Contributions of professional associations in Romania to prevent poverty and social exclusion by developing social businesses

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Global poverty is neither created by the poor, nor is it the result of any incapacity associated to the poor; instead, it is the outcome of the system built by all the people, the institutions they set up and the concepts they have formulated. It cannot be concluded that professional associations have had to become philanthropic associations through the establishment and development of specific social economy foundations that concentrate their activity on poverty issues. However, such associations have actually come to witness the above problems, namely the difficult situation of former employees from different sectors; an example in this respect could be the massive and the most successful privatization of all time oil companies, in 2004, when, by various subtle (compensatory) means, the new capitalists have fired more than 40,000 people, relegating them and their families to a life of poverty. Private oil companies have outsourced more services, which subsequently became the property of the capitalists managing them, at the expense of society; proving their clear interest in gaining significant profit. Therefore, professional associations in this area might become, among other things, active organizations within society, assuming a social role, for both their members from the oil industry and for non-members, for society at large. Professional associations promote the idea of a new form of capitalism and a new type of company (understood as a business), based on the generosity of people and defined by experts as "social business". The fundamental purpose is to eliminate the social, economic and environmental problems; reduce the consequences of many other problems in society, such as hunger, homelessness, disease, pollution, lack of education, which finally lead to national insecurity.

INTRODUCTION

Combating global poverty and social exclusion (a concept that has been addressed in recent years, especially in Europe), restoring the human dignity of those who lost it, eradicating the concepts that lead to poverty is an essential duty of all economic and political systems worldwide, and of all existing institutions. The perception of social economy as a science connected to these economic and political system, the application of scientific achievements in this field, identifying and removing inequalities and inequities, putting into practice the principle of social policies legitimacy are obvious demands in poor countries, with economic and political systems that are either emerging or increasingly divided by subsistence.

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The concept of "social exclusion" has been approached given its importance in terms of the difference between poverty as a way of measuring the need for social protection (lack of income or insufficient consumption) and as total lack of opportunities. Lack of income and insufficient consumption relate to merely the financial aspect of exclusion, but responsibility should also focus on eliminating the causes/restrictions that exclude individuals from the possibility to get what they need (Preda, 2007).

The importance of the issue is given by the prospects of Romanian social policies and implicitly those of professional associations, which are "organizations with legal personality, with patrimonial purpose, consisting of individuals (members) belonging to the same professions, or to related professions" (Rubinian Dictionary, 2016) that contribute both materially and by their knowledge and work to the eradication of poverty and social exclusion among the unemployed, displaced by postindustrial circumstances, and among the university graduates and other vulnerable social groups; it is also necessary to re-evaluate the international context, which plays a crucial role in the current context of Romania. The importance lies in the fact that Professional Associations address the phenomenon of poverty and social exclusion as "a problem that they regard and perceive as an opportunity, and subsequently act upon it" (Ghenea, 2011), which turns the members of such associations into social entrepreneurs.

The following reports have been concluded based on the issue referred to above, relevant in terms of grounding the problem approached, which were published in professional journals and presented at international conferences: 'Managers and economist engineers between the sociology of the elites and the social economy of vulnerable groups' (Rada Mâgdoiu et al., 2016); 'The antifragile decisions adopted by managers and economist engineers working in the sector of vulnerable groups' social economy' (Mâgdoiu Rada, 2016); 'Forms of communication and strategies adopted by managers and economist engineers in the 'BLACK SWAN' situation of social economy' (Rada, Mâgdoiu, 2016); 'Managers and economist engineers between social economy development and obtaining profit' (Mâgdoiu, Rada, 2014); 'Managers and economist engineers between the social responsibility of oil corporations and the development of social economy' (Mâgdoiu Rada et al., 2014); 'The initial and ongoing training of economist engineers as human resources of the labor market' (Mâgdoiu Rada, 2013); 'Managers and economist engineers in the development of the social economy' (Rada, Mâgdoiu, 2013); etc. The present study is different from the ones mentioned above as it approached the perspective of professional associations on the issue of poverty and social exclusion, regarding them as opportunities on which to act as social entrepreneurs, in the international context of europeanization and globalization of social policies in Romania. Together with previous research in the field, the current study contributes to the emergence of a common attempt to eradicate poverty and social exclusion by creating opportunities for jobs, increase of profits and consumption, based on the entrepreneurship model though, for the time being, there are only 'tendencies of studying the social economy of Central and Eastern-European countries' (Buzducea, 2013), as specialists have identified a slowing of development in the social economies of these countries, including Romania, due to a series of obstacles related to their political and economic past.

Literature in the field and European or Romanian databases include data, interpretations, ideas developed, studies and reports that contribute substantially to the development of our approach: The Romanian social policy between poverty and globalization (Política Socială Românească Intre Sărăcie Şi Globalizare) (Preda, 2007), The social economy of vulnerable groups (Economia Socială A Grupurilor Vulnerabile) (Buzducea, 2013), Inertia and change: Social approaches of transition in Romania (Inerţie Şi Schimbare: dimensiuni sociale ale tranziţiei în România) (Rotaru and Voineagu, 2012), Introduction in the sociology of emotions (Introducere în Sociologia Emotiilor) (Alixiu, 2013, Jderu, 2012), Organization and organizational fields: An institutional analysis (Organizare Şi Câmpuri Organizaţionale: o analiză instituţională) (Păunescu, 2006), social influence and social change (Psychologie des minorités actives) (Moscovici, 2011), Interpreting qualitative data. Methods for analysing communication, text and interaction (interpretarea datelor calitative: metode de analiză a comunicării, textului şi interacţiunii) (Silverman, 2001), Entrepreneurship – the path from ideas to opportunities (Antreprenoriat: drumul de la idei către oportunităţi) (Ghenea, 2011), The rice of Inequality: How today divided society endangers our future (Preşul Inegalităţii: cum societatea divizată din ziua de astăzi ne pune în pericol viitorul) (Stiglitz, 2013), 'L' économie des inégalités – Economieinegalităţilor' (Piketty, 2014), Case study research. Design and methods (Studiul de caz: designul, analiza şi colectarea datelor) (Yin, 2003), The practice of social research (Practica Cercetării Sociale) (Babbie, 2007), Reiche Mits, arme Bürger: Die unsoziale Kehrseite der ma Blossen Unternehmensewinnie – Multinaţionale bogate, cetăţeniserăci: Profiturileexorbitante – soluțiaimorală a marilorcompanii (Löpfe Vontobel, 2013), Building social business: The new kind of capitalism that serves humanity's most pressing needs– (Dezvoltarea Afaceriilorsociale: nouaformă a capitalismului, menităsărăspund aceleormai presanțe nevoi ale umanității) (Yunus, 2010), as well as the following databases: European Commission - EUROSTAT Your key to European statistic

(Comisia Europeană–EUROSTAT cheia dumneavoastră la statistica europeană) (http://ec.europa.eu/eurostat/web/main/home, 2016), The Romanian National Institute of Statistics (Instituția Națională de Statistică al României) (http://www.insse.ro/cms/ro, 2016). Obviously, the research in the field is much more extensive and therefore it is not intended to mention all existing sources in this report, but the ones which are relevant for this study is presented since they include theoretical underpinnings for the concepts used; referred to research strategies (methods) in research sciences; provided statistical evaluations of the level of poverty and social exclusion, both in Europe and in Romania; included as presentations of the level in the development of social economy in the economic systems of Europe and Romania. It should be pointed out that in the absence of university curricula, the subject of social economy was included, as shown by the literature in the field. This approach leads Romanian professional associations towards solutions that might solve the severe social problems of poverty and social exclusion with which the unemployed, resulting from the so-called privatizations of their fields, as well as the university graduates and other categories of unemployed persons are confronted with. This is intended to approach a new concept of capitalism, one which would provide a solution to such problems using, in this case, entrepreneurship as a path from ideas to success.

