

Analyzing the Emerging Sector of Certified Insertion Social Enterprises in Romania

Cristina BARNA

*National University of Political Studies and Public Administration
30A Expozitiei Blvd., District 1, 012104 Bucharest, RO
cristina.barna@facultateademangement.ro*

Alexandra ZBUCHEA

*National University of Political Studies and Public Administration
30A Expozitiei Blvd., District 1, 012104 Bucharest, RO
alexandra.zbucnea@facultateademangement.ro*

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Abstract

The paper investigates the actual size and dynamics of the insertion social enterprises sector in Romania in the period 2016 - 2023 using secondary data analysis based on official data in the Unique Register of Social Enterprises August 2024 Version, which the National Employment Agency of the Ministry of Labour and Social Solidarity administers. The research findings reveal that the insertion social enterprise sector is less dynamic than social enterprises, representing only 8% of the entire industry, and it follows the same pattern as the whole certified social enterprises sector. Most certified social insertion enterprises (60%) are entities classified as other categories of legal persons (typically SRLs), and their establishment and certification are primarily related to ESF funding. Some of the challenging results of our study include the very small number of WISEs with valid certificates (only 31% of the total WISEs registered) and county-specific economic and social factors that are essential drivers for the development of WISEs.

Keywords

Social Economy; Social Enterprise; Work Integration Social Enterprise; Insertion Social Enterprise; Romania.

Introduction

This paper builds upon our previous research on certified social enterprises in Romania (Barna, Zbucnea, & Stănescu, 2024) by focusing on the sub-sector of certified insertion social enterprises, a highly important sub-sector in terms of social impact created, but less dynamic compared to the social enterprise sector as a whole. We mention that work integration social enterprises (WISEs) are found as insertion social enterprises and protected units in Romania.

The insertion social enterprises are part of the social enterprises sector. They are regulated by Law 219 of 2015 (amended and supplemented in 2022) and are certified by a Social Label. According to the legislative text, the insertion social enterprise is the social enterprise that (i) *has at least 30% of the employed staff or cooperating members belonging to the vulnerable group. The aggregate working time of employees from vulnerable groups must represent at least 30% of the total working time of all employees;* (ii) *and aims to combat exclusion, discrimination, and unemployment through the socio-occupational integration of disadvantaged people.* According to the Unique Register of Social Enterprises (August 2024 Version), administered by the National Employment

Agency of the Ministry of Labour and Social Solidarity, there are 227 certified insertion social enterprises in Romania.

The insertion social enterprise fits into the model of the employment social enterprise. It provides employment opportunities, jobs, and training for vulnerable groups - people with difficulties integrating into the labor market. The operating model is based on employing the organization's target group, and products and services are sold in the open market. It is a social enterprise model embedded in the social mission, where social programs and business activities overlap. It is a model primarily found among NGOs developing social economy initiatives, and it is popular in Romania, despite the small size of the sub-sector. Recent Romanian studies showed that some of the reasons why the insertion social enterprise sub-sector is less dynamic compared to social enterprises as a whole are that only part of the European funding allocated in 2019-2022 was dedicated to inserting vulnerable groups into work. The insertion social enterprise model was poorly integrated into vulnerable groups' social policies and employment measures (Vameşu, 2023, 2024).

We specify that Authorized Protected Units (UPA), according to Order 847/2021, represent a specific operation model within the social employment enterprise in Romania. The UPA is a public or private law entity with its management, in which at least three people with disabilities are employed; the people with disabilities employed represent at least 30% of the total number of employees; the cumulative working time of the people with disabilities employed represents at least 50% of the total working time of all employees; the products or services to be marketed within the activity for which the entity applies for authorization are made through the own activity of the people with disabilities employed. The protected unit may also be any form of organization, according to the law, chosen for carrying out an economic activity by a natural person holding a certificate of classification as disabled if he/she is authorized to carry out self-employed activities, individually or in one of the forms of organization of that profession or if he/she is an authorized natural person or a proprietary member of a sole proprietorship or family business, organized according to the law. According to the Register of Authorized Protected Units of 04.07.2024, available online on the website of the National Authority for Persons with Disabilities, there are 388 authorized protected units in Romania. We mention that some NGOs active in the social economy in Romania have chosen to establish protected units.

This paper focuses on the size and dynamics of the certified social enterprises sector, considering certified social enterprises as defined by the Social Economy Law 219 of 2015 based on the criteria detailed above. When appropriate, reference will be made to the UPA operational model, but only when a certified social insertion enterprise embraces this operational model.

Literature review

In the specialized literature, it is mentioned that “the main objective of WISEs is to integrate those with intellectual or physical disabilities, and other disadvantaged groups, including the long-term unemployed, back into the labor market and society through a productive activity” (Cooney, Nyssens, & O’Shaughnessy, 2023, p. 329). The same authors highlighted different modes of work integration: an integration mode that

seeks to make up for the gap between the productivity required by the conventional labor market and the capacities of the workers through open-ended employment contracts in sheltered employment units for persons with disabilities and subsidized by public authorities; a type of integration mode that features work experience ('transit' employment) or training through work; and an integration mode in WISEs that offer self-financed permanent employment (Cooney, Nyssens, & O'Shaughnessy, 2023). We mention that these modes of work integration are also met in the Romanian social insertion enterprises sector.

