

## THE ROLE OF THE SOCIAL ECONOMY IN ACHIEVING SUSTAINABLE DEVELOPMENT OBJECTIVES

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**Abstract:** The article explores the impact of the social economy in Romania on the achievement of the Sustainable Development Goals (SDGs) of the *UN 2030 Agenda*, considering the specific contributions of different types of social economy organizations in achieving sustainable results. These organizations include: economically active NGOs (operating under Government Ordinance No. 26/2000, Law No. 246/2005), licensed social enterprises (operating under the Social Economy Law No. 219/201) and licensed protected units (operating under Law 448/2006 on the protection and promotion of the rights of persons with disabilities). The paper aims to assess the contribution of these economic entities to sustainable development by identifying their specific activities that influence progress towards the achievement of the SDGs. Comparative analysis of different types of organizations helps to understand how each contributes to different aspects of sustainable development.

The study was based on updated data from the *Register of Associations and Foundations* (published on the website of the Ministry of Justice), the *National Register of Social Enterprises - RUES* (published on the website of ANOFM) and the *Register of Authorized Protected Units* (published on the website of the National Authority for the Protection of the Rights of Persons with Disabilities, Ministry of Labour and Social Solidarity).

The results underline the direct contribution of social economy organizations to SDG 1 (Poverty Free), SDG 3 (Health and Well-being), SDG 4 (Quality Education), SDG 8 (Decent Work and Growth), SDG 10 (Reducing Inequalities) and SDG 12 (Responsible Consumption and Production). By reporting on the SDGs, organizations clarify their social impact, improve transparency and accountability, and at the same time increase their attractiveness to donors and partners. This approach facilitates the creation of strategic partnerships and fundraising, contributing to sustainable and effective solutions. The SDGs also provide a clear framework for monitoring progress, assessing long-term impact and supporting public policies that promote sustainable economic and social development.

In conclusion, social economy organizations play a key role in transforming society and in achieving a significant number of Sustainable Development Goals, having a

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positive impact on communities, the environment and local economic development and are thus fundamental pillars of global sustainable development.

**Keywords:** social economy, social economy organizations, social impact, sustainable development goals

**Resumé :** L'article explore l'impact de l'économie sociale en Roumanie sur la réalisation des Objectifs de Développement Durable (ODD) de l'*Agenda 2030 de l'ONU*, en considérant les contributions spécifiques des différents types d'organisations de l'économie sociale dans l'obtention de résultats durables. Ces organisations comprennent: des ONG économiquement actives (fonctionnant en vertu de l'ordonnance gouvernementale n° 26/2000, loi n° 246/2005), des entreprises sociales agréées (fonctionnant en vertu de la loi sur l'économie sociale n° 219/201) et des unités protégées agréées (fonctionnant en vertu de la loi 448/2006 sur la protection et la promotion des droits des personnes handicapées). L'objectif du document est d'évaluer la contribution de ces entités économiques au développement durable en identifiant leurs activités spécifiques qui influencent les progrès vers la réalisation des ODD. L'analyse comparative de différents types d'organisations permet de comprendre comment chacune contribue aux différents aspects du développement durable.

L'étude s'appuie sur les données actualisées du *Registre des Associations et Fondations* (publié sur le site Internet du Ministère de la Justice), du *Registre National des Entreprises Sociales - RUES* (publié sur le site Internet de l'ANOFM) et du *Registre des Unités Protégées Autorisées* (publié sur le site Internet de l'Instance nationale pour la protection des droits des personnes handicapées, ministère du Travail et de la Solidarité sociale).

Les résultats soulignent la contribution directe des organisations de l'économie sociale à l'ODD 1 (pas de pauvreté), à l'ODD 3 (Santé et bien-être), à l'ODD 4 (Éducation de qualité), à l'ODD 8 (Travail décent et croissance), à l'ODD 10 (Réduction des inégalités) et ODD 12 (Consommation et production responsables). En rendant compte des ODD, les organisations clarifient leur impact social, améliorent la transparence et la responsabilité, et en même temps augmentent leur attractivité auprès des donateurs et des partenaires. Cette approche facilite la création de partenariats stratégiques et la collecte de fonds, contribuant ainsi à des solutions durables et efficaces. Les ODD fournissent également un cadre clair pour suivre les progrès, évaluer l'impact à long terme et soutenir les politiques publiques qui promeuvent un développement économique et social durable.