As study hypotheses, the primary variable, 'the existence of poverty and social exclusion in Romania' and the secondary variable, 'the fight against poverty and social exclusion assumed by professional associations in Romania, by initiating and developing social businesses, using the model of social entrepreneurship'; were taken into account. A research design that would logically connect the primary to the secondary variable was built, as in the case of any empirical study, connecting empirical data to the initial questions that require an answer and the set of conclusions (answers) relating to these questions (Yin, 2005). The intermediary stages of this logical plan are represented by gathering and analyzing relevant data.

**METHODOLOGY**

For the purpose of this research, the case study was chosen, which is one of the available research methods (Yin, 2005). This strategy has been adopted since the study started from questions such as “how” and “why” and because there are a limited control on events, and the attention of the study focuses on the attempts of professional societies to eradicate the phenomena of poverty and social exclusion, which affect some members of vulnerable groups: unemployed persons, university graduates, by developing social businesses, based on the model of social entrepreneurship, with the view of creating a new type of capitalism. The components of the research design are as follows.

**Research questions**

The investigation of this study represents the means whereby the empirical theme was examined, following a series of pre-established procedures that will dominate the entire approach (Yin, 2005). The study hypothesis and the questions that were to be answered are:

i. How can poverty and social exclusion be defined? Why do the two real concepts exist as social problems?

ii. How can vulnerable groups (the unemployed, persons having graduated from university and secondary education) be defined? Why did they emerge?

iii. How can poverty be reduced by means of social business development? Why should the phenomenon mentioned here be reduced by professional associations in the economic field of Romania? How can one make a selection from the large number of existing associations?

iv. How can entrepreneurship be defined in general? How can social entrepreneurship be defined? Why should and how can, following the entrepreneurial model, a new type of capitalism emerge? How can one define the new type of capitalism?

The first two questions (i and ii) relate to the phenomena of poverty and social exclusion; the context in which the two situations emerged makes the subject of the first part of this research, the main variable, while the last two questions (iii and iv), and the answers to them, represent the results of this investigation (proposed solutions), as the secondary variable.

**The hypothesis**

The hypothesis is the second component of the research design, whereby attention is directed towards: the reasons behind the emergence of poverty and social exclusion; the conceptualization of the two aforementioned phenomena; the key indicators related to the economic and social fields in Romania and, comparatively, in Europe. The means whereby the indicators that define poverty and social exclusion are highlighted were the focus. This was continued by discussing aspects related to vulnerable groups: unemployed persons, university and secondary school graduates without a job; the definition of these groups and the situation of the workforce in Romania; the means of approaching unemployment; the indicators that define unemployment.
The part of the hypothesis that represents the secondary variable is the solutions proposed for the problems: the development of social businesses by professional societies in the economic field, given the conditions in which, in several years, social business ‘evolved from the stage of simple idea to that of reality with rapid development’ (Yunus, 2010). The reason why social businesses have been chosen, in conditions of the existing good practice, shall be answered. The establishment of a legal and financial framework for the social businesses developed by professional associations from the economic environment in Romania, shall also be discussed, which are non-patrimonial organizations, and focus on their contribution to the creation of a global infrastructure for social business, which leads to the emergence of an increasing number of social businesses in the future, contributing to the decrease poverty and making the first steps towards a new form of capitalism (Yunus, 2010), using the model of social entrepreneurship. Applying this model is relevant to the social issue that regards the reduction of poverty and social exclusion among the unemployed graduates of higher and secondary education in Romania, by the effort of professional associations in the economic environment. These are called to find solutions for setting, financing and developing these forms of entrepreneurship.

The hypothesis of the study- the primary variable: The existence of poverty and social exclusion in Romania generates vulnerable social groups; the secondary variable: Fighting poverty and social exclusion, by the professional associations of Romania, through the initiation and development of social businesses, using the model of social entrepreneurship.

Analysis Units

The third component of this research design was aimed at analyzing units and is connected to the fundamental issue of defining the case (Yin, 2005).

The primary analysis unit

The primary analysis unit refers to the vulnerable social groups that was taken into consideration in this study: the unemployed persons and unemployed graduates of higher and secondary education; their vulnerability is associated to poverty and social exclusion generated by the post-industrial stage in Romania. In order to facilitate the identification of information we define these vulnerable social groups by referring only to certain categories that are part of these groups, namely unemployed persons and unemployed graduates of higher and secondary education from the economic environment of Romania. This study was aimed both at concepts associated to these vulnerable groups and at the relevant indicators that define vulnerable groups: aspects related to employment in Romania compared to Europe, the scale of unemployment in Romania in comparison with Europe, the International Labor Office (ILO) overall unemployment rate and the rate in relation to gender, the ILO unemployment rate in relation to the level of education in Romania, the ILO unemployment rate by age groups, the rate of early leaving of the education system by young people, increasing the total unemployed population (15-65 years and above), the share of the population with low levels of education by age groups, the share of the population having computer skills, the share of the population as regards the ability to use the Internet, employment among young graduates in Europe, the evolution of the unemployment rate in Romania.

Analysis unit for the context

Another unit of analysis regards the context that has generated the case, that is poverty and social exclusion that determine the emergence of vulnerable social groups, in this case the unemployed in general and the unemployed graduates of higher and secondary education. The study highlights the concepts that relate to the phenomena mentioned above and the relevant indicators that define such phenomena, namely: the number of the residential (stable) population in Romania, the evolution of the GDP in Romania (compared to Europe), the public debt in Romania compared to the situation of Europe, the average inflation rate in Romania compared to that of Europe, the growth rate of the gross domestic product (GDP) per capita in Romania, compared to the situation of Europe in this respect, the Gross National Income (percentage of GDP), GDP per capita by region, gross savings of the population as a percentage of the GDP, the index of inequalities in terms of income (the ratio of the top quintile and the lowest quintile), the poverty rate after societal transfers in Romania as compared to Europe, the ratio of economic dependency of households by age, gender social disparity, internal and external migration in Romania, poverty and social exclusion in Europe.

The incorporated analysis unit

The analysis unit incorporated in this study reveals how four of the many professional associations in the Romanian economic environment are able to develop social businesses through social entrepreneurship, in order to reduce poverty and social exclusion, by limiting unemployment and stimulating social inclusion. The study refers to the following professional associations:
Romanian Society of Engineers Activating in the Fields of Oil and Gas (SIGP), Association of Managers and Economist Engineers in Romania (AMIER), General Association of Engineers in Romania (AGIR), and General Association of Economists in Romania (AGER). The study also discussed the mission and objectives of these associations and the establishment, by these structures, of social business; they are structures who attempt to find solutions for action, provide the financial support and supervise the subsequent development of social entrepreneurship; the incorporated analysis unit also defines contribution of the four professional associations mentioned above to the creation of a global infrastructure for social business; discusses their contribution to the emergence, in future, of increasingly more social business, defining the part they play in reducing poverty and making the first steps towards a "new form of capitalism" and social entrepreneurship. The study also defined the model of social entrepreneurship. We want to emphasize the relevance of applying this model to the social question that regards the reduction of poverty and social exclusion among the unemployed in general and the unemployed graduates of higher and secondary education, by professional associations in the Romanian economic environment.

Connecting data to hypotheses

Connecting data to hypotheses is the fourth component of the research design, which anticipates the data analysis stage. It can be achieved in different ways, but we believe that a mixed approach for our case study would be the most appropriate one (Yin, 2005). By this method the complex of data and information obtained from documents, archives, direct observation, participative observation is evaluated in accordance to three essential principles: “multiple sources for proofs (two or more sources that converge towards similar findings), a database (the sum of proofs gathered, not the final study report) and a logical succession of proofs (explicit connections among data collected, the questions addressed and the conclusions obtained)” (Yin, 2005). In analyzing the data, we make use of examination, classify proofs, include proofs in tables and use “pattern matching” to test them, build arguments, analyze time series, use logical models and the comparative analysis” (Yin, 2005). A special attention has been paid to all proofs and these have been presented objectively, demonstrating our openness to using alternative interpretations.

