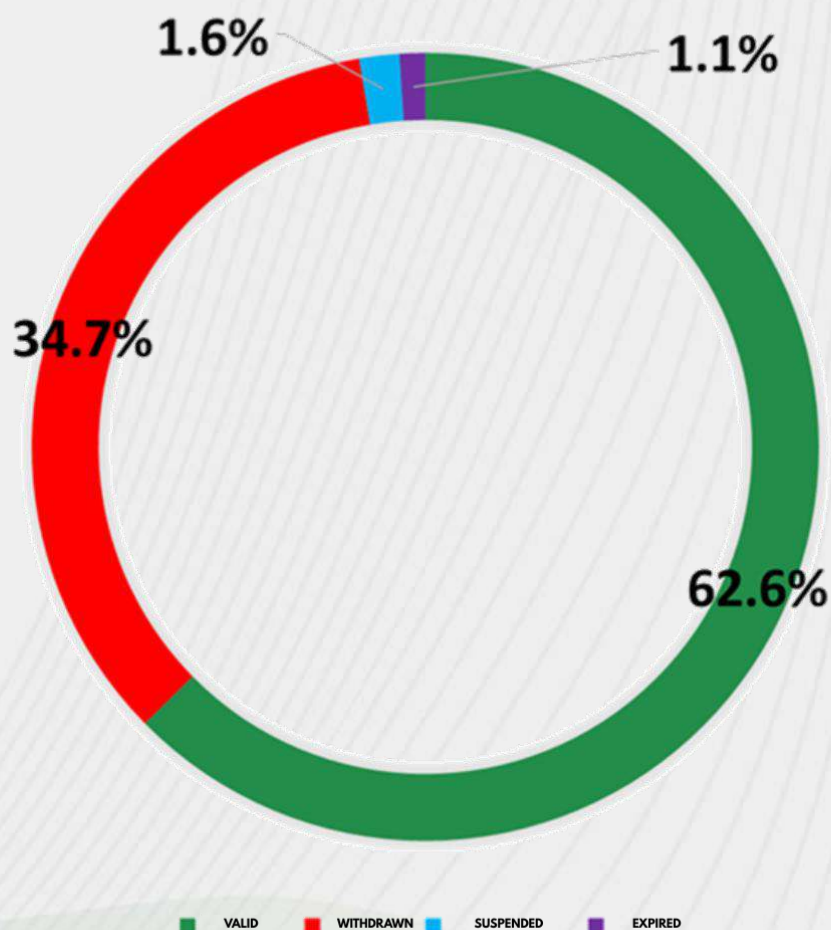
By promoting an inclusive and sustainable economy, they become key actors in the transformation process of Romanian regions, contributing to a more equitable distribution of resources and improving the quality of life for diverse communities. A concrete example of the impact of social enterprises on regional growth is represented by initiatives supporting the circular and sustainable economy. By reusing resources, reducing waste and promoting responsible production models, these structures contribute not only to economic development, but also to environmental protection. In this sense, they become essential actors in the transition towards a green economy and resilience.

Social enterprises can stimulate cooperation between different economic sectors and public institutions, facilitating the creation of inclusive and sustainable business ecosystems. Through strategic partnerships with local authorities, universities and non-governmental organizations, these entities manage to generate innovative solutions to community problems, strengthening social cohesion and creating a climate favoring sustainable economic growth.

5.1. The situation of social enterprises in 2024

Between 2016 and 2024, 2,932 social enterprises were established in Romania, but not all of them maintained their certification over the years. In November 2024, only 1,836 of them still had a valid certificate, while for 1,017 enterprises the certificate was withdrawn, for 48 the certificates were suspended, and for 31 expired. Most enterprises obtained the certificate in 2021, which was also the year that shaped this social economy sector.

Social enterprises in Romania in 2024 according to the situation of their certification



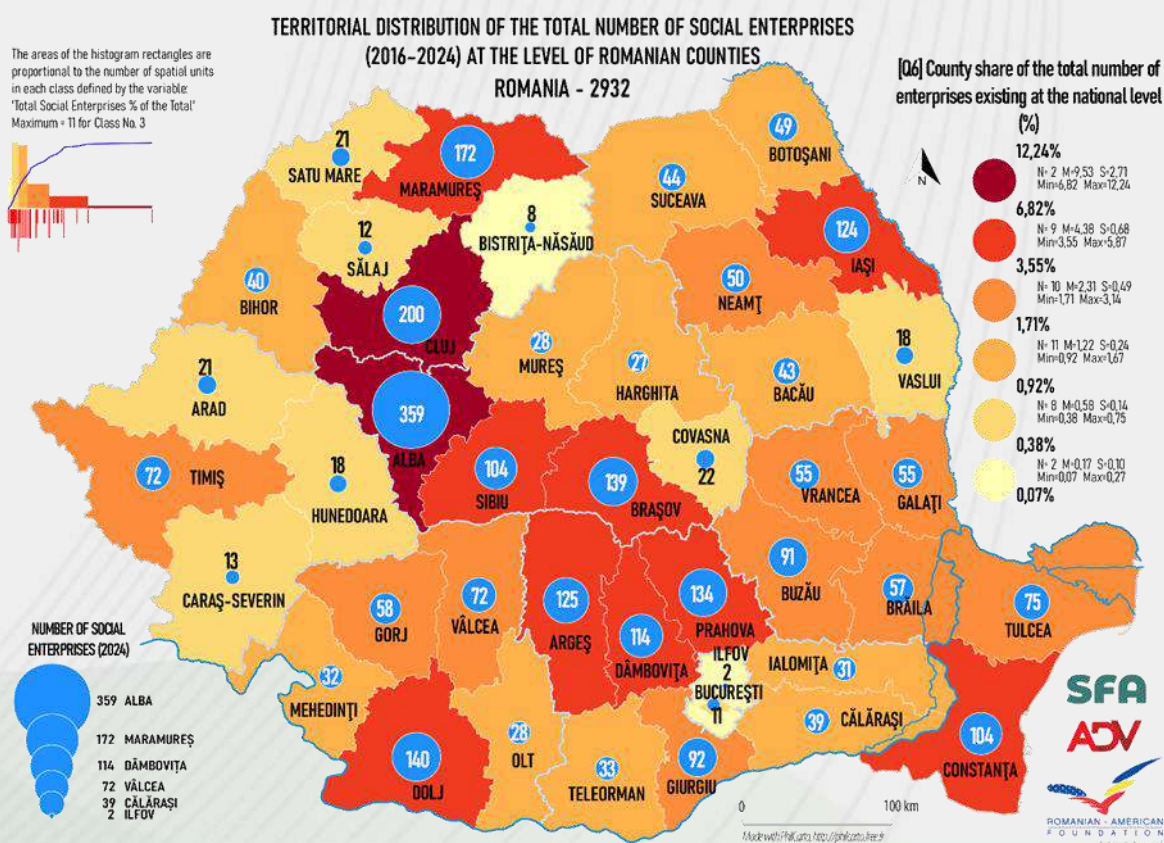
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From the point of view of residence, most social enterprises were established in urban areas, 1,528 (52.1%), while 1,404 social enterprises (47.9%) were registered in rural areas. From a geographical point of view, in the period 2016–2024, the Alba County had the highest number of social enterprises, 359, closely followed by Cluj (200), Maramureș (172), Dolj (140) and Brasov counties.

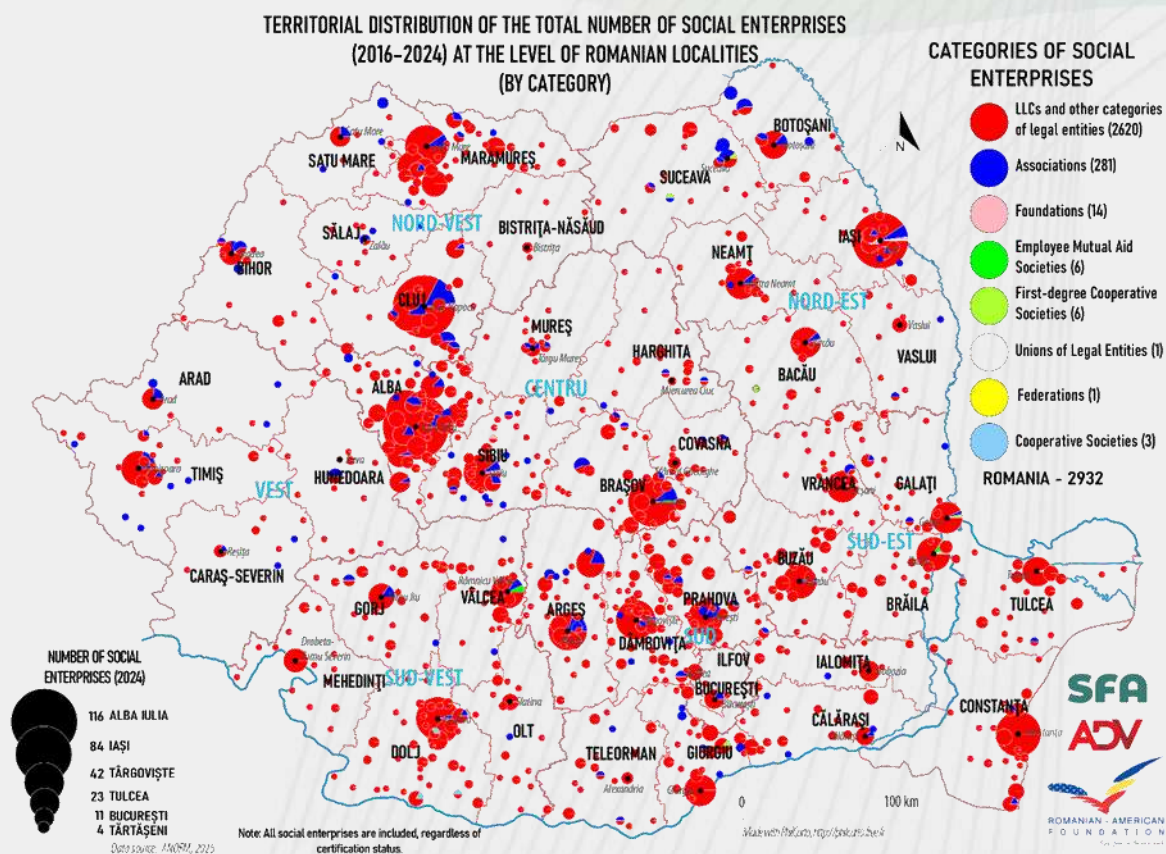
The counties with the weakest social economy infrastructure, in terms of the number of social enterprises, were Ilfov (2), Bucharest (1), Bistrita - Nasaud (8), Caras - Severin (13), as well as Hunedoara and Vaslui, each with 18 enterprises.

The densest and most homogeneous geographical space, in terms of social economy, is formed by the Brasov (139), Arges (125), Dambovita (114) and Prahova counties (134), also characterized by a high population density.



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From a geographical point of view, the distribution of social enterprises with a valid certificate in November 2024 reflects changes in the territorial configuration of the social economy in Romania. A significant concentration of these economic entities is observed in certain counties, while others register extremely low values, thus highlighting regional disparities in the development of the social economy sector.

The highest numbers of certified social enterprises are in the following counties:

Alba – 202 social enterprises, the first place at national level, highlighting a strong dynamic of the social economy in this region;

Maramures – 127 social enterprises, confirming the active role played by the social economy in developing the county;

Cluj – 108 social enterprises, benefiting from favorable economic environment and from different initiatives in the field;

Iasi – 90 social enterprises, indicating a consolidation of the social economy in the North-Eastern Region of Romania;

Brasov – 88 social enterprises, still representing an important pole of economic and social growth;

Arges – 83 social enterprises, showing an upward trend in the promotion of this economic model;

Buzau – 79 social enterprises, situated in the upper part of the national classification.

At the opposite end of the county hierarchy in the field of social economy, there are counties that register an extremely low number of certified social enterprises, which may indicate either an insufficient development of this sector or a limited integration of social economy initiatives into local strategies:

Ilfov – 1 social enterprise, clear indication of a very low level of interest in this type of economic activities;

Bucharest – 5 social enterprises, a surprising result if we take into account the economic potential of the capital city of Romania;

Bistrita - Nasaud – 7 social enterprises, indicating a low presence of the social economy;

Caras - Severin – 7 social enterprises, reflecting low dynamics of the sector;

Salaj – 10 social enterprises, one of the counties with the lowest numbers of such entities;

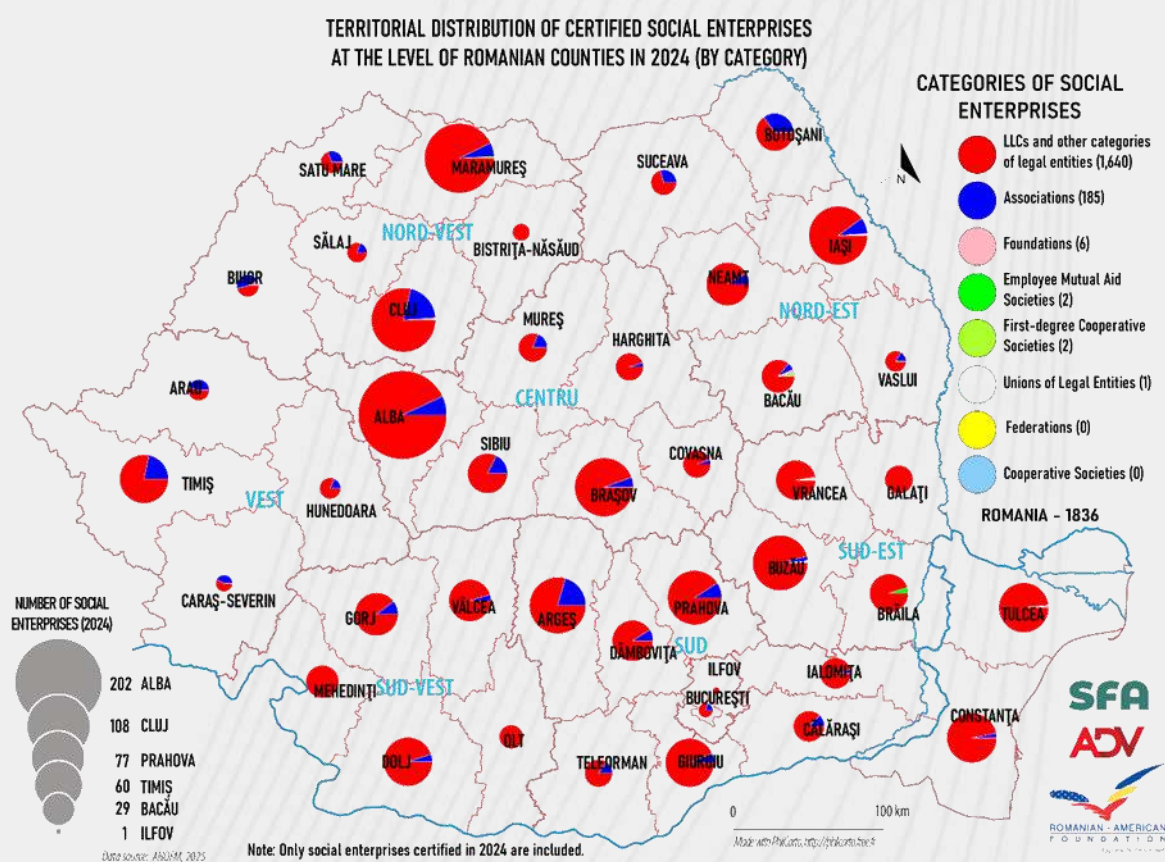
Arad – 11 social enterprises, a relatively low level of development of the social economy;

Hunedoara – 11 social enterprises, completing the list of counties with a modest number of social enterprises.

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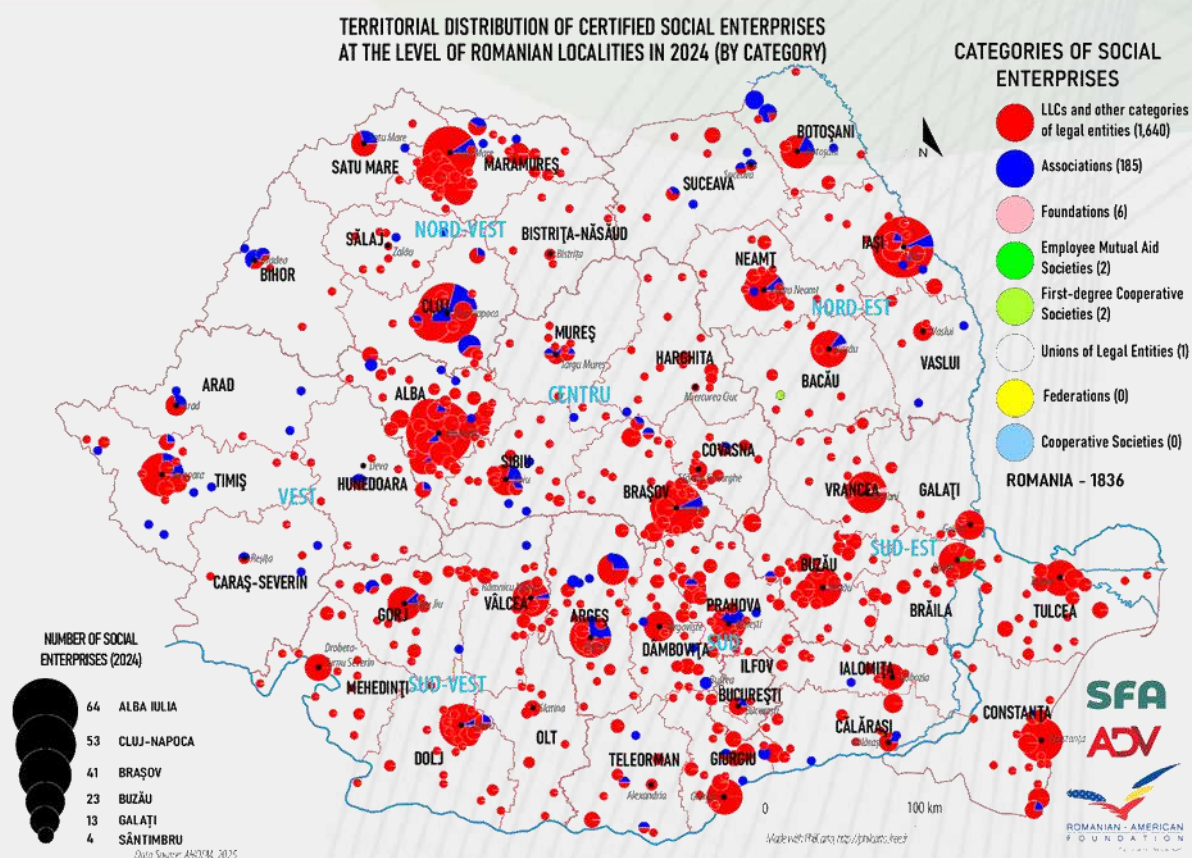
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This uneven distribution highlights the existence of significant differences between counties in terms of social economy development, influenced by their access to financing, the local legislative framework, community initiatives and institutional support. While some counties have seen a considerable expansion of the social economy sector, others seem to face difficulties in stimulating this area, which may represent an opportunity for interventions and public policies aimed at balancing this distribution.



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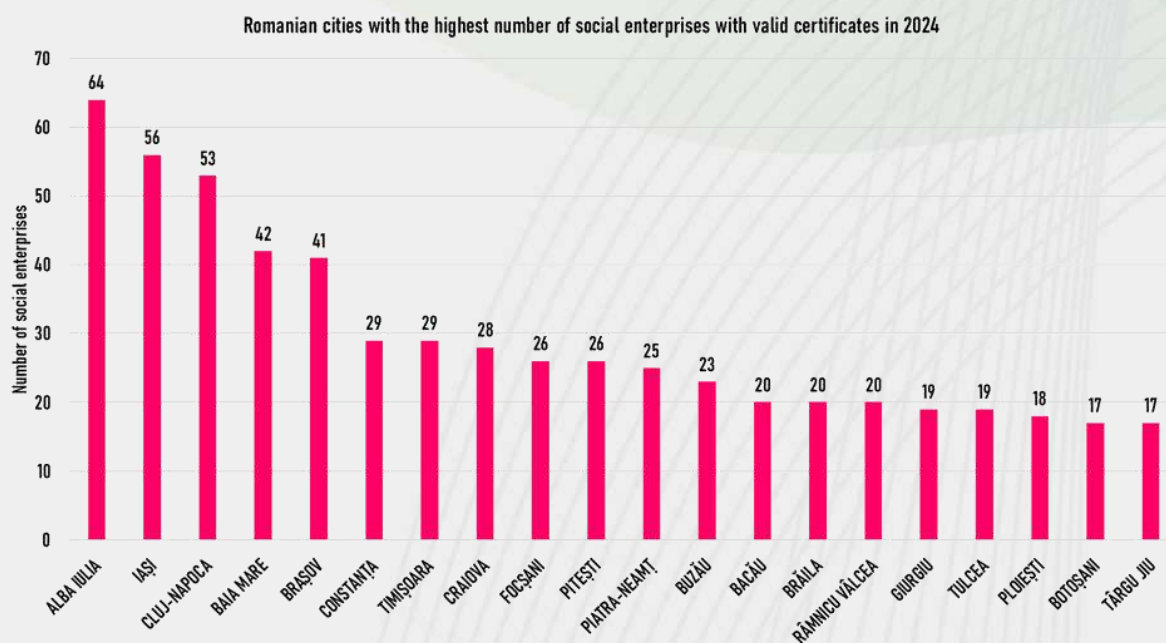


Several Romanian cities stand out with respect to social economy becoming a significant component of the regional economy. Although most of them are big cities, the concept of social economy is also manifested in smaller cities, contributing to the development of local communities. The cities with the largest number of certified social enterprises are:

- Alba Iulia (the Alba County) – 64 social enterprises;
- Iasi (the Iasi County) – 56 social enterprises;
- Cluj-Napoca (the Cluj County) – 53 social enterprises;
- Baia Mare (the Maramures county) – 42 social enterprises;
- Brasov (the Brasov County) – 41 social enterprises;
- Constanta (the Constanta County) – 29 social enterprises;
- Timisoara (the Timis County) – 29 social enterprises;
- Craiova (the Dolj County) – 28 social enterprises.

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In recent years, the social economy has not been limited to large urban areas, but has also begun to develop in rural areas, in which smaller communities started capitalizing on local resources and proximity to major cities. This trend suggests a diversification of economic activities and a gradual integration of social economy principles in the growth of rural communities.

Many such communities managed to create a favourable environment for social enterprises by exploiting specific advantages, such as rural tourism, traditional crafts or access to markets close to large cities. Financial support through European and national funds also contributed to strengthening this sector, facilitating both the establishment and maintenance of such initiatives.

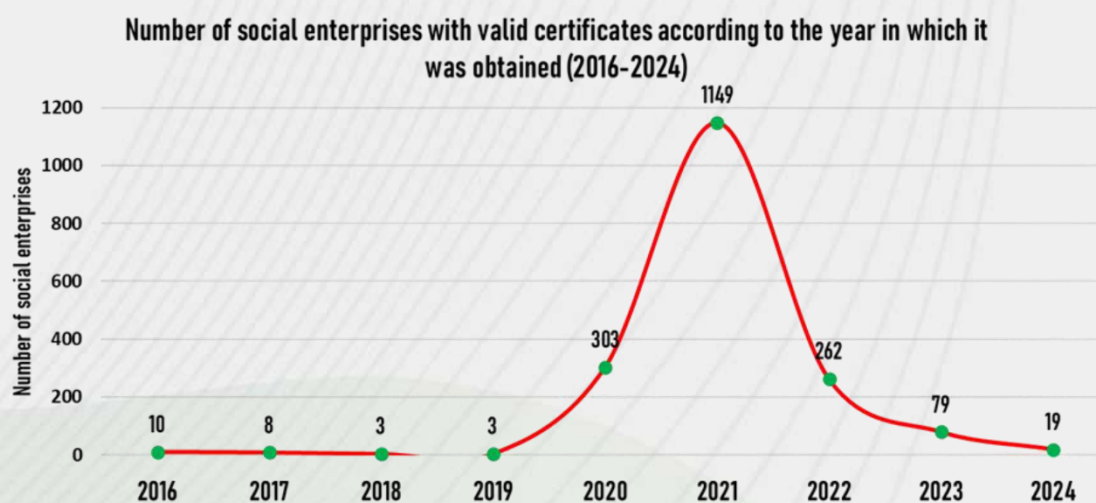
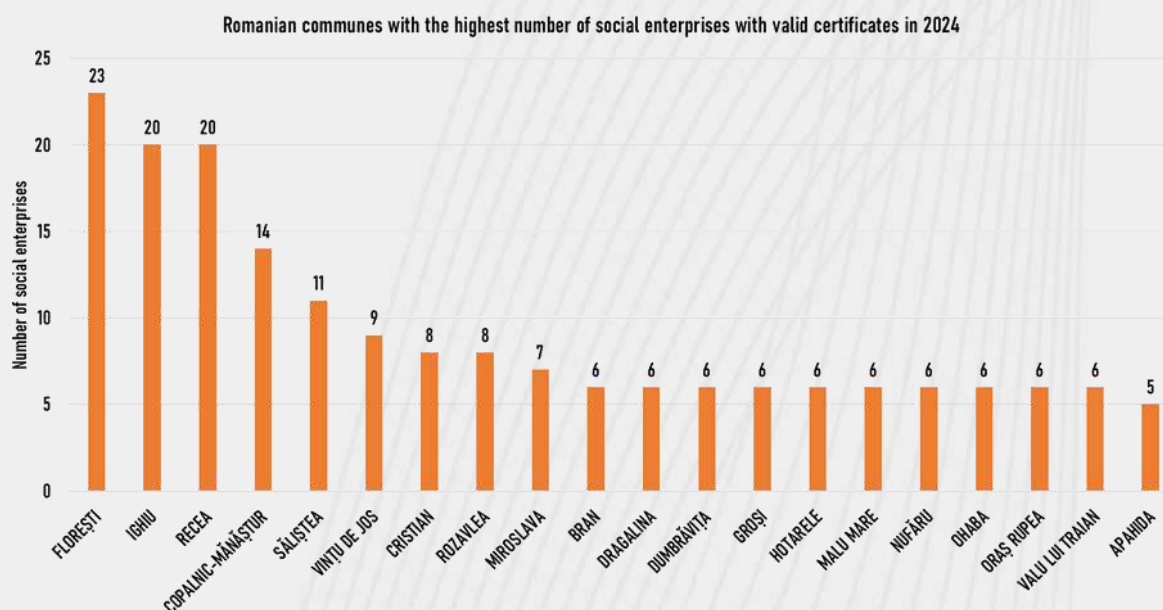
The following are some of the rural communities with the highest number of certified social enterprises in 2024:

- Floresti (the Cluj County) – 23 social enterprises;
- Ighiu (the Alba County) – 20 social enterprises;

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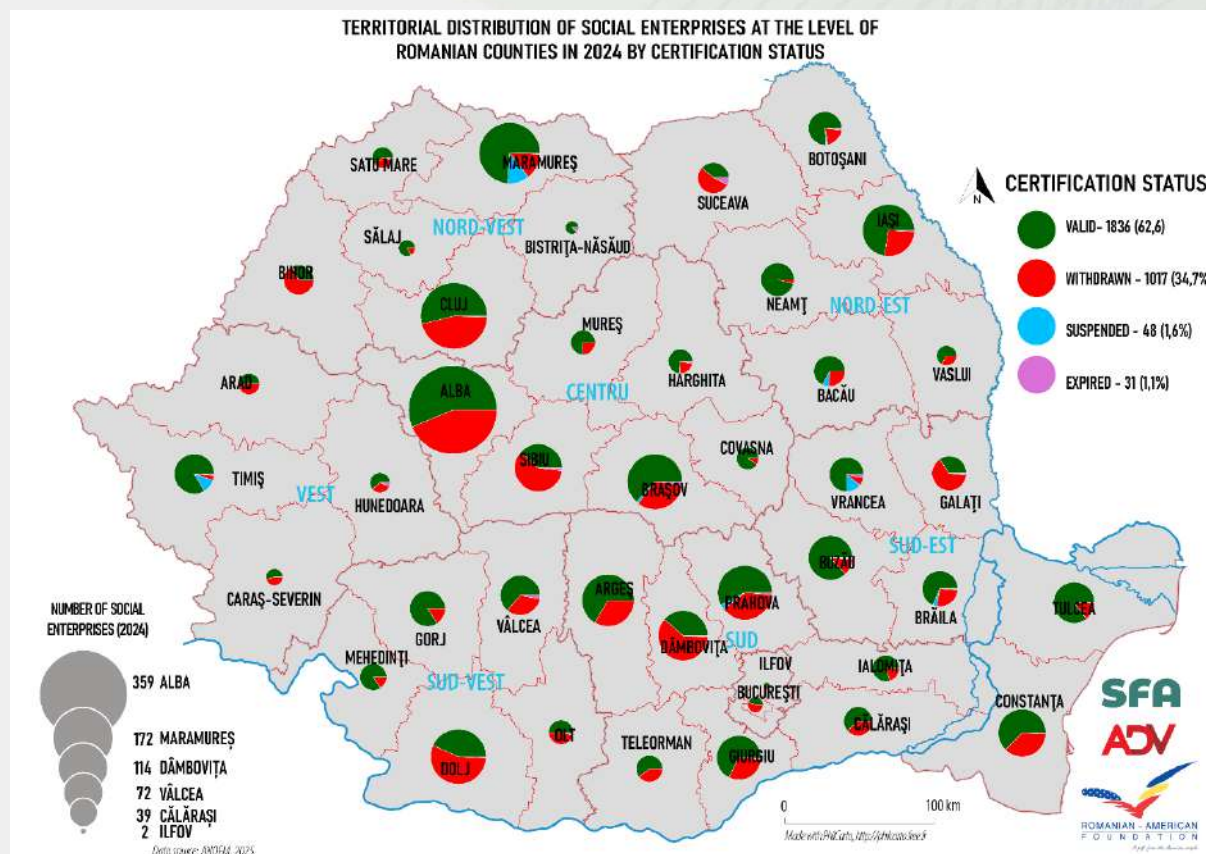
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- Recea (the Brasov County) – 20 social enterprises;
- Copalnic - Manastur (the Maramures County) – 14 social enterprises;
- Salistea (the Alba County) – 11 social enterprises;
- Vintu de Jos (the Alba County) – 9 social enterprises.