WISEs are relevant for economies, contributing to the economy and sustainable development in several ways. By creating jobs and offering fair wages, WISEs contribute to decent work conditions and economic growth. They tend to be embedded in their local communities, supporting local economies and reinvesting profits into community development initiatives. The most dynamic organizations also collaborate with governments, civil society, and businesses, thereby contributing to the creation of networks and establishing the infrastructure to facilitate sustainable development. Many WISEs integrate social and environmental dimensions in their operations and business approaches. Thus, they could advance social inclusion, promote gender equality, and contribute to social innovation. Some health and well-being outcomes have also been documented (Joyce et al., 2022). The most recent European Commission report in the field outlined that WISEs employing disadvantaged people operating touristic activities have emerged in almost all Member States; also, WISEs innovating the retail ecosystem are particularly noteworthy, contributing to close links with local communities by enhancing territorial cohesion, jobs with equitable conditions for each partner in the supply chain, empowering consumers, prioritizing high-quality products and contributing to the circular economy (European Commission: European Innovation Council and SMEs Executive Agency, Carini et al., 2024)

The social impact of these enterprises is significant in relation to the methodologies used to measure their impact, which tend to emphasize the social dimension to the detriment of the economic ones (Dufour, 2015). A tension between social and economic dimensions has been observed – the balancing point between them placing these organizations in several categories: "*A Learning Organization*" (*how the enterprise fosters employee professional development*), "*Internal Activities*" (*the social and physical structure of the work environment*), "*The Stakeholder Environment*" (*components of marketing that the enterprise must account for*), and "*Return – The Multi-Bottom Line*" (*the economic and social potential gains*)' (Lysaght et al., 2018). Regarding the green impact, we observe that WISEs can contribute to developing the renewable energy sector, promoting circular practices, and reducing environmental impact, among other benefits. Although WISE organizations and social enterprises have complex and positive effects, their ability to significantly contribute to development depends on aspects they do not control, such as norms, economic systems, etc. (Chui, Chan, & Chandra, 2023). The EURICSE metric used for the WISEs in the Trento region, Italy, is a good practice example that could be adapted and used in Romania to measure the social impact created by social insertion enterprises (Barna & Rebeleanu, 2022). EURICSE used a metric that combines cost-benefit analysis and well-being indexes to evaluate the efficiency of the work-integration process. This metric compares various public policies that support WISEs. It performs a cost-benefit analysis in two parts: cost and benefits at the organizational level and cost and benefits for each disadvantaged person employed, then studies the outcomes of the integration process, especially employment

opportunities achieved after training in WISEs, and the questionnaires' results on the disadvantaged workers' wellbeing (OECD, 2015, p. 8).

Substantial scholarly efforts were made in advancing the research on WISEs at the EU level, explaining the modes of integration, the status of the workers in integration, modes of social and professional training, or the main characteristics of the target groups and distribution of the resources mobilized, also explaining different types of legislative contexts as determinants of the diversity between countries (Davister, Defourny, & Gregoire, 2004; Spear & Bidet, 2010). Additionally, numerous recent studies have examined WISEs in various national contexts, including Italy (Borzaga, Poledrini, & Galera, 2017), Greece (Douvitsa, 2020), and Latvia (Līcīte-Ķurbe, 2022). In this sense, we highlight the significant contributions of Romanian academics and researchers to the topic of social insertion enterprises and their specificity within the Romanian social economy landscape, as well as the role of WISEs in the welfare system (Lambru & Petrescu, 2019, 2021). Concerning the understanding of the social enterprise in Romania, it is also important to mention from the WISE perspective that our country is among other Eastern European countries (e.g., Poland and Czechia), where the emphasis has long been on tackling exclusion from the labor market; therefore, the trend to conflate social enterprises with work integration has been manifested until recently in Romania (European Commission: European Innovation Council and SMEs Executive Agency, Carini et al., 2024).

The above research efforts were conducted in parallel with the European Network of Insertion Enterprises' (ENSIE) efforts to recognize the role of social insertion enterprises in the EU in promoting inclusive and integrated forms of employment at the European level. For example, we highlight an important initiative of ENSIE, which started in 2017 by mapping European WISEs and creating its online WISEs database. According to this database, in July 2024, Romania had 64 WISEs included in this European map. The Romanian Social Economy Network (RISE Romania) was established in 2013 and is a member of ENSIE (European Network for Social Integration Enterprises), holding a vice-presidency on the Board of Directors. RISE Romania is an active promoter of relevant public policy changes that facilitate the proper functioning of social economy and social insertion enterprises in Romania, while also raising awareness of the importance of transversal policies dedicated to the social economy. RISE Romania has 17 members, many of which could be considered examples of best practices.

