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**The Future of Social Services - Approaches
to a Sustainable Social Economy**

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Abstract: Social facilities and services are today more and more organized as modern service companies. They are increasingly working with market mechanisms rules. The evaluation of performance and efficiency controls the redistribution of funds to social security systems. The Nobel Prize Winner Muhammad Yunus was awarded for giving microcredits that helped citizens of his country, to find a way out of poverty. Sustainability is a key topic to the world economy debate. Companies should not pursue the goal of profit maximization, but they should solve the social problems of the world through their economic actions. Currently 20 percent of the people in the world possess 83 percent of wealth, about 1.73 billion people live below the poverty limit. In this review I present the concept of „Social Economy“, underlying the way how to optimize the actions of social services providers to the needs of the citizens. The analysis starts from the question of how national governments can regulate and subsidise services in the public good and how the civil society participate in decision making process on this issue.

Key-words: public economy; social services; sustainability; market; public good

JEL Classification: P31; J11; H5; M14

1. Introduction

The social sector is one of the largest economic activity. Usually, in the public discussions it is perceived only as scandalous or as selfless-volunteer. Experts in politics, administration, science and economy are concentrate on the issue of social services providers, how can they adjust their activity according to people needs and how is this to achieve, how is to overcome the problems created by the financial and economic crises.

This paper argues the difficulty to find a clear and conclusive definition for the concept of "social economy". Different perspectives on some key issues and challenges in social economy are discussed, with respect to the most important one: the shortage of skilled workers.

Important steps where made at the EU level, with regard to social economy organizations. In the European Commission Communication "Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation" (COM-2011-682 final) social enterprises are identified with social economy. This represents an important issue in promoting support and sustainability in the social economy sector.

2. The Concept of "Social Economy"

The "social economy" is a branch of economics and deals with services for the benefit of the whole society (individuals and collective). The focus is put on human services (social issues).

The term "social economy" goes back to the 19 century in Europe (France), and it was present in political, social and economic debates. It was the work of social reformers of that time who saw in the

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social economy the values of conservative social church which they sought to promote. Today, the defining elements of social economy show two currents of thought:

- the first can be traced to the sociologist Frederic Le Play, who saw social economy as a parallel market that is dependent on the state for its survival. According to this, social economy is functioning apart from the market.
- the second sees social economy as a dimension of the market. Regarding this view, the market is seen as an open domain, in which the social economy, the state, the commercial sector all play a role.

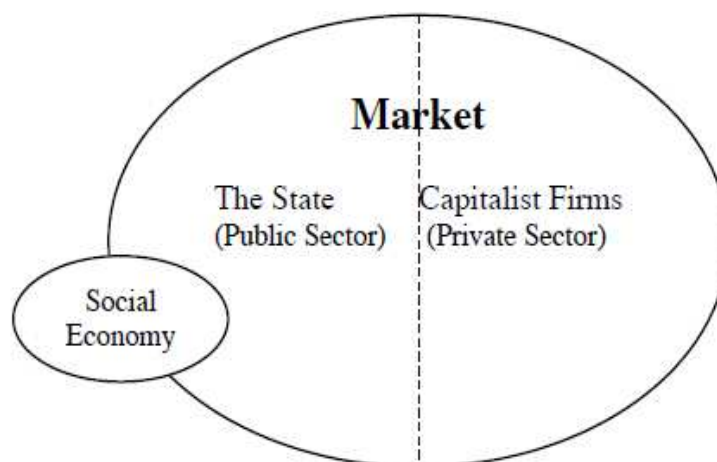


Figure 1

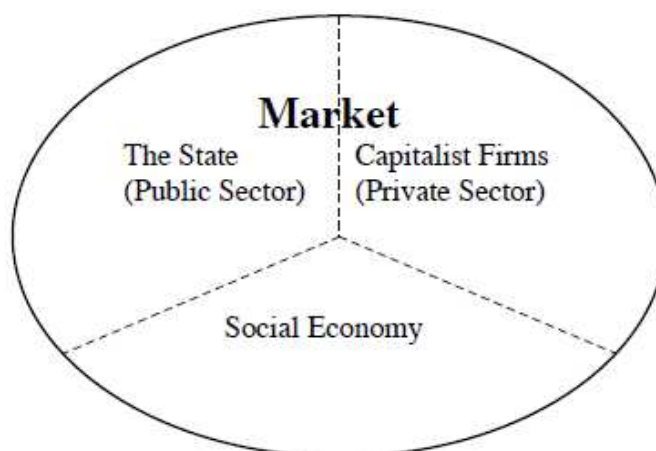


Figure 2

(adapted from Restakis, J., 2006)