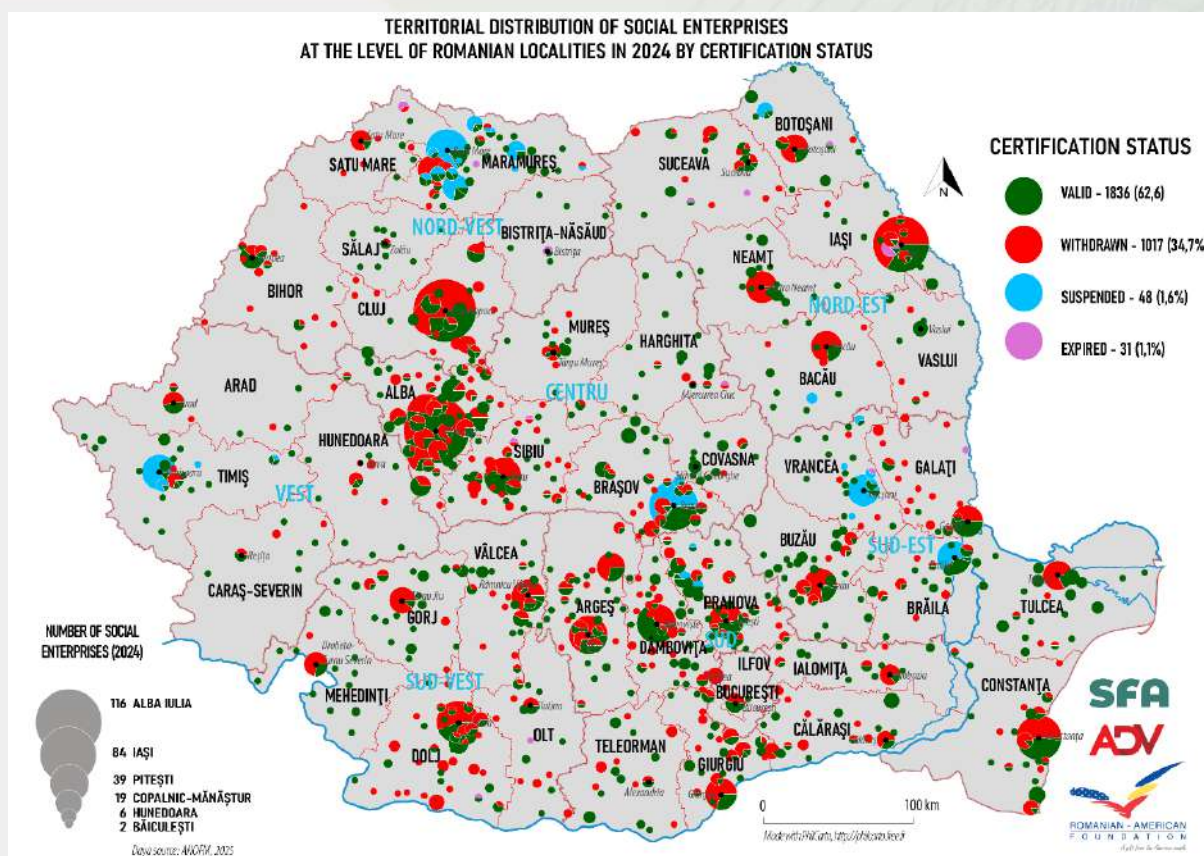
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5.2. Social and economic impact of social enterprises

Data on certified social enterprises in Romania highlight choices for certain economic areas, which suggests a high compatibility between the specifics of the social economy and market demand. Educational (74 enterprises), recreational and entertainment activities (61) and residential and non-residential building construction (59) are at the top, indicating sectors in which social enterprises are more present.

This distribution is not random. Field such as education and recreational activities allow easy access to non-reimbursable financing and attract both private initiatives and institutional support, while construction offers opportunities for the integration of vulnerable groups into activities with stable demand. At the same time, the strong presence of the food sector, with 56 social enterprises specialized in the manufacture of bread and pastries and

48 in the processing and preservation of fruits and vegetables, suggests a preference for essential activities with a direct impact on local communities.

Areas such as health (50 enterprises), vehicle maintenance and repair (43) or business consultancy (38) confirm diversification and highlight the fact that these entities are not limited to traditional sectors associated with the social economy, but rather expand towards specialized services with potential for economic growth.

The fact that these sectors match so well to the social economy can be explained by a combination of factors: access to financing, stability of demand and the ability of social enterprises to respond to specific needs. These trends shape a dynamic social economy, able to adapt to economic realities, while offering sustainable solutions for social inclusion and local development.

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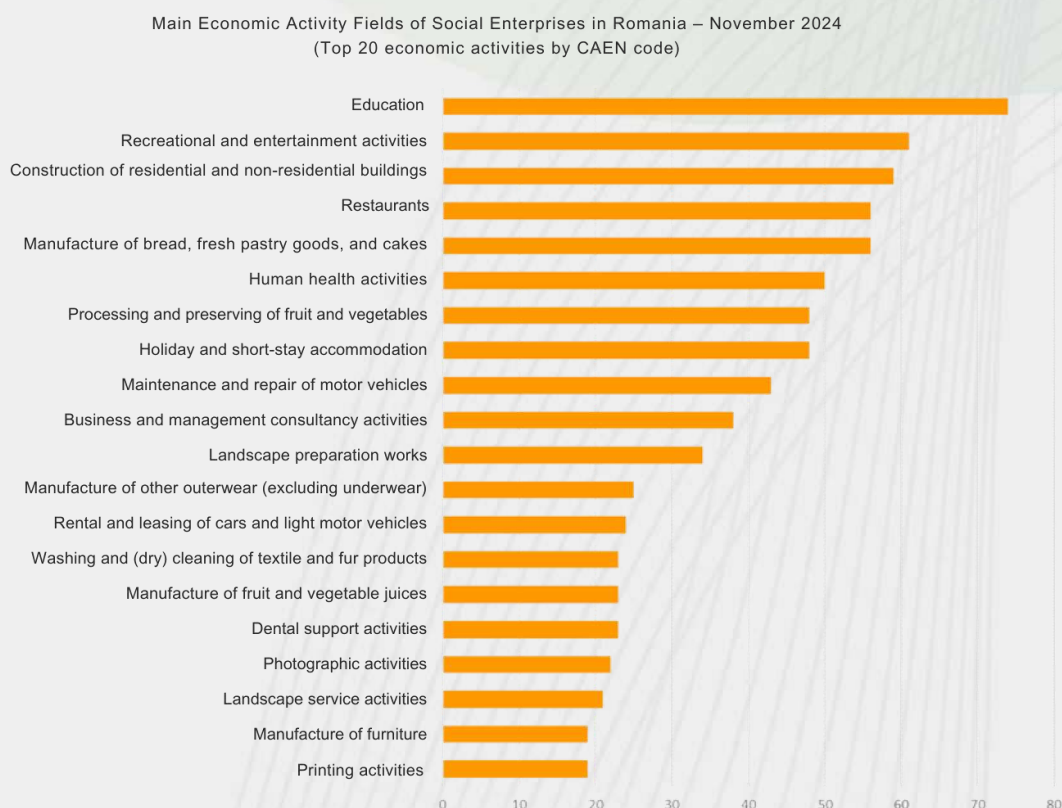


Figure 1 does not include associations and foundations

5.3. The employment in social enterprises

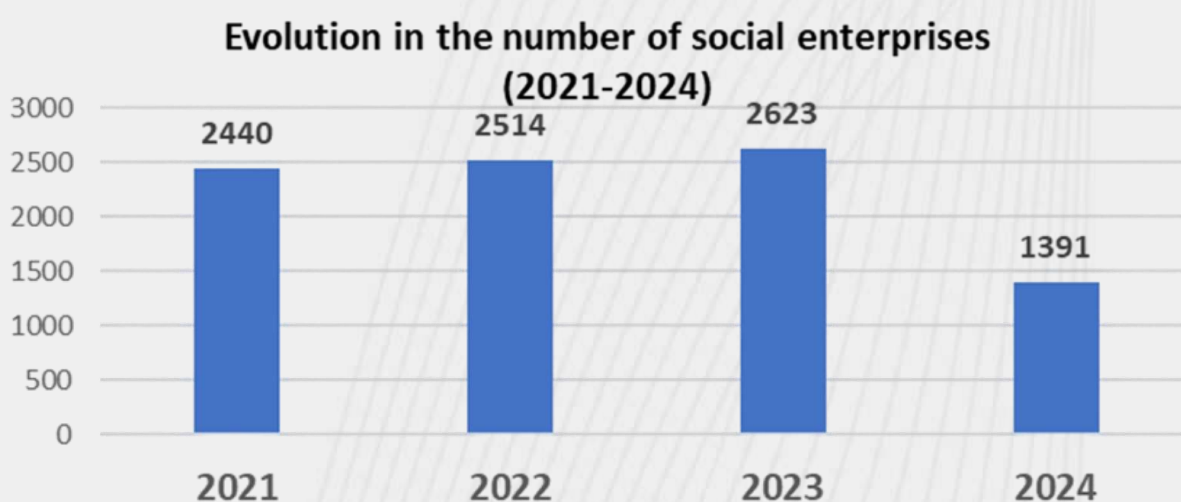
In December 2024, certified social enterprises had a total of 4.036 employees, a significant decrease compared to December 2023, when there were 7.250 employees, according to data from the last Barometer of the Social Economy. Of these, 342 jobs were occupied by people from vulnerable groups. Of the total number of registered social enterprises, only 156 had no employees, representing 11.21% of the total – a much lower percentage compared to 36% in December 2023.

In order to better understand this evolution, it is important to look at the dynamics of the sector for the past four years.

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During 2021–2023, the number of social enterprises constantly increased, from 2.440 in 2021 to 2.623 in 2023. However, in 2024 we see an abrupt decrease, with just 1.391 active social enterprises – approximately 47% less than 2021. This decrease can be explained by the dissolution / closure of many social enterprises due to lack of orders for their goods and services and / or by the fact that they no longer met certification criteria included in on-going legislation.

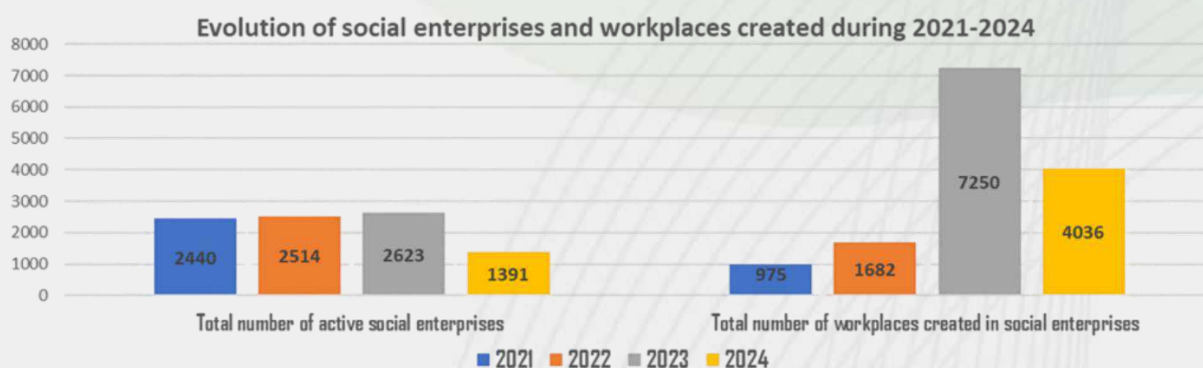


With respect to work integration social enterprises, there is a visible increase in their number. In 2023 185 work integration social enterprises were functioning, in 2024 their number having increased to 527 (+64,8%), almost three times more. This increase suggests a positive impact of legislative / fiscal measures which stimulated this type of enterprises, as well as an increased interest in social entrepreneurship.

The number of workplaces for people from groups at risk increased with 53% during 2021 (975) until 2023 (7250). In 2024, we see a decrease in the number of workplaces – 4036 – possibly correlated with a decrease in the total number of enterprises. Despite the lower number of enterprises in 2024, there are four times more workplaces available compared to 2021.

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The decrease in the number of enterprises in 2024 must be investigated / explained taking into account the economic context, the on-going legislation, the challenges that have arisen in the field of social economy. There are no consistent fiscal or non – fiscal benefits (such as tax or duty exemptions), which means that the status of social enterprise does not bring clear and tangible benefits. In the absence of real advantages, enterprises are not motivated to maintain the certification. On the other hand, the certification as social enterprise comes with obligations for periodical reports, additional administrative requirements and the need to respect strict criteria. For smaller organizations or for the ones just established, these bureaucratic requirements can be difficult, especially if there is no institutional support or if they lack internal administrative capacities.

However, we notice a positive long-term trend in terms of job creation and the development of work integration social enterprises. The increase in the share of this category of enterprises and jobs for vulnerable people represent positive signals for policies in the field social economy policy. 2023 was a peak year in terms of jobs and active enterprises. By comparison, the year 2024 brings a decline in their number, but with a greater emphasis on quality and inclusion. The evolution of work integration social enterprises and of workplaces for vulnerable people indicates a maturation of the social economy sector.

5.4. Revenues generated by social enterprises

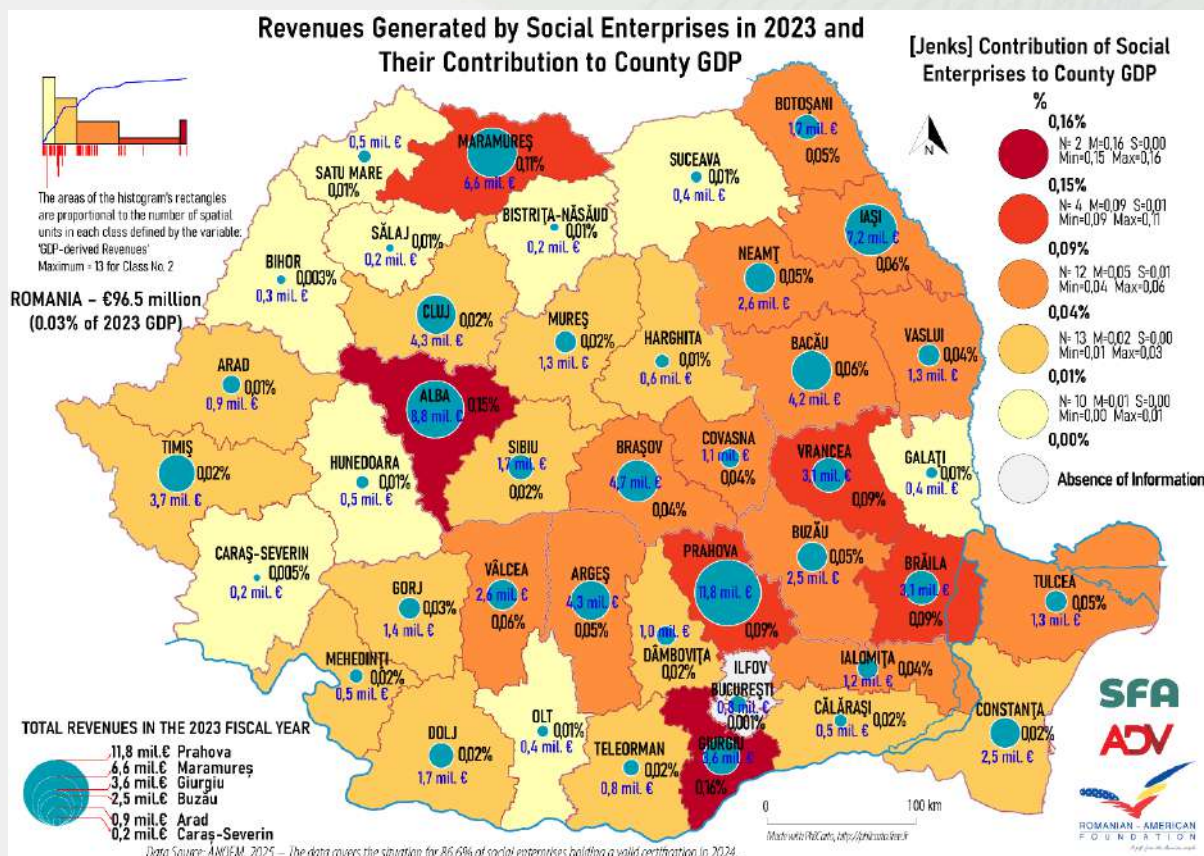
The geographical distribution of revenue obtained by certified social enterprises in Romania highlights significant differences between counties, both in absolute value and as a share in the county GDP. The highest revenues from this sector are found in Prahova (11.79 million euros), Alba (8.82 million euros), Iasi (7.17 million euros) and Maramures (6.58 million euros). The share of revenues of social enterprises in the county's GDP is, however, higher in counties with smaller local economies, such as Giurgiu (0.16%), Alba (0.15%) and Maramures (0.11%), where this sector seems to have a more visible economic role.

An interesting trend is the modest presence of social enterprises in counties with strong economies. For example, in Bucharest and Ilfov, in which the GDP is significantly higher, the revenues of social enterprises are insignificant. Also, in Cluj (0.02%) and in Timis (0.02%), the social economy has a low contribution to the local economy. This phenomenon may indicate that, in developed counties, the economic structure dominated by private capital companies and high competition limit the opportunities for social enterprises, which, by definition, do not seek to maximize profit.

In counties with less dynamic economies, social enterprises manage to play a more important role. For example, in Maramures and Bacau, the revenues generated are higher compared to other counties in the same economic category, which suggests a better integration of this business model into the local structure. In South Muntenia, the Prahova County stands out for its high volume of revenues (11.79 million euros) and a share of 0.09%, indicating a favorable framework for the development of this sector.

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On the other hand, in counties such as Bihor, Caras - Severin and Ilfov, the revenues from social enterprises are extremely low, which may indicate either their low presence or difficulties in obtaining certification. The geographical distribution suggests that the social economy has a stronger impact in regions with economic and social challenges, where it can contribute to local development and to the integration of vulnerable groups, while in developed counties it faces greater barriers in competing with the conventional private sector.

6. The evolution of authorized shelter units in 2024. Analysis of data received from the National Authority for the Protection of the Rights of Persons of Disabilities

Authorized shelter units (UPA) are economic entities designed to integrate and support people with disabilities in the labor market. They are regulated by specific legislation on the protection and promotion of the rights of people with disabilities, playing an essential role in their social and professional inclusion.

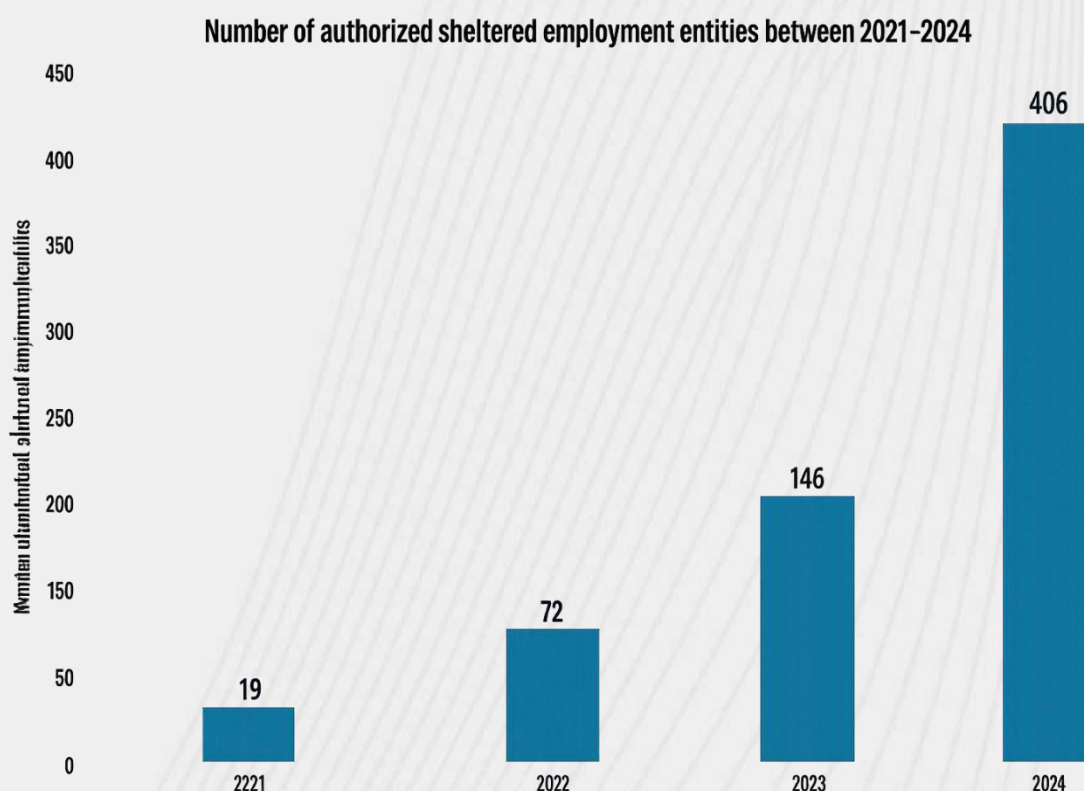
According to legislation in the field, an authorized shelter unit is either public or private, with or without legal personality, and at least 30% of the total number of employees are persons with disabilities. These structures offer jobs adapted to the work capacities of persons with disabilities, thus contributing to lowering social exclusion and creating an inclusive working environment.

A relevant aspect in the functioning of entities offering sheltered employment is the positive impact they have on the professional growth of people with disabilities. By providing adapted working conditions and an inclusive environment, sheltered employment contributes to increasing individual autonomy and strengthening the professional skills of beneficiaries. This is reflected not only in increasing the employability of people with disabilities, but also in reducing their dependence on social assistance systems.

Authorized sheltered employment units carry out various economic activities, such as production, service provision, artisanal or craft activities, thus contributing to the diversification of the labor market. Through partnerships with the public and private sectors, they manage to create sustainable economic opportunities and promote socially responsible business models.

6.1. The situation of sheltered employment in 2024

Between 2021 and 2024, sheltered employment in Romania experienced accelerated growth. While in 2021 there were only 19 such units nationwide, their number increased significantly during following years: 72 in 2022, 146 in 2023 and reached 406 in 2024. This evolution reflects a rapid expansion of the sector, indicating both an increased interest in this type of enterprise and a favorable framework for their development.



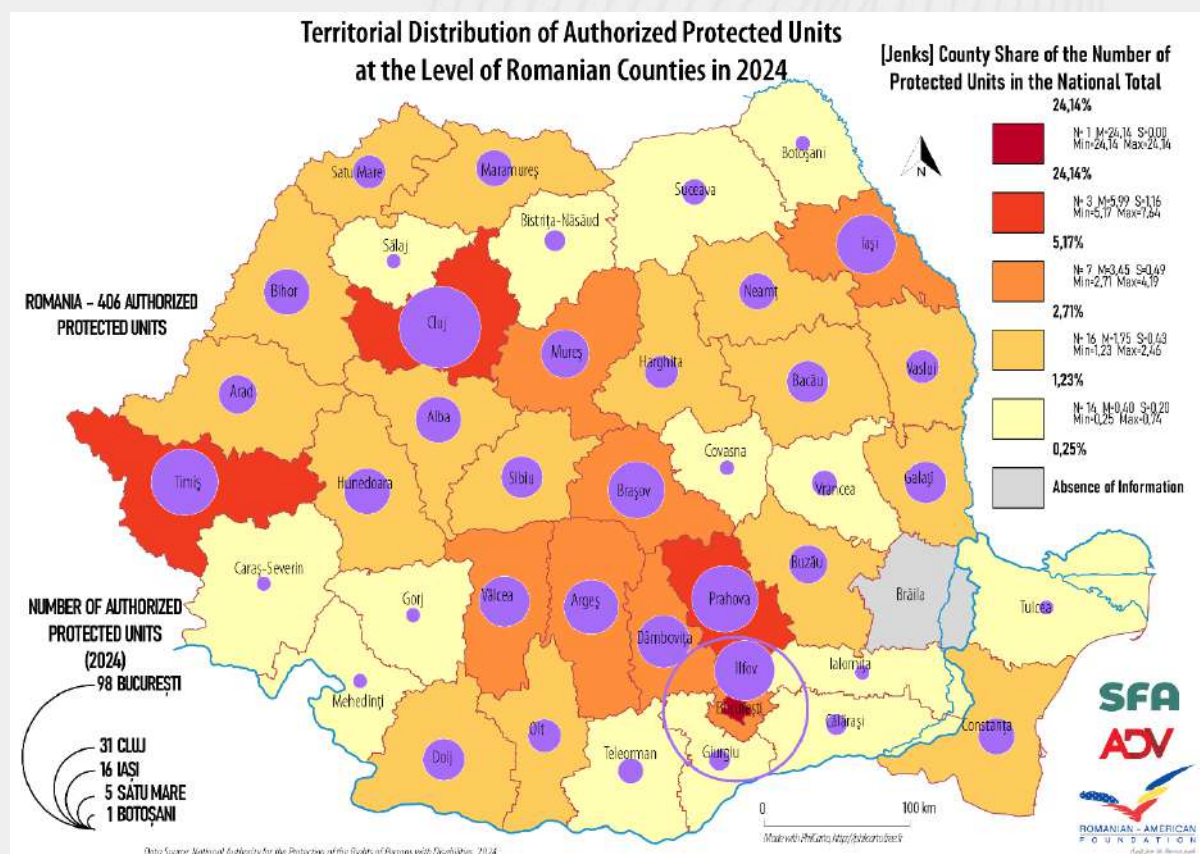
Geographically, the distribution of entities providing sheltered employment is not uniform, with significant concentrations in certain counties and regions. Bucharest stands out clearly, with 98 units, representing almost a quarter of the national total. The Cluj County occupies the second position, with 31 units, followed by Prahova and Timis counties, each with 21 units. Other well-represented counties are Ilfov (17 units), Iasi (16 units) and Brasov (15 units).