Also, we mention the D-WISE Network, which is dedicated to contributing to the UN 2030 Agenda for Sustainable Development and the Sustainable Development Goals, particularly to SDG 5 (gender equality), SDG 8 (decent work and economic growth), SDG 9 (industry, innovation and infrastructure) and SDG 10 (reduced inequalities). Following a sustained period of activity from 2017 to 2022, the European Observatory for Inclusive Employment and SDGs has evolved into a consolidated project, now operating as the D-WISE Network.

Research objectives and methodology

The main research objective of our study is to investigate the size and dynamics of the insertion social enterprises sector in the period 2016 - 2023 using secondary data

analysis. We use the official data provided in the Unique Register of Social Enterprises (RUIES) August 2024 Version (the last version available), which the National Employment Agency of the Ministry of Labour and Social Solidarity administers.

Data are available online, in editable format (Excel), permitting processing by the authors in the base of the juridical category, the county where certified social insertion enterprises operate, the status of the social label (valid, suspended, expired or withdrawn certificate), the year of establishment, main fields of activity, the total number of employees, the number of employees from vulnerable groups, types of vulnerable groups, and financial data.

Considering Excel limitations, we have used SPSS to analyze the official data provided in August 2024 by RUIES. This permitted us to investigate various relationships between some categorical variables, such as the relationship between the juridical status of WISEs and their year of establishment or the relationship between the year of establishment and the likelihood of being a nonprofit organization by applying a logistic regression model. Chi-Square Tests of Independence were conducted to examine the association between the types of vulnerable groups preferred for employment in Romanian WISEs and the counties in which these organizations operate; the territorial distribution of WISEs across counties and the types of activities they perform; the types of vulnerable groups preferred for employment in Romanian WISEs and the counties in which these organizations operate.

At the same time, a critical analysis is conducted to identify and explain the various factors driving the dynamics of the certified social enterprises sector. We recommend approaches to enhance visibility and sector consolidation when appropriate.

Certified insertion social enterprises sector. An open discussion of the WISEs map

As of August 2024, The Unique Register of Social Enterprises includes 227 WISE entities in Romania, most established in the past few years. Also, immediately after their establishment, they obtained the certificate, which shows that they were, from the beginning, designed as WISEs.

The insertion social enterprise sector is less dynamic than social enterprises (2,909 certified social enterprises in total), representing only 8% of the entire industry. One reason for this low dynamic is that only part of the European funding allocated for 2019-2022 has considered the insertion of vulnerable groups into the workforce (Vameşu, 2023).

The geographical distribution of WISEs in Romania shows significant variations across different counties, as illustrated in Figure 1a. Cluj, Sibiu, and Iaşi counties exhibit the highest concentration of WISEs, with 23, 22, and 20 organizations, respectively. This suggests that these counties may have been more active in attracting European funds dedicated to social economy, may have had more favorable conditions for the development and operation of such enterprises being urban solid centers, or may have benefited from the presence of well-known social entrepreneurs with sound expertise both in the social economy and in the management of the projects financed by European funds. This is, for example, the case of Iaşi County, where Fundația "Alături de Voi"

Romania (ADV) is located. ADV is a crucial active player in the Romanian social economy and has implemented numerous relevant projects in the field, including the Social Enterprises Accelerator project. This project aimed to establish a minimum of 21 social enterprises as a sustainable solution for reducing social disparities, combating poverty, and creating inclusive employment opportunities for individuals belonging to disadvantaged groups.

Romanian WISEs are predominantly located in urban areas across most counties. Figure 1b indicates that approximately 60% of all Romanian WISEs operate in urban settings. The urban concentration can likely be attributed to better access to resources, markets, and support services in cities than in rural areas, as well as to higher skill levels and entrepreneurial tendencies. However, there are notable exceptions to this urban dominance. In the counties of Timiș, Ialomița, Mureș, Buzău, and Dâmbovița, rural areas host a proportionally higher number of WISEs. These exceptions may reflect regional differences in economic activities or concentrations of specific categories of vulnerable groups in the respective rural areas. Further research efforts are necessary to better investigate the determinants of these particular patterns. Overall, the spatial distribution of WISEs across Romania underscores the significance of urban centers in their establishment and success. However, some rural areas have also become significant hubs for these enterprises.