A logical succession of proofs that express the explicit connections among the data collected was followed, the questions addressed and the conclusions we have reached. Data have been obtained based on proofs included in: EUROSTAT site documents, The Romanian National Institute of Statistics, the texts of different documents, direct observation for aspects regarding employment in Romania as compared to Europe, the ILO overall unemployment rate and the rate in relation to gender, the ILO unemployment rate in relation to the level of education in Romania, the ILO unemployment rate by age groups, the rate of early leaving of the education system by young people, increasing the total employed population (15-65 years and above), the share of the population with low levels of education by age groups, the share of population in relation to computer skills, the share of the population as regards the ability to use the internet, employment among young graduates in Europe, the evolution of the unemployment rate in Romania. These documents will demonstrate logical connections with initial questions in defining vulnerable social groups: the unemployed and graduates of universities and secondary education that do not have a job. A connection can also be made with the questions discussed in the second part of the study, which focus on the necessity of combating poverty and social exclusion, by the professional associations in Romania through the development of social business, using the model of social entrepreneurship.

Data obtained based on EUROSTAT site documents, on documents made available by The Romanian National Institute of Statistics, as well as the texts of different other documents highlight the concepts of poverty and social exclusion and the relevant indicators for defining such phenomena, that is, the changes in the number of the residential (stable) population in Romania, the evolution of the GDP in Romania as compared to the situation in Europe, the public debt in Romania compared to the situation of Europe, the average inflation rate in Romania compared to the situation in Europe, the growth rate of the GDP per capita in Romania compared to Europe, the Gross National Income (percentage of GDP), GDP per capita by region, gross savings of the population as a percentage of the GDP, the index of inequalities in terms of income (the ratio of the top quintile and the lowest quintile), the poverty rate after societal transfers in Romania as compared to Europe, the ratio of economic dependency of households by age, gender, social disparity, Romania’s population internal and external migration, poverty and social exclusion in Europe. We try to see whether there is a logical, cause and effect connection between the factors mentioned above and the generation of vulnerable social groups: unemployed persons and graduates of universities and of secondary education, who do not have a job, and the necessity of finding solutions, on the part of the professional associations in Romania, by developing social business, using the entrepreneurship model.

The method chosen by four out of the many professional associations in Romania was analyzed, in order to develop social businesses through social
entrepreneurship, with the aim of reducing poverty and social exclusion through employment and social inclusion. The associations referred to in this study are: SIGP, AMIER, AGIR, and AGER.

The study defined the mission and objectives of the associations mentioned above and focused on their founding of social business structures aimed at finding solutions for action, financing and developing such entrepreneurship, defining their contribution to the creation of some global infrastructure for social business, defining their contribution to the emergence, in the future, of several forms of social business, defining their contribution to reducing poverty and making the first steps towards a new form of capitalism and social entrepreneurship.

Defining the model of social entrepreneurship. The relevance of applying this model for the social issue of eradicating poverty and social exclusion among the unemployed and the graduates of universities and secondary education, that do not have a job, by the professional associations in the economic environment, is the solution found in connection with the aims of creating jobs in order to reduce poverty and social exclusion.

Criteria for interpreting findings

The final component of the research design anticipated the stage of data analysis. Data obtained through the strategies and the techniques we have chosen is a constant challenge to produce some valuable analysis, which requires, on our part, paying special attention to all the evidence available. Evidence was presented objectively and interest to explore alternative interpretations was demonstrated (Yin, 2005). The combined criteria was used for interpreting the findings, using logical models that stipulate intentionally a complex concatenation of events in time. They are included in repeated cause-effect-cause-effect patterns (Yin, 2005). Therefore, the dependent variable from an early stage, the existence of poverty and social exclusion in Romania generating vulnerable social groups, becomes an independent variable in a later stage. The action of professional associations of Romania for combating poverty and social exclusion through the initiation and development of social business, using the model of social entrepreneurship.

This logical model involved matching events observed empirically: the existence of poverty and social exclusion in Romania, generating vulnerable social groups; these are connected to events predicted theoretically: combating poverty and social exclusion by the professional associations of Romania through the initiation and development of social business, using the model of social entrepreneurship.

Preliminary theories

Preliminary theories have an important role in treating the five components of the research design, in connection with the theme of the study. We elaborate the theory before gathering data, which makes this case study different from other similar methods (Yin, 2005), which intentionally avoid the specification of theoretical hypotheses at the beginning of any investigation, which could be mistaken for a case study, considering that the stage of data gathering can be approached directly. Then we proceed to the next stage, that of data gathering: “the creation of relevant contacts depends on the understanding – or the theory – of the studied object” (Yin, 2005).

Building the theoretical part is an essential stage of the case study since the purpose of investigation is that of putting forward a theory about the existence of poverty and social exclusion in Romania, which generates vulnerable social groups: unemployed persons, university and secondary school graduates without any occupation. The case study will demonstrate the necessity of combating such phenomena by professional associations in Romania, by means of initiating and developing social business, using the model of social entrepreneurship. This last statement presents briefly a theory for solving the social problems of vulnerable social groups: unemployed persons and university and secondary education graduates without occupation, in the context of identified poverty and social exclusion in Romania, as causes for the existence of the groups previously mentioned.

Secondly, the case study will show why social businesses are necessary. Thus we discuss the initiation, by professional associations from the Romanian economic environment, of business structures that aim to find solutions for action, for financing and developing entrepreneurship of this kind, and define their contribution to the emergence of more and more numerous social business in the future. We also attempt to define the contribution of such structures to the reduction of poverty and making the first steps towards a new form of “social capitalism” – social entrepreneurship. This theory summarizes an alternative theory, in other words if the first theory is not implemented, the desired outcome (that is, solving the social problems of vulnerable social group, as well as the attempt to reduce poverty and social exclusion) may fail, demonstrating the resistance of social and economic environments to change.

While conducting research for this study we have evaluated the literature on conceptualization and theory-development themes and observed that studies often discuss concepts pertaining to the fields of economy and social sciences, the situation of vulnerable groups, professional associations, social business, entrepreneurship, unemployment, poverty and social exclusion,
but we argue that such concepts should be well understood and defined, in order to draw significant conclusions in relation to them. We have encountered the issue of conceptualization at Babbie (2009). The classification of concepts is a continuous process in social research (Babbie, 2009). We are familiar with the entire group of theories that are relevant for our study. Thus, the following will be applied in this study: a.) Theories on individuals (Yin, 2005), that is theories about the individual development of the unemployed and the university and secondary school graduates, and their cognitive behavior in their development as entrepreneurs; learning and incapacity; their individual perception of poverty and social exclusion; interpersonal interactions with the members of the group they belong to; b.) Theories about groups (Yin, 2005), about vulnerable social groups, professional associations and their functioning, theories about unemployed persons and university and secondary school graduates that are part of social vulnerable groups, work teams within professional associations; c.) Organizational theories (Yin, 2005) such as theories about organizing structures, bureaucracy, organizational functions, organizational performance and partnerships within professional associations, having the role of initiating and developing social businesses by means of social entrepreneurship; d.) Societal theories (Yin, 2005), such as for instance the identification of poverty and social exclusion in Romania, the definition of the two issues mentioned before, and of relevant indicators and indices that demonstrate their existence, the comparison of such indicators to the situation in Europe, their role in generating vulnerable social groups.