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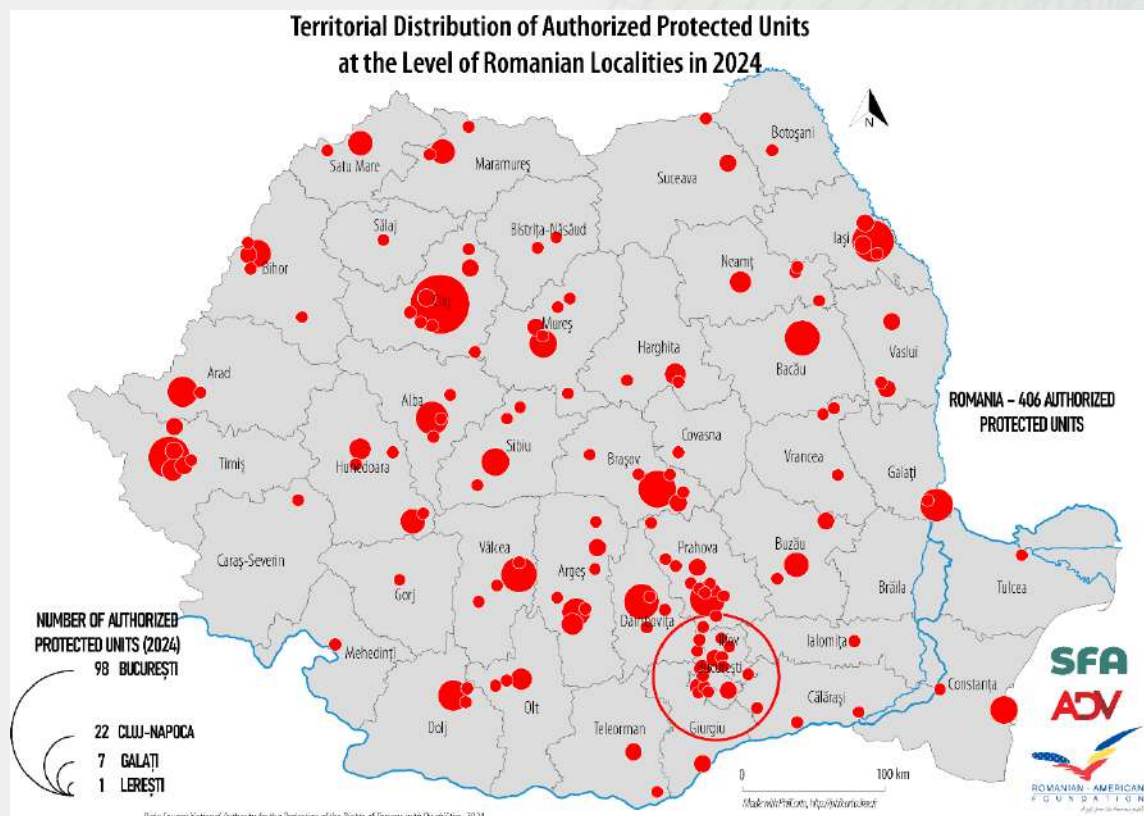
In contrast, in counties less developed and with a smaller population, the number of such entities is significantly lower. Such is the case of the Botosani, Călărași, Caraș-Severin, Covasna, Giurgiu, Mehedinți, Sălaj, Tulcea and Vaslui counties, each of them having only one to five entities authorized for sheltered employment.

At regional level, a higher concentration is observed in the Bucharest-Ilfov Region (115 units) and in the Center Region (66 units, most of which are in the Brașov, Mureș and Sibiu Counties). The North-Western and Western Regions also have a significant number of entities authorized for sheltered employment.



The data suggest a higher concentration of authorized sheltered employment in regions with more diversified and developed economies, such as Bucharest or Cluj, while in less economically developed regions, there are fewer such entities, with a lower impact on the local community. This distribution reflects both the regional economic dynamics and the

degree of involvement of local authorities and of the business environment in supporting and promoting protected employment.



6.2. The economy of entities offering sheltered employment in 2024

Sheltered employment (under the generic name UPA) is offered through economic entities essential in the process of integrating people with disabilities into the labor market. Regulated by national legislation, these units are obliged to employ a significant percentage of people with disabilities, thus offering job opportunities and contributing to their social integration.

The most important component in assessing the activity of these units is the economic dimension, which can be analyzed from several perspectives: activity sectors, number of employees and generated income. These indicators not only reflect the financial performance of sheltered employment, but also highlight their capacity to actively contribute to the labor market and to supporting the social integration of people with disabilities.

The most common sectors for sheltered employment include the production of textiles, clothing and accessories, wood processing, packaging, recycling, cleaning services, advertising and marketing, as well as consultancy activities. These areas not only provide job opportunities for people with disabilities, but also reflect the diversity of the economy in which these units are integrated. For example, custom software development activities are increasingly present in their portfolios, underlining their adaptability to technological developments and modern market requirements.

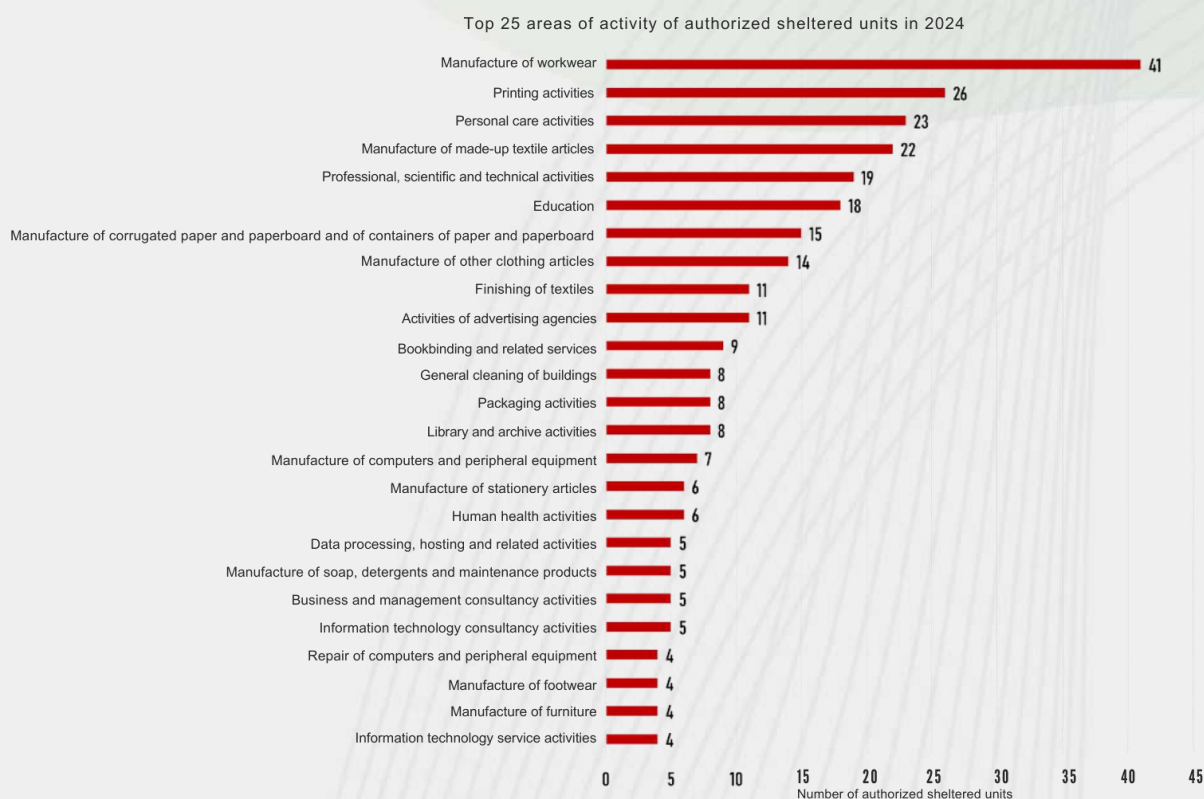
Equally important are sectors such as furniture and footwear manufacturing, which continue to be an essential source of jobs and income for sheltered employment. Additionally, computer and peripheral equipment repair activities or information technology and business consulting are increasingly present, offering both stable jobs and opportunities for professional growth of employees with disabilities.

The sectoral diversification of these units is clear proof of their economic flexibility, which allows not only integration into the labor market, but also a significant contribution to local and national economies. Their adaptability to market demands, amid rapid changes in technology and consumer demands, is a guarantee of their long-term viability. This ability to navigate between diverse economic sectors shows the economic potential and the positive impact that sheltered employment can have on the community by supporting an inclusive economy.

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With respect to the number of employees in this social economy sector, in 2024 there were 2,657 employees in sheltered employment, of which 1,739 were people with disabilities (65%) and 918 did not have disabilities (35%).

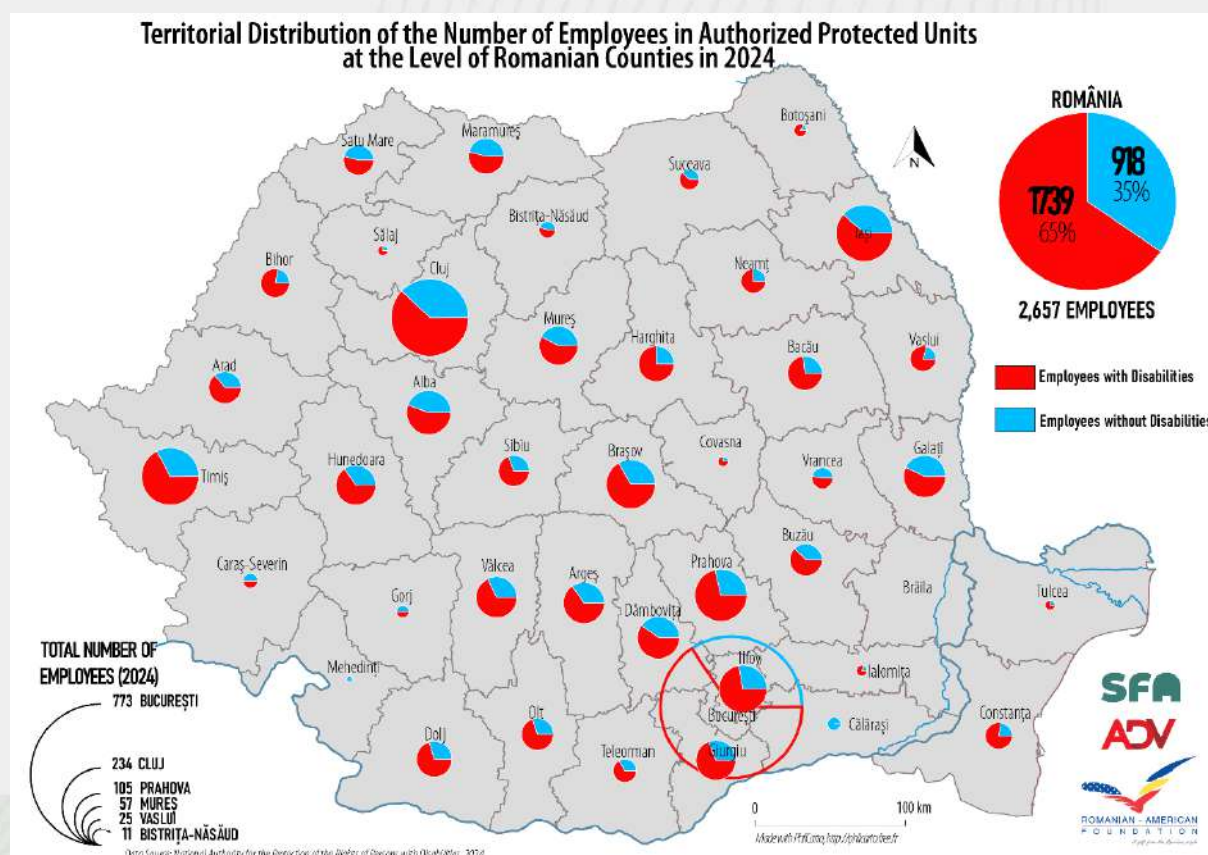
At county level, there is considerable variability in the number of employees. Most employees were found in the capital, with 773 people, of whom 506 were people with disabilities. In contrast, in the Botoșani County, the total number of employees in sheltered units was only 6, of whom 5 had disabilities. This difference reflects not only the number of sheltered units in each county, but also the level of employability of people with disabilities, which varies depending on the economic sector present and the specificity of each region.

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Sheltered units assume an important social mission since a significant percentage of employees are people with disabilities. In 2024, data aggregated for each county show that the share of people with disabilities compared to the total number of employees varies significantly. In the Bacău county, approximately 73.33% of employees were people with disabilities, which highlights a strong commitment for the integration of people with disabilities. In contrast, counties such as Bistrița-Năsăud recorded a lower share, of approximately 54.55%, indicating a slower or less intense integration of people with disabilities into the labor market in these regions.

This variation can be explained by economic and social factors, as well as through the way in which approach of each entities approaches staff diversification and the integration of people with disabilities.



6.3. Income generated through sheltered employment

In the case of sheltered employment, the value of the contracts concluded is an essential indicator of their economic impact. These contracts are usually regulated by special legislative acts, such as Law no. 448/2006 on the activity of sheltered units, which aim to integrate people with disabilities on the labor market. As a rule, these contracts refer to the sale of products and services, and their total amount reflects not only the unit's capacity to generate income, but also its impact on the employment for people with disabilities, thus contributing to social and economic inclusion.

In 2023, the total value of contracts concluded by sheltered employment units in Romania reached 124.12 million euros, underlining the economic importance of this sector. Despite not having the most units of this type in the national hierarchy, the most active sheltered units were in the Cluj County, which recorded significant revenues of 27.19 million euros, representing 21.9% of the total revenues generated by sheltered units in Romania. This demonstrates not only the efficiency of this county in economic activities, but also its potential to support the integration of people with disabilities into the labor market.

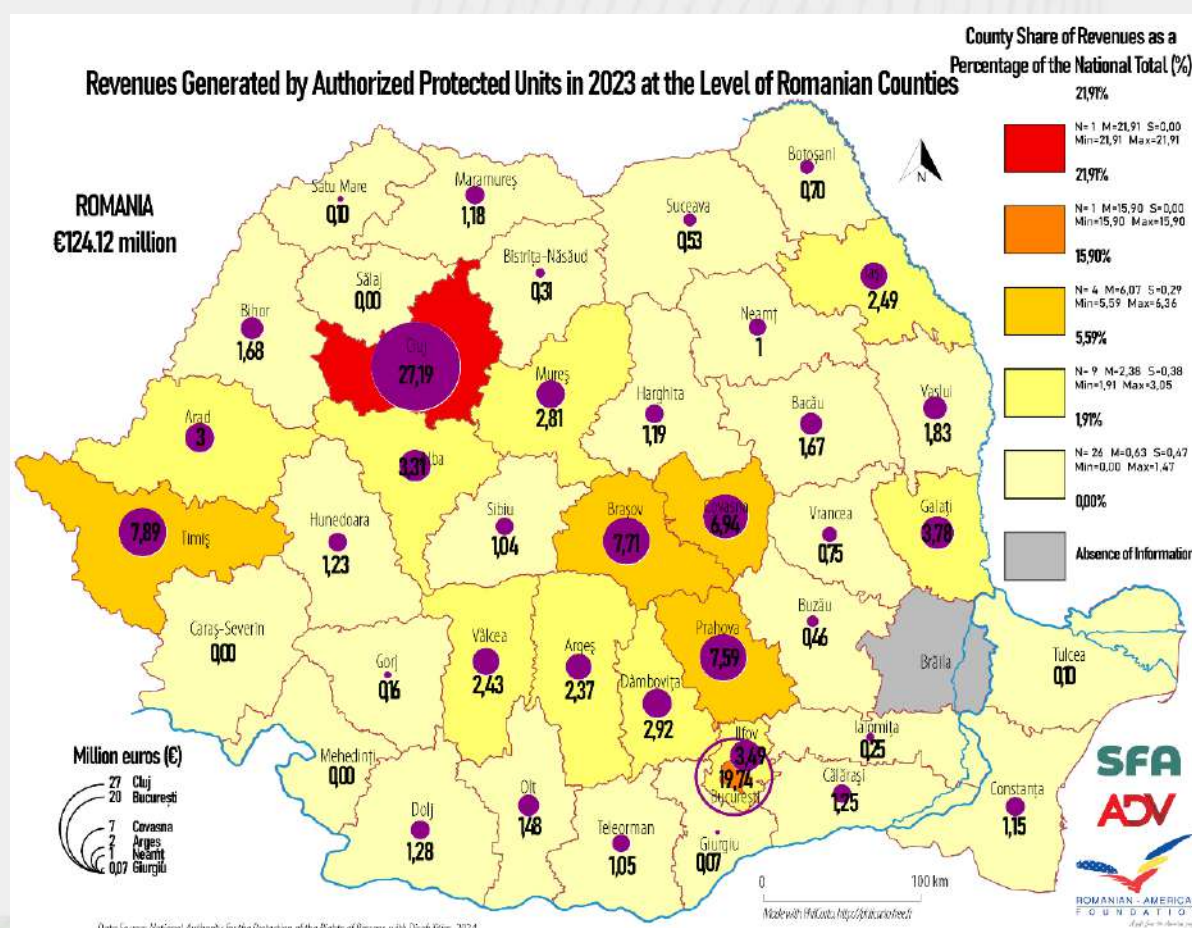
Bucharest comes second in this hierarchy, with revenues of 19.74 million euros, representing 19.74% of the total revenues obtained by protected units at national level. This shows a significant contribution of the capital to supporting these structures, while having in mind the population density and economic activities in the area. However, despite the 98 sheltered employment units in Bucharest, their economic performance remains relatively modest. This discrepancy suggests variable efficiency, reflecting possible differences in management capacity, specialization of activities or access to sustainable economic partnerships.

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Other counties with notable impact on the income generated by sheltered units are Timiș (7.89 million euros), Brașov (7.71 million euros), Prahova (7.59 million euros) and Covasna (6.94 million euros). These counties reflect a diversification of economic activities and a continued commitment to supporting jobs for people with disabilities.

At the opposite end, the counties with the lowest number of protected units, with only one or two units, are Caraș-Severin, Mehedinți and Giurgiu, having a lower impact on the national economy in terms of generated income. This suggests a need for additional support and measures to stimulate their development in underprivileged areas.



Although sheltered units have a positive economic impact, they also face numerous challenges in their activities. One of the biggest difficulties is maintaining a balance between economic demands and social responsibility. In addition to the difficulties related to employing a significant percentage of people with disabilities, many sheltered units must remain competitive in a dynamic economic environment. In addition, some of them face difficulties in accessing financial resources necessary to support their growth.

In some less economically developed countries, sheltered units may also encounter difficulties related to infrastructure or access to markets, which may limit their expansion and their economic impact.

Growth prospects remain favorable, given both the existing legislative support and the increasing interest of companies in social integration through responsible procurement. Sector growth can significantly contribute to the professional integration of people with disabilities, to lowering the level of social exclusion and to the development of inclusive economic models throughout the country. In addition, increasing the visibility of these units and educating the business environment on the advantages of collaborating with them can ensure the long-term sustainability of this sector.

7. The Barometer of the Social Economy. Sociological research using the questionnaire

Our research is based on a sample of **151 entities offering replies**, who filled in the questionnaire as representatives of Romanian social enterprises. The information collected aimed at a wide range of aspects relevant for the functioning of the social economy sector, being structured into five main sections:

1. General information about the organization / enterprise;
2. Human resources;
3. Social and environmental activity;
4. Economic and financial activity;
5. Solutions and perspectives / advocacy topics for creating an eco-system favoring the sector of social economy.

Through their replies, the participants highlighted the current status of the sector, the main challenges encountered as well as the possible solutions for the sustainable development of the field.

SECTION 1: Socio-economic profile of social economy entities

The chronological distribution by year of establishment of social enterprises highlights a progressive evolution of the sector over the last three decades. Most social enterprises in the sample were established between 2016 and 2020 (48 entities), which represents approximately one third of the total. This peak in establishment can be correlated with the wave of non-reimbursable European funding available through programs such as ESF-POCU, but also with the maturation of the national legislative framework on the social economy. At the same time, a significant number of enterprises were founded more

recently, during 2021–2024, which shows an active interest among social actors, despite the post-pandemic economic and social context.

The geographical distribution of the questionnaire revealed a significant concentration of social enterprises in the North-East and Bucharest-Ilfov regions. Iași County stands out clearly with 40 enterprises, representing approximately 26.5% of the national total, followed by Bucharest, with 25 enterprises, representing 16.6% of the total. These two counties are followed by Galați, which is in a notable position with 6 enterprises (4.0% of the total). Other counties in the North-East region, such as Suceava and Vaslui, have a considerable presence, with 4 entities in the former and 5 social enterprises in the latter.

At the other end, the South-West Oltenia and South-East regions are less represented, with counties such as Olt and Gorj having each only one social enterprise. Also, smaller or isolated counties, such as Argeș, Bihor and Caraș-Severin, have a limited presence, each having one social enterprise, indicating a less uniform territorial diffusion of this type of organization.

The distribution of social enterprises in cities indicates a high concentration of the social sector in the City of Iași (27 enterprises), Bucharest (26 enterprises), followed by the Miroslava commune with 10 entities, while the cities of Brasov, Cluj-Napoca and Galati each have a notable presence in the chart with 5 enterprises each.

The results suggest a significant number of activities in urban areas, since 57 of the respondents predominantly operate in cities or municipalities, indicating a tendency for economic resources and opportunities in urban areas. This can be explained by better developed infrastructure, easy access to markets, and skilled human capital in urban environments.

On the other hand, the data show a much lower presence of organizations in rural areas, with only 17 activities predominantly in villages or communes, which may indicate higher dependence on the urban context. Also, the significant presence of enterprises operating predominantly at national (22) and regional (31) levels may suggest greater connectivity between the various regions of the country, reflecting a trend of expansion of economic activities on a larger scale, but without strong internationalization, given the smaller number of those operating predominantly on the European market (5).

According to data analyzed, 77 of the organizations and enterprises surveyed (51%) are affiliated with an association, federation or cluster of enterprises pursuing similar goals and carrying out similar activities. In contrast, 74 organizations (49%) are not affiliated with such structures. This relatively balanced distribution indicates a significant tendency for association and cooperation among social enterprises, but also the maintenance of a considerable degree of independence in carrying out economic and social activities.

In terms of organizational affiliation, the data show that a significant part of social enterprises is affiliated with specialized networks or federations. The most frequent affiliation is with the Social Enterprise Accelerator Cluster/ADV Romania (29 organizations), followed by RISE (11 organizations) and FONSS (10 organizations). Other affiliation structures, such as FNGAL, FONPC, the National Paralympic Committee, the National Disability Council and Rural Net, are represented to a lesser extent. Also, 25 organizations mentioned affiliation with other networks or federations. This diversity of affiliations reflects both the collaborative dynamics of the social economy sector and the concern for strengthening institutional capacity and promoting common interests at national and international level.

The analysis of the fields of activity of these networks and federations indicates a major concentration in the social economy area, where 46 organizations are affiliated, followed by the field of social services (15 organizations). Other relevant fields include rights and

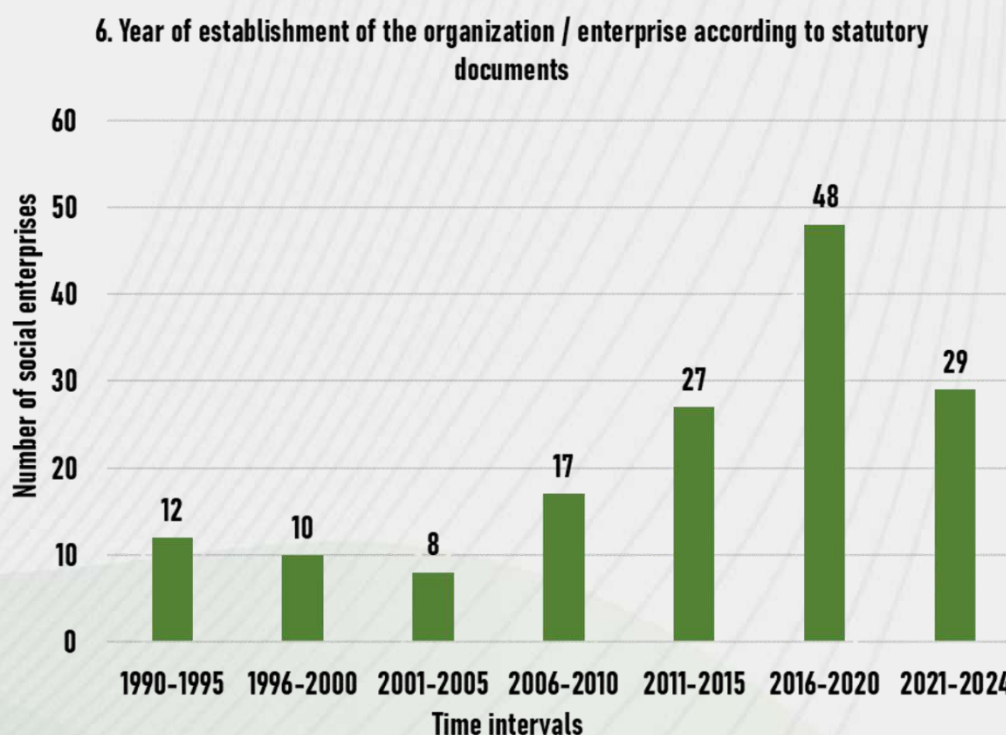
social inclusion, agriculture and rural development (7 organizations each), sports (5 organizations) and education / youth (4 organizations). Fields such as entrepreneurship, environment and urban planning, social finance and energy are represented to a lesser extent. This structure suggests that the social economy and social services constitute the main areas of interest for social enterprises in Romania, reflecting a clear orientation towards social cohesion, inclusion and community development.

A significant diversification of their fields of activity was observed when we received the replies to the question regarding the main field of activity of social enterprises. Most of the organisations surveyed offer different types of services (52 enterprises), reflecting a large and varied sector with a wide range of social and support initiatives. Health and social care follow at a considerable distance, with 35 enterprises, which underlines the significant need for services dedicated to the care of vulnerable people. Other important fields include education (16 enterprises), an important sector for educational growth and professional training, as well as administrative and support services (7 enterprises), which contributes to the good functioning of social economy initiatives. It is important to mention that professional, scientific and technical activities (4 enterprises) and manufacturing (9 enterprises) also play an important role, being essential for innovation and supporting the local economy. On the other hand, the agricultural sector (2 enterprises) and construction (2 enterprises) are less represented in this sample, suggesting a lower incidence of social initiatives in these areas.

At the same time, activities in the extractive industry and public administration are very poorly represented, reflecting the tendency for the social economy to focus more on areas related to social welfare and education. This diversification of fields of activity highlights the fact that the social economy is active in a wide range of sectors, but there is a significant concentration in areas that directly support social welfare, health, education and essential services.

Currently, the organizations and enterprises in the sample are registered under various legal forms, the most common being Associations or Foundations established according to the Governmental Ordinance 26/2000 (102 entities), followed by Limited Liability Companies (SRL) (44 entities), authorized individuals (PFA) (2 entities), as well as Federations, European Cooperative Entities and organizations registered according to Law 139/1995 (one entity for each category).