En conclusion, les organisations de l'économie sociale jouent un rôle clé dans la transformation de la société et dans la réalisation d'un nombre important d'objectifs de développement durable, ayant un impact positif sur les communautés, l'environnement et le développement économique local, et constituent ainsi des piliers fondamentaux du développement durable mondial.

**Mots-clés :** économie sociale, organisations de l'économie sociale, impact social, objectifs de développement durable

**Abstract:** Articolul explorează impactul economiei sociale din România asupra realizării Obiectivelor de Dezvoltare Durabilă (ODD) ale *Agendei ONU 2030*, luând în considerare contribuțiile specifice ale diferitelor tipuri de organizații ale economiei sociale în obținerea de rezultate durabile. Printre aceste organizații se numără: ONG-uri active din punct de vedere economic (care funcționează conform Ordonanței Guvernului nr. 26/2000, Legea nr. 246/2005), întreprinderi sociale autorizate (care funcționează conform Legii economiei sociale nr. 219/201) și unități protejate autorizate (care funcționează conform Legii 448/2006

privind protecția și promovarea drepturilor persoanelor cu dizabilități). Scopul lucrării este de a evalua contribuția acestor entități economice la dezvoltarea durabilă prin identificarea activităților lor specifice care influențează progresul către realizarea ODD. Analiza comparativă a diferitelor tipuri de organizații ajută la înțelegerea modului în care fiecare contribuie la diferite aspecte ale dezvoltării durabile. Studiul s-a bazat pe date actualizate din *Registrul Asociațiilor și Fundațiilor* (publicat pe site-ul Ministerului Justiției), *Registrul Național al Întreprinderilor Sociale - RUES* (publicat pe site-ul ANOFM) și *Registrul Unităților Protejate Autorizate* (publicat pe site-ul Autorității Naționale pentru Protecția Drepturilor Persoanelor cu Dizabilități, Ministerul Muncii și Solidarității Sociale).

Rezultatele subliniază contribuția directă a organizațiilor economiei sociale la ODD 1 (Fără sărăcie), ODD 3 (Sănătate și bunăstare), ODD 4 (Educație de calitate), ODD 8 (Muncă decentă și creștere), ODD 10 (Reducerea inegalităților) și ODD 12 (Consum și producție responsabilă). Prin raportarea ODD-urilor, organizațiile își clarifică impactul social, îmbunătățesc transparența și responsabilitatea și, în același timp, își sporesc atractivitatea pentru donatori și parteneri. Această abordare facilitează crearea de parteneriate strategice și strângerea de fonduri, contribuția la soluții durabile și eficiente. ODD oferă, de asemenea, un cadru clar pentru monitorizarea progreselor, evaluarea impactului pe termen lung și sprijinirea politicilor publice care promovează dezvoltarea economică și socială durabilă.

În concluzie, organizațiile de economie socială joacă un rol cheie în transformarea societății și în atingerea unui număr semnificativ de Obiective de Dezvoltare Durabilă, având un impact pozitiv asupra comunităților, mediului și dezvoltării economice locale, fiind astfel piloni fundamentali ai dezvoltării durabile globale.

**Cuvinte cheie:** economie socială, organizații de economie socială, impact social, obiective de dezvoltare durabilă

## 1. Introduction

The social and solidarity economy (SSE) plays a key role in achieving the Sustainable Development Goals (SDGs), contributing to a more inclusive, equitable and sustainable society. The adoption of the resolution „Promoting the social and solidarity economy for sustainable development” by the United Nations General Assembly (A/77/L.60) in April 2023 and the Council Recommendation of 27 November 2023 on developing framework conditions for the social economy (C/2023/1344) highlight the global recognition of this sector as a catalyst for sustainable development.