We first present the theory in relation to the primary analysis unit, which includes a part of social vulnerable groups in Romania, generated by the phenomena of poverty and social exclusion, that is, the unemployed and the graduates of universities and secondary education. As a rule, vulnerable social groups in Romania are socially excluded groups, made up of either unemployed person (the unemployed and the graduates of universities and secondary education without a job), single-parent families, persons with disabilities, drug-users, immigrants and refugees, children and young people facing situations involving multiple risks, persons with health problems, etc. Once formed, such groups develop a lifestyle that differs from that of the rest of the community in which they live, which determines their subsequent social exclusion and adaptation problems, their isolation to the periphery of the society, their labelling, stigmatization and discrimination (Buzducea, 2013). An extremely vulnerable group is represented by the unemployed and persons without a job, in our case the young university graduates. The negative outcomes of the significant changes wrought by post-capitalism generate 'social costs'. Some Romanian authors have argued that unemployment generates a series of costs, among the most important one being the social and the financial ones, generated by the payment of direct support, as well as the economic one, generated by the limitation in the quantity of goods and services, and the psychological one, materialized in increased stress in the case of the unemployed (Pop and Cojocaru, 2008). The relevant indicators and indices that defined such vulnerable social groups (the unemployed and the graduates of universities and secondary education without any occupation) and which are discussed in this study are as follows:

i. The occupation of workforce in Romania, expressed by the occupation rate at both national and European level;

ii. The dimensions of the unemployment phenomenon in Romania, as compared to Europe and indicated by a) the unemployment rate (International Labor Office), overall and by gender, regarded as the ratio between the number of unemployed, according to the ILO. ILO defines the unemployed as persons aged 15-74 years who, during the reference period, meet the following conditions: they do not have a job and are not hired with the view of obtaining revenue; are looking for a job, having used, during the last 4 weeks (including the reference week) different methods of finding a job; they are available to start work within the next two weeks (including the week in which the interview took place), if they immediately find a job; and all the economically active population includes all persons who provide labor for the production of goods and services, including the employed population and the unemployed (NSI, http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm); b) The ILO unemployment rate in terms of educational level in Romania, represented as the 'ratio between the number of the unemployed, defined according to ILO criteria, and the total active population, expressed as percentage' (NSI, http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm); c) The unemployment rate in relation to age groups, expressed as the 'ratio between the number of the unemployed, defined according to ILO criteria and the total active population, expressed as percentage' (NSI, Ibidem). As regards the vulnerable social group of university and secondary school graduates in Romania, we define as relevant indicators

iii. The rate of early leaving of the educational system by young persons, being considered as the ratio between the population aged 18-24, with elementary level of education (low), that has not done any form of training (formal or non-formal) in the last four weeks preceding the interview, and the total population aged 18-24. People with low level of education include persons who have completed at most secondary or primary school, or have been involved in no educational system at all
iv. The increase of the total employed population (15-65 years and above), represents the percentage change in total employed population of working age (15-65 years and over) in the current period as compared to the previous period (NSI, ibid);

v. The share of the population with low education level by age, represented by the ratio between the population aged 25-64, with low level of education, and the total population in the same age group (NSI, ibid);

vi. The share of persons able to use the computer, expressed by the percentage of persons aged 16-74, by the level of their skills (low, medium or high) in computer use, and the total number of persons aged 16-74, who are able to use the computer (NSI, ibid);

vii. The percentage of people in terms of internet use skills, expressed as the share of the population aged 16-74, by the level of their skills (low, medium or high) in internet usage, and the total number of persons aged 16-74 (NSI, ibid);


The data obtained from the sources mentioned above are gathered using the graphic and the table-building technique. The purpose of presenting such data is that of generating a picture of the unemployment process in Romania, as well as indicating the phenomenon of leaving of the educational environment by young persons (aged 18-24), the evolution and changes in the structure of the employed population with an appropriate work age (15-65 and above) by the level of instruction of persons aged 25-64 years old, the competences in the field of computer-use and Internet-use. The interpretation of such data points at their connection to the hypothesis, as they are primarily the outcome of poverty and social exclusion (the logical unit with the analysis unit of the context); secondly it represents the object on which Romanian professional associations act, using the model of social entrepreneurship in order to reduce causes such as poverty and social exclusion (the logical connection with the embedded analysis unit). Gathering such data is necessary for completing the analysis.

Conceptualizing the analysis unit for the context in which the case is identified is necessary so as to eliminate the false assumption that the terms of risk and social exclusion are present only somewhere at the periphery of the society; in fact, they are found exactly at the center of social organization, meaning that they lie at the basis of society, among particular configurations of paid work relations and social protection (Rotariu and Voineagu, 2012). The causes of poverty and social exclusion are multiple. The concept of poverty refers mainly to the absence of material resources, of income, while social exclusion is a much broader concept, which reflects the impossibility of participation, in the case of disadvantaged groups, made up of individuals that became excluded due to economic circumstances, lack of education, lack of state concern for their problems and of entire communities excluded due to political and historical circumstances (Preda, 2002); it also refers to different aspects of social life: (access to the workforce, public health or educational services, political life, as well as the manifestation of different forms of discrimination” (Buzducea, 2013). With all the conceptual delimitations that exist between poverty and social exclusion, they both contribute, together with other phenomena, such as marginalization, underclass, etc. to the generation of vulnerable social groups: the unemployed persons and the graduates of universities and secondary education, without an occupation, who are part of our hypothesis. Relevant indicators for defining phenomena that generate social vulnerable groups are:

i. The number of the stable residential population of Romania, calculated according to the methodology in the field, including the total number of persons that have their habitual residence in Romania, for a period of at least 12 months (NSI, http://www.insse.ro/cms/);

ii. The evolution of the GDP in Romania. The gross national income (at market prices) includes all primary income received by resident institutional units: paying the wages of employees, taxes on production and imports, less subsidies, revenues related to property (receivable, less the payable ones), the gross operating surplus and the mixed income (NSI, http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm);

iii. Change in actual GDP per capita % as compared to the previous year in Europe (EUROSTAT, http://ec.europa.eu/eurostat/web/main/home);

iv. The public debt in Romania understood as “the duty of the State to third parties, such as private individuals, legal entities, banks, national or international companies that bought bonds issued by the state in order to cover the financial needs of the state” (NSI, ibid);

v. The average rate of inflation in Romania as expressed by the average increase of consumption prices in one year compared to the last year and, being considered “the ratio, expressed as a percentage, between the average price index in a year and the previous year, of which we subtract 100” (NSI, ibid);

vi. The growth rate of the GDP per capita in Romania defined as “the growth rate of the GDP per capita, expressed as a percentage change over the previous year” (NSI, ibid). GDP is the primary indicator for evaluating national economy;
vii. The rate of poverty after social transfers is defined as the percentage of poor people (using the relative estimation) of the total population (NSI, ibid). According to this method, poor persons are considered as people in households who have disposable income per adult-equivalent (including or excluding consumption from personal resources) below the poverty line (the poverty line is 60% of the median income per adult-equivalent "(NSI, ibid);

viii. GDP/capita by region expressed as complete value of goods and services produced in a region divided by the number of people existing in the region (NSI, ibid);

ix. Index of income inequality (the ratio between the top quintile and the lowest quintile). This index estimates how much higher are available income per adult-equivalent (including or excluding the equivalent consumption from personal resources) obtained from all individuals in quintile 5 (the rich) as compared to the income obtained by the people in quintile 1 (the poorest), the distribution of population by disposable income per adult-equivalent (NSI, ibid);

x. The gross savings of the population as a percentage of the GDP are the "balance of disposable income to the household sector as a percentage of the GDP" (NSI, ibid);

xi. The economic dependency ratio in households, by age, is expressed as "the ratio between the number of people in households where no member is employed and the total number of people in households, expressed as a percentage" (NSI, ibid);

xii. Gender-related pay gap, which in unadjusted form (according to Eurostat methodology) is the percent indicating the difference between the average gross salary schedule for men and women in the average gross salary schedule for men, expressed as a percentage (NSI, ibid);