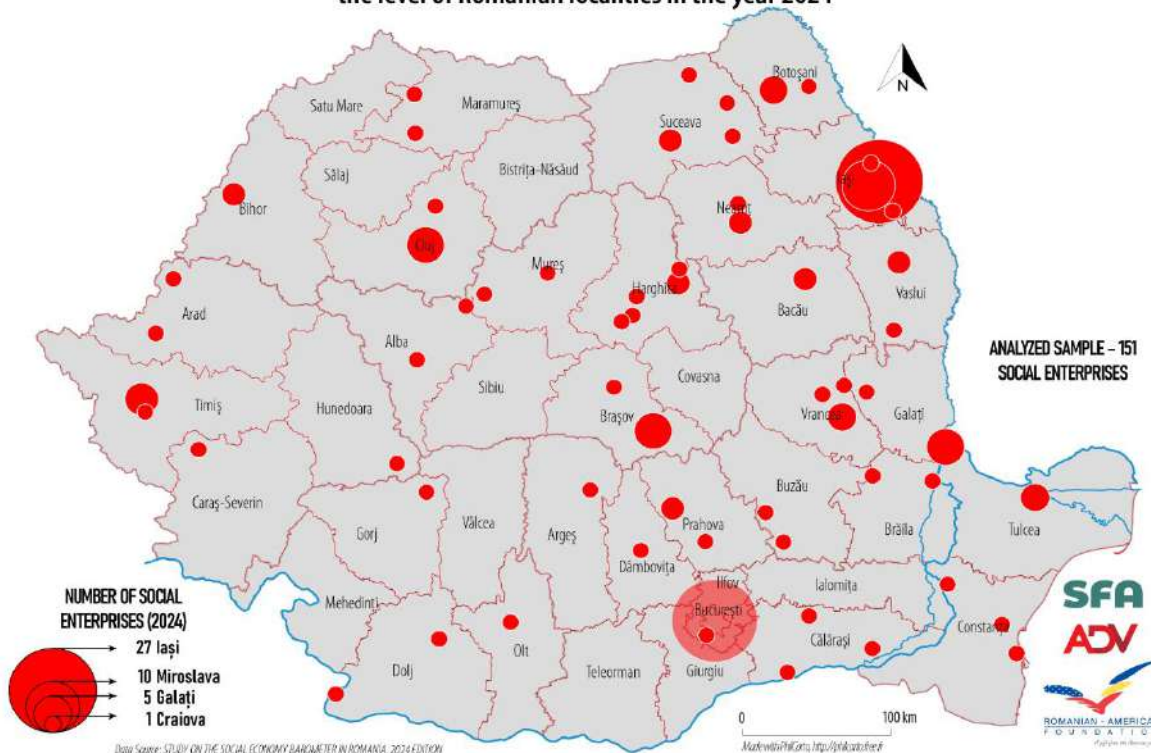
Of the 151 organizations and enterprises surveyed, the majority hold specific authorizations, depending on their field of activity. The most common authorization is the social enterprise certificate granted in accordance to the Law 219/2015, held by 51 of them (33.6%). Furthermore, 40 organizations (26.3%) are associations / foundations / federations with public utility status according to the Governmental Ordinance no. 26/2000. A significant number of entities have obtained authorizations in the field of social services, 34 of them (22.4%) being authorized social service providers.



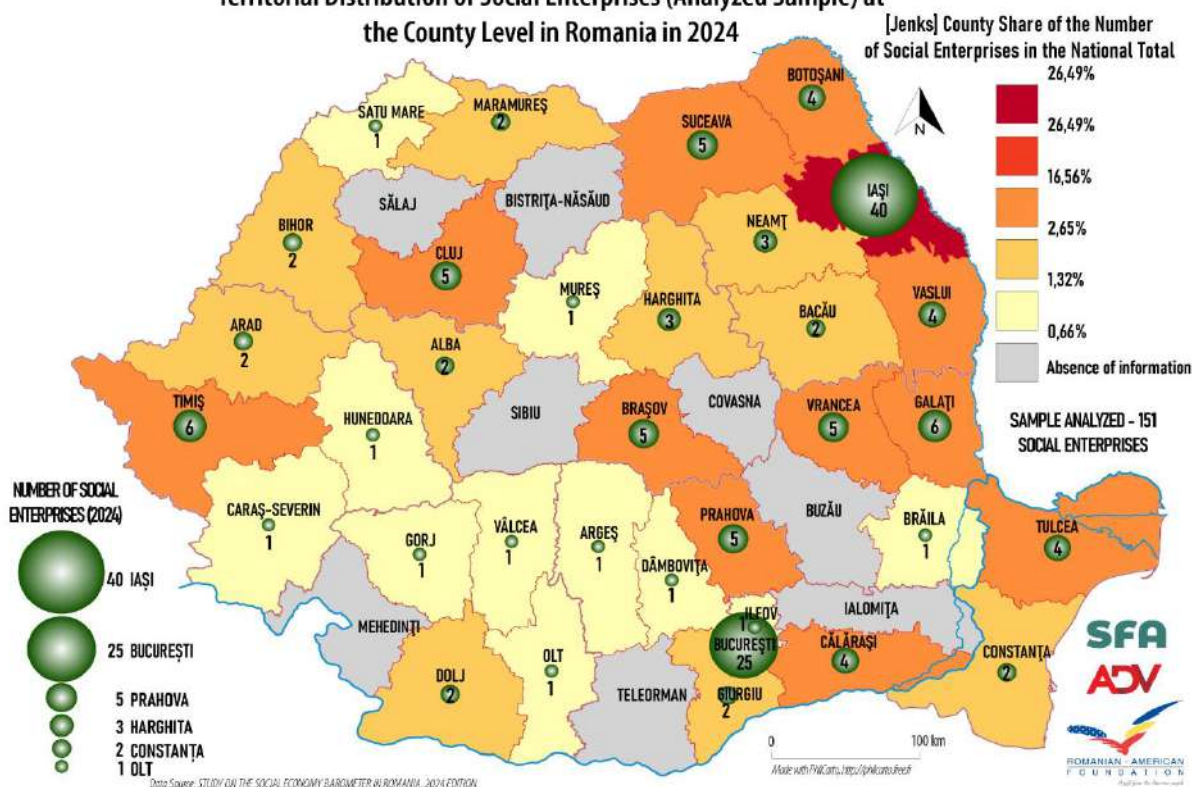
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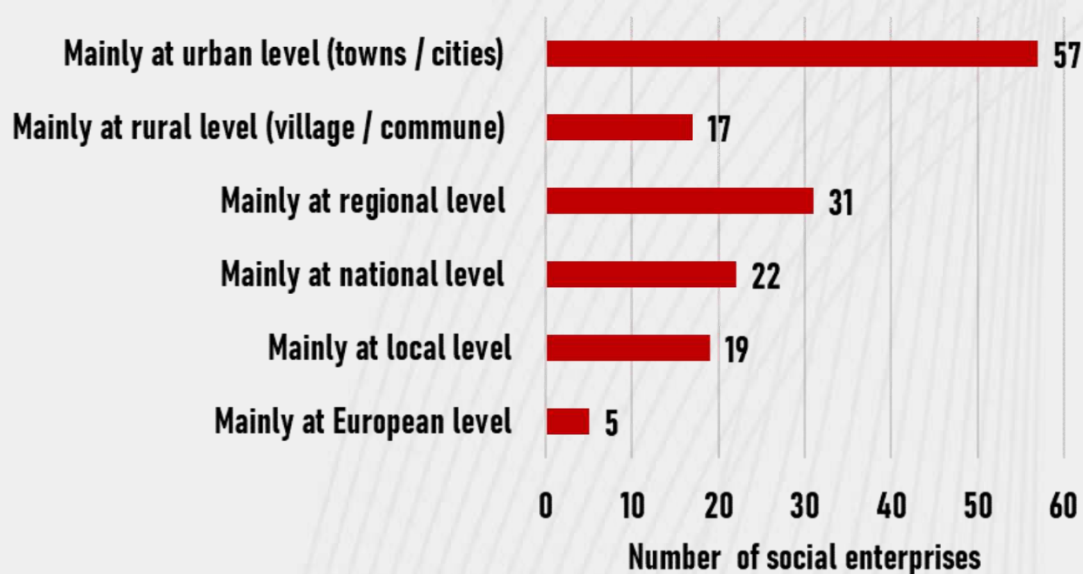
The territorial distribution of social enterprises (analyzed sample) at the level of Romanian localities in the year 2024



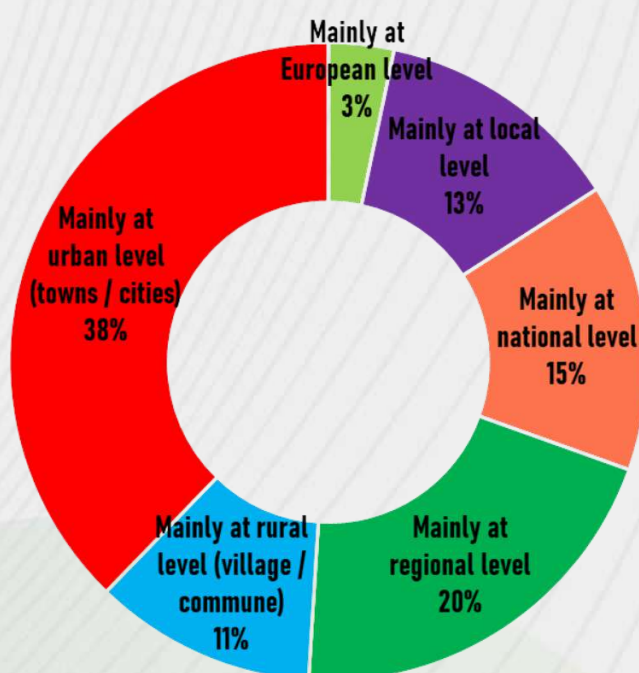
Territorial Distribution of Social Enterprises (Analyzed Sample) at the County Level in Romania in 2024



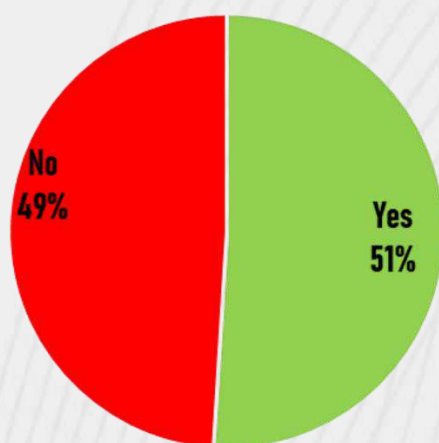
9. The organization / enterprise develops activities:



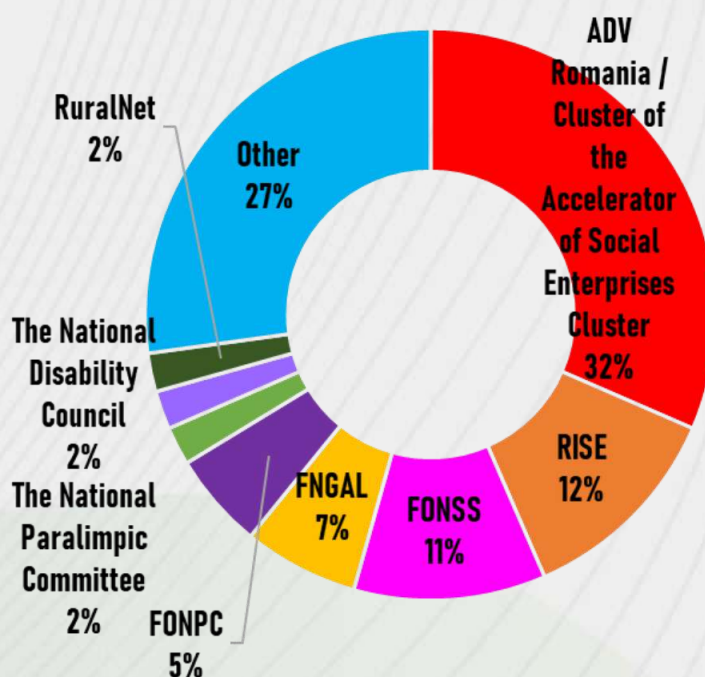
9.1. The organization / enterprise develops activities:



10. Is your organization / enterprise affiliated with an association / federation / cluster of enterprises with similar goals and fields of activities?



11. Name of the federation / network of organizations to which you are affiliated:

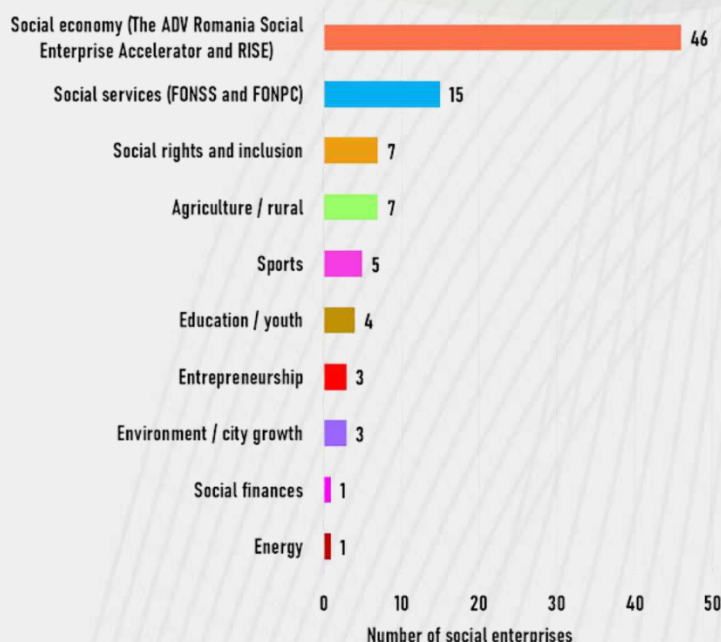


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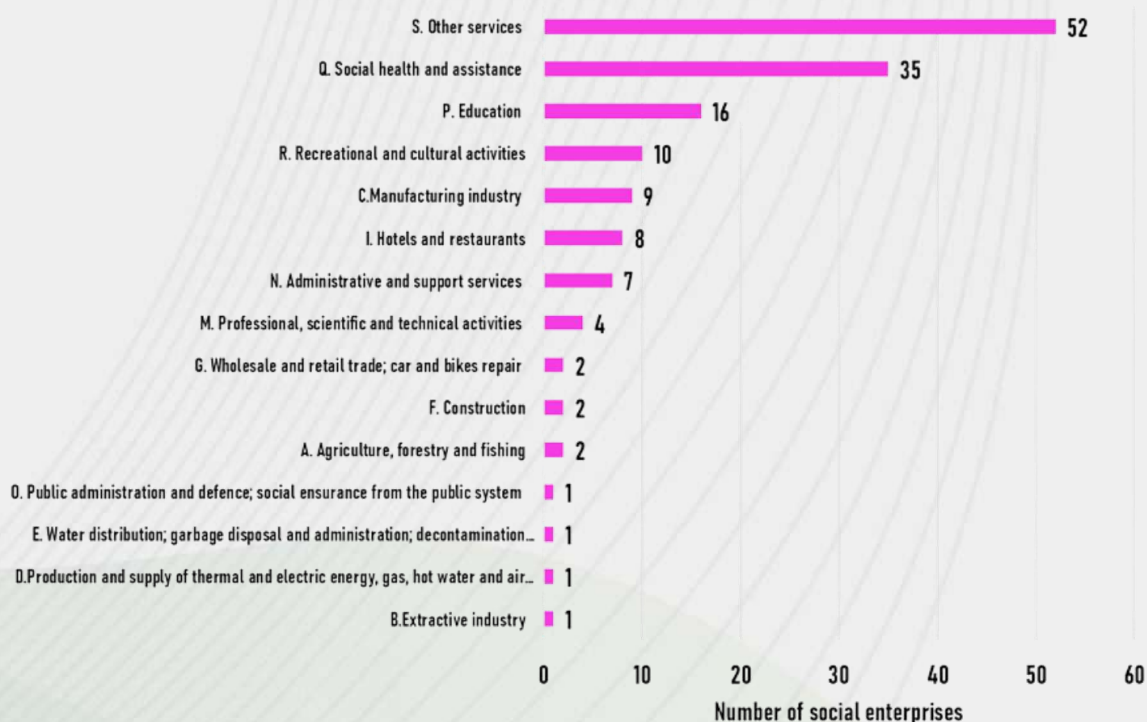
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11.2 Activity field of the network / federation



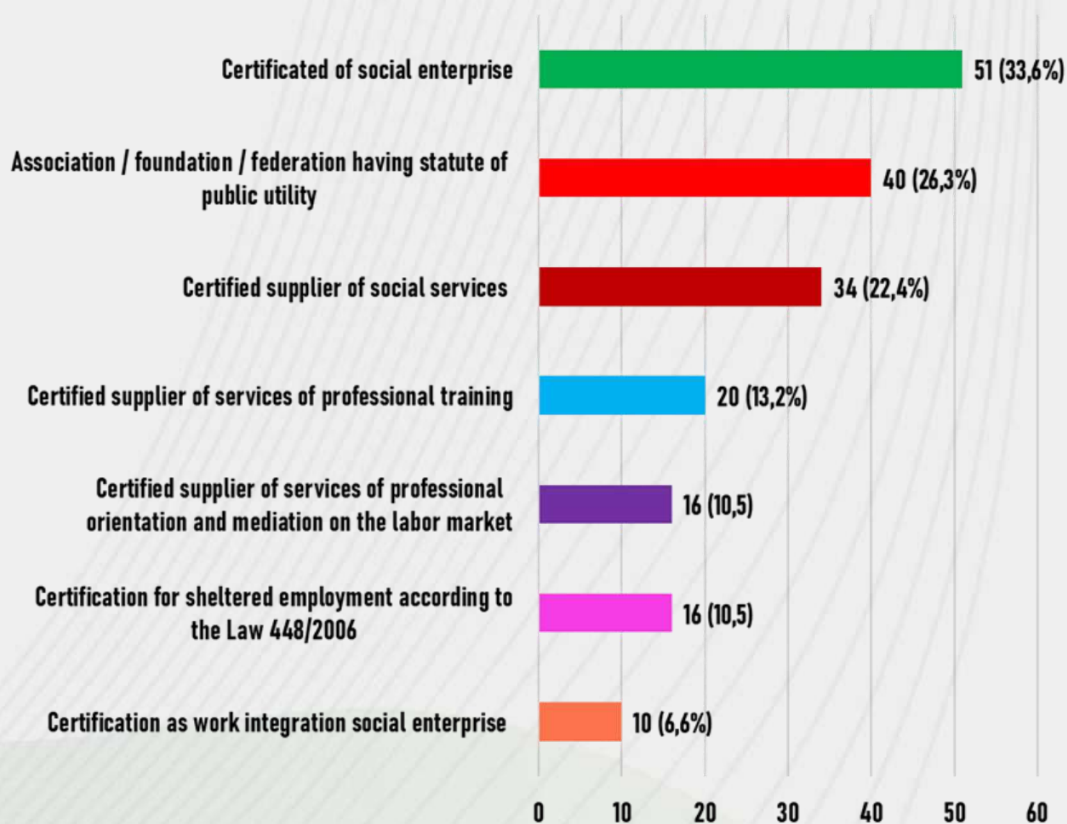
12. Please choose from among the following fields of activity the one which applies to your organization (according to NACE Rev. 2 national classification):



13. What is your organization / enterprise from the juridical point of view?



14. Does your organization / enterprise have any of the following authorizations:



SECTION 2: Human resources in social economy entities

In 2024, according to the data from the analyzed sample, approximately 1,682 employees were active in social enterprises in Romania. Most of them were concentrated in small-sized organizations: 32 enterprises had between 1–2 employees, while 36 had between 3–5 employees. Other categories included 22 organizations with 6–10 employees, 14 with 11–20, 8 organizations with 21–40 and over. This distribution highlights the predominance of small and medium-sized social enterprises in the Romanian economic landscape.

With respect to the dynamics of employment compared to the previous year, the gathered information indicates a heterogeneous evolution. Of the organizations participating in the research, 35 (23%) reported an increase in the number of employees in 2024, reflecting a positive development trend in certain sectors. At the same time, 69 enterprises (46%) declared constant maintenance of the headcount, signaling a certain stability in the current economic context. On the other hand, 43 organizations (29%) registered a decrease in the number of employees, which may suggest certain financial difficulties or internal restructuring processes. Only 4 participants (3%) said they are not aware of the recent internal evolution in the number of employees. This data shapes a mixed image which brings together expansion, stagnation and lowering processes when it comes to staff employed.

Regarding the level of education of employees in social enterprises in 2024, the data reveal a clear structure, with a majority share of people with higher education. Of the approximately 1,682 employees, 1,125 (around 67%) have higher education, which reflects a high level of qualification in this sector. Another 389 people (23%) have secondary education, highlighting a significant component of personnel with technical or vocational training. Only 168 employees (10%) have elementary education, which suggests a low presence of unskilled labor. This distribution highlights the specialized nature of social

enterprises, where qualification requirements seem to be higher than in other sectors of the economy.

The data show that 55 of the responding social enterprises (approximately 36%) have in their staff members people belonging to vulnerable groups, as defined by the Law on Social Assistance, while 96 organizations (64%) do not include such employees. This reality indicates that, although a significant part of these enterprises pursues clear social objectives, most of them either do not directly work in this field or encounter difficulties in integrating vulnerable groups. The discrepancies may reflect differences in the organizational mission, in access to human resources, but also social or administrative barriers in the hiring process. Another cause may be related to the high costs of human resources combined with the reduced work capacity, lack of subsidies from the state, which increases the risk of lack of competitiveness on the market in the medium and long term.

On the other hand, out of the total of 1.682 employees registered in 2024, 244 (approximately 14.5%) belong to vulnerable groups. This percentage reflects a moderate involvement in employing people in situations of social risk.

The analysis of the distribution of these employees shows that the majority of the organizations involved (28 out of 55) have between 1–2 vulnerable people employed. Another 14 companies report between 3–5 such employees, and only 4 organizations exceed the threshold of 10 vulnerable people integrated into the team. These data show that while employing vulnerable people is a priority for some organizations, the scale of this effort is often small.

This situation perhaps indicates both the concrete challenges of employing vulnerable groups and the diversity of approaches among social enterprises. While some organizations occasionally provide work opportunities for vulnerable people, others

demonstrate a more substantial commitment, integrating these people in a more consistent way.

With respect to the profile of vulnerable employees, the data show that people with disabilities (25.8%) and those over 50 (23.8%) are most frequently integrated into social enterprises. Next in line are NEETs (10.6%) and young people from the social protection system (8.6%), which confirms a predominant orientation towards groups exposed to the risks of long-term social exclusion. In contrast, other categories, such as the unemployed (3.3%), substance addicts (2.6%), Roma (2%), victims of domestic violence (2%) or refugees from Ukraine (0.6%), are significantly less represented. This distribution highlights the fact that, although there is concern for social integration, it focuses mainly on some "classic" categories of vulnerability, while other groups, although relevant, remain on the periphery of social intervention.

Of the 151 responding companies, only 9 companies (6%) provide employees with disabilities with access to assistive technologies such as voice recognition software, sound amplification programs or other accessibility solutions. The overwhelming majority of 117 companies (78%) do not provide such resources, and 25 organizations (16%) are not aware they should offer such resources.

The results show that only 25 (16.6%) of the 151 enterprises participating in the research provide employees with disabilities with appropriate accommodation systems, such as ramps, special lifts or Braille signage. This percentage, although modest, is almost three times higher than in the case of assistive technologies, suggesting that physical adaptations are relatively more accessible or easier to implement. However, the fact that less than 1 in 5 companies provide such support still indicates a low degree of adaptation of work environments to include people with disabilities.

At the same time, an overwhelming majority of 104 organizations (68.9%) have not implemented support systems for people with disabilities. This situation reflects significant barriers to accessibility and professional inclusion, limiting the opportunities for full employment and participation of these people. The lack of such support systems can be attributed to insufficient financial resources, lack of awareness or the absence of clear regulations requiring their implementation, especially in the case of small enterprises.

Another worrying aspect is the fact that 22 enterprises (14.6%) do not know whether they provide such support or not. This suggests a lack of transparency and attention to the needs of employees with disabilities, as well as a possible underestimation of the importance of accessibility. Since social enterprises are supposed to promote inclusion, this information gap indicates the need for awareness and training programs addressing employers with respect to the obligations and benefits of creating an accessible work environment for all.

In Romania, social enterprises face a complex challenge: reconciling their mission of inclusion with the realities of the labor market. Recent employment data reflects this tension. On the one hand, 57% of hiring intentions for 2025 target vulnerable people, which represents 215 out of 375 available positions. On the other, currently only 14.5% of total employees (244 out of 1682) come from these groups. This significant discrepancy between plans and reality raises important questions about the real capacity of these organizations to effectively integrate vulnerable people.

This gap happens for multiple reasons, the first of which being the existence of significant structural barriers. Only 6% of businesses offer assistive technologies, and 16.6% have spaces adapted for people with disabilities. These numbers show that many organizations are not prepared to welcome employees from vulnerable groups, even if they want to. Data collected also suggests a problem of scale: most businesses that hire vulnerable people do

so at a symbolic level (1-2 employees per organization), which does not lead to real and sustainable inclusion.

In order to close this gap, it is necessary to take concrete, such as allocating funds for adapting workplaces, both from the technological and from the physical point of view. It would also be useful to implement training program for employers to help them better understand and respond to the needs of vulnerable people. A transparent monitoring system could also ensure that declared employment intentions become reality. In the absence of such initiatives, we risk being left with a system in which social inclusion is more of an aspiration than a reality.

Another aspect to be mentioned is that in 2024, only 70 (46%) out of 151 social enterprises in the research offered their employees professional training, while 81 (54%) did not invest in this type of development at all. This lack of balance signals a major vulnerability in terms sustainability of the human resources involved and the ability of social enterprises to adapt to new economic demands.

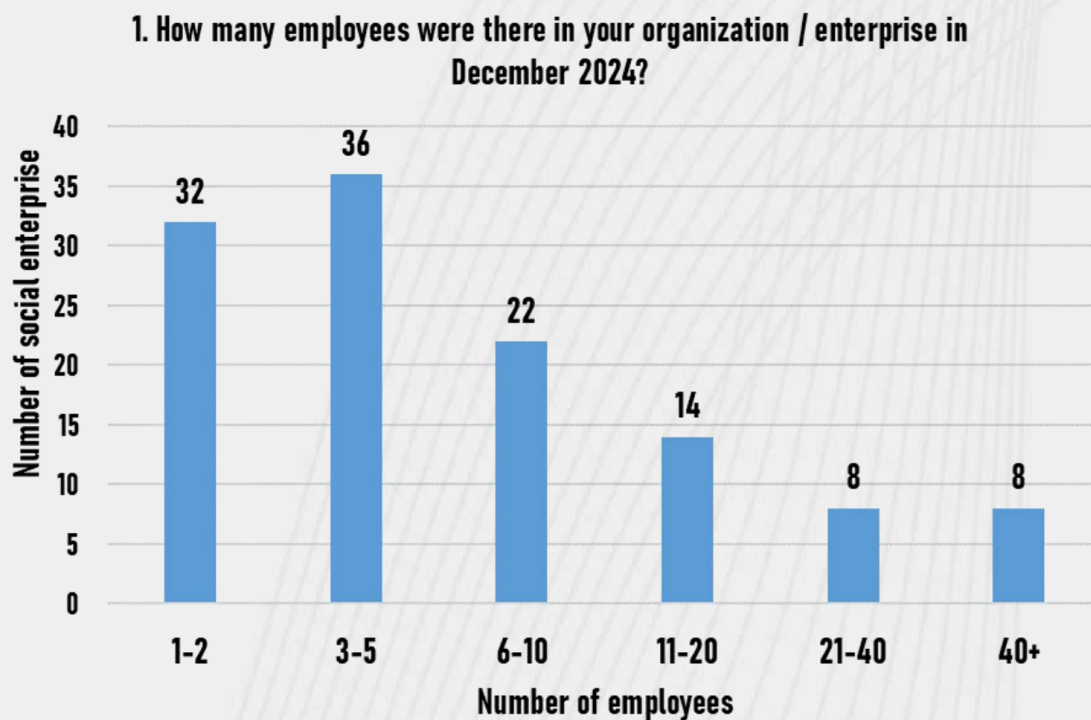
Data comprised in the survey also reflect a significant contrast between the levels of implementation of digital technology within the responding organizations. Basic digital tools, such as email (98.6%) and managing a website (82.9%), are widely used, indicating a well-implemented basic digitalization. Social media technologies and tools are also adopted at a high rate (81.5%), suggesting a growing interest in online visibility and interaction with the public.