At the European level, according to the Council Recommendation of 27 November 2023 on developing framework conditions for the social economy (C/2023/1344), in a general sense, social economy means „a set of autonomous private law entities providing goods and services to their members or society, encompassing forms of organization such as cooperatives, mutual societies, associations (including charities), foundations or social enterprises, and other legal forms, operating by the following principles and essential characteristics: (i) the prevalence of people as well as the social or environmental objective over profit; (ii) the reinvestment of all or the majority of profits and surpluses to further social or environmental goals and to carry out activities in the interest of members/users

('collective interest') or society at large ('general interest'); and (iii) democratic or participatory governance" (p. 8).

Social economy organizations are entities that combine entrepreneurial and social dimensions in the provision of services and products (European Commission 2016; European Commission 2019; European Commission 2020). This duality of purpose allows social economy organizations to operate in different national contexts and in different sectors, adapting their models to address a wide range of economic and social needs. The activities of social economy organizations have been focused on addressing social challenges: poor access to care or support services to overcome vulnerability (SEEs providing social services), limited access to health care (especially preventive and community-based) especially in underserved areas (e.g. rural areas) or for people from vulnerable groups (e.g. elderly people, people with disabilities) (health service provider HEOs), unemployment or poor labour market integration of certain groups of people (e.g. people with disabilities, migrants, single mothers, people with low skills) (HEOs integrating vulnerable people into the labour market) (Petrescu and Lambriu, 2022; Gidron and Monnickendam-Givon 2016; Kerlin, 2017). These activities demonstrate the essential role of SEEs in complementing public social protection or employment systems, especially in contexts where state capacity is limited or where specific needs are not met.

The literature considers the role of SEOs in achieving social protection goals to be linked to the welfare state and market failures (Kibler et al. 2018; Nicholls and Teasdale 2017). Thus, SEEs are considered to be effective public policy tools in employing people from vulnerable groups by creating inclusive employment environments, increasing skills, providing support services for those from vulnerable groups (Aiken 2007; Teasdale 2012; Doherty, Haugh and Lyon 2014; Gidron and Monnickendam-Givon 2016), in mobilizing social capital by creating collaborative frameworks, stimulating participation in decision-making (Evans and Syrett 2007; Kay 2006) or in the provision of social or health services (Petrescu and Lambriu, 2022; Gidron and Monnickendam-Givon 2016).

In recent years, at the European level, SEEs are increasingly oriented towards innovative activities that respond to contemporary societal challenges and are future-oriented. Key areas of innovation include (European Commission, 2024; European Commission, 2020):

- **Circular economy:** OES plays a key role in promoting sustainable practices such as recycling, upcycling and promoting zero waste initiatives. These create value by turning waste into resources, reducing environmental impact while promoting local economic development.
- **Collaborative economy:** OES adopts shared resource models, including community-owned cooperatives, peer-to-peer platforms, which promote inclusion and solidarity.
- **Migration and integration services:** Many SEOs address the challenges associated with migration by offering services such as language courses,

legal assistance, housing support and cultural integration programs for migrants and refugees.

- **Energy Solutions:** In the context of climate change, OES engages in renewable energy projects such as community solar or wind farms, energy cooperatives, and energy efficiency programs for low-income households.
- **Transport systems:** SE innovates in sustainable and inclusive transport solutions, such as shared mobility services, community-oriented transport initiatives and accessible public transport options for disadvantaged groups.

The evolution of SEEs from traditional social service providers to promoters of innovation and systemic change underlines their adaptability and relevance in a rapidly changing world. Their focus on both social and entrepreneurial objectives positions them as key actors in addressing the unmet needs of contemporary societies and promoting sustainable and inclusive development.