xiii. Public spending on education in Romania are expressed by the share of public expenditure for education from the GNP in a particular financial year (NSI, ibid);

xiv. Internal and external migration in Romania, the internal one representing the changes of address within the country's border (NSI, ibid) and the external one is the result of changing habitual residence, by gender (Tudorel, 2016) (http://www.insse.en/cms/en/content/statisticalyearbook-the-rom%C3%A2niei-book format). The method of data gathering by the Table and Figures has the purpose of identifying the number of the residential population in Romania, the extent of national income, the dynamics of economic development in different time periods, measuring the frequency of poor persons, the economic performance at regional level, measuring the inequality of income, measuring the part of gross available revenue that is not aimed at consumption, the degree of economic dependence of persons in households where no person is employed, as compared to the total population (members of all households), the pay gap between men and women, highlighting the proportion of annual national financial achievement allocated by the government to education development, the percentage of the population moving to other places of residence. They are all data demonstrating the existence of poverty and social exclusion of vulnerable social groups in the context that generates the presence of: the unemployed and university and secondary school graduates without an occupation; it is also a proof of the need to develop social businesses by professional associations, using the model of social entrepreneurship. From here we appreciate the logical cause and effect relationships between the analysis unit of the context and the primary analysis unit, as well as the logical connection of necessity between the unit of analysis of the context and the solution of the embedded analysis unit. The following sections focus on collecting and analyzing data.

Theory concerning the embedded unit of analysis follows those models of organizational theory that regard the structuring, within the four professional associations, of a unit to deal with social business. Then it focuses on societal theories aimed at developing social business in Romanian society with its urban development and behavior in social business. Professional associations of the Romanian economic environment are organizations with legal personality, non-patrimonial purpose, consisting of individuals, called members, who belong to the same profession or to related professions, contributing both materially and with their knowledge and work to achieve specific objectives (Rubinian Dictionary, 2016). They are constituted by the free association of their members in accordance with the Romanian law, by the articles of association and statute adopted in the general meeting of the shareholders. The following professional associations, from the economic environment in Romania, have been considered in this study: The association SIGP, Association of Managers and Economists Engineers in Romania (AMEER), AGIR, and AGER.

The association The SIGP functions as a non-patrimonial professional association, as a Romanian private legal entity. The main aim of this association is to create a partnership among the specialist within the association and the public authorities in making decisions and setting norms emitted by these on the development and exploitation, in the national interest, of the mineral resources of hydrocarbons and of the existing oil-gas infrastructure, with the protection of the environment, the improvement of professional competences and international prestige of Romanian specialists in activities related to oil-gas extraction and processing, by developing professional relationships; alignment with international standards and requirements in the field, acquiring an important and stable position on the market of hydrocarbons, equipment and specialized services
(SIPG, http://www.sipg.ro). As indicated by the purpose of the association, it can develop a social business structure, using the model of social entrepreneurship for unemployed graduates of higher and secondary education related to the oil field.

The AMEER has adopted the mission of improving the degree of excellence, the evaluation and certification of managerial quality and, in relation to this, the improvement of education with managerial character in all its forms. At the same time, it promotes the profession (occupation) of economist engineer (AMIER, http://www.amier.org/). From the objectives of this association it can be understood that it organizes activities such as: training, advising, documentation, technological transfer, audits, post-graduate courses, etc., therefore the social business structure of the association can use the model of social entrepreneurship for the unemployed and graduates of university and secondary education from fields related to the different domains of economy.

The AGIR is the actual continuator of engineering associations that successively had the following names: the Polytechnic Society, the AGIR, the Scientific Association of Technicians, the Scientific Association of Engineers and Technicians and The National Council of Engineers and Technicians (AGIR, http://www.agir.ro/). The objectives of AGIR allow it to adopt a social business structure using social entrepreneurship for the graduates of university and secondary education from technical domains, in order to create a basis for the continuous improvement of engineering activities characterized by professional excellence and improvement, through the respect for human and social values and by its availability for information and communication (AGIR, ibidem).

The objectives of the AGER allow it to organize social business structures, using social entrepreneurship in the case of all unemployed persons and graduates of universities and secondary education related to the entire economic environment. Among the objectives referred to here one can mention: the collaboration with economic, public, educational, research and union institutions, with the view of promoting and developing the national economic interest, as well as new economies; the organization of training courses for its members, with the aim of improving the efficiency of their activity and the periodical professional attestation of its members; to contribute to the activity of improving Romanian legislation by furthering proposals for improvement and proposals for laws, etc. (AGER, http://www.asociatiaeconomistilor.ro).

The social business is a new type of enterprise, based on people’s generosity (Yunus, 2010). Yunus (2010) has introduced the idea of a new form of capitalism and of a new type of enterprise, based on people’s generosity. Such business aims at completely eliminating social, economic and environmental problems and reduce, at the same time, the consequences of many other problems that have been affecting humankind for such a long time: starvation, lack of homes, disease, pollution, lack of education (Yunus, 2010). In our case, the professional associations defined above are called to contribute, using the model of social entrepreneurship, and thus becoming social agents, to building such enterprises, with the view of eliminating the social problems of the groups analyzed here: the unemployed and the graduates of universities and secondary education, in their field of activity.

Associations should get involved and understand the efforts of those without income (the unemployed and university and secondary education graduates without a job) to be able to obtain the amounts of money they need in order to live. The first steps undertaken by such associations, after initiating social business structures, would be to ask the Government to propose laws that would determine the banking system in Romania to ensure cheap loans, that is, loans with infinitesimal interest with grace periods for the unemployed graduates of higher education who want to become entrepreneurs. Associations may continue to be involved by providing financial support obtained from the large and small corporations in their field, sponsorships, donations, possibly from the activity of buying and selling products from the entrepreneurs who come from among the unemployed and the graduates of higher and secondary education, whom they have included in their social entrepreneurship, instructed to become entrepreneurs, helped to initiate and develop their own entrepreneurship. The associations’ activity of social entrepreneurship can be conducted on an IT platform which allows highlighting all information about the unemployed, jobless graduates, starting with the stage of their registration, training, offering financial support for initiating and developing their own business, and subsequently helping in the development, manufacturing and selling of products. In this way, associations determine the persons they help to become creators of jobs, rather than job seekers (Yunus, 2010). If poverty and social exclusion have become a way of life, they must have many faces and therefore must be addressed from several directions, and no approach is insignificant (Yunus, 2010). Associations must test all approaches to climb from one level to another and within their conceptual framework on social businesses, through social entrepreneurship. Moving to a higher concept will not only help eradicate poverty and social exclusion; the new concept will bring about a change in the architecture of Romanian economy through a new form of capitalism, causing it to approach a functional framework that is complete and satisfactory and eliminate the initial cracks that lead to poverty and environmental damages. This is the concept of social business (Yunus, 2010).