In contrast, advanced technologies are significantly less used. Only 35.6% of the participants in the survey report using artificial intelligence, and the percentages drop considerably in the case of e-commerce (14.4%), CRM (13.7%) and ERP (5.5%). The least represented are digital product passports (1.4%), signaling a clear gap between basic

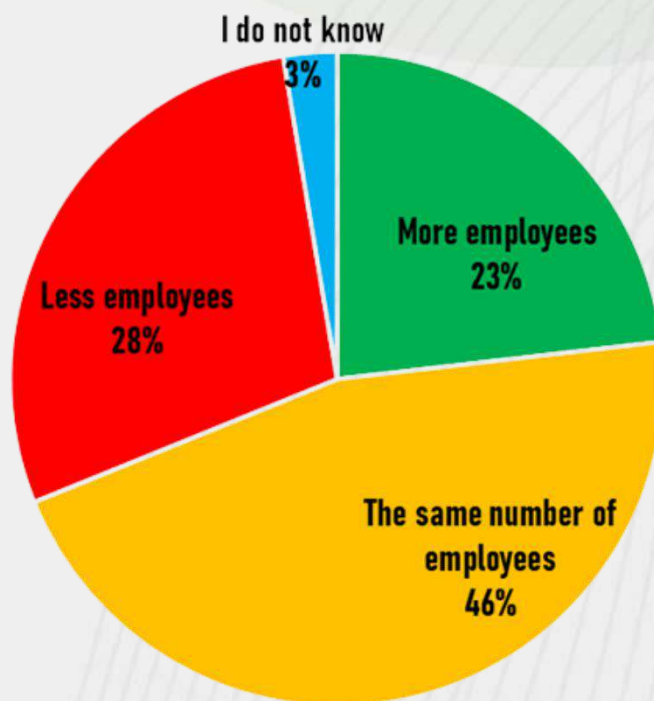
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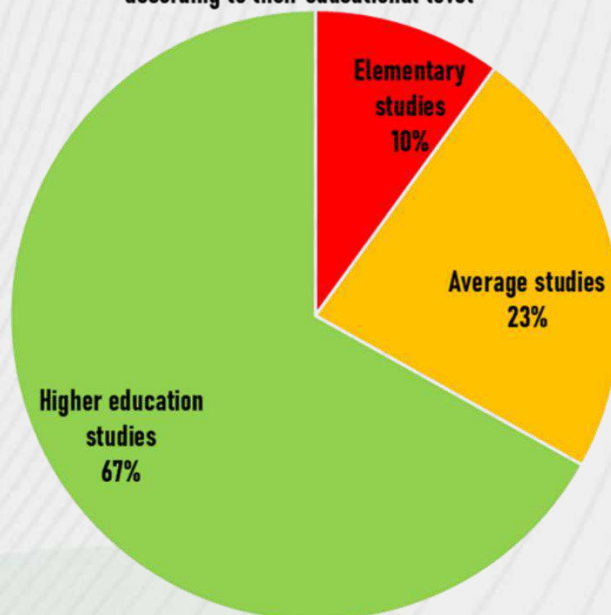
operational digitalization and the integration of advanced digital technologies. This discrepancy reveals the need for policies and strategies to support the in-depth digitalization of organizations.



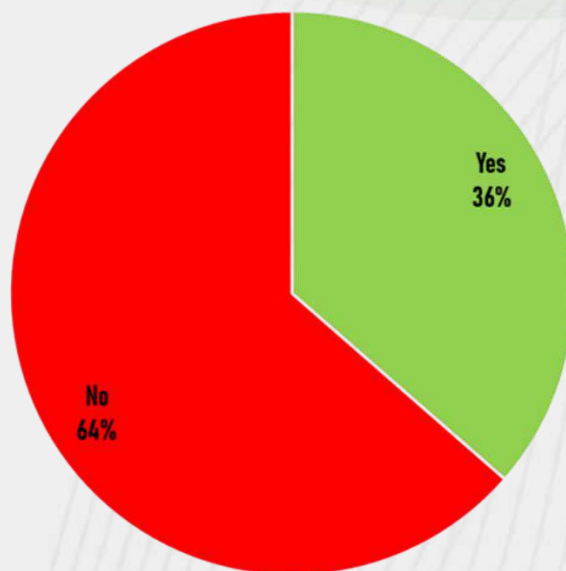
2. Compared to the previous year (2023), in 2024 your organization / enterprise had:



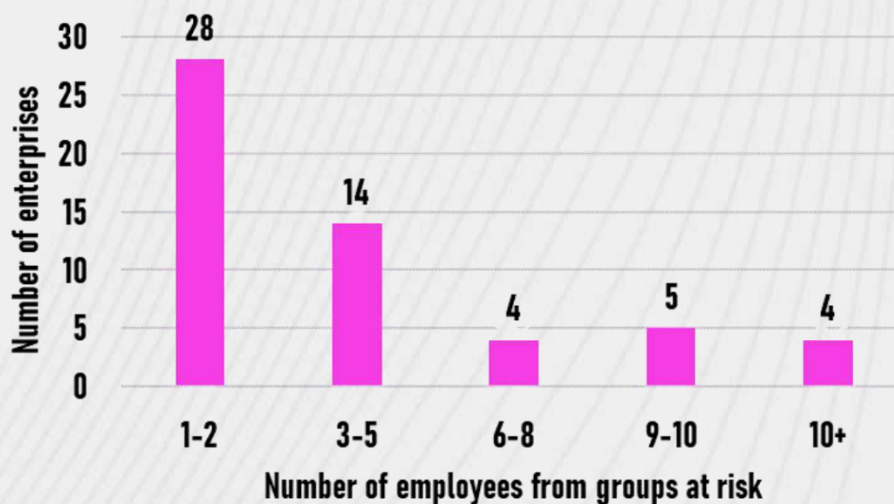
3. Percentage of people employed in 2024 in social enterprises according to their educational level



4. Does your organization / enterprise employ people from groups at risk as defined by the Law of Social Assistance?



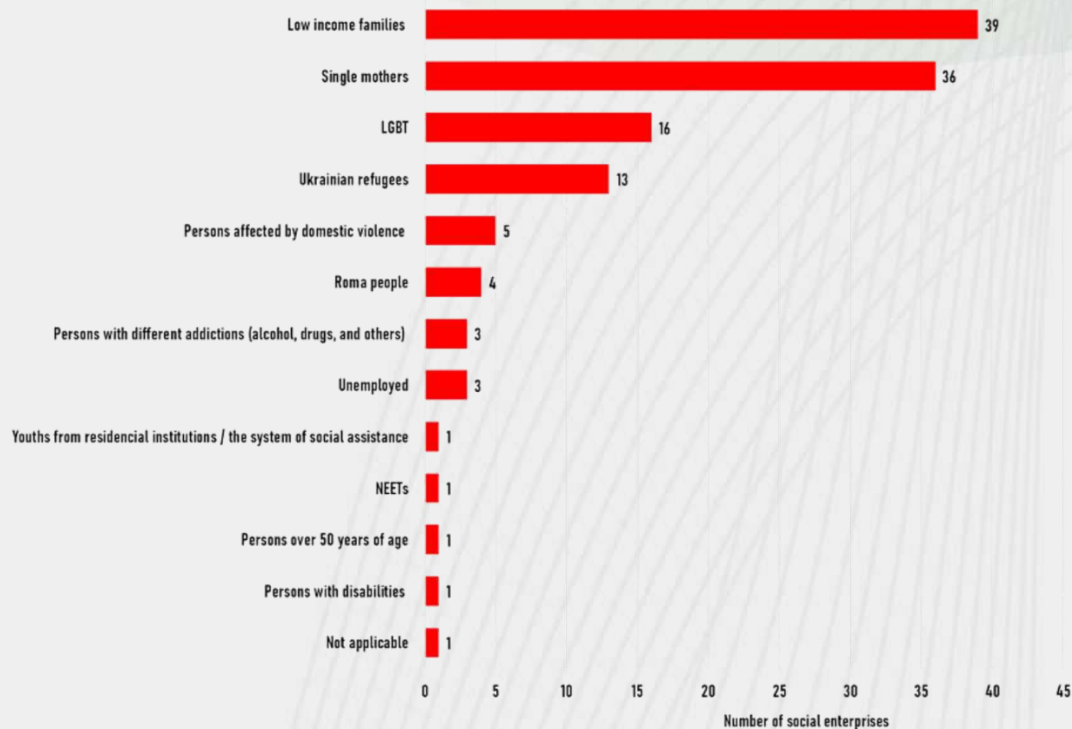
5. If YES, what is the number of employees from groups at risk?



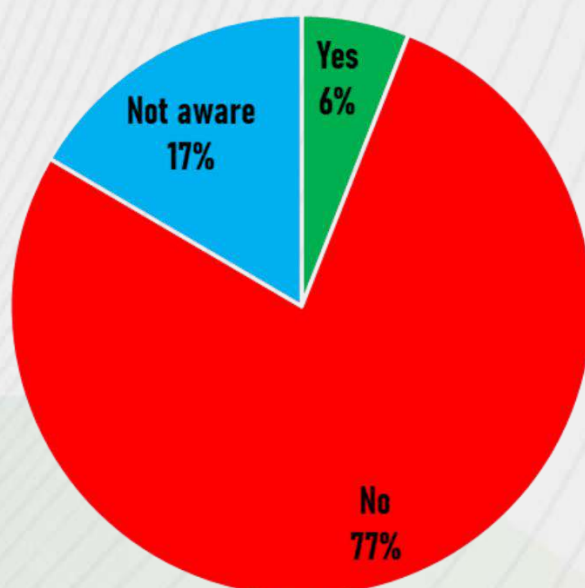
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6. Which category at risk do your employees belong to?



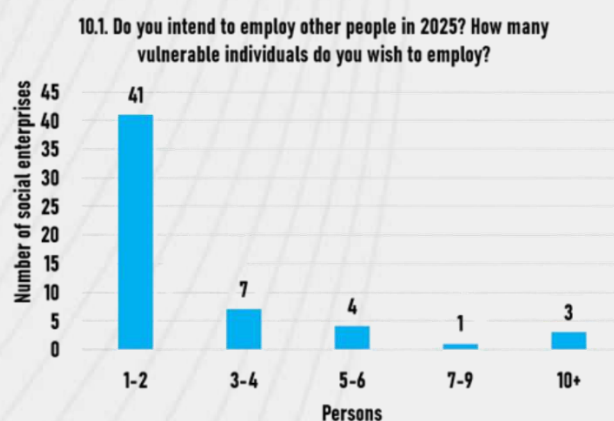
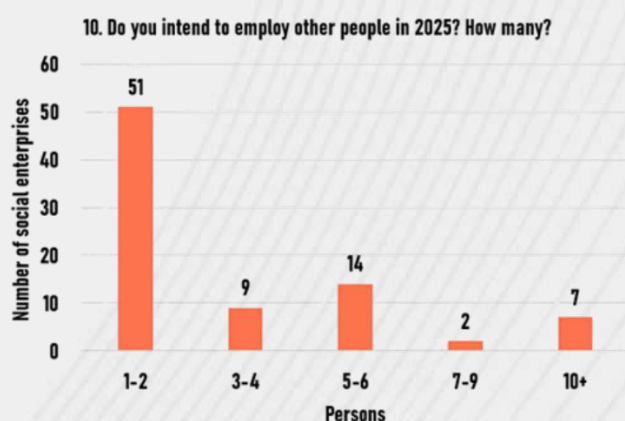
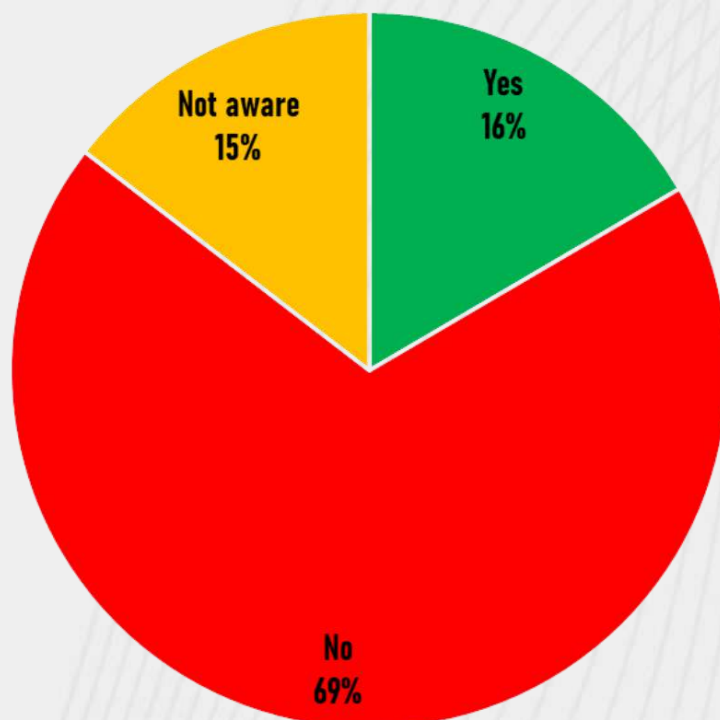
7. Do your employees benefit from assistive technologies (software for screen recognition, voice recognition, software for sound amplifying, etc.) in order to develop their activities?



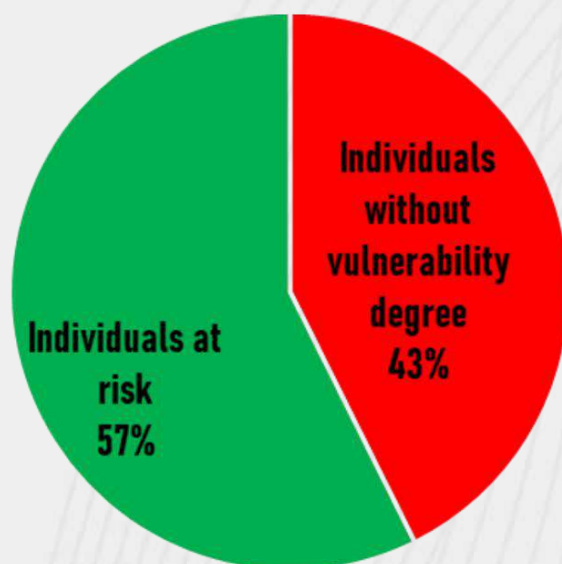
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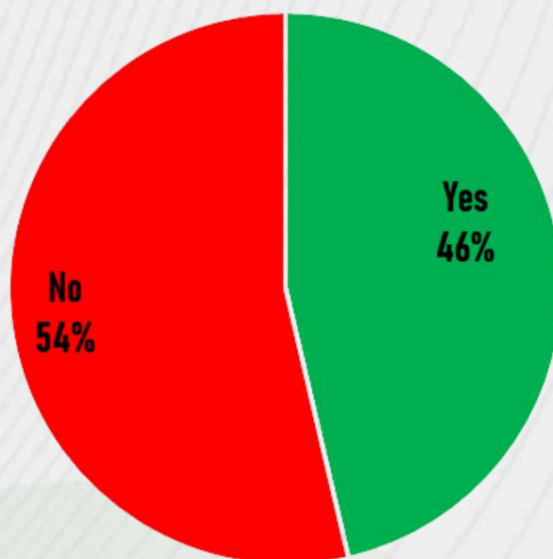
8. Within your organization / enterprise, do disabled employees benefit from adaptive systems (special ramps and elevators, Braille signaling, rolling chairs, etc.) to support them develop their activities?



10.2. Percentage of employment intent of vulnerable individuals in 2025



11. Did your employees benefit in 2024 from professional training programs?

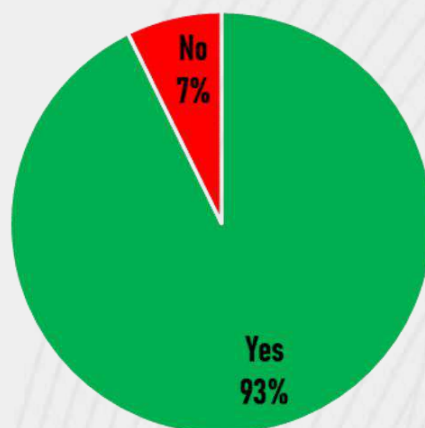


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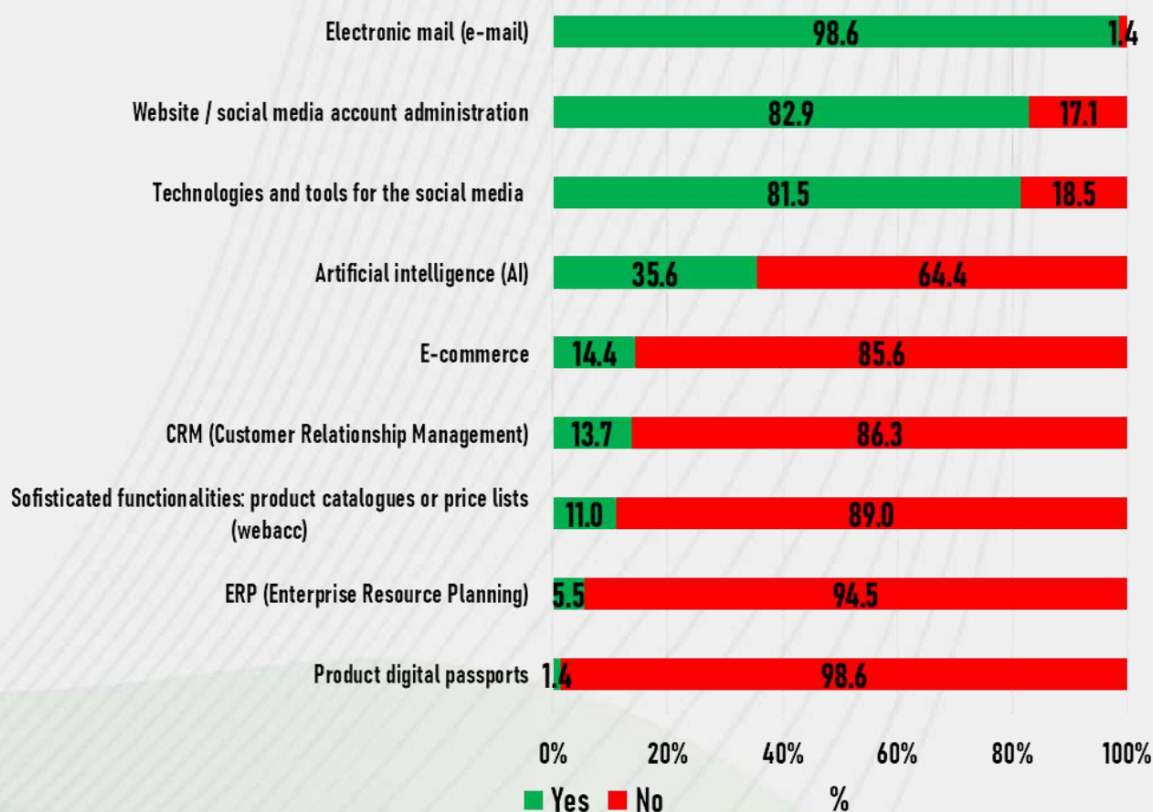
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12. Does your organization / enterprise use digital technologies (information and communication technology, software, IT equipment) for current activities?



13. Please let us know which digital technologies are used in your organization / enterprise.



SECTION 3: Social and environmental activities of social economy entities

The activities of social enterprises from Romania show a major commitment to the social mission and the general interest of the community. According to data from the analyzed sample, 94 of the 151 organizations participating in the survey (62,3%) said they “to a very large extent” have a social goal, while 28 organizations (18,5%) say they develop activities in the interest of the community “to a high extent”. These two categories summed up cumulate 81% of the organizations surveyed, a significant percentage of the total number of the organizations queried.

With respect to fields of activity, most organizations in the sample concentrate their social mission on supplying social services of general interest to people from groups at risk (61 replies), services of social and professional integration (35 replies) and educational and professional capacity building services for children and youths (26 replies). Other areas of activities, such as educational support for children with special requirements, environmental protection, health or sustainable tourism are also approached to a lesser extent. This distribution highlights priority orientation to supporting categories at risk and to consolidating social inclusion through education and professional integration.

Other 14 organisations (9,3%) indicate being committed “to a certain extent”, while 12 (7,9%) admit they are involved “to a small extent”. Only 3 organisations (2%) say they have no social goal at all. This distribution underlines a major orientation to the social mission specific to the social economy sectors, as well as a diversity of levels of involvement, which may also reflect variations in their operational capacity, their access to resources, as well as to formally assuming and understanding the social dimension of their activities.

An essential aspect in consolidating the role of the social enterprises in the community is their capacity to efficiently communicate the impact they have at social and environmental level, as well as an unequal level of assuming public communication.

The most frequent communication method used is posting on social networks like Facebook, Instagram or LinkedIn, option mentioned by 79,5% of the organizations. This shows not only the adaptation to modern digital tendencies, but also a recognition of the efficiency of these channels when it comes to maintaining an active connective with the wider public. Other frequently used digital channels include the site of the organization (63,6%) and, to a lower extent, newsletters or e-mail alerts (19,8%). With respect to communicating through traditional mass-media, 39,7% organizations use interviews or press articles, as well as appearances in radio or television shows.

In addition, 43,7% of the organizations in the survey organize public events (conferences, seminars, workshops), and 52,3% collaborate with not-for-profit organizations or with public institutions for promoting their social impact.

Despite this, only 37% participants draw annual sustainability reports, which indicates a rather low use of formal and standardized instruments for reporting impact, although it is an important part of increasing transparency and credibility on behalf of partners and financiers.

A worrying sign is that around 8% of the organisations surveyed say they do not communicate their social and environmental impact at all. This may reflect not only a lack of resources but also a possible underestimation of the role that communication plays in the organisation's sustainability and visibility.

In addition to the social mission, the ecological component is increasing in importance in the work of social enterprises, reflecting a general trend towards sustainability and environmental responsibility. Data in the questionnaire shows that 52% of the responding organizations declare that they act "to a high extent" or "to a very high extent" to protect the environment (38 + 41 organizations). This proportion is significant and indicates an increased awareness of ecological responsibilities among social enterprises.

Other 43 organizations (28.5%) say they are committed "to some extent", which suggests the existence of punctual or limited initiatives which can constitute the basis for further developments. At the same time, 17 organizations (11.3%) indicate a commitment "to a small extent", and 12 (7.9%) state that they do not carry out any actions for the purpose of environmental protection.

This distribution highlights that, while there is a critical mass of sustainability-oriented organizations, a quarter of businesses (24.2%) have little or no commitment to the environment, highlighting the need for supportive policies and guidance in this direction. The lack of resources, expertise or clear incentives can be an obstacle in the development of consistent and effective green practices.

Therefore, the integration of the ecological dimension into the operating model of social enterprises must be strengthened, both through training and awareness, as well as through financial support and institutional partnerships, so that social and environmental responsibility become complementary components of the same sustainable development strategy.

The consistent implementation of social and environmental initiatives by social enterprises in Romania is strongly affected by a series of structural and operational challenges. According to the responses provided in the questionnaire, the main constraint identified by

the majority of organizations (78.9%) is the lack of financial resources. This budgetary limitation affects the ability of enterprises to invest in impact projects, access green technologies, adapt spaces for vulnerable people or conduct education and information campaigns.

Also, 55.9% of the participants say there is insufficient support from public authorities, suggesting the need for more active involvement from the state in supporting the social economy. The lack of a coherent public policy framework and limited support through programs or partnerships generate systemic difficulties in achieving social and environmental objectives.

To these we may also add issues related to bureaucracy and restrictive regulations (42.4%), as well as deficiencies in public education and awareness (42.4%). These affect both the receptivity of beneficiaries and the ability of organizations to mobilize community support and generate sustainable behavioral changes.

Although logistical or infrastructure challenges are less frequent (23.7%), they are also important – especially in the context of the green transition, where access to solutions such as renewable energy or efficient recycling requires investment and specialized know-how.

Internally, 24.5% of respondents indicate resistance to change on behalf of employees or the community, an obstacle often ignored in strategies but essential for the success of impact initiatives. At the same time, 25.8% report difficulties in measuring social or environmental impact, which limits the ability to report, attract funding and optimize interventions.

37,5% of the participants state there is a lack of efficient partnerships – which underlines the fragmented character of the eco-system of social economy in Romania. In the absence

of solid inter-institutional collaborations, many organizations risk acting in an isolated manner and have a limited impact.

Despite the many constraints reported, data indicate a significant involvement of social enterprises in actions aimed at the well-being of employees and the community. The most frequent active measure is the improvement of the working conditions of their own employees, undertaken by 69.5% of the responding organizations. This reflects a real concern for internal well-being, in line with the basic principles of the social economy.

Furthermore, 61.6% of the participants in the survey stated that they involve employees in management or administration processes, suggesting a trend towards participatory governance and democratic decision-making. However, the promotion of gender equality in the workplace is active in only 46.4% of cases, signaling an untapped potential for gender equity within social organizations.

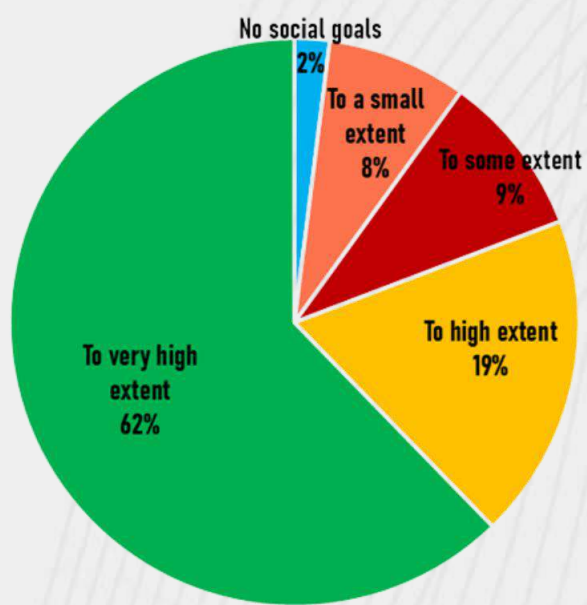
At the opposite end, only 25.2% of companies actively assess the environmental impact of their activities. This low proportion reflects a significant gap in the integration of environmental sustainability into the functioning of organizations, with important implications for the coherence of sustainability strategies.

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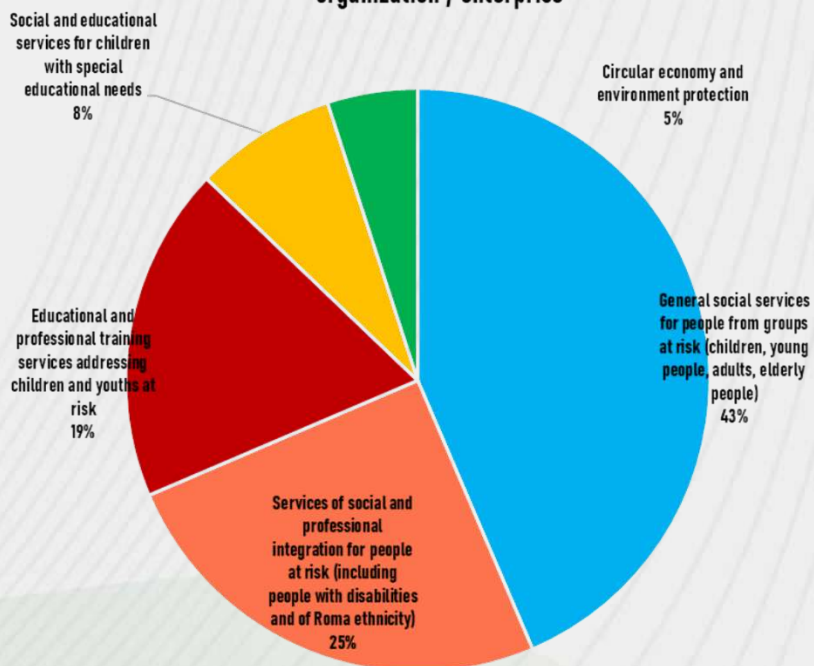
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1. To what extent does your organization / enterprise develop activities with social goals and / or for general community interest?