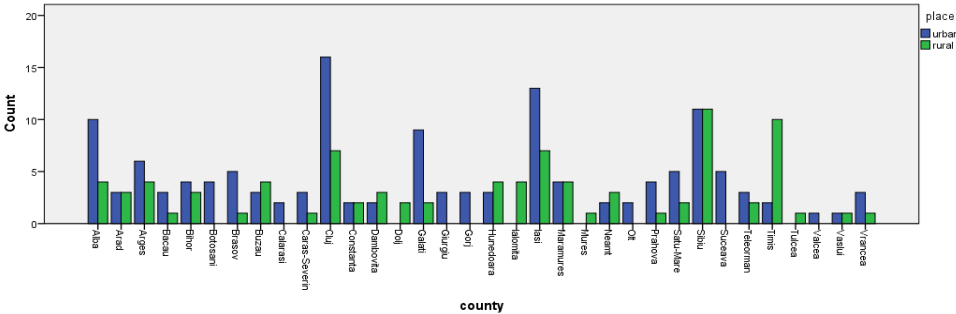


Figure 1a. Geographic distribution of the Romanian WISEs. County distribution

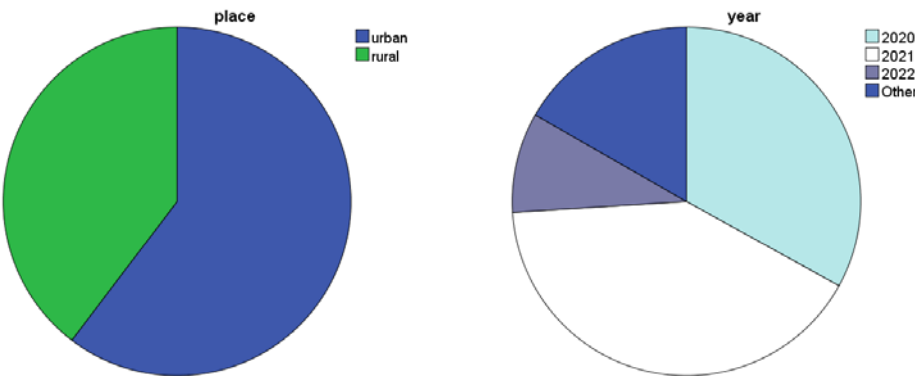


Figure 1b. Geographic distribution of the Romanian WISEs. Urban-rural distribution

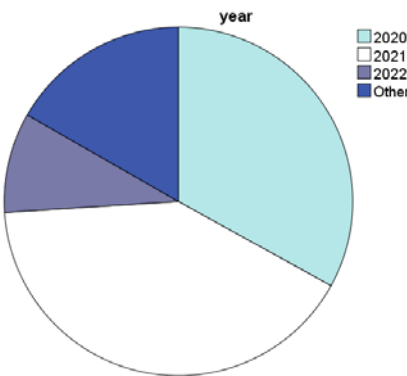


Figure 2. Year of establishment of the Romanian WISEs

Figure 2 reveals that the majority of organizations included in the registry are relatively young (established in the period 2020-2022), a trend that may be linked to the availability of funding opportunities from that period through the Human Capital Operational Program (POCU), where certification as a social enterprise was a condition for obtaining the grant. The data shows that the oldest organization was founded in 1999 in Argeş County, highlighting the relatively recent emergence of such entities. Additionally, it is noteworthy that nearly 17% of the registered organizations were established before 2020, further indicating a possible correlation between new funding mechanisms and the rise of these organizations. Therefore, this influx of young organizations suggests that financial support, particularly in recent years, has played a crucial role in encouraging the creation of new entities.