Entrepreneurship is one of the models we perceive as instrument that can contribute to the setting of social
businesses by professional associations, showing them the path from ideas to opportunities and to success in business (Ghenea, 2011). The definition of entrepreneurship has several sources. In the dictionary of Romanian language, the idea of entrepreneurship is limited to the notion of enterprise, namely the enterprise that executes industrial, commercial, business activities. The notion of entrepreneurship is not present in the dictionary of Romanian language. Other formulas have been quoted by Ghenea (2011): An entrepreneur is an intermediary between capital and labor, an entrepreneur is a person who is willing and able to convert a new idea or invention into a successful business, an entrepreneur is someone who organizes a business venture and assumes the risk for it, an entrepreneur is a person who has possession of a new enterprise, venture or idea, and assumes significant accountability for the inherent risks and the one proposed by the author himself: An entrepreneur is any person who looks at a problem and sees it as an opportunity, and then acts on it. There are several domains that, based on one idea or on a set of ideas, people can develop valuable projects, even if these are not business, but other types of projects: Social, political, research, etc. In such conditions we can speak of social entrepreneurs, political entrepreneurs, entrepreneurs in the field of research, etc. The social entrepreneurship we speak about has existed for a long time, but it was identified and defined only after the 1960s (Ghenea, 2011). Professional associations will develop this entrepreneurial activity after they have identified the social problem of unemployment and the existence of university and secondary school graduates without a job, in their field of activity and tried to solve such social problems by specific entrepreneurial methods, that is by restructuring the association and finding solutions for action, financing and development of structures that would deal with social problems (unemployed and graduates). Such an activity is not necessarily oriented towards profit, but it has to be efficient so as the social objectives set to be attained. Thus, associations have to regard this activity as one aimed at profit, so as to be able to maximize the lucrativeness of money it can attract from different sources: donations, sponsorship, social responsibility programs of different corporations, governmental programs, European structural programs, etc. All their actions should be done as professionally as possible, so as to multiply their effect.

So far, in Romania, there are few non-governmental organizations that act as social entrepreneurs and it is possible that they might not have the abilities and specific knowledge needed for social entrepreneurship and often the results they obtain prove too modest in relation to the funds allocated to them or to the money they were able to attract. In our view, those who are directly responsible for such activities should have entrepreneurial studies. By conceptualizing the incorporated unit of analysis, it becomes obvious that the professional associations referred to in this study are able to develop social business using the entrepreneurship model, in order to solve the social problems of the unemployed and of university and secondary education graduates and implicitly eradicate poverty and social exclusion that generate such vulnerable groups. There is some logical connection between the incorporated unit and the primary unit of analysis, which identifies the social problem, as well as between the incorporated unit and the contextual unit for which they offer a solution by means of social business on the entrepreneurship model, in order to eradicate the context. The following stages we are going to approach are those of are gathering data and analyzing them, as well as the conclusion or the research report.

DATA GATHERING

The following sources have been used for our study: documents, archives, direct observation, participative observation. We have paid attention to each source in accordance with the following priority principles: a) multiple sources for proofs (two or more sources, converging towards the same findings); b) a database (the set of gathered proofs, not the final report) and c) a logical succession of proofs (explicit connection among data collected, the questions raised and the conclusions reached) (Yin, 2015).

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

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

Employment in Romania

Expressed by the employment rate in Romania and at European level.
Employment in the European Union

Figure 1. Youth employment - Employment of recent graduates aged 20-34 who completed at least upper secondary education 1-3 years ago% of employed aged 20-34.

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

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


Expansion of unemployment in Romania and in Europe, measured in terms of

ILO unemployment rate - total and by gender:

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

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>7.0</td>
<td>7.2</td>
<td>6.8</td>
<td>7.1</td>
<td>6.8</td>
</tr>
<tr>
<td>Masculin</td>
<td>7.6</td>
<td>7.7</td>
<td>7.4</td>
<td>7.7</td>
<td>7.3</td>
</tr>
<tr>
<td>Feminin</td>
<td>6.2</td>
<td>6.5</td>
<td>6.1</td>
<td>6.3</td>
<td>6.1</td>
</tr>
</tbody>
</table>


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

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7.2</td>
<td>6.8</td>
<td>71</td>
<td>6.8</td>
<td>6.8</td>
</tr>
</tbody>
</table>

Source: Table, the contribution of the authors.
Graph ILO unemployment rate:

Figure 2. The unemployment rate - according to ILO criteria %.
Source: http://www.insse.ro/cms/

Unemployment rate in the European Union:

Table 4a. Unemployment rate (% of the labour force).
Source: Eurostat (online data code: une_rt_q).
Graph Unemployment rate, EU-28 (% of the labor force)

Figure 2. Unemployment rate, EU-28 (% of the labour force).
Source: Eurostat (online data code: une_rt_q).

ILO unemployment rate by level of education:

Table 4. ILO unemployment rate by level of education.

<table>
<thead>
<tr>
<th>Level</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Higher level</td>
<td>4.8</td>
<td>4.7</td>
<td>5.1</td>
<td>5.4</td>
<td>5.8</td>
</tr>
<tr>
<td>Average level</td>
<td>8.0</td>
<td>7.9</td>
<td>7.3</td>
<td>7.8</td>
<td>7.2</td>
</tr>
<tr>
<td>Low level</td>
<td>5.9</td>
<td>7.2</td>
<td>6.7</td>
<td>6.7</td>
<td>6.7</td>
</tr>
</tbody>
</table>

Symbol: RSBIM_EDUC; U.M.: %
Aggregation level: national, education level.

ILO unemployment rate by age group:

Table 5. ILO unemployment rate by age group.

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>15-24 years</td>
<td>22.1</td>
<td>23.9</td>
<td>22.6</td>
<td>23.7</td>
<td>24.0</td>
</tr>
<tr>
<td>25 and over</td>
<td>5.6</td>
<td>5.7</td>
<td>5.4</td>
<td>5.7</td>
<td>5.5</td>
</tr>
</tbody>
</table>

Symbol: RSBIM_VARSTA; U.M.: %
Aggregation level: National, age groups.

Early school leavers

Table 5. Early school leavers.

<table>
<thead>
<tr>
<th>Country</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Romania</td>
<td>18.1</td>
<td>17.8</td>
<td>17.3</td>
<td>18.1</td>
</tr>
</tbody>
</table>

Graph of resident population:

![Graph of resident population](http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm)

Figure 3. Resident population

**Population by home, age and gender, July 1st, 2016**

![Population by home, age and gender](http://www.insse.ro/cms/ro/comunicate-de-presa-view)

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

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

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>-0.3</td>
<td>-0.8</td>
<td>-4.8</td>
<td>-0.9</td>
<td>0.8</td>
</tr>
</tbody>
</table>


**Table 7. Resident population on 1 January.**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personae million</td>
<td>20.2</td>
<td>20.1</td>
<td>20.2</td>
<td>19.94</td>
<td>19.87</td>
</tr>
</tbody>
</table>

Source: Table, the contribution of authors.
The unemployment rate developments

Figure 5. Graficul the unemployment rate developments.  
Source: http://www.insse.ro/cms/ro/content/%C8%99omajul-bim-7

Number of registered unemployed and unemployment rate

Figure 5. Number of registered unemployed and unemployment rate.  
Source: Romania’s Statistical Yearbook.  
Graph indicating the evolution of GDP:

![Graph of GDP evolution](http://www.insse.ro/cms/)

**Figure 6.** Evolution of GDP - the previous year = 100.

**Source:** http://www.insse.ro/cms/

### Gross National Income (as GDP share)

**Table 8.** Gross national income (as GDP share).

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>99.0</td>
<td>98.7</td>
<td>98.1</td>
<td>99.0</td>
<td>98.1</td>
</tr>
</tbody>
</table>


**Symbol:** PIBR/loc; U.M.: lei (RON)/capita.

**Aggregation level:** National (as share of the GDP).

### Growth rate of GDP per capita

**Table 9.** Growth rate of GDP per capita.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>-0.2</td>
<td>1.6</td>
<td>1.1</td>
<td>3.9</td>
<td>3.5</td>
</tr>
</tbody>
</table>


**Symbol:** PIB/place; U.M.: %

**Aggregation level:** National (the previous year =100).

### Table 10. Evolution of GDP

<table>
<thead>
<tr>
<th></th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>In procent %</td>
<td>101.1</td>
<td>100.6</td>
<td>103.5</td>
<td>103</td>
<td>103.8</td>
</tr>
</tbody>
</table>

**Source:** Table completed by the contribution of authors.

**Evolution of GDP - the previous year = 100.**
Real GDP per capita in the European Union:

![Graph showing Real GDP per capita % change on previous year.](source)

*Figure 7. Real GDP per capita % change on previous year. Source: EUROSTAT http://ec.europa.eu/eurostat/web/main/home*

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

![Graph showing at risk of poverty or social exclusion.](source)

*Figure 8. At risk of poverty or social exclusion in the European Union. Source: EUROSTAT http://ec.europa.eu/eurostat/web/main/home*

**At-risk-of-poverty rate after social transfers**

*Table 11. At-risk-of-poverty rate after social transfers.*

<table>
<thead>
<tr>
<th>Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total persoane</td>
<td>22.4</td>
<td>21.1</td>
<td>22.2</td>
<td>22.6</td>
<td>22.4</td>
</tr>
</tbody>
</table>

*Source: http://www.insse.ro/cms/files/Web_IDD_BD_ro/index.htm*  
*Symbol: Rs; U.M.: %*  
*Aggregation level: National.*
In terms of gender, the unemployment rate in the case of men has gone beyond 1.9 percent points in relation to the situation of women (the respective values being 6.7% in the case of men and 4.8% in the case of women).