3.2. Please briefly describe the social goal / mission of your organization / enterprise

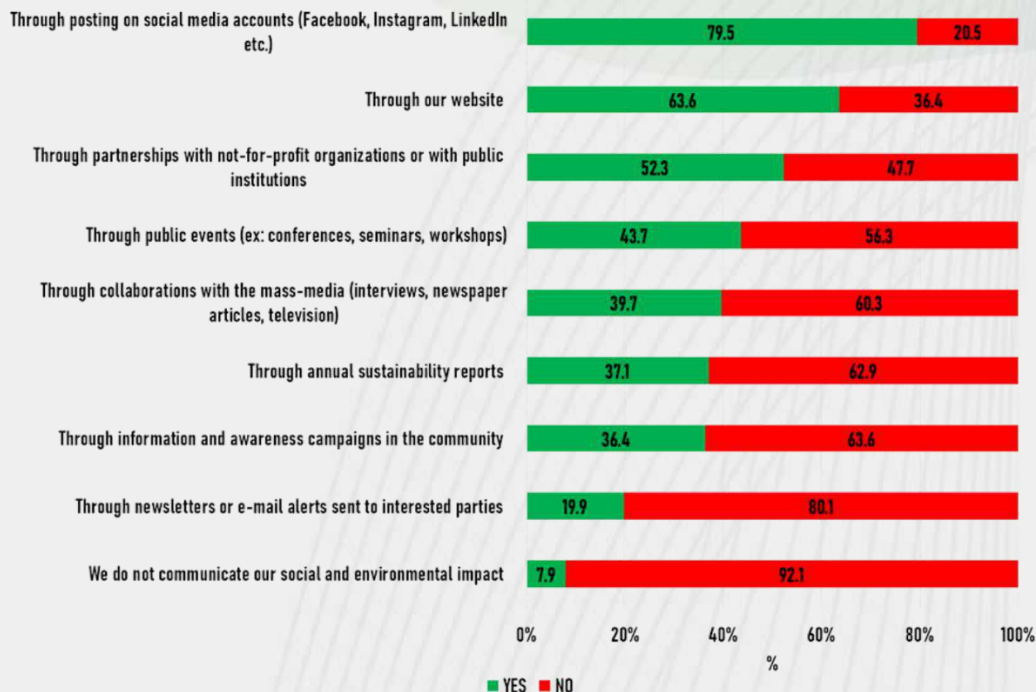


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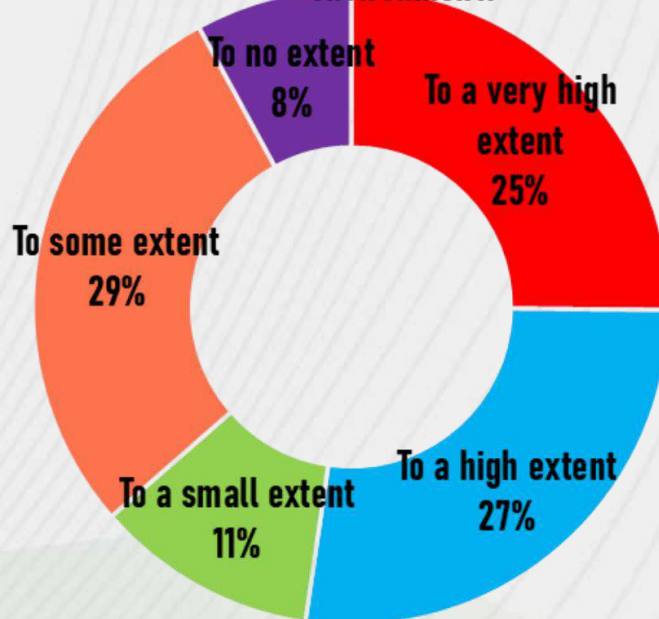
OF SOCIAL ECONOMY

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4. Please choose which communication method best applies when it comes to communicating your social and environmental impact to the general public



5. To what extent your organization / enterprise acts to protect the environment?

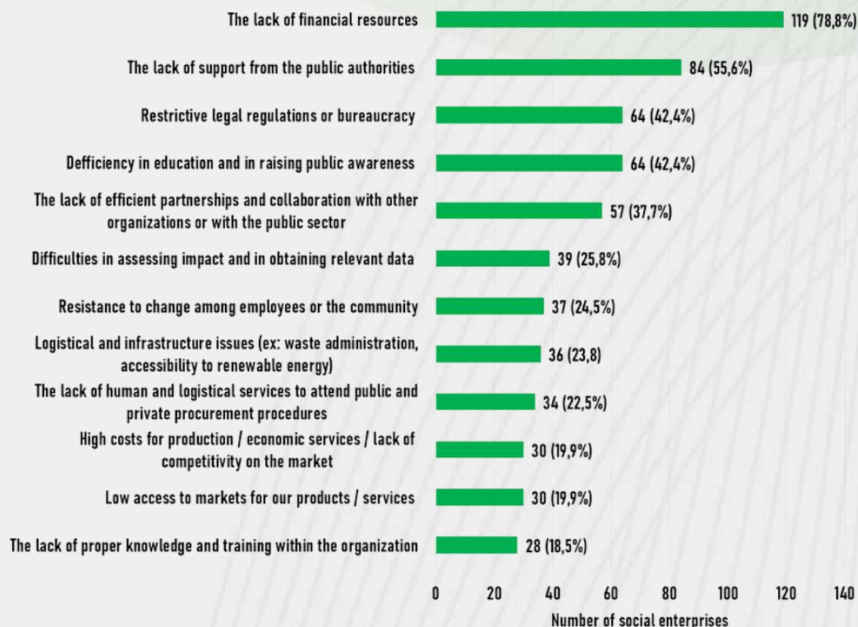


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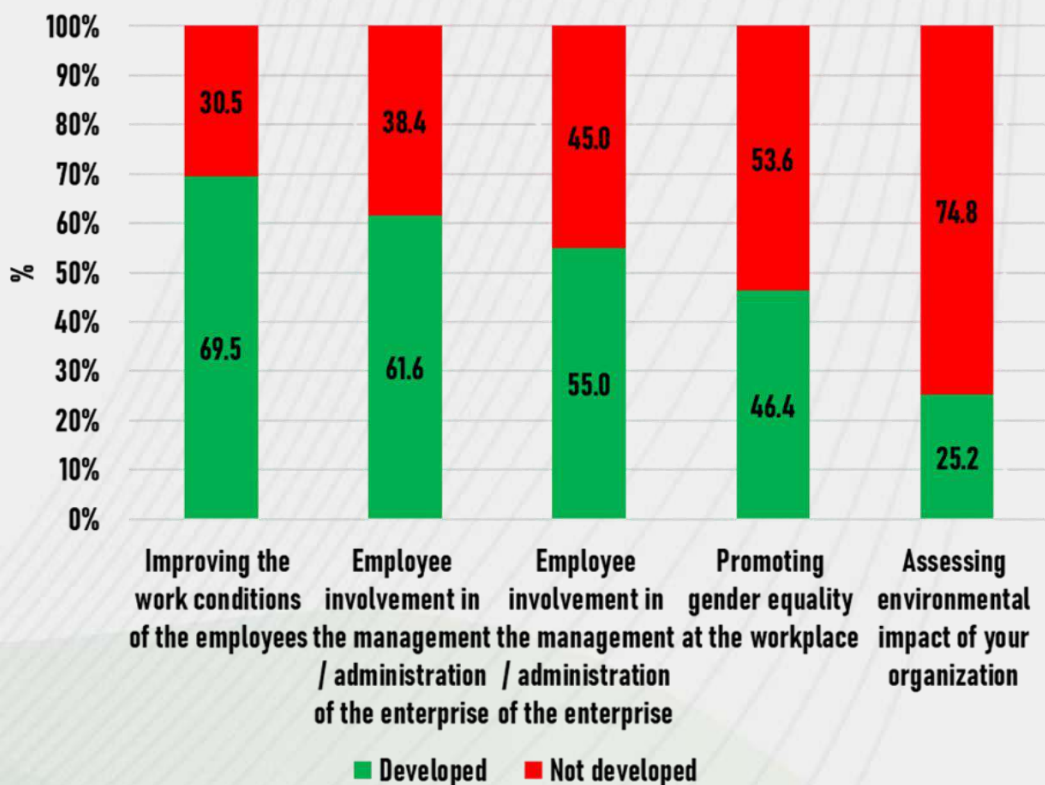
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6. What are the challenges you are facing in implementing initiatives with social and / or environmental impact? (choose which applies)



7. Which of the current actions is actively developed by your organization / enterprise?



SECTION 4. Economic and financial activities of social economy entities

From an economic point of view, 51% of enterprises in the survey (77 out of 151) declare that they generate income from economic activities, while 49% do not carry out such activities, indicating a fragile balance between the economic and social components among the responding organizations. This result suggests a diversity of approaches, in which some organizations focus on supporting economic activities to ensure their financial viability, while others maintain a stronger orientation towards social and community objectives.

In terms of the main income-generating economic activities, the data highlight a significant diversity of services and products offered by social enterprises. Production of goods and trading are the most frequently encountered field (15 organizations), followed by public catering services (10 organizations) and business consultancy services (9 organizations). Activities in the areas of early childhood education (7 organizations), manufacturing (6 organizations) and vocational training (6 organizations) are also relatively well represented.

Fewer organizations (4 – 5 cases each) state marketing and advertising, tourism and creative industries, therapy and care for people with disabilities, and logistics as also income-generating activities. Accommodation services, social protection and assistance are less present. Also, other economic activities were reported by 9 organizations under the category "Other services", reflecting the flexibility and adaptability of the sector.

This diversity of activity proves the capacity of social enterprises to answer a wide range of community needs, as well as the need to innovate and identify multiple income sources to support their social mission.

The enterprises in the research registered total steady incomes during 2022–2024. In 2022, the income amounted to approximately 12.9 million Euro, while in 2023 they increased to

13.6 million Euro. In 2024, income remained to approximately 13.5 million Euro, indicating financial stability.

The distribution of the income sources of social enterprises highlights a clear orientation towards self-financing, mainly through direct economic activities with private operators. Almost two thirds of participants in the survey report that over 50% of their income comes from commercial relations with unaffiliated third parties, mainly from the private sector, which indicates a clear trend of adaptation to market economy mechanisms and a decrease in dependence on public funds or donations. In contrast, economic interactions with public authorities are considerably lower, with most respondents reporting a share of less than 10% of total income.

Traditional funding such as donations, membership fees or contributions remain secondary sources of income, with a small contribution to the budgets of queried organizations, which reflects the difficulty of maintaining a solid base of constant supporters or efficient fundraising mechanisms. European and national funds also contribute to a relatively limited extent, with most respondents reporting small shares (below 25%), which may be correlated with the degree of complexity of accessing them or the lack of administrative capacity.

Access to classic financial products – bank loans, microloans or shareholder loans – appears sporadically and marginally, signaling either a reluctance to take on debt or systemic obstacles to accessing these instruments. Overall, the structure of income sources reveals a sector in a fragile balance, with an acute need for specific support and financial instruments adapted to the economic and social model of the social enterprises.

With respect to support from public authorities mentioned in the Law on the Social Economy, data reflect their limited use during 2023–2024 in the case of organisations

interviewed. A relatively small number of organisations (14) benefited from subsidies for the employment of disadvantaged workers, while the majority (52) did not apply or request these subsidies. This suggests a lack of information or low interest in these support measures. It is possible that the individuals had been employed for more than 12 months in the enterprise and that the entity was no longer eligible to apply for subsidies in 2024.

Regarding the subsidizing social or employment services for vulnerable groups, only 5 organizations actually benefited from these funds, while the majority (59) did not request or apply for them. This indicates a possible lack of accessibility or complexity of the process of applying for these measures. Also, regarding the funding programs for SMEs and social enterprises, less than 10% of organizations benefited from national or European funds. Similarly, participation in public procurement procedures was limited, with only a few organizations managing to participate and obtain contracts reserved for work integration social enterprises.

The data analyzed suggest a possible lack of knowledge of the available measures, difficulties in accessing them due to administrative procedures or high competition for available funds. In addition, the lack of adequate information and better preparation to apply for such forms of support may limit the development of social economy initiatives.

When it comes to financing instruments that organizations / enterprises would like to use in the coming years for business growth, there is little preference for traditional sources of financing, such as loans or share capital increases through contributions from specialized institutions. Only 3 organizations intend to use loans or share capital increases through contributions from specialized institutions, which suggests a lower preference for conventional financial solutions.

Also, combinations of financing instruments, including crowdfunding, are more popular choices. Thus, 6 organizations are interested in crowdfunding alone, and 10 want to combine crowdfunding with loans to support business development. This could reflect a growing trend to turn to alternative, more accessible and flexible sources of financing, instead of traditional financial solutions, which may involve more risks or stricter requirements.

Most organizations (25) are not interested in these financing mechanisms to support the growth of their organization, which might suggest prudence or lack of confidence in the accessibility and the viability of these financial options.

When it comes to the interest of organizations for demanding a loan dedicated to social economy entities and NGOs with social impact, the study reveals significant diversity in their preferences, with a special focus on certain types of financing.

Working capital loan: only 14.3% of organizations are interested in applying for this type of loan, while the remaining 85.7% do not want to apply for such a product. This suggests a reluctance to access sources of financing for current activities, possibly due to perceived risks or already efficient financial management.

Bridge loan for projects with non-reimbursable financing: Almost a third of organizations (31.2%) are interested in this type of financing, which indicates a significant openness to solutions that support the implementation of projects with non-reimbursable funds. However, 68.8% do not want this type of loan, which may suggest a lack of certainty or preparation to access and manage such financing.

Investment credit for developing production/service capacity: This proves to be the most attractive type of credit, with 51.9% of organizations declaring their interest, compared to

48.1% who do not wish to access such financing. This suggests that social economy entities are significantly interested in investing in developing their production or service capacity, which may reflect a strategy of expansion or diversification of activities.

Generally, most organizations are not interested in obtaining a loan dedicated to the sector, but there is a wider availability for investment for expanding the production capacity and for bridge loans for projects with non-reimbursable funding. This distribution suggests prudence in managing financial resources and interest in the long-term growth and development of the organization / enterprise.

When organisations consider applying for credit, the most important aspects are related to the cost of the loan, such as interest and fees, which are considered “very important” by 83.1% of respondents, while only 16.9% consider them less relevant. This highlights that managing financial costs is a major concern for organisations, since favorable terms are essential to avoid additional financial pressures.

Another significant aspect is the flexibility of the service, including factors such as simplified documentation, fast approval and conditions adapted to the organization's profile. Almost 70% of organizations rate these features as very important, which suggests a clear preference for a more efficient and less bureaucratic credit access process, especially through the use of online applications that facilitate quick access.

While 32.5% of organizations see non-financial support, such as consulting, training and monitoring, as “very important”, a sizeable majority, 67.5%, consider it less relevant. This indicates that while some organizations may appreciate these additional services, access to capital remains the main motivating factor and non-financial support is not a major priority in making the decision to apply for a loan.

Regarding the estimated amounts of loans needed for the development of businesses and organizations in the next 3 years, most organizations believe that they would need amounts between 10,000 and 50,000 euros (28% of responses). 14% of the participants estimate that they could need amounts between 50,000 and 100,000 euros, and 19% of organizations would request larger amounts, over 100,000 euros.

Fewer organizations estimate the need for loans below 10,000 euros (6%), and very large amounts of 1 million euros or more are of interest to only 2% of organizations, with one estimating a loan need of 1 million euros and another exceeding this amount. Overall, this profile suggests that organizations are more interested in medium-sized loans, with the aim of supporting the development of their businesses, while the need for very small or very large loans is less common.

More than half of the respondents (51) are familiar with the concept of a *Social Impact Investment Fund*, while 26 are not familiar with it. The majority of respondents believe that a Social Impact Investment Fund dedicated to social economy entities and NGOs with social impact would be useful in Romania in the next three years. Thus, 58 of them consider that such a fund is absolutely necessary, and 13 consider it useful but not essential. In contrast, only 2 respondents believe that it is not necessary, and 4 would like more explanations or information in order to form a clear opinion.

The majority of respondents estimate that the amount needed to develop their enterprise/organization through a share capital increase with the participation of a specialized institution would be over 100,000 euros (24 respondents). A significant number of participants estimate the amount between 10,000 euros and 50,000 euros (23 respondents), and 19 consider that between 50,000 euros and 100,000 euros would be needed. In contrast, 11 respondents estimate that the amount needed would be below 10,000 euros.

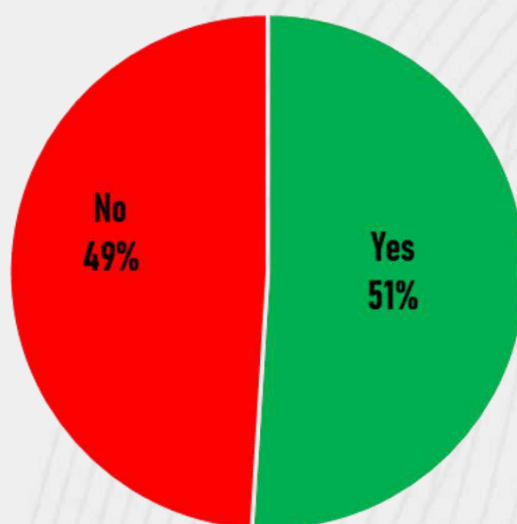
The majority of respondents (36) would be interested in receiving an investment from a Social Impact Investment Fund if it were to become available in Romania. A significant number (21) would be interested, but with certain conditions, while 15 respondents are not sure and would like more explanations and information. In contrast, 5 respondents would not be interested.

The main factors that could influence respondents' decision to collaborate with a Social Impact Investment Fund are the conditions imposed to invest in the organization, such as the investment period, participation in the share capital and in strategic decision-making (59 respondents, 76.6%). Non-financial support, such as consulting, training, monitoring and grants for technical assistance and development, is important for 28 respondents (36.4%). Also, 9 respondents (11.7%) are not sure or do not know what would influence this decision.

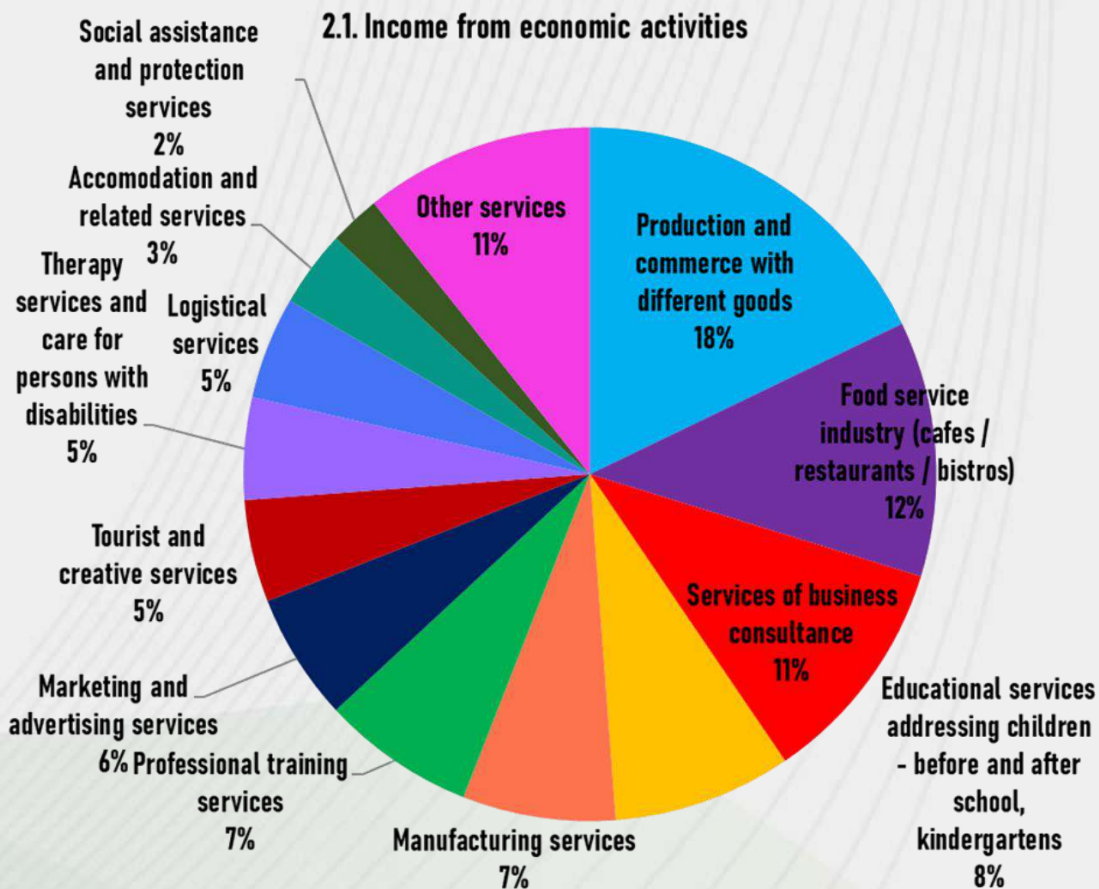
Most participants in the query (68 out of 77) said they would like to receive additional information to better understand the mechanism of a Social Impact Investment Fund, which shows high interest and a clear need for clarification and education with respect to this financial instrument.

At the same time 57 out of 77 participants believe they would need financial assistance or consultancy to draw the documentation necessary for obtaining such financing, which shows a significant request for services of specialized support in the process.

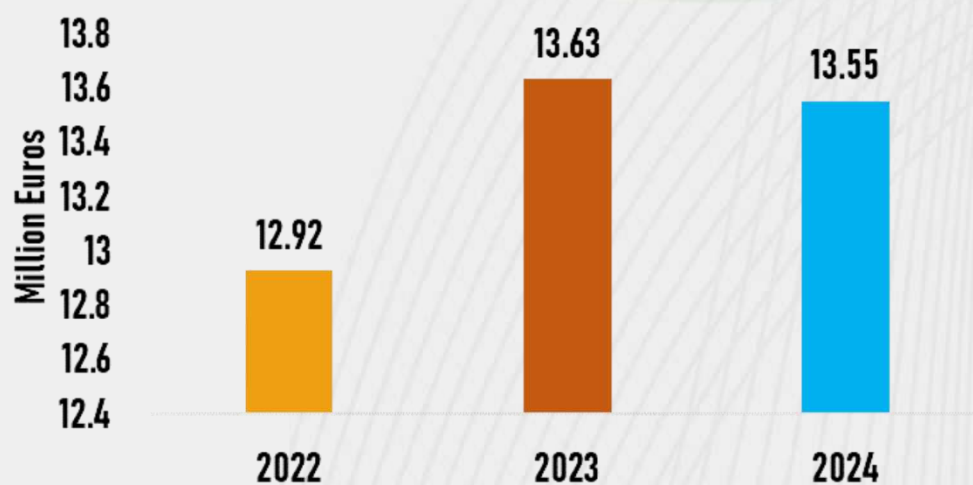
2. Does your organization / enterprise generate income from economic activities?



2.1. Income from economic activities



2.2. Income obtained by social enterprises during 2022-2023



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2.3. What are the main income / financing sources of your enterprise?

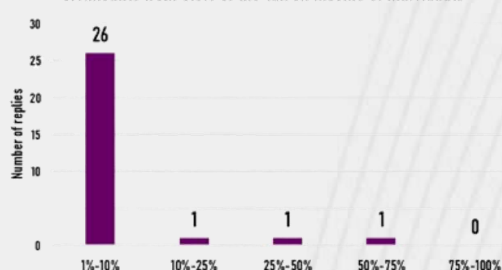
1. Economic activities with third parties, non-member of your organization / enterprise – public authorities



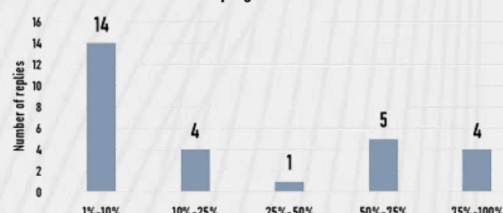
2. Economic activities with third parties, non-member of your organization / enterprise – private entities



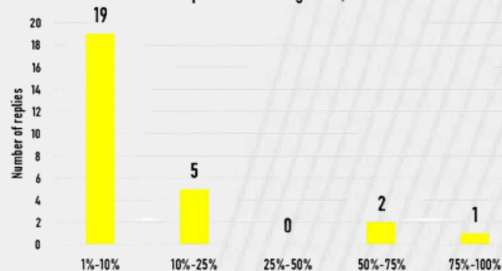
3. Amounts from 3.5% of the tax on income of individuals



4. European funding - includes financing from national operational programmes and from European community programmes



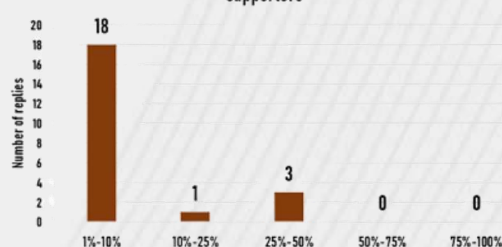
5. National public funds – grants, subsidies



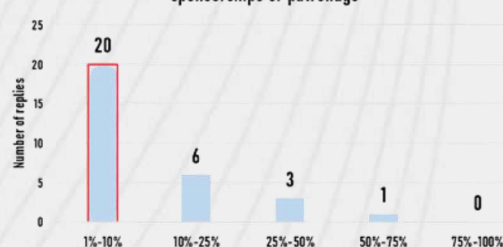
6. Membership and registration fees



7. Monetary or in-kind contributions from members and supporters



8. Donations - money or goods received through sponsorships or patronage



9. Dividends, interest from bank deposits / investments / rentals, etc.



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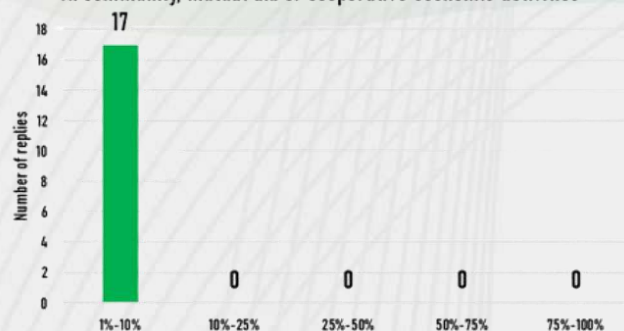
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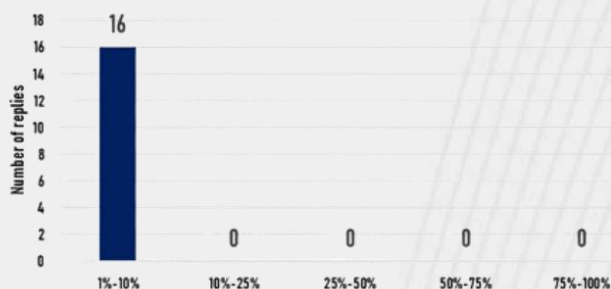
10. Fundraising events with a participation fee, celebrations, conferences, used for social or professional purposes, as included in the statute



11. Community, mutual aid or cooperative economic activities



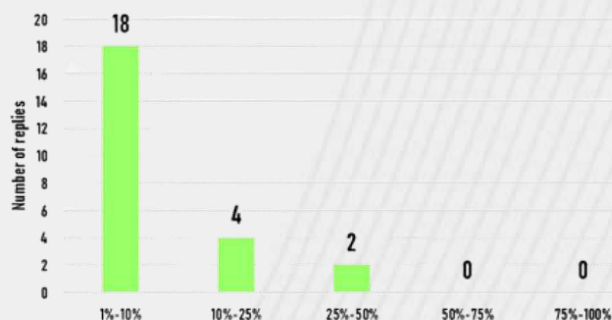
12. Interests of mutual aid entities obtained from the loans granted in accordance to their statute



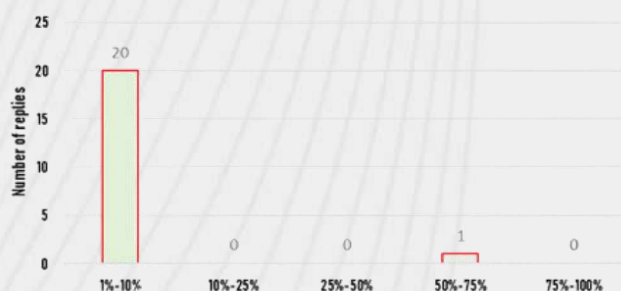
13. Bank loans for work or investment capitals



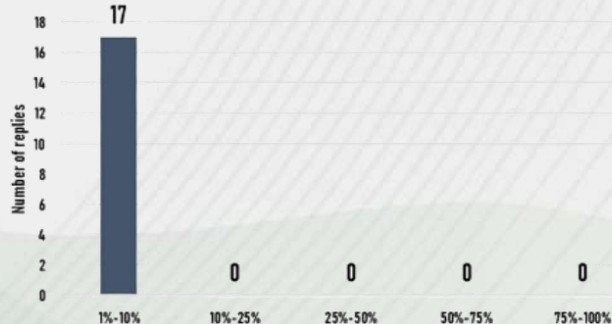
14. Microloans from non-banking financial institutions - IFN



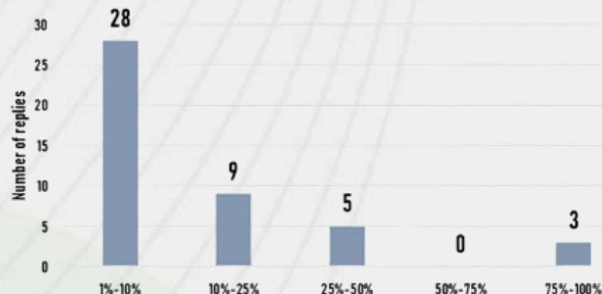
15. Loans from private organizations (foundations / associations / companies, etc.)