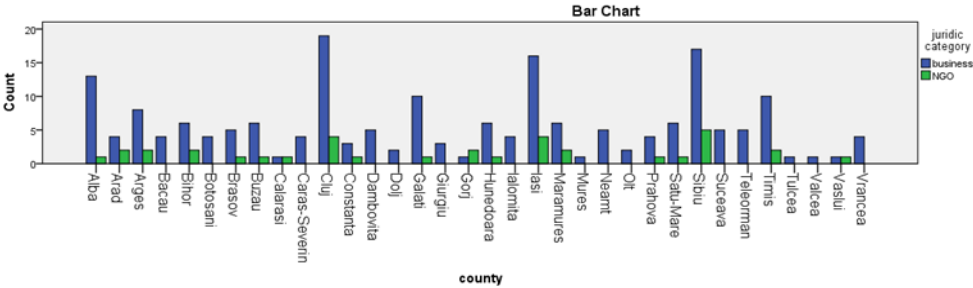


Figure 3a. Geographic distribution of the Romanian WISEs by juridical status

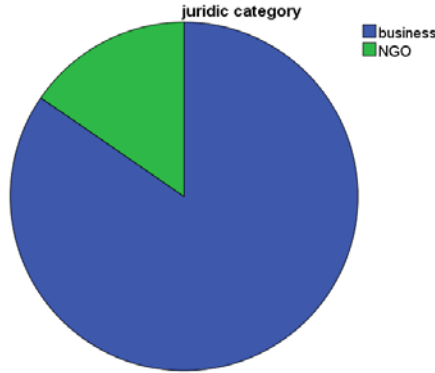


Figure 3b. Juridical typology of the Romanian WISEs

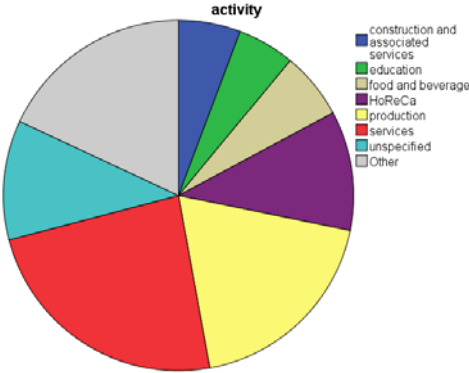


Figure 4. The main activity of the Romanian WISEs

According to Figure 3, 60% of the WISEs surveyed operate as businesses, while the remaining 40% are nonprofit organizations. We applied a logistic regression model to investigate further the relationship between the juridical status of these WISEs and their year of establishment. The results revealed a statistically significant relationship between the year of establishment and the likelihood of being a nonprofit organization. Specifically, the year of establishment significantly predicted the juridical status of the WISEs, $B = -1.702$, $Wald \chi^2(1) = 85.770$, $p < 0.001$. The odds ratio ($\text{Exp}(B)$) of 0.182 indicates that for each additional year, a WISE was established later, the odds of it being a nonprofit organization (as opposed to a business) decreased by 81.8%, assuming other influencing factors remain constant. This finding suggests that more recently

established WISEs are significantly more likely to be structured as businesses rather than nonprofit organizations. The preference for the SRL juridical category is justified in the Conclusions of the POSDRU Retrospective Evaluation Report 2007-2013, DMI 6.1 Social Economy Development (Ministry of Investment and European Projects, 2021) by the fact that most of the beneficiaries of de minimis aid opted for the limited liability company form of organization for reasons such as lower cost of setting up, shorter registration time, and simplified management structure compared to that of an association and/or foundation.

In addition to juridical status, we examined the diversity of activities undertaken by Romanian WISEs. Figure 4 highlights the diverse range of activities these organizations undertake, reflecting their versatility and multifaceted contributions to both social and economic spheres. Almost 24% of the Romanian WISEs deliver a wide range of services, the most frequent being repair, washing, beauty, advertising and printing, consultancy, or social services such as childcare and social assistance with or without accommodation. 19% of the WISEs are in the production field (mostly packaging, toys, wooden, paper, and metal products, furniture and mattresses, work clothes, as well as small electrical appliances). Approximately 11% of the registered Romanian WISEs operate in the HoReCa sector. Construction and associated services are another relatively well-represented sector, with almost 6% of the organizations. The Chi-square test indicated no statistically significant association between the territorial distribution of WISEs across counties and the types of activities they perform.

This diversity underlines the adaptive nature of WISEs in addressing the needs of the communities they serve while pursuing different forms of organizational structure.