Social and solidarity economy organizations pursue long-term sustainability and transition to formal economy, operating in all economical domains. They promote values intrinsic to their operation, such as caring (for the people and for the planet, interdependence, equality, transparency, self-governance, accountability, decent work and sustainable livelihoods. Thus, the social economy, through its activities and values, cross-cut across many of the SDGs, becoming an essential pillar for achieving them:

1. **Solidarity and equity:** Combating inequalities and promoting social inclusion (SDG 1: Poverty Free - the social economy contributes to poverty reduction by creating jobs, supporting vulnerable people and implementing social initiatives; SDG 2 - Zero Hunger - social economy organizations involved in sustainable agriculture, agricultural cooperatives and food surplus redistribution initiatives contribute to food security and hunger reduction; SDG 3: Health and well-being - The provision of health and social services, including care for the elderly or vulnerable, contributes to the well-being of communities; SDG 10: Reduce inequalities - By supporting the social and economic inclusion of marginalized groups, the social economy contributes to reducing inequalities between individuals and communities. For example, associations providing support for the integration of refugees, people from ethnic minority groups or people with disabilities).
2. **Democratic participation:** The social economy promotes participatory governance, transparency and accountability, supporting social cohesion and citizen involvement (SDG 16 - Peace, justice and strong institutions).
3. **Sustainability:** Develop economic models that respect natural resources and protect the environment (SDG 11: Sustainable cities and communities - the social economy supports social housing initiatives or urban revitalization projects; SDG 12 - Responsible consumption and production,

SDG 13 - Climate action, Organizations offering renewable energy solutions or reforestation initiatives).

4. **People first:** Unlike profit-focused organizations, the social economy puts people's needs and well-being first (SDG 4: Quality education - supporting access to education for disadvantaged groups, skills development and vocational training are core activities for many social economy organizations; SDG 5: Gender equality - the social economy promotes women's equal participation in economic and social life by creating jobs and supporting women-led initiatives. SDG 8: Decent work and economic growth - the social economy generates sustainable employment, promotes social entrepreneurship and ensures decent work conditions, especially for vulnerable groups, including people with disabilities).

The social economy's contribution to the implementation of SDGs is also mentioned in the European Commission's Social Economy Action Plan „as it is actively engaged worldwide in reducing poverty, driving the transition to sustainable cities and communities, responsible consumption and production and sustainable financing. As such, collaborative and not-for-profit organizations are a key pillar of Europe's social and economic resilience” (see „Building an economy that works for people: an action plan for the social economy”, a communication from European Parliament, p. 4)

To obtain a comprehensive picture of the role of the social economy in Romania in achieving SDGs, a two-step methodology was used, including 1) a literature review; 2) data analysis and processing of the economic activities of social economy organizations in Romania, obtained from the inventory of 3 distinct types of organizations, namely: non-governmental organizations with economic activity, authorized social enterprises and authorized protected units.

The aim is to assess the contribution of these social impact legal entities that generate income from economic activities to various sustainable development objectives, with a focus on social inclusion, reducing inequalities and promoting a sustainable economy.

## **2. Analysis of the social economy sector in Romania concerning the Sustainable Development Goals**

The social economy is an important segment of sustainable development in Romania, with significant social, economic and environmental impacts. The work of social enterprises, non-governmental organizations (NGOs) and approved protected units (APUs) contributes directly to improving the quality of life and achieving the SDGs. This analysis highlights the diversity of economic activities in the sector and how they support community development and reduce inequalities.

### **2.1. The size of the social economy sector**

The social economy in Romania has its roots in the 19th century, initially represented by cooperatives, associations, foundations and mutual societies. Their development was severely hampered by the communist regime, but after 1990 the

sector has seen a revival, especially in the field of NGOs and mutual societies. Romania's accession to the EU in 2007 boosted the institutionalization of the social economy, and in 2015 Law 219/2015 was adopted, which regulates the sector and defines social enterprises.

According to the law, the social economy represents a set of activities outside the public sector that aim to serve general or community interests through social inclusion and the provision of goods and services. The principles of the social economy stipulated by the law are the prioritization of social objectives over profit, solidarity and collective responsibility, democratic control by members, independence from public authorities and reinvestment of the majority of profits for social purposes. To qualify as a social enterprise (SE), an entity must be independent of the public sector, be governed by private law, adhere to the principles of the social economy and hold a social enterprise certificate.