16. National / international investment funds



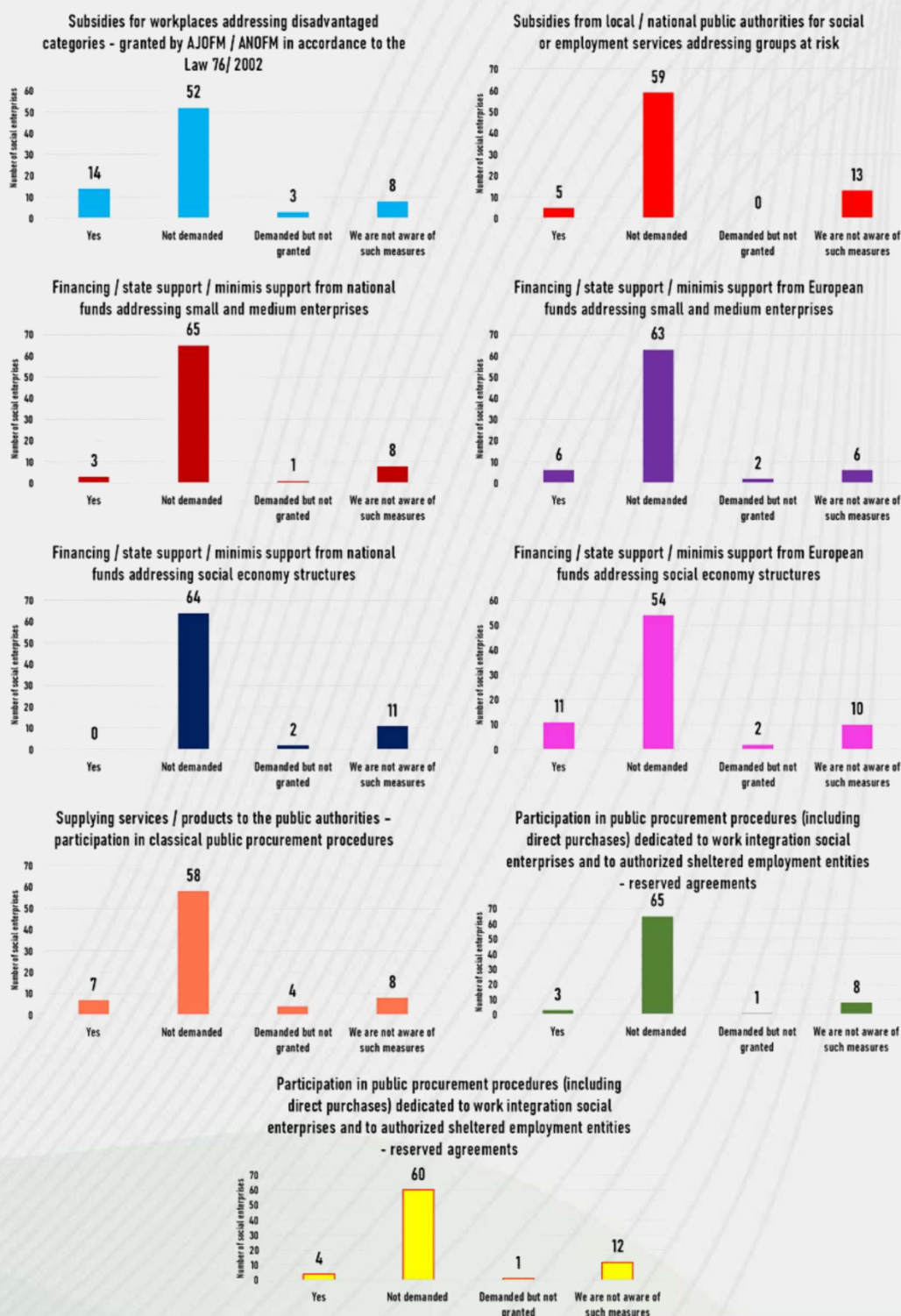
17. Own sources / loans from share holders or from other individuals



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2.4. Did your organization / enterprise benefit in the past two years (2023–2024) from the following support measures from public authorities, as mentioned in the Law on Social Economy?

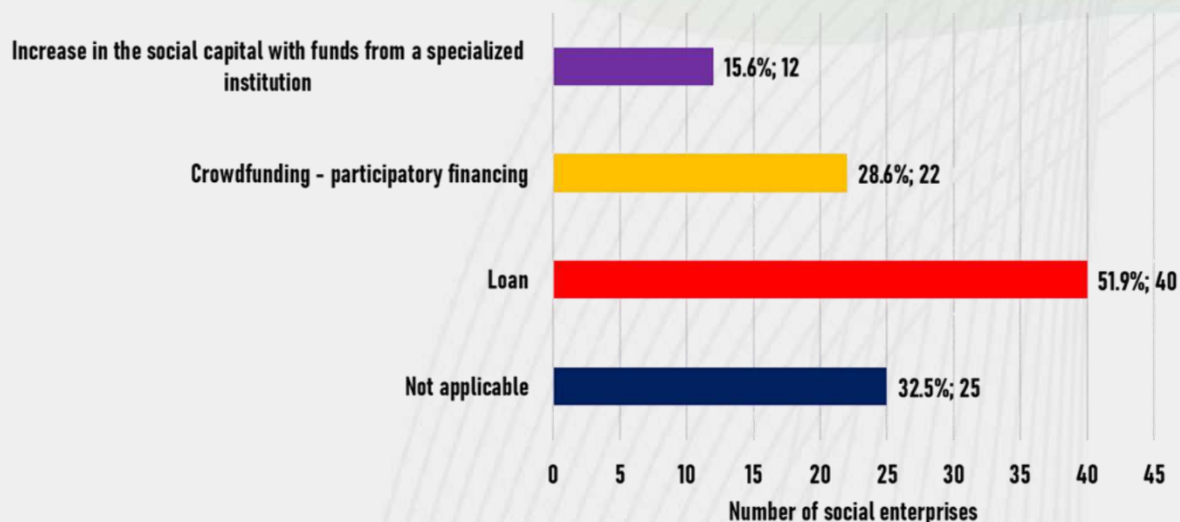


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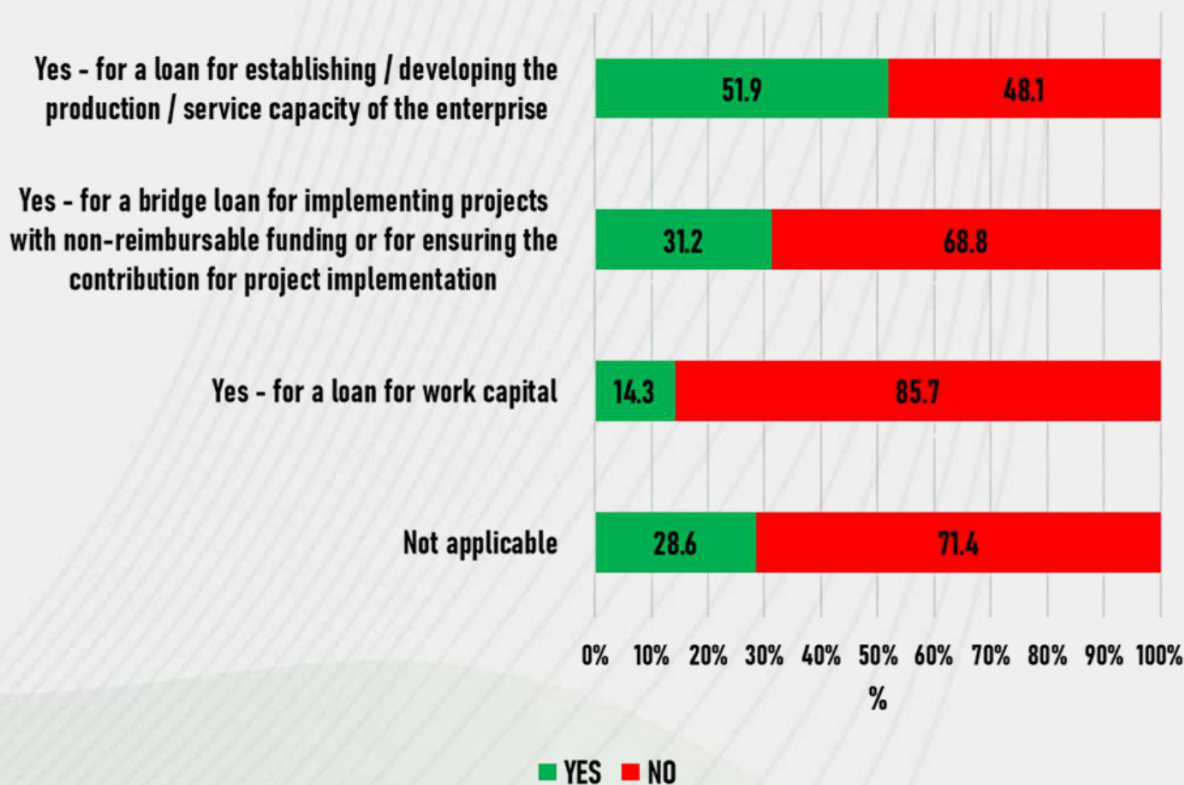
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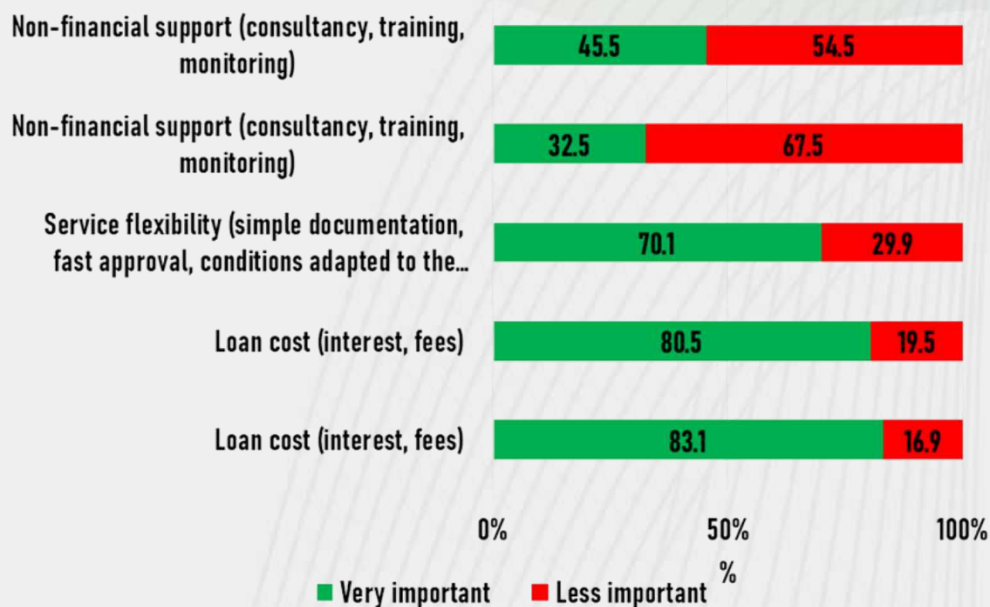
2.5. Does your organization / enterprise wish to use in following years the following financing instruments to ensure business growth (choose the ones which apply, in order of preferences):



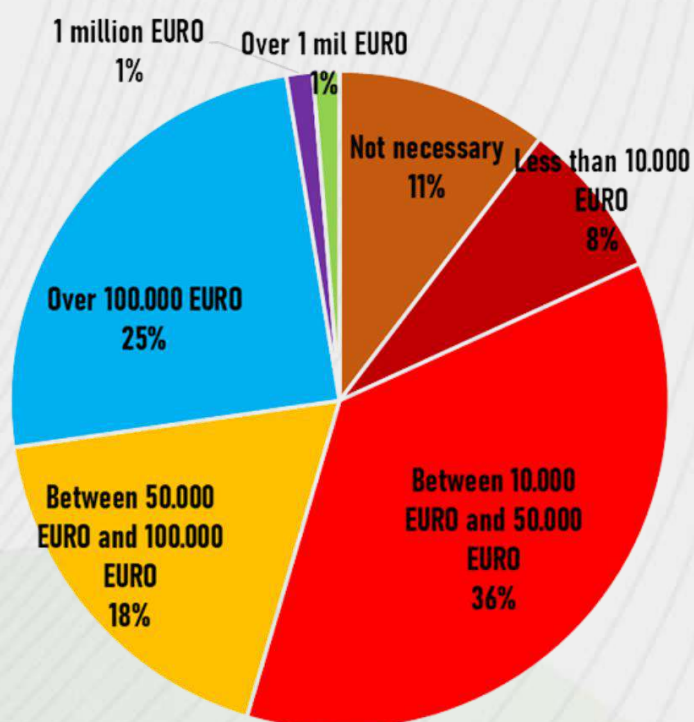
2.6. For the next 3 years, are you interested in applying for a loan from a financial institution dedicated to social economy entities and to NGOs with social impact?



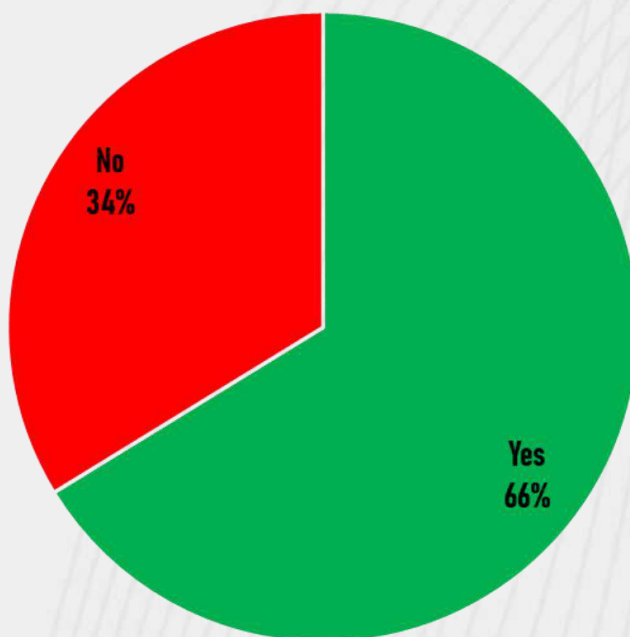
2.7. What are the important aspects to consider when applying for a loan?



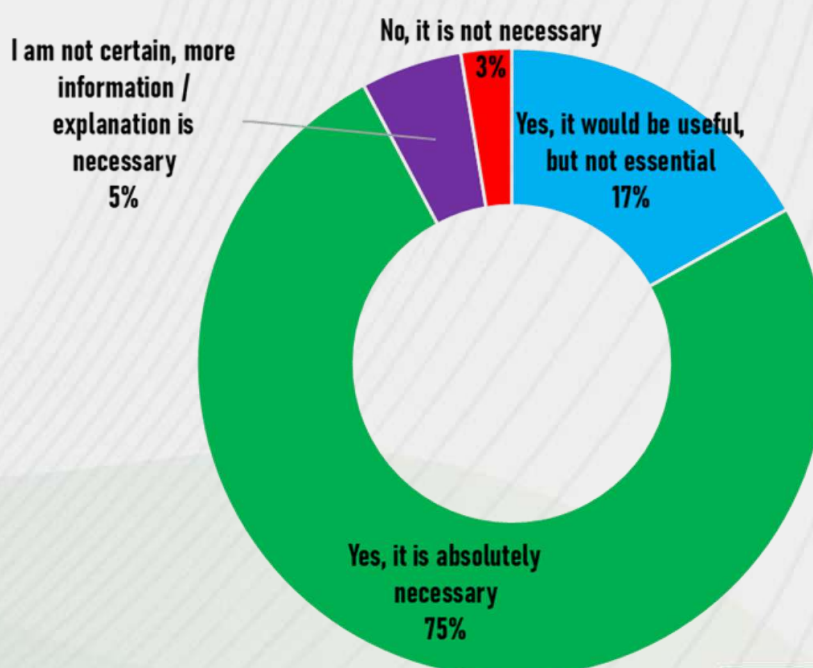
2.8. What amount do you estimate necessary to be borrowed for the growth of your organization / enterprise in the next 3 years?



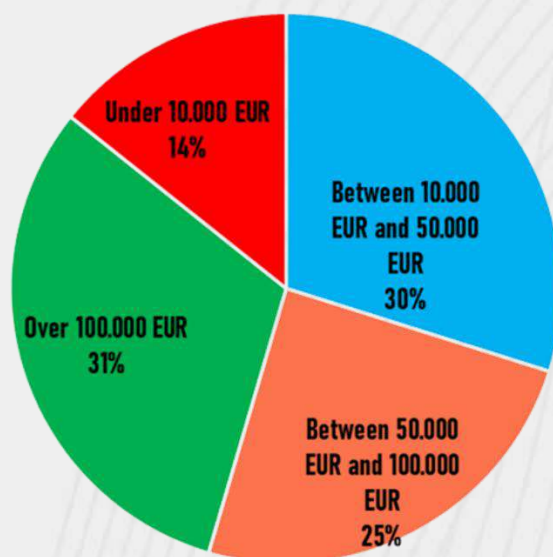
2.9. Are you familiar with the concept of Social Impact Investment Fund?



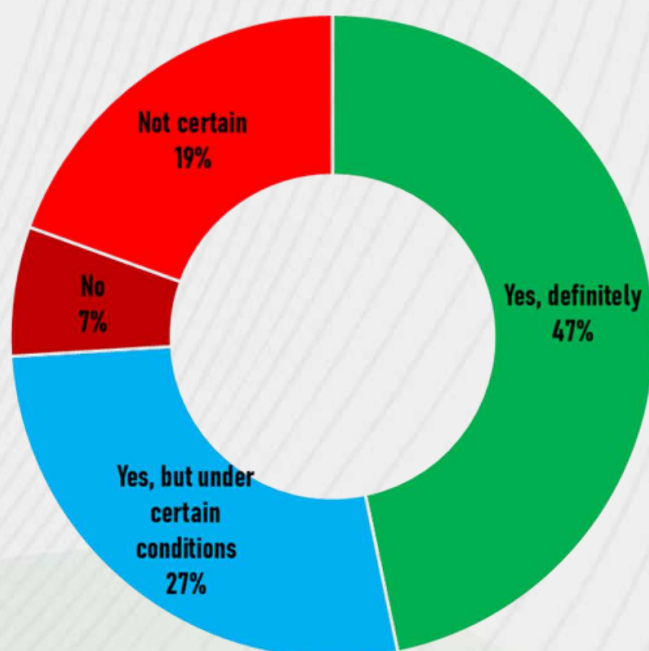
2.10. Do you believe that a Social Impact Investment Fund addressing social economy entities and NGOs with social impact would be useful in Romania for the following 3 years?



2.11. What amount do you estimate to be necessary for the growth of your enterprise / organization in the next 3 years through a capital increase with the participation of a specialized institution?



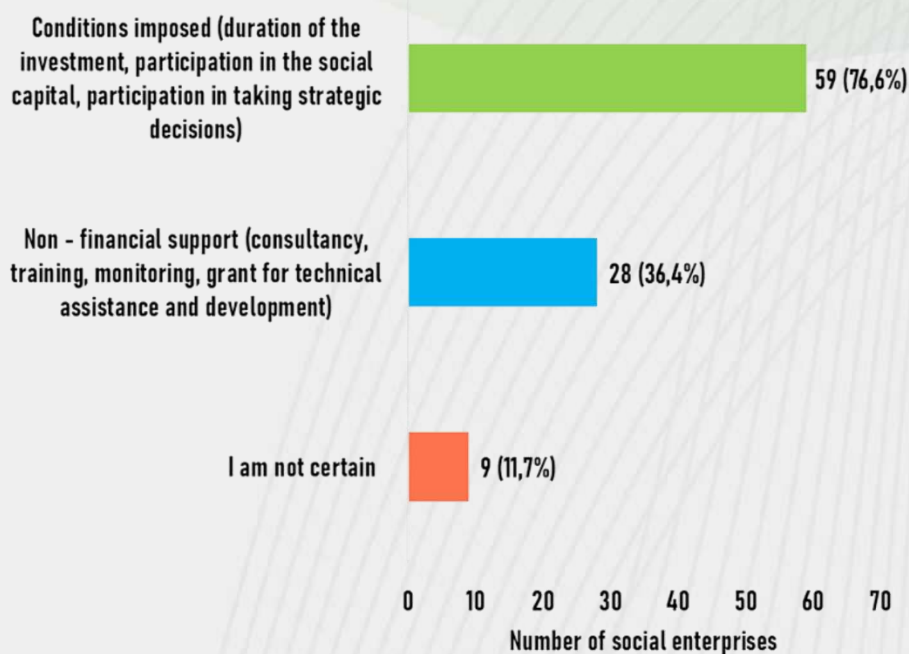
2.12. If a Social Impact Investment Fund becomes available in Romania, would you be interested in an investment?



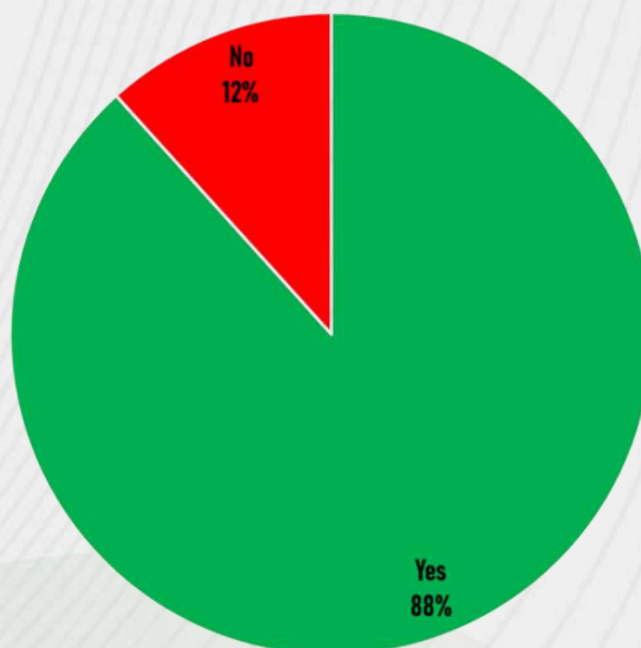
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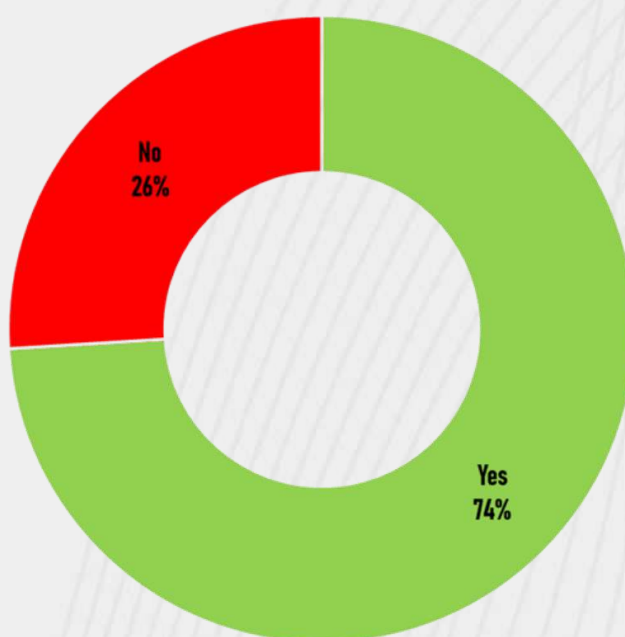
2.13. What could influence your decision to collaborate with such a fund?



2.14. Would you like to receive more information to better understand the mechanism of a Social Impact Investment Fund?



2.15. Do you think you need support / financial consultancy in order to draw the documentation necessary for financing (loan, crowdfunding, other types of investment)



Analysis of participants in the survey representing organizations without economic activities.

In the case of organizations without economic activities, the most pressing need is ensuring the cash flow for implementing social or educational project, which represents a priority for 67.3% of participants in the survey. The payment of salaries is also one of the main concerns (62.2%), followed by the need to procure equipment or technologies (57.1%). 56.1% believe ensuring own financing for accessing non-reimbursable funds is a priority, while almost half (49%) signal difficulties related to covering current expenses, such as utilities or rent. Procurement of buildings or pieces of lands represents a priority only for 45.9% participants. All this data suggests a strong need for financial instruments which are flexible and adapted to the reality of the sector and which contribute to consolidating the capacity of these organizations and to increasing their social impact.

When it comes to accessing loans or other sources of financing, the responding organizations report a series of structural and systemic difficulties, which limit their ability to attract financial resources necessary for development.

The most frequently reported problem is the lack of financial products adapted to the specific needs of non-governmental organizations and social economy entities, mentioned by 63.3% of respondents. Also, half of the organizations (53.1%) face difficulties due to the lack of financial guarantees, which prevents them from accessing conventional loans. The high interest rates applied by traditional financial institutions are a barrier for 43.9% of participants, while 42.9% complain about bureaucracy and the complexity of the necessary documentation. To a lower but significant extent (17.3%), organizations say there is a need for financial education, required to properly manage loans. These findings underline the need for a coordinated intervention to include the development of dedicated financial products, the simplification of processes and educational support for increasing the capacity to absorb financial resources.

A high percentage of participants in the survey (88.8%) considers it is necessary to develop a financial product of loan type, but with advantageous interest, dedicated to the NGO sector. This option expresses both the current difficulties in accessing classic financing, and the openness of organizations to sustainable development instruments, provided that they are adapted to the realities and financial constraints of the sector. Only 11 respondents (11.2%) do not see such an initiative as necessary.