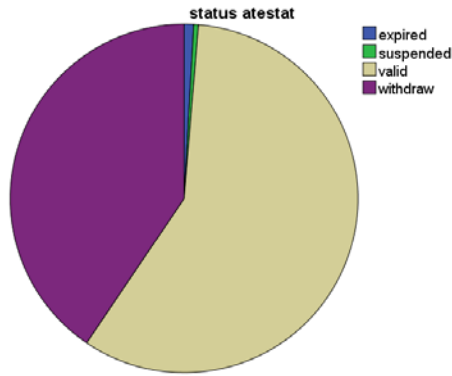


Figure 5. The attestation as a social enterprise

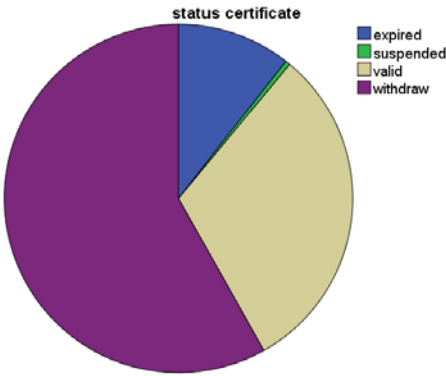


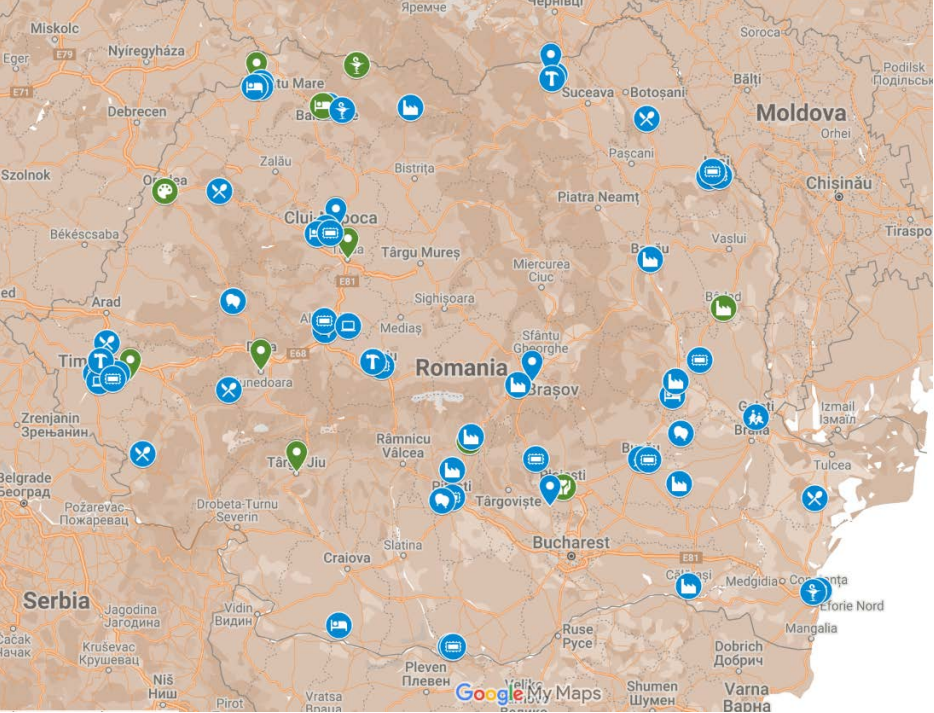
Figure 6. The certification as WISE (Social Label)

Analyzing the Register, we observe a wide variation in the social enterprise sector—many organizations were established in recent years. However, many organizations also lost their certification as social enterprises or WISEs (social labels). Concentrating on the valid WISEs, we observe only 70 organizations (31%) at the national level that are in the Register. Almost 11% of the WISEs have expired certificates.

This may be because of the still unfavorable ratio between the legal requirements and reporting burden for the certified WISEs and the support measures they benefit from;

currently, despite some reforms initiated in 2022 in the framework of the National Recovery and Resilience Plans and of the multiple requests from the practitioners, the administrative recognition of certified insertion social enterprises is not yet accompanied by substantial dedicated facilities, incentives, or support measures. Alternatively, it could be correlated with the mandatory 2-year sustainability period required for WISEs established through European funding.

Figure6. Map of the certified WISEs with valid Social Label, August 2024



Source: authors; based on data provided in RUIES, August 2024

Legend:



We provide the results of an exploratory mapping exercise of the certified WISEs with valid Social Labels based on the official data in RUIES, August 2024 Version. This map (Figure 6) illustrates the regional concentrations of certified WISEs with valid Social labels and the incidence of the main types of economic activity declared by organizations in RUIES, as explained above. As a challenging finding, we can easily observe that the Bucharest – Ilfov region does not have any certified WISE with a valid certificate, this

being probably related to the lack of substantial dedicated facilities, incentives, or support measures for certified WISEs, which determined many existing social enterprises not to make additional efforts to obtain the social label until now. This fact was confirmed by previous qualitative research, which involved interviewing successful women social entrepreneurs from Romania (Barna et al., 2024). On the other hand, we must consider that Bucharest-Ilfov is the most developed region in Romania; therefore, no European funds were allocated for the social economy in that region during the last period. However, we note that RUIES includes nine certified social enterprises in Bucharest-Ilfov, even though these are not WISEs; therefore, there are also sector-level certification initiatives in this region.

Some critical discussions arise from this exploratory research approach. The actual form of RUIES does not provide highly accurate data for a sound and relevant analysis; therefore, it will be beneficial to collect in a unified form the information in the RUIES so that data processing and analysis by fields of activity and basic indicators on certified WISEs (and all SEs) to be possible. For example, in our research, we have identified some limits concerning data collection that could be easily improved: RUIES does not use CAEN codes to allow robust analysis of the fields of activity; providing all data required is not mandatory (for example, concerning the types of vulnerable groups, as it will be shown below).

WISEs are tightly related to the social structure of the communities. Therefore, discussing the employee dimension of these organizations is relevant. According to the data in the Register, WISEs are relatively small organizations. Most employ less than ten persons, with an average of less than five employees. According to the Register, only three organizations have more than 20 employees (Figure 7a).

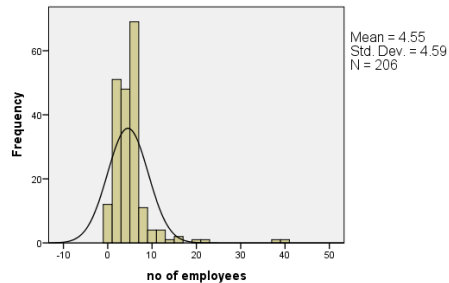


Figure 7a. No. of employees in certified WISEs

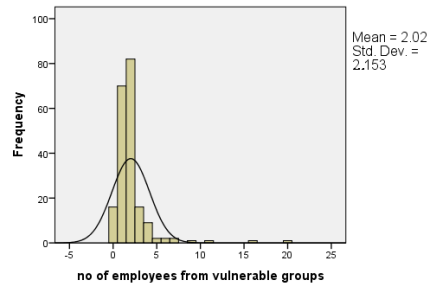


Figure 7b. No. of employees from vulnerable groups in certified WISEs

Generally, fewer than half of the employees of the Romanian WISEs belong to vulnerable groups (Figure 7b). Figure 8 details the type of persons hired from these vulnerable groups.