The analysis unit of the context: poverty and social exclusion

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

The number of stable resident population in Romania

This indicator has been presented at point 3.1.4.

It was argued that there are many more proofs demonstrating the level of poverty and social exclusion that generate vulnerable social groups and the level of unemployment among university and secondary school graduates in Romania. However, all these proofs could not be presented in this section, but they were taken into account in the next section, dedicated to the analysis of data.

PROOF ANALYSIS

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

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

Examining the existing Tables and Figures, part of them being included in previous section, it can be observed that the proofs showing employment in Romania indicate the unemployment rate and the number of the unemployed, in relation to the stable resident population, on the 1st of July 2014 (19,909 people), more reduced in number, with 3800 inhabitants as compared do 1st of July 2009 (20,364 people), of which 1630 men and 2170 women, with a total active population (aged 15-65) of 13,486 million people, less 400,000 inhabitants of which: men, in 2009, 6641 and women 6926, as well as 6807 men and 6679 women in 2014.

Related to the active population determined above, following the analysis of Figures and Tables presented, we could see that the number of unemployed persons, registered in Romania, is those that meet the cumulative relations stipulated by current legislations as well as those assimilated to the unemployed (ASR, 2015), in other words the graduates without an occupation, are distributed as follows: in 2009 the number of registered unemployed persons and unemployed graduates was of 709,000 of which 407,000 were men and 302,000 were women. The figures dropped in 2010 to 627,000 of which 363,000 were men and 264,000 were women, a figure that further decreases in 2011 to 461,000 of which 257,000 were men and 204,000 were women; an increase became obvious in 2012 to 494,000, of which 283,000 were men and 211,000 were women, the figures rising further in 2013 to 512,000 people of which 296,000 were men and 216,000 were women. So far the evidence gives us reliable data, still at the end of 2014 the figure dropped to 478,000 people, of which 278,000 were men and 200,000 were women, while for 2015 we have only provisional data and therefore they were excluded from this calculation. The registered unemployment rate is 7.9% among men and 7.1% among women in 2009, and decreased to 7.0% in men and 8.3% women in 2010, and continued to drop in 2012 to 5.2% in men and 4.9% women, increasing to 5.7% in men and 5.1% women in 2013, falling back to 5.4% in men and 4.8% in women at the end of 2014. At the end of 2014 we also have the unemployment rate by age groups and gender, distributed as follows: for the group aged 15-24, the unemployment rate is 24.7% for men and 23.65% for women; the percent decreases in the case of the group aged 25-34 to 8.7% for men and 6.9% for women and also decreases for the group aged 35-44 to 5.7% in men and 4.6% in women; decline can also be observed in the group aged 45-54 to 5.3% in the case of men, but the percent increases in the case of women 5.2%; the percent still falls in the age group of 55 years and over, to 3.4% in men and 1.6% in women. Unemployment by education level and gender: in 2013, for higher education, the total reached 7.1%, of which: 7.7% refer to men and 6.3% refer to women; for the average level the total unemployment rate reached 5.4%, of which: 5.2% in the case of men and 6.2% in the case of women; in 2014, for higher education, the total percent was 6.8%, of which: 7.3% in the case of men and 6.1% in the case of women, while for the average level the total percent was 7.2%, of which: 7.2 % for men and 7.1%. The explanation is that the activity rate by education level and gender was as follows: as regards higher education, in 2013, the total rate was of 87.4%, of which: 89.6% for men, and for the average level the total was 69.1%, of which 77.7% for
men; in 2014, for higher education the level was 87.6% in total, of which: 90.0% for men, while for the average level the total was 70.0%, of which: 78.6% were represented by men. As regards the employment rates by education level, the situation was as follows: total employment rate in 2013, for upper education level, was 82.6%, of which 85% for men and 80.5% for women; for the average level, the total was 63.7%, of which: 71.4% for men and 54.9% for women; in 2014 the employment rate for the higher education level was 82.5% in total, of which: 84.8% for men and 80.3% for women and, for the average level the total was 65%, of which: 72.9% for men and 56.1% women. Thus, it can be noticed that, looking at the rate by education in relation to gender, in total we get a percentage that is under 65%, of which 73.4% refer to men in 2013; and a total of 65.7%, of which 74.3% were men in 2014; an increase by 0.8% can be observed in the case of men, respectively at a total employment rate that is lower, reaching in total 60.1%, of which 67.6% for men and only 52.6% for women. There is a high overall unemployment rate of 7.1%, that is 659,000 people, of which: a higher rate, of 7.7% in the case of men and a lower rate, of 6.3% in the case of women; in 2014 a decrease to 6.8% (629,000 persons) can be observed. The unemployment rate is higher than in other European countries: in Austria, in 2013, 5.4% (231,000 people), in 2014, 5.6% (245,000 persons); the Czech Republic: in 2013, 7.0% (369,000 persons), in 2014, 6.5% (324,000 persons); Germany: in 2013, 5.2% (2182,000 persons), in 2014, 5.0% (2090,000 persons), but the unemployment rate in Romania, in 2014, at a population of 19,947,300 persons and a gross national product (GNP) of 150199.7 million Euros is of 6.8% (324,000 persons), of which 6.1% in the case of women indicate a lower rate than the average in Europe, where, at a population of 506880.6 million people and a GNP of 13944015.3 million Euros, it is of 10.2%, of which 10.3% are women. The number of unemployed persons and the unemployment rate, including graduates of universities and secondary education assimilated to the unemployed, is as follows: in 2009 there were 624,000 unemployed persons, with an unemployment rate of 6.5% at a population of 21.3 million people; in 2010 there were 652,000 unemployed persons and an unemployment rate of 7.0%, at a population of 20.2 million inhabitants; in 2011 there were 660,000 unemployed persons at an unemployment rate of 7.2%, at a population of 20.2 million inhabitants; in 2012 there were 627,000 unemployed persons, at an unemployment rate of 6.8%, at a population of 20.2 million inhabitants; in 2013 there were 653,000 unemployed persons, at an unemployment rate of 7.1% at a population of 20.0 million inhabitants; in 2014 there were 629,000 unemployed persons at an unemployment rate of 6.8%, at a population of 19.9 million people. A decrease in the population’s number can be observed, especially as regards the active population, but the number of unemployed persons and the unemployment rate, though oscillating, continue to be high. However, though decrease appears to be obvious, international migration from Romania, namely the change of residence indicates that, in 2009, 247,000 persons immigrated from Romania, of which 106,000 were men and 141,000 were women; in 2010, 198,000 persons immigrated, of which: 86,000 were men and 112,300 were women; in 2011, 196,000 persons emigrated, of which 87,400 were men and 108,100 were women; in 2012, 170,200 people immigrated, of which 70,200 were men and 100,000 were women; in 2013, 161,800 persons immigrated, of which: 65,300 were men and 96,500 were women; in 2014, 184,600 persons immigrated, of which 79,700 were men and 104,900 were women. As a conclusion, one can observe that the number of women immigrated is higher as compared to that of men. Most of the immigrants are part of the active population and did not find a job in Romania, due to poverty and social exclusion. As we shall see in the analysis that follows thereof, which might allow us to suggest that the number of the unemployed, as well as the unemployment rate are higher.