Most organizations estimate that, in the next three years, they would need significant funding to support their activity and development. Thus, 41 respondents indicated a need of over 100,000 euros, which underlines the scale of the planned initiatives and the complexity of the targeted projects. This is followed by 24 respondents who estimate a need between 50,000 and 100,000 euros and 20 respondents who believe that they would need

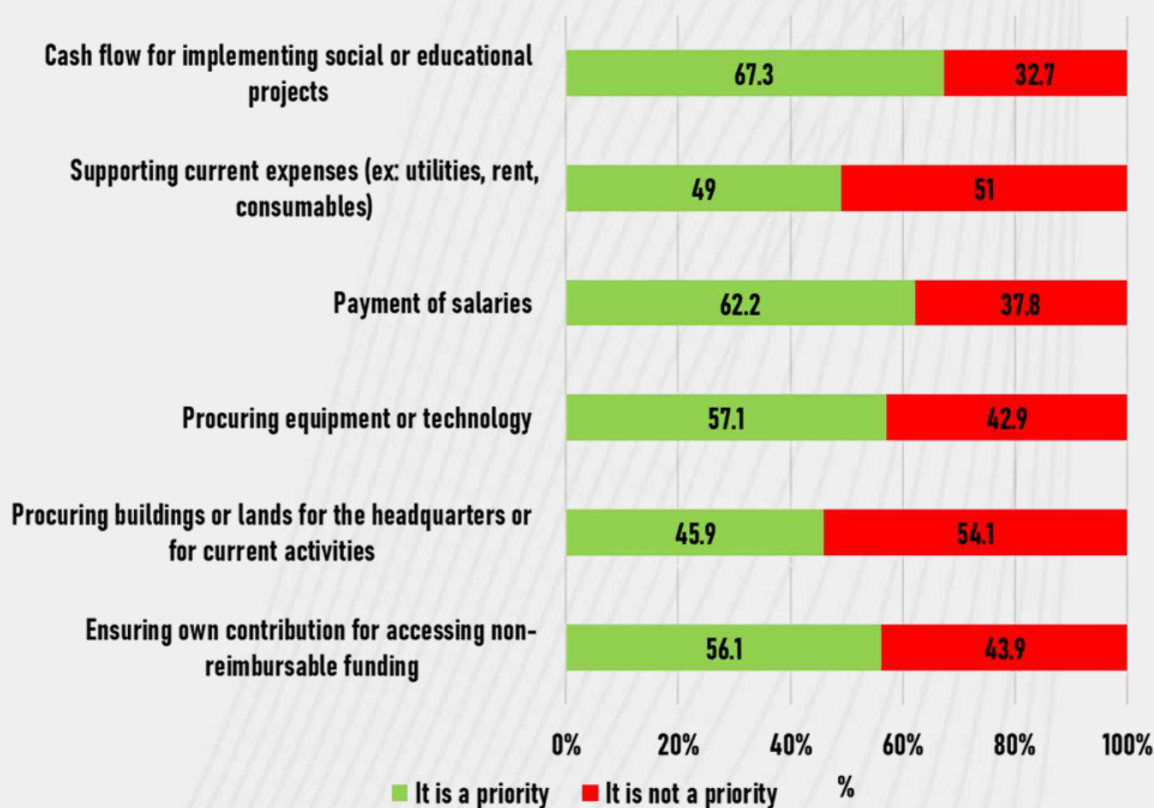
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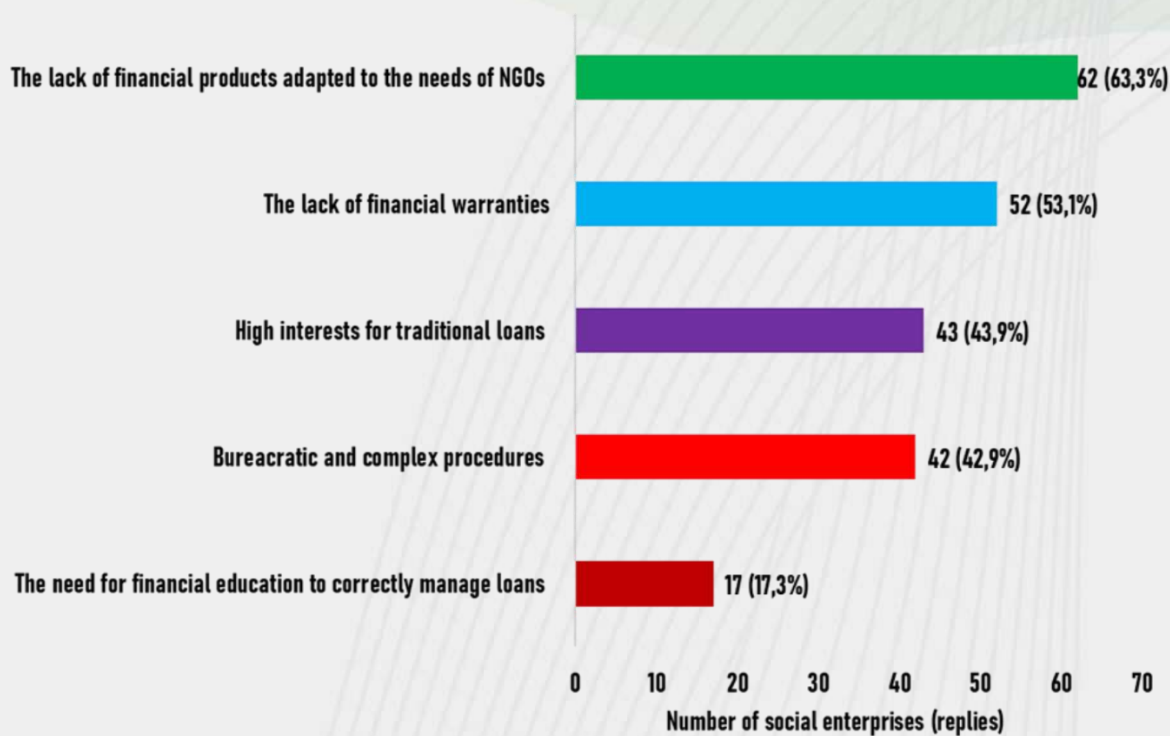
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between 10,000 and 50,000 euros. Only a minority consider smaller amounts necessary (below 10,000 euros – 9 respondents) or declare that this is not the case (4 respondents). These data highlight an increased need for capital for the sustainable development of the sector.

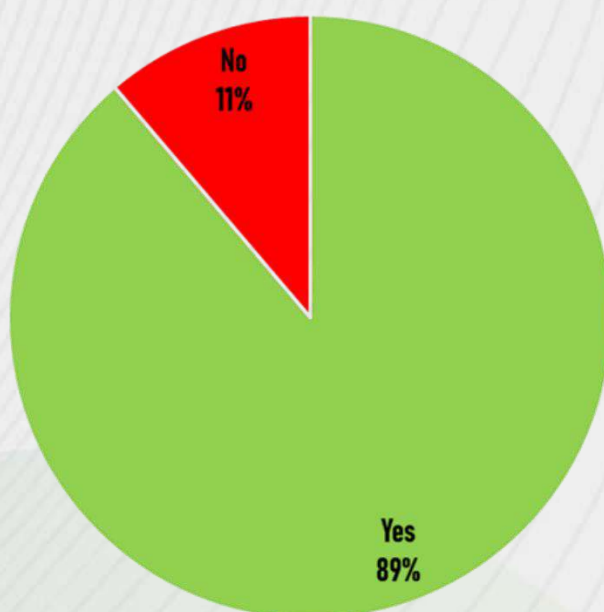
3.1. What are the main financial needs of your organization in order to develop the current activities?



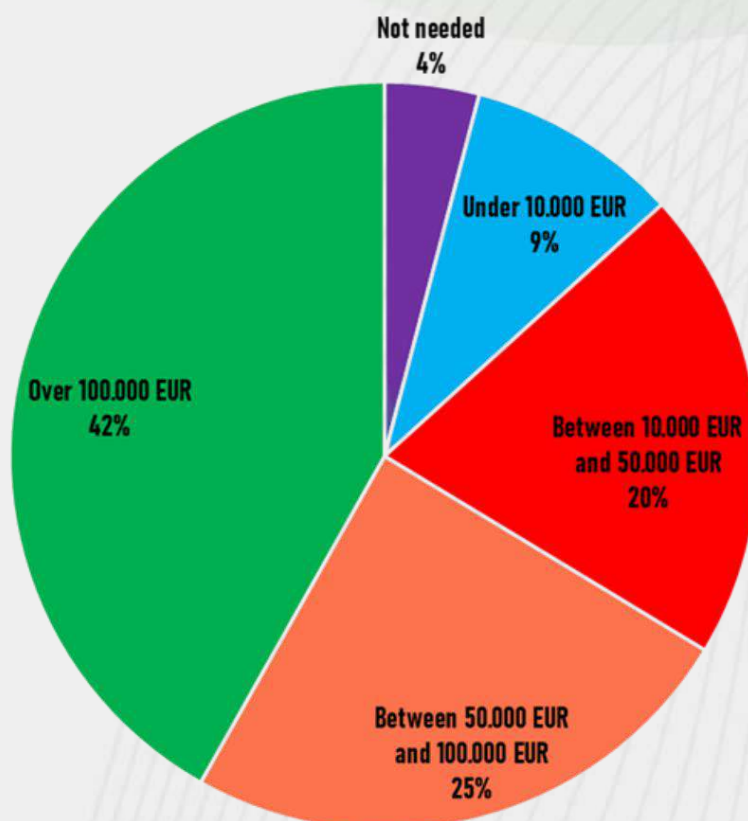
3.2. What are the main difficulties you encounter in accessing a loan or financing sources for your organization?



3.3. Do you believe it is necessary to develop a financial product for loans, but with interests to favor NGOs?



3.4. What is the estimated amount your organization could need in the next three years?



SECTION 5. Solutions and perspectives / topics for advocacy for creating an eco-system favoring the system

In a context where the social economy is gaining increasing importance at European level, Romania needs concrete measures to support the sustainable development of this sector. The responses obtained in the questionnaire reflect a clear understanding of the challenges faced by actors in the field, but also a series of well-defined expectations regarding the public policies necessary to create a favorable environment for the functioning of social enterprises.

One of the most strongly supported proposals is subsidizing jobs for vulnerable people employed in work integration social enterprises, a measure considered extremely important by 118 respondents. This highlights a real concern for assessing the social and also the economic sustainability of these structures. Equally important is the exemption from the tax on profit reinvested in the social mission, an idea supported by 117 people, which shows the increased interest in fiscal measures that encourage reinvestment and strengthening social impact.

The activation of the National Commission for Social Economy, the digitalization of the Single Register of Social Enterprises and the promotion at national level of the social brand held by work integration social enterprises are other directions considered essential. The broad support expressed for these measures reflects the need for transparency, visibility and public recognition of the contribution made by the social economy in areas such as social inclusion, employment and community development.

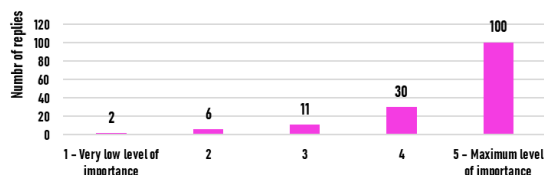
In addition, respondents also appreciated the importance of annual data collection on the economic and social impact of social enterprises, as well as the creation of a National Observatory of the Social Economy. Such tools would allow for better substantiation of public policies and a detailed understanding of the dynamics of the sector. Other proposals – such as providing buildings and land free of charge, introducing reserved public procurement and adjusting the fiscal framework in favor of social enterprises – were also massively supported. The conclusions drawn are obvious: social economy actors are calling for a coherent, predictable and favorable legislative framework, correlated with good European practices. Concrete actions and firm institutional commitments are needed for this sector to become a true pillar of sustainable development in Romania.

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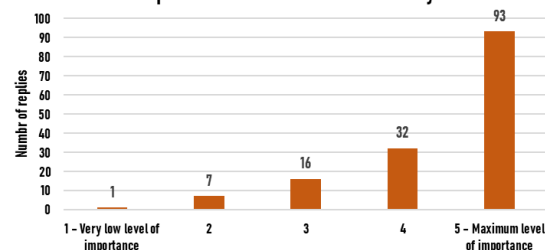
OF SOCIAL ECONOMY

2025 EDITION

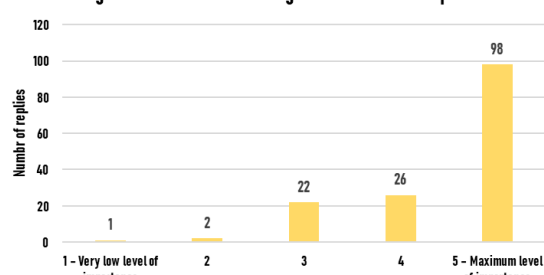
1. Drawing a National Programme / Strategy for the Growth of the Social Economy in accordance with the stipulations of the European Action Plan for Social Economy approved by the European Commission in December 2021 and with the recommendations of the Euro



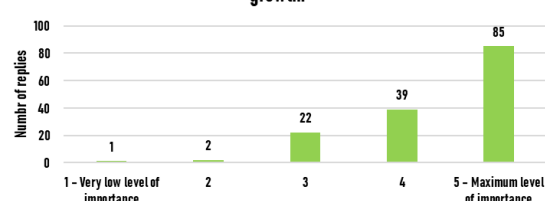
2. Activating the National Commission of Social Economy stipulated in the Law on Social Economy



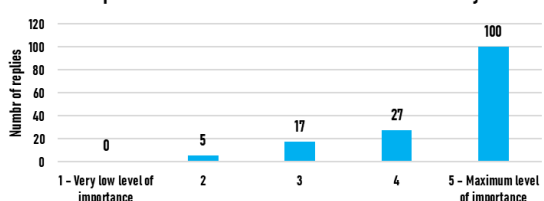
3. Digitalization of the Sole Register of Social Enterprises.



4. Annual collection of data on the economic and social impact of social enterprises and using that information for research, promotion and creating a framework favoring growth.



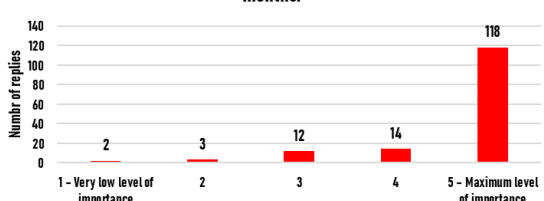
5. Recognizing the role of social enterprises in creating and maintaining quality jobs. Developing a national campaign to promote the "social mark" of work integration social enterprises in accordance to the Law on Social Economy



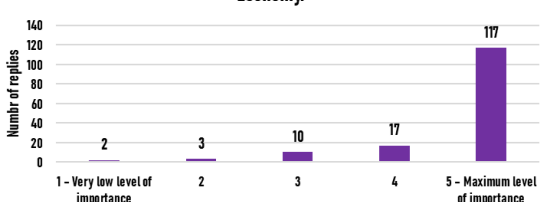
6. Reserved purchases from social insertion enterprises in a percentage of at least 0.5% of the annual procurement budget of public authorities. Integration of a mandatory percentage of procurement directly from work integration social enterprises.



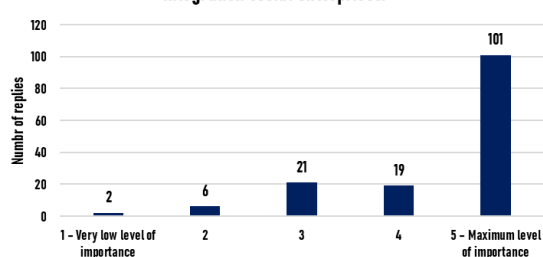
7. Subsidizing jobs for people from vulnerable categories employed in work integration social enterprises with at least the minimum wage for a maximum period of 36 months.



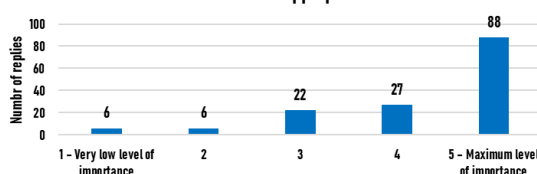
8. Tax exemption of work integration social enterprises for the 90% of the profit allocated to the social mission or statutory reserve, mandatory through the Law on Social Economy.



9. Free lands and buildings for the functioning of work integration social enterprises.



10. Amendment of Law 448/2006 regarding the functioning of sheltered employment entities and the introduction of the obligation of companies in the field to be authorized as work integration social enterprises to ensure socio-professional inclusion approp

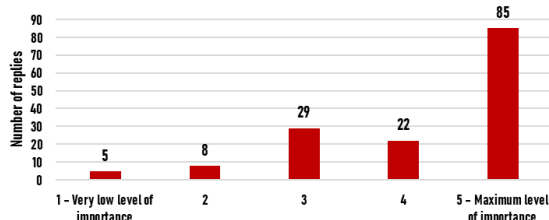


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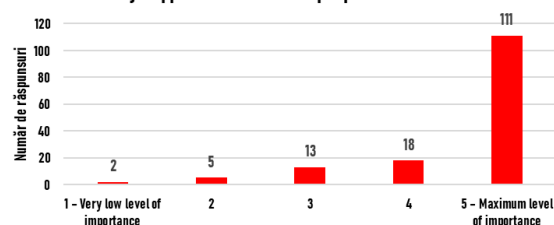
OF SOCIAL ECONOMY

2025 EDITION

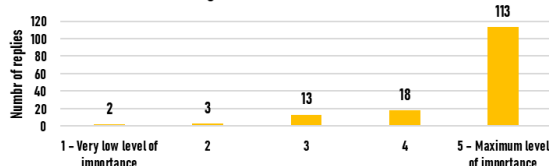
11. The possibility to choose to become VAT registered or not, despite surpassing the annual income amount stipulated in current legislation.



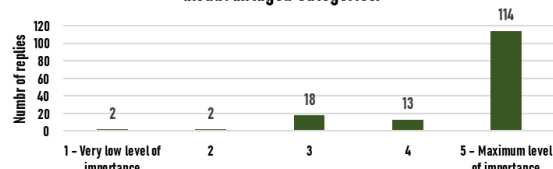
12. Exemption from paying the tax on salaries of employees from vulnerable groups employed in social enterprises, as currently happens in the case of people with disabilities.



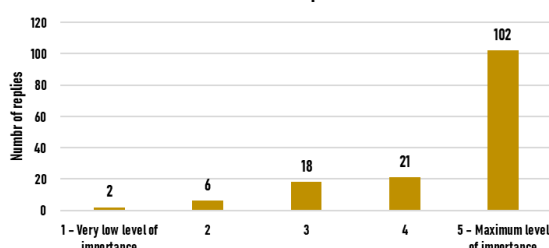
13. Including associations and foundations with economic activity in all national and European programs aimed at financing the SME sector, including the granting of state guarantees, thus complying with provisions of European regulations in the field.



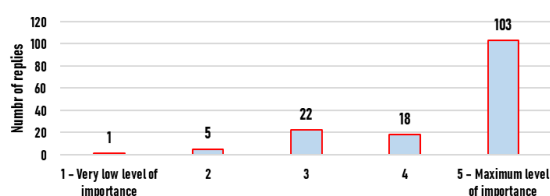
14. Making social enterprises eligible for national and European funding mechanisms and programs related to social inclusion, economic development, rural development, social innovation and employment of people from disadvantaged categories.



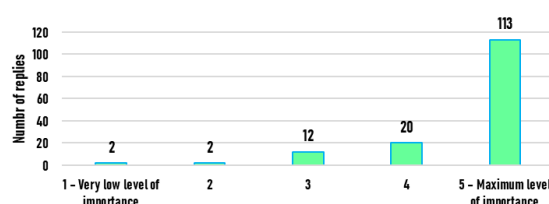
15. Developing instruments for financing, loans, warranties for social enterprises.



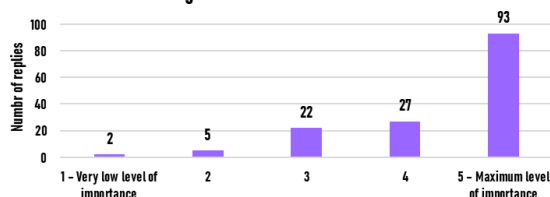
16. The establishment by the Ministry of Economy, Entrepreneurship and Tourism of the National Financing Program for Social Enterprises, as stipulated in the Law on Social Economy.



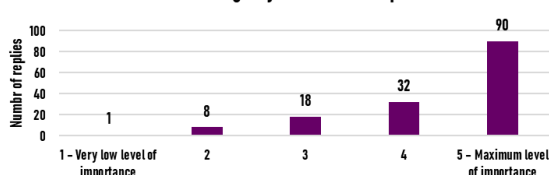
17. Use of European funds dedicated to the social economy for the development of social enterprises; social innovation; research; digitalization and increased competitiveness in the market.



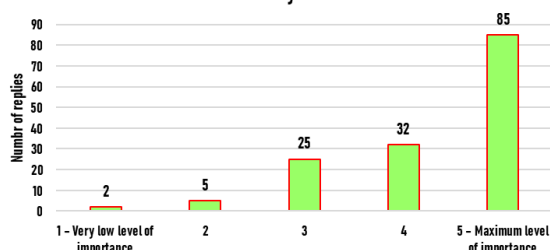
18. Development of a national training program for human resources responsible for public procurement in public authorities, on the use of social and environmental clauses and agreements reserved for WISEs.



19. Development of a national training program for staff responsible for the social economy in County Employment Agencies regarding the functioning of social enterprises (social and economic impact, data processing for the Sole Registry of Social Enterprises).



20. Development of training / Bachelor / doctoral studies in the field of social economy and social innovation.



8. Conclusions and recommendations for public policies in the field of social economy

8.1. Conclusions of the research

The passing of the Law No. 219/2015 on the social economy represented a defining moment for the formal recognition of this sector in the national economy. The law, drafted following a five-year legislative process, was driven by the need to regulate a funding line within the POSDRU, which imposed clear criteria for the allocation of funds. The law provides a clear definition of the social economy, establishes the status of social enterprise and work integration social enterprise (social brand) and regulates their operating principles.

The European funds, especially the POSDRU, POCU, PEO, PoIDS programs, played an essential role in the development of the sector, supporting start-ups, professional training and consultancy for social enterprises. In 2024, calls for funding for start-up social enterprises were launched through PEO (urban) and PoIDS (rural), with a total value of 616,325,771.5 euros. By 2025, it is estimated that 5,809 social enterprises will be established, with 29,853 jobs created, of which 19,762 for vulnerable people.

However, the lack of specific expertise in the field of social economy of some grant administrators, the non-acceptance of proposals from specialized networks and established actors in the sector (ADV, AFF, CARITAS, CIVITAS, RISE and SFA, etc.), as well as the restrictive conditions (co-financing, complexity) have raised questions about the real sustainability of these structures. There is a risk that, after the minimum sustainability period, a significant part of these enterprises will give up their social enterprise status or even cease their activity.

In the medium term, legislative initiatives in the field of public procurement, the tax code and the administrative code aimed at stimulating work integration social enterprises.

The public institutions involved, especially the Ministry of Labor and the National Employment Agency, have assumed active roles in regulating and supporting the sector. In 2024, the National Commission for Social Economy was established, a joint body aimed at strengthening cooperation in the field. At the same time, the Ministry of Labor proposed a strategic project for 2025, which aims at an integrated digital platform, the development of a national strategy for the social economy, modern tools for analysis and promotion of the social economy.

The social economy in Romania is anchored in a coherent legislative framework and benefits from consistent European support, but major challenges remain related to administrative capacity, quality of implementation, regional balance and sustainability of enterprises. The passing of a coherent national strategic framework, the integration of social enterprises into relevant public policies, together with stimulating fiscal measures, increased access to financing, public recognition and the development of specific skills for a competitive and inclusive social economy are essential.

Promoting the social economy as a sustainable economic alternative, focused on people and communities, is a strategic requirement for Romania, especially in the context of ecological transition, demographic challenges and the Sustainable Development Goals included in the *Agenda 2030*.

The social economy in Romania is increasingly consolidating its status as a strategic pillar of sustainable socio-economic development. Social enterprises, through their ability to combine economic efficiency with social mission, demonstrate that financial success can coexist with solidarity, inclusion and community responsibility. These entities are becoming

more and more relevant in the effort to balance economic and social disparities, contributing to the revitalization of marginalized communities, especially in rural and deindustrialized areas.

The uneven geographical distribution of certified social enterprises and the concentration of revenues in certain counties highlight significant differences in regional development, access to resources, institutional support, and level of civic engagement.

Also, the economy of authorized sheltered units has experienced positive dynamics in recent years, but their distribution remains territorially unbalanced and raises serious questions regarding compliance with the legislation to market only products and services produced by the own activity of persons with disabilities, or for NGOs to mediate and sell only products and services produced by another authorized sheltered unit. The review of the legislative framework and the implementation of a specialized control system are issues that require rapid implementation.

The results of sociological research indicate a concentration of activities in urban areas and an increased participation in sectors such as social and health services, signaling an acute need for services dedicated to vulnerable people. At the same time, access to classic financial instruments remains limited, with most social enterprises opting to avoid debt, which indicates the need for financial support adapted to the specifics of the sector.

8.2. Recommendations for the development of an eco-system favoring the social economy

In order to transform the social economy into a robust and sustainable sector, it is essential to implement a coherent set of public policies, fiscal measures, financial instruments and support mechanisms, integrating them into a national strategy or public policy document

assumed by the political class. According to the research results, such measures could include:

1. Elaborating a solid strategical and institutional framework

- The establishment of a unitary conceptual and methodological framework for monitoring the social economy;
- Active involvement of the National Commission for Social Economy in the establishment of a framework favoring sector growth.
- The establishment of the National Observatory of the Social Economy to annually collect and analyze data with respect to social and economic impact.
- Digitalization of the Single Register of the Social Enterprises and of the Register of Sheltered Units.

2. Improvement of the legislative framework and of financing mechanism

- Completing the legislation on public procurement by introducing a mandatory minimum percentage for procurement reserved for work integration social enterprises.
- Developing the action plan for procurement with social clauses or procurement reserved from social enterprises.
- Introducing annual indicators to measure the implementation of the action plan mentioned above, including for direct procurement.
- Granting subsidies for the employment of vulnerable people in work integration social enterprises for periods of up to 36 months and for all types of vulnerabilities stipulated in the Law on Social Assistance.
- Exemption from payment of tax on profit in the case of work integration social enterprises reinvesting their profit according to ongoing legislation.
- Granting of free pieces of land and of buildings in which social enterprises to function.

- The possibility to choose non-registration as VAT payer, even if the legal limit for doing so is reached.
- Exemption from paying taxes on the salaries of employees from vulnerable groups to stimulate their employment in work integration social enterprises.
- Including NGOs with economic activity in SME programs and guaranteeing their access to national and European funds.

3. Facilitating access to markets and capital

- Development of sector-specific financial instruments (grants, loans, investment funds, guarantees, crowdfunding, etc.).
- Creation of a national financing program dedicated to social enterprises, as stipulated in the Law on Social Economy.
- Inclusion of social enterprises as eligible beneficiaries in all programs related to employment, rural development, investment, digitalization, research, innovation and social inclusion.

4. Promoting, education and consolidating the sector

- Developing a national strategy for the development of the social economy in accordance with the European Action Plan approved in 2021.
- Launching a national campaign to promote the "social brand" held by work integration social enterprises.
- Integrating the social economy as a subject of study in secondary, vocational and university education.
- Promoting participatory governance, transparency and good management among social enterprises.
- Encouraging collaboration between the public sector, the private sector and social economy entities for the co-creation of public policies.

5. Stimulating social innovation

- Supporting social enterprises that develop innovative solutions to structural problems: population aging, unemployment, poverty, social exclusion, community and rural development, environment and sustainable waste management.
- Creating mechanisms for the sustainable integration of vulnerable people into the labor market.
- Supporting local community services and social entrepreneurship adapted to the specifics of each region.
- Developing tools for evaluating and measuring social impact and the degree of innovation in organizations with social impact

These strategic directions, supported by the developing legislative framework and the good practices already existing in Romania, can contribute decisively to the consolidation of a resilient, inclusive and sustainable social economy eco-system. Investing in the social economy is, in essence, an investment in social cohesion, in solidarity and in Romania's capacity to respond equitably to the social and economic challenges of the future.

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BAROMETER OF SOCIAL ECONOMY

2025 EDITION

The 2025 issue of the Barometer of the Social Economy in Romania is an annual instrument for monitoring, offering relevant data on the structure, the functioning and the evolution of social enterprises and of other entities in the field of social economy.

The study is conducted with the support of funding from:



The **Romanian-American Foundation (RAF)** aims to contribute to the development of a sustainable market economy and a democratic society in Romania, where every individual has equal access to opportunities. The foundation's vision is focused on building a prosperous, responsible, and entrepreneurial society.

In the long term, RAF envisions people and communities being able to shape their own future, rural economies becoming a valuable pillar of national development, and innovation, youth leadership, and philanthropy becoming natural parts of Romanian culture.

The foundation supports initiatives, organizations, and ideas with a strong impact in communities, with potential for growth and replication.

under the umbrella of the following organizations:



The **Social Finance Association (SFA)** is an organization specialized in developing financing instruments dedicated to social enterprises, supporting their financial sustainability through research, public policy design and impact projects in the field of social finance.

BAROMETER OF SOCIAL ECONOMY

2025 EDITION



ADV Romania is a group of linked social enterprises, reference in the field of social economy in Romania, with over 23 years of experience in the social and professional integration of vulnerable people. Through its own economic activities, European projects and legislative influence, ADV contributes to the development of the social entrepreneurship ecosystem at national and European level.



AFIN IFN (Non-Banking Financial Institution) is the first microfinance institution with Romanian capital, dedicated exclusively to social enterprises and organizations with social impact. Founded by organizations in the sector, AFIN offers loans adapted to the specific needs of these entities, facilitating access to capital for initiatives with social impact.



RISE – Romanian Social Economy Network is the main national network of the social economy, bringing together organizations that promote social and professional inclusion. RISE acts as a collective voice of the sector, playing an active role in advocacy, legislative development and strengthening the institutional capacity of its members.

The opinions expressed belong to the authors and do not necessarily represent the official position of the financer.