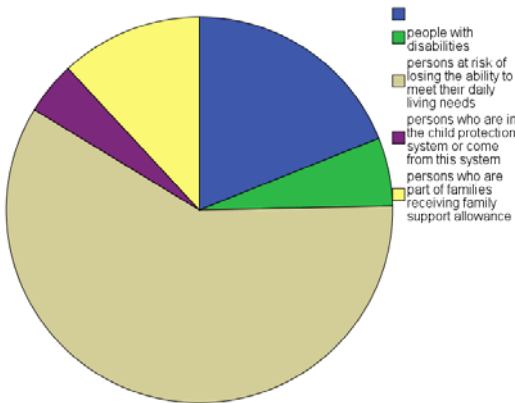


Figure 8. The main vulnerable group employed by Romanian WISEs

WISEs often lack specificity in identifying the vulnerable groups they employ, with around 20% not detailing the types of individuals they hire (see Figure 8, the blue section). Among those that do provide such information, approximately 6% employ individuals with disabilities, while 69% focus on persons at risk of losing the ability to meet their daily living needs. More than 4% hire individuals from the child protection system or those who have aged out of it, and nearly 12% employ individuals from families receiving family support allowance. This highlights the varied but imbalanced representation of vulnerable groups within the WISE sector in Romania. On the other hand, the high percentage of the vulnerable group from the category of the persons at risk of losing the ability to meet their daily living needs could be correlated with the high rate of risk of poverty or social exclusion in Romania (34,4% in 2022, according to the National Institute of Statistics) and, also, with the rates of severe material and social deprivation (24,3% in 2022) and of the relative poverty (21,2% in 2022).

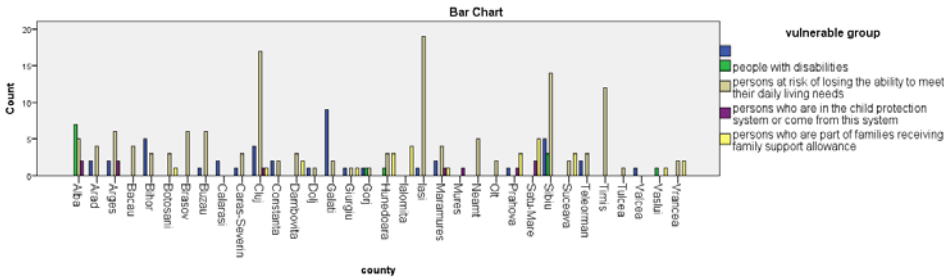


Figure 9. Distribution of vulnerable groups in WISEs across counties

A Chi-Square Test of Independence was conducted to examine the association between the types of vulnerable groups preferred for employment in Romanian WISEs and the counties in which these organizations operate (see the distribution in Figure 9). The Chi-Square test indicated a statistically significant association between the two variables, $\chi^2(132, N = 227) = 325.159, p < 0.001$. This suggests that some county preferences may be influenced by regional factors, such as sound expertise in accessing European funds, various local policies, demographics, or the availability of specific vulnerable populations in certain counties.

It is worth mentioning the WISEs with valid certificates that are at the top considering the number of people from vulnerable groups employed: Util Deco Group SRL (20 vulnerable employees), Association Caritas Campulung (10 vulnerable employees), and Emmaus Integrare SRL (9 vulnerable employees). All these three WISEs are members of RISE Romania. For example, UtilDeco Group SRL (more information is available at <https://www.utildeco.ro/>) is a protected unit trading company, and it was established and controlled by "Fundatia Alături de Voi" Romania (ADV) in 2007 as an employment solution for young people with disabilities, those coming from the child protection system or from families with problems. UtilDeco's economic activity consists of offering the following types of products and services on the market: textile work equipment, digital printing, physical and electronic archiving and document storage, freshly roasted coffee beans in the Opya roastery - the latest product available in UtilDeco's portfolio, starting in November 2021. UtilDeco won the special "Social Responsibility" grand prize - Business Days Anniversary Gala 2022. UtilDeco Group SRL has been certified as a social insertion enterprise since 2020. According to the data provided by RUIES August 2024 Version, UtilDeco Group SRL has 36 employees, of which 20 persons are from vulnerable groups. The percentage of the working time of the employees from the vulnerable group of total working time employees is 55,6%, exceeding the threshold required by the law.

The last line of investigation is the financial one. Data available in the Register refers to the incomes, as well as to the financial result (surplus of loss). Only 196 organizations declared this information (Figure 10).