Poverty and social exclusion in Romania

The proofs that indicate phenomena of poverty and social exclusion are: the evolution of the GNP which in 2009 was of 510522.8 million lei at current prices, at a population of 21.3 million inhabitants and a final effective consumption, of 404803.3 million lei, at current prices; in 2010, the GNP rose to 533881.1 million lei at current prices, by 23358.5 million lei at current prices and a population of 20.2 million inhabitants and a final effective consumption of 423393.2 million lei at current prices, a sum that also rose by 18589.9 million lei at current prices; in 2011 GDP at current prices rose to 569097.2, with 31216.1 million lei in current prices, at a population of 20.2 million inhabitants and an actual final consumption of 439129.1 million lei at current prices, which also increased to 15735.5 million lei at current prices; in 2012 GDP rose to 595367.3 million lei at current prices, by 30270.1 million lei at current prices, in a population of 20.2 million inhabitants and an actual final consumption of 497156.9 million lei at current prices, which also increased by 26027.8 million lei at current prices; in 2013 the GDP rose to 637456.0 million lei at current prices, by 42080.7 billion lei at current prices, in a population of 20.0 million inhabitants and a total final consumption of 479450.6 million lei at current prices, which also increased by 32293.7 million at current prices; in 2014 the GDP rose to 667577.4 million lei at current prices, by 30121.4 million lei at current prices, at a population of 19.9 million inhabitants and a total final consumption of 501131.3 lei at current prices, which also increased by
21680.7 million lei at current prices. The GDP per capita in Romania was, in 2009, of 25015.6 lei/capita in 2010 it rose to 26368.7 lei/capita, by 1303.1 lei/capita; in 2011 it increased to 28047.8 lei/capita, by 1679 lei/capita; in 2012 it rose to 29679.1 lei/capita by 1631.3 lei/capita; in 2013 it rose to 31895.4 lei/capita, by 2216.3 lei. Despite its constant growth, the GDP per capita in Romania continues to be low, as compared to European Union countries, where the situation is as follows: in 2009, the GDP in Romania was 5915 Euros/capita, in Bulgaria 4900 Euros/capita, in the Czech Republic 14100 Euros/capita, in Germany 30000 Euros/capita, in Austria 34300 Euros/capita; in 2010: Romania 6263 Euros/capita, Bulgaria 5000 Euros/capita, the Czech Republic 14900 Euros/capita; Germany 31600 Euros/capita, Austria 35200 Euros/capita; in 2011: Romania 6618 Euros/capita, Bulgaria 5600 Euros/capita, the Czech Republic 15600 Euros/capita; Germany 33100 Euros/capita; Austria 36800 Euros/capita; in 2012: Romania 6660 Euros/capita, Bulgaria 5700 Euros/capita, the Czech Republic 15300 Euros/capita, Germany 33600 Euros/capita, Austria 37600 Euros/capita; in 2013: Romania 7214 Euros/capita, Bulgaria 5800 Euros/capita, the Czech Republic 14900 Euros/capita; Germany 34400 Euros/capita, Austria 38100 Euros/capita; in 2014: Romania 7544 Euros/capita, Bulgaria 5900 Euros/capita, the Czech Republic 14700 Euros/capita, Germany 35400 Euros/capita, Austria 38500 Euros/capita. It can be noticed that Romania has the lowest GDP/capita, after Bulgaria, in the European Union. Hence, the presence of other indicators showing the extent of poverty and social exclusion, which are as follows: the available gross income, at current prices was, in 2009, of 25113.7 lei/capita; in 2010 it was 26259.8 lei/capita; in 2011 it was 28285.2 lei/capita; in 2012 it was 29950.0 lei/capita, in 2013 it was 31947.2 lei/capita; actual individual final consumption of households, at current prices was, in 2009, of 17760 lei/capita; in 2010 of 19071.1 lei/capita; in 2011 it was 20049.1 lei/capita; in 2012 it was 21320 lei/capita; in 2013 it was 21538.5; gross household economy, at current prices, was, in 2009, of minus 162.2 lei/capita; in 2010 it was minus 364.5 lei/capita; in 2011 it was minus 1200.1 lei/capita; in 2012 it minus 2015.0 lei/capita; in 2013 it was 3036.3 lei/capita. The capacity (+) or the net financing necessary (−) of households of the population, at current prices, in 2009 was minus 172.7 lei/capita; in 2010 it was minus 1441.5 lei/capita; in 2011 it was minus 1957.0 lei/capita; in 2012 it was minus 3134.5 lei/capita; in 2013 it was 1661.3 lei/capita. The extremely low level of these indicators demonstrates a high level of poverty and social exclusion in Romania. The rate of poverty, after the social transfers in Romania, is distributed as follows: in 2009 it was 22.4%; in 2010 it was 21.1%; in 2011 it was 22.2%; in 2012 it was 22.6%; in 2013 it was 24%. The rates of poverty and social exclusion continue to stay at a high level in Romania. Romania’s GNP, in 2013, was of 91549.0 million US dollars, at a population of 20.0 million persons and represents 0.25% of the global GNP, which is of 76123951 million US dollars, at a population of 7137 million people. Poverty and social exclusion in Romania are the generating element (cause) of social groups (effect), which are made up of the unemployed and graduates of universities and secondary education that have no occupation, which we focused on, together with other categories as well.

**Romanian professional associations develop social business by social entrepreneurship**

From the multitude of professional associations functioning in the Romanian economic environment in 2014, 5679 were professional and patronal Unions, from a total of 90984 non-governmental organizations. For the purpose of this study we have chosen four associations, which we found representative and relevant for the topic approached, as most persons without occupation, assimilated to the unemployed, are graduates of universities and of secondary education. Most of them are prepared for the social-economic environment of Romania. Thus, even in circumstances where the number of graduates prepared for the job market has decreased dramatically (at high school level, in the school year 2013/2014 there were 172643 graduates, by 32220 persons less than in the school year 2009/2010; in the school year 2013/2014 there were 11915 graduates of vocational education, 77854 people less than in the school year 2009/2010; in post-high school and foremen education, in the school year 2013/2014 there were 3153 graduates, by 16079 less than in the school year 2009/2010; as regards higher education, 54507 students graduated in the university year 2013/2014, by 136784 fewer than in the university year 2009/2010), the hope of finding a workplace in accordance with the studies completed is reduced, given the conditions of the subsistence economy, where poverty and social exclusion predominate. The job offer in terms of vacant places on activities of the national economy was as follows: in 2010 there were 24239 vacant jobs; in 2011 there were 26057 vacant jobs; in 2012 there were 24825 vacant jobs; in 2013 there were 30644 vacant jobs; in 2014 there were 38523 vacant jobs. The rate of vacant jobs: in 2009 it was of 0.88%; in 2010 it was of 0.59%; in 2011 it was of 0.64%; in 2012 it was of 0.59%; in 2013 it was of 0.72%, in 2014 it was of 0.89%. Comparing the indicators presented above to the number of unemployed persons and the number of potential unemployed from among graduates of universities, secondary education, vocational schools or post-high-school education, as well as with the rate of unemployment, it can be noticed that these social groups have no chance of being absorbed by the job market. In
such circumstances, one of the solutions to their problem is the involvement of the four professional associations discussed here, which might initiate and develop social business, using the model of social entrepreneurship. The vulnerable social groups may be helped by:

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

Conclusion

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

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

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

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

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

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