The main entities that can qualify as an SE include cooperatives, mutual aid houses, associations and foundations, as well as limited liability companies (LLCs). These entities operate under specific framework laws and can obtain a „social enterprise label” by meeting the above criteria. (Petrescu, Iftimoaei, Vasiliu, Enache, Isac, 2024).

**Table 1.** Legal framework for main SE entities

<b>Entities</b>	<b>Laws</b>
Cooperative societies	Law no. 1/2005
Credit unions	Government Emergency Ordinance no. 99/2006, Law no. 227/2007
Associations and foundations	Government Ordinance no. 26/2000, Law no. 246/2005
Mutual aid houses for employees	Law no. 122/1996
Mutual aid houses for pensioners	Law no. 540/2002
Agricultural companies	Law no. 36/1991
Agricultural cooperatives	Law no. 566/2004
Limited liability companies	Law no. 31/ 1990

In 2021, “the social economy sector in Romania included 2,043 cooperatives, 127,053 NGOs (associations and foundations), 5,216 mutual societies and 2,331 limited liability companies. The number of newly certified social enterprises amounted to 2,622 in 2021, of which 113 were social insertion enterprises.” (Petrescu, Iftimoaei, Vasiliu, Enache, Isac, 2024).

In our study, in order to highlight the social impact of social economy organizations in relation to sustainable development objectives, we analysed three distinct types of organizations, namely: non-governmental organizations with economic activity, licensed social enterprises and licensed protected units. While there are possible overlaps between the three types of organizations, the analysis attempts to capture a number of their characteristics and developments, as well as their areas of activity that influence the SDGs.

**Non-governmental organizations with economic activity** (operating under Government Ordinance no. 26/2000, Law no. 246/2005) - those that are in the ANAF database and that declare their balance sheets annually to the Ministry of Finance, as required by law. According to the Integral Study on the *Non-Governmental Sector. Profile, trends, challenges* (Voicu, 2024), there were a total of 81938 unique entities in Romania that filed at least one one-year balance sheet between 2013-2022. Out of these: 30% filed balance sheet year by year; 5% filed only in 2022; 4% filed year by year starting in 2016; 2% year by year until 2017 and 0.4% filed year by year between 2015 and 2020 and then stopped filing. According to the survey, there are about 125,000 unique registrations in the National NGO Register, almost 82,000 have filed at least once NGO balance sheet between 2013-2022 and almost 58,000 have filed an NGO balance sheet in 2022.

**Table 2.** Classification by field of economic activity of the NGOs that have submitted their balance sheet at the end of 2022 and correlation with the Sustainable Development Goals

Fields of activity	Total balance sheet submissions 2022
Culture/Art	3911
Sport / Hobby	9773
Animal protection	1280
Education	5467
Research	381
Health	2393
Social/charitable	5130
Disabilities	621
Elderly	563
Roma people	86
Women	1755
Family	282
Children	2435
Young people	1291
Environment/ecology	1214
Civic, advocacy	1813
Ethnic	551
Religious	2800
Business/professional	8016
Community development	1443
Agricultural	2928
Tourism	350
Commune/ Forestry	1638
Owners land/woodland	293

Source: Voicu, B. (ed.), 2024.

**Authorized social enterprises**, according to Law No. 219/2015 make a significant contribution to sustainable development by providing innovative



solutions to social and economic problems. Through the diversity of their activities, the sector manages to support social inclusion, reduce inequalities and contribute to local economic development.

According to the National Register of Social Enterprises (RUES), updated on October 31, 2024, a total of 2931 were registered in Romania, of which only 1863 still had a valid certificate of operation and only 60 were social insertion enterprises.