Statistics				
		total income	loses	surplus
N	Valid	196	114	86
	Missing	31	113	141
Mean		406208.32	71908.54	79802.42
Median		201794.50	50849.50	20116.50
Minimum		500	0	7
Maximum		6323881	572816	1047418

Figure 10. The financial performance of the Romanian WISEs

The financial performance of Romanian WISEs reveals significant variability across organizations. An analysis of 196 WISEs showed a mean total income of 406,208.32 RON, with a median of 201,794.50 RON, indicating that only some organizations generated high revenues. The mean losses reported were 71,908.54 RON, with a median of 50,849.50 RON, suggesting that a minority experienced considerably higher losses. Meanwhile, the mean surplus was 79,802.42 RON, contrasted with a median surplus of 20,116.50 RON, highlighting the impact of large surpluses from a few organizations on the overall average. The minimum and maximum figures for total income, losses, and surplus illustrate the wide financial performance range among WISEs. Overall, these findings suggest a diverse landscape, highlighting the need for European and national funds to develop existing WISEs, specifically those dedicated to the start-up phase, and to implement strategies that enhance financial stability and success within the sector.

Conclusions

The size and dynamics of certified insertion social enterprises in Romania were studied based on secondary data available in August 2024 in the Unique Register of Social Enterprises managed by the National Employment Agency subordinated to the Ministry of Labour and Social Solidarity.

Compared with our previous study on certified social enterprises (Barna, Zbucea, & Stănescu, 2024), this research reveals that the insertion social enterprise sector is less dynamic than social enterprises, representing only 8% of the entire sector. This low figure is because only part of the European funding allocated in 2019-2022 has considered the insertion of vulnerable groups into work. Most organizations included in the registry were established in the period 2020-2022, a trend linked to the availability of funding opportunities from that period through the Human Capital Operational Program (POCU), where certification as a social enterprise was a condition for obtaining the grant.

The insertion social enterprises sector follows the same pattern of certified social enterprises, analyzed in detail in our previous study (Barna, Zbucea, & Stănescu, 2024). Considering that in August 2024, most of the certified social insertion enterprises (60%) are entities defined as other categories of legal persons (generally SRLs), and NGOs represent 40% of the certified social enterprises, based on the typology of Marthe Nyssens and Jacques Defourny in 2016, results that in Romania, the dominant model of certified social insertion enterprises is the social business model, followed by the entrepreneurial nonprofit model. However, when comparing with the previous results for the whole sector, we observe that the percentage of NGOs is definitely higher in the case of WISEs (40% versus 10% in the case of certified social enterprise), which demonstrates once again the inclination of NGOs towards assuming the challenging social mission of working with vulnerable groups. We can also speak about a prevalent category of vulnerable group employed in Romanian WISEs: the persons at risk of losing the ability to meet their daily living needs (almost 70% of the WISEs focusing on them). This reflects the specificity of the Romanian socio-economic context, where the rate of poverty or social exclusion remains high (34,4% in 2022, according to the National Institute of Statistics) even in the conditions of recent economic growth. Therefore, with efficient public policies in place to strengthen the sector, WISEs could significantly improve people's well-being and reduce inequalities in Romania.

The geographical distribution of WISEs in Romania shows significant variations across different counties. This suggests that county-specific economic and social factors are important for the development of WISEs, such as some counties may have been more active in attracting European funds dedicated to social economy, may have more favorable conditions for the development and operation of such enterprises being urban solid centers, or may benefit of the presence of well-known social entrepreneurs with sound expertise both in the social economy and in the management of the projects financed by European funds. On the other hand, culture is another critical factor that varies by region. This is also a key factor in explaining the behavior and strategies of all types of organizations, including nonprofits (D'Alessio, Zbucea, & Scaletti, 2024). Therefore, cultural dimensions should also be considered in the context outlined above

– the percentage of NGOs is definitely higher in the case of WISEs (40%), and the NGOs proved to be social innovators in the regions where they operate.

The most challenging result of our study refers to the very small number of WISEs with valid certificates: only 70 organizations (31% of the total WISEs registered). Understanding the reasons for most WISEs' difficulty in maintaining their certificate requires further research efforts, if possible, in the form of qualitative research. For the moment, we explain this considering the unfavorable ratio between the legal requirements and reporting burden for the certified WISEs and the support measures they benefit from, the administrative recognition of certified insertion social enterprises not yet accompanied by substantial dedicated facilities, incentives, or support measures. Alternatively, it could be correlated with the mandatory sustainability period of 2 years required for the WISEs established by European funding.

Nevertheless, the results of this study show that further research efforts are necessary to explain the rationale for a profound reform of the mechanisms and support measures for certified social insertion enterprises in Romania, which could stimulate the sector's consolidation. This reform should also focus on existing WISEs and their sustainability, and propose financing not only dedicated to the start-up phase. Moreover, in-depth problem-oriented research must be conducted to operationalize RUIES so that the Register provides data with high accuracy to researchers and all those interested in the sector evolution.

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