**Table 3.** Classification by fields of economic activity of social enterprises with valid certificate, authorized according to the law

Field of activity	Total social enterprises
Manufacture and processing of products - textiles, furniture, bread and bakery products, meat, fruit and vegetable juices, plastics, medical and dental devices, appliances and instruments, concrete products for construction, carpentry products, etc.	424
Education, teaching and research	259
Construction work	186
Social services, social or personal welfare	129
Health, dental services	103
Business and management consultancy, accounting and financial auditing activities	75
Landscape maintenance activities	54
Retail sale of second-hand goods sold in stores, online	50
Activities of advertising agencies, web site management and related activities	48
Activities of nursing homes and homes for the elderly and homes for persons unable to care for themselves, other social work activities, residential and non-residential, activities of day care activities for children	45
Publishing and printing activities	44
Activities of tourist agencies, car rentals	29
Sporting activities	17
Packaging activities	17
Non-hazardous waste collection, recycling, reuse	14
Activities of Employment Placement Agencies	12
Other lending activities	5
Other activities	352

Source: *Single Register of Social Enterprises (2024)*, ANOFM.

The social economy sector thus covers a wide range of economic activities, each linked to specific sustainable development objectives:

1. **Social and care activities** - The organization of homes for the elderly and day care centres for children are key areas. These activities contribute to reducing poverty (SDG 1) and ensuring the well-being of vulnerable people (SDG 3).
2. **Education and research** - Social enterprises involved in education and training support skills development and integration into the labour

market. Through these activities, they contribute to improving access to quality education (SDG 4).

3. **Industrial production** - The manufacture of products such as textiles, furniture, bakery products or medical instruments supports the local economy and promotes sustainable patterns of production and consumption (SDG 8 and SDG 12).
4. **Health** - Dental services and other health-related activities (including physiotherapy, speech therapy, psychological counselling, etc.) contribute to improving the quality of life and reducing inequalities in access to essential services (SDG 3 and SDG 10).
5. **Construction and infrastructure** - Social enterprises in this sector support the development of communities and create jobs for different population groups, thus contributing to sustainable economic growth (SDG 8).
6. **Consulting and professional services** - Business, accounting and management consulting activities help strengthen the economy and support other organizations in achieving their goals (SDG 8).

**Authorized sheltered units.** To highlight the social impact on work integration of people from vulnerable groups, in particular people with disabilities, we also included in our analysis the authorized sheltered units, regulated by Law 448/2006 „on the protection and promotion of the rights of people with disabilities”, which have an important contribution to the achievement of the Sustainable Development Goals targets. As of 19.11.2024, according to the Register of Protected Units published by ANPD (“National Authority for the Protection of the Rights of Persons with Disabilities of the Ministry of Labour and Social Solidarity”), a total of 406 authorized protected units were registered (56 internal sections within associations and foundations; 287 SRLs; 40 authorized natural persons, 22 family businesses and 1 internal section within a public institution)

**Table 4.** Classification of Authorized Protected Units by fields of economic activity, according to the law

Fields of activity	Total Authorized Protected Units
Manufacture of made-up textile articles (except apparel and underwear); / Manufacture of workwear; / Manufacture of wearing apparel (except underwear)	93
Other human health activities	30
Printing activities	30
Bookbinding and related activities/Packaging activities/Library and archives activities	27
Other information technology/computer manufacturing service activities	26
Manufacture of stationery;	23

Fields of activity	Total Authorized Protected Units
Manufacture of corrugated paper and paperboard and of containers of paper and paperboard	
Other forms of learning	18
Activities of advertising agencies	16
Business and management consultancy activities	13
Cleaning activities	13
Manufacture of furniture	10
Collection of non-hazardous waste	4
Activities of sales and intermediaries	4
Other social work activities without accommodation	2
Other activities	97

Source: *The Register of Protected Units* (2024), on <https://anpd.gov.ro/web/unitati-protejate/>

## 2.2. Impact on the labour market

The social economy generates employment opportunities for various categories of the population. Jobs created in economically active NGOs as well as in licensed social enterprises and sheltered units contribute to reducing inequalities (SDG 10), in particular by integrating people from vulnerable groups (Petrescu and Lambriu, 2021).

In 2022, a total of 143,805 people were employed in the sector of associations and foundations, part of the social economy sector (according to the *Barometer of the Social Economy in Romania*, 2023).

In 2023, 4,100 jobs were created in authorized social enterprises and another 2,657 in Authorized Protected Units, most of which were for people from disadvantaged categories. By the end of 2023, these organizations have generated more than 6,700 jobs, of which 2,081 are for people from vulnerable groups, including people with disabilities. This demonstrates the important role of the sector in ensuring decent work and supporting social inclusion (SDG 8).

## 3. Contribution of social economy organizations to the Sustainable Development Goals

The analysis of the data provided reveals the contribution of non-governmental organizations (NGOs) and social enterprises to the achievement of the SDGs, highlighting their impact in areas such as poverty reduction, education, health, decent work and social inclusion.

### 1. SDG 1: No poverty

#### ○ *Correlated activities:*

- Nursing home activities for the elderly and disabled (45 entities), other social services without CAEN code (110 entities), and daycare activities for children.
- NGOs play a key role in providing social services to vulnerable groups.

- *Contribution of the NGO sector and social enterprises:*
  - Reducing the risk of poverty by providing social services and support to vulnerable people.
  - Of the 4100 jobs created by social enterprises, 342 are for people from vulnerable groups, reducing social exclusion.

Romania's National Strategy for Sustainable Development 2030 aims to reduce the number of people living below the poverty line, increase employment, and develop the social protection and social assistance system. In the Strategy, reference is made to the Social Economy Law which created the necessary framework for the development of social enterprises in order to contribute to the increase of employment of vulnerable people and social inclusion (Iftimoaei, C., 2021).

## **2. SDG 3: Health and well-being**

- *Related activities:*
  - Dental health and services (95 entities).
  - Other human health activities (30 entities).
  - Nursing homes and services for the disabled.
- *Sector contribution:*
  - NGOs and social enterprises support access to health services and specialized care, especially for vulnerable groups.
  - Health employment creation contributes to quality service provision.

## **3. SDG 4: Quality education**

- *Related activities:*
  - Education, teaching and research (102 entities).
  - Other forms of education (18 entities).
- *Sector contribution:*
  - NGOs and social enterprises provide access to education, training and professional development, improving inclusion and educational equity.
  - Supporting education contributes to increasing opportunities for economic and social inclusion.

## **4. SDG 5: Gender equality**

- *Implicit contribution:*
  - Although the data do not explicitly indicate gender equality-oriented projects, activities in education, health and job creation favour the involvement of women and other disadvantaged groups in economic and social activities.

Data provided by the „European Commission”, „Eurostat” and the „European Institute for Gender Equality” show that Romania with 54.5 points is at the average position in terms of the gender equality index (67.4 points) compared with the European level in 2021. From the reports of the aforementioned institutions, women in Romania are affected by domestic violence, face problems in terms of accommodating working time with housework, and there is a gap between the

employment rate of women versus the employment rate of men in Romania (16.5%), compared to the European average (11.9%) (Iftimoaei, C., Gabor, V., 2021).

### **5. SDG 8: Decent work and growth**

- *Related activities:*
  - Manufacturing (424 entities), construction activities (186 entities), business and management consultancy activities (75 entities).
  - A total of 143 805 jobs in the associations and foundations sector.
  - A total of 4100 jobs in social enterprises, of which 342 were for vulnerable groups.
  - Authorized Protected Units (UPA) created 2657 jobs, of which 1739 were for people with disabilities.
- *Sector contribution:*
  - Decent job creation, including for vulnerable and disabled people, contributes to labour market inclusion and economic growth.
  - Around 60% of economically active social enterprises make a profit, demonstrating their sustainability.

### **6. SDG 10: Reduce inequality**

- *Related activities:*
  - Licensed protected units (UPAs) and licensed social enterprises prioritize the integration of people from vulnerable groups (persons with disabilities, elderly, disadvantaged families).
- *Sector contribution:*
  - Reducing inequalities by providing economic opportunities and social services to disadvantaged groups.
  - Local capacity building through community projects.

### **7. SDG 12: Responsible consumption and production**

- *Related activities:*
  - Manufacture of textiles, plastics, construction concrete products and other goods (424 entities).
  - Retail of second-hand goods (50 entities).
- *Sector contribution:*
  - Promotion of sustainable production and circular economic practices.

### **8. SDG 17: Partnerships for the Goals**

- *Linked activities:*
  - Collaboration between NGOs, social enterprises and public authorities to implement social and economic projects.
- *Sector contribution:*
  - Building a collaborative ecosystem that supports sustainable development.
  - Integration of NGOs and social enterprises in local and national strategies.

In Romania, the analysis of the NGO sector highlights several trends and challenges that outline both its potential and its limitations. The first relevant aspect is the activity rate of non-governmental organizations, which shows that

only 66% of the 125,000 entities registered in the National NGO Register are active (Voicu et al., 2024). This significant discrepancy between the total number of organizations and those operating indicates possible difficulties in maintaining constant activity. Causes may include a lack of financial resources, internal organizational difficulties, or legislative barriers. This context suggests the need for better-defined and targeted public policies to support active organizations, either by simplifying administrative regulations or by providing incentives to facilitate their sustainability.

In terms of NGO revenues, the situation reveals a considerable dependence on external sources of funding. According to data, 82% of the sector's income comes from donations, sponsorships and grants (Voicu et al., 2024). This funding structure, although vital, exposes organizations to significant risks in case of economic fluctuations or legislative changes that affect the ability of donors and sponsors to financially support the sector. This highlights the importance of a concerted strategy to diversify financial resources. To this end, NGOs could explore the development of income-generating activities, the creation of partnerships with the private sector for joint projects, or access to structural and European funds.

Thus, although the NGO sector in Romania has a significant numerical presence, its relatively low rate of activity and its majority dependence on external funding highlight its vulnerabilities. Tackling these challenges requires not only initiatives from the sector itself but also a more favourable policy framework that fosters sustainability and reduces administrative obstacles. This could make the NGO sector a stronger and more stable actor in the development of civil society in Romania.

### 3. Conclusions

Reporting on the Sustainable Development Goals (SDGs) is essential for assessing the social impact of a social economy organization for several reasons:

- **Alignment with international commitments:** the SDGs ( a set of 17 global goals adopted by all member states of the UN, aim to eradicate poverty, protect the planet and promote prosperity for all by 2030. By reporting against these goals, social economy organizations show that they align their activities with international commitments and contribute to the achievement of shared global goals. This alignment can increase the organization's legitimacy and attract international support, including funding and partnerships;
- **Clarifying social impact:** A social impact assessment about the SDGs enables the organization to define and measure its contributions to sustainable development. By identifying relevant objectives (e.g. reducing inequality, quality education, decent work, environmental protection), the organization can concretely show how its activities generate social and economic benefits and thus contribute to solving global problems. This adds value to the report by demonstrating social responsibility and commitment to sustainability;

- **Accountability and transparency:** An SDG-based approach helps organizations to be more transparent and accountable to their stakeholders. Whether local authorities, investors, NGOs or the general public, using the SDGs as a framework for assessment and communication provides a common, easy-to-understand language to measure progress. This helps to better understand the impact of the organization's actions and create a sense of trust and support from them;
- **Building partnerships and attracting funding:** Organizations that align their activities with the SDGs are more attractive to funders and strategic partners, such as donors, investors and international organizations, who support initiatives that contribute to global development goals. The SDGs can also help to identify new sources of funding and strengthen existing partnerships, as many are interested in investing in projects with a positive and sustainable social impact;
- **Effective monitoring and reporting:** the SDGs provide a clear framework for monitoring progress and assessing long-term impact. In this way, organizations can collect and analyse relevant data systematically, making reporting more effective and easier to compare with international standards. The SDGs can also guide organizations in setting measurable targets and tracking their achievement, contributing to continuous improvement of activities and results;
- **Support public policies:** An SDG-based approach can positively influence public policies and contribute to the development of government strategies and initiatives that support sustainable social and economic development. Organizations that demonstrate their impact in this context can play an active role in dialogue with public authorities and in promoting the changes needed to achieve the SDGs.

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