However, recent studies show that social economy is located between the private sector (market) and the public sector (government), if social economy is considered a part of the economic activity. In common assignments social economy is placed to third sector and nonprofit sector. Although social economy is part of the third sector, social economy does not include its entire range of organizations and activities.

The social economy appoint a specific field of creating economic value. It differs from other economic sectors in that it is primarily a non-profit activity, but with particular goals that cover the human needs.

Crucial for the definition of social economy is its social specific function. Social economy includes organizations, services, facilities and other enterprises which have as purpose to fulfill social task on the welfare of people, seen as individuals or collective. So, generally belongs to social economy enterprises and organizations that provide social services to children and youth institutions, facilities for the disabled people, that support workshops for disabled, outpatient and inpatient care services.

It is important to stress that the activities of social economy are based on principle of participation, empowerment and individual and collective responsibility.

3. Shortage of Skilled Labor in Social Economy

Skilled worker shortage is a very important topic for the whole labor market but especially for the social economy.

Several studies show a significant shortage of the entire labor market in the next 5 years. Not only academics and skilled workers are needed in the next years, but also unqualified workers. The reason for the increasing shortage of skilled labor are varied, for example declining birth rates, the aging society, challenging working conditions of market segments, some professions are unattractive for the young people, high labor costs and many more.

All this challenges must be from the social economy undertaken. They affect no longer certain areas or certain professions, like doctors or nursing staff, but they reach more and more market segments.

Social enterprises must develop and implement on medium and long term a strategic human resource planning, and further develop for the existing human capital and thus placing the individual measures in a systematic context. It is to decide between measures relating to the existing staff and those aimed recruiting human resources. They follow different purpose within a company.

Actions must be taken with respect to:

- the existing staff, for example employee motivation, training, education, advanced training, gradual transfer of responsibility;
- recruitment. A very good opportunity for this process is the cooperation with educational institutions from their own association, from surrounding regional area, private education providers. Such cooperation has also the advantage of training for both junior staff and existing staff performed by the same provider. Social economy should be especially attractive for young people, who are at the beginning of their professional life.

In the future, new and so far uncommon concepts and methods are gaining importance, like structured staff analysis. This analysis investigate from where was recruited the staff in the past, what kind of conspicuousness they show in terms of qualifications and age profile of the total workforce.

Another instrument is the check of personal risk. This is a simulation using statistical methods that predict the future morbidity development of existing and potential workforce, the future downtimes, employee turnover, due to certain diseases that forecast the clinical picture of one employee. Only in this way it is possible for an organisation to react at an early stage, to take appropriate prevention measures and adjust its workprocess.

As in all strategic measures, the impact is not seen immediately, but first must develop their effects. Therefore, early planning is of great importance. The competition has began between social service providers, each want to have the best staff that the others. Only with a good human resources management can be achieved the objectives ones organization.

4. Conclusions

The social economy sector is an integral part of the economy and it is growing in dynamic, so that the innovation needs to be applied in order to continue development in this sector. Social economy is an important issue in discussions at all levels of society but currently it is present also on the EU agenda.

The present review describes the fact that the concept of social economy requires its own definition, but not a final one, because the importance of its activities and environment are constantly changing and evolving, with respect to the society needs.

In conclusion, social economy means an option, not a profit-justified kind of economy. The term of "social economy" is in many countries misunderstood. The results and products of the social economy organizations cannot be measured with the same instruments used for profit market, because the "profit" is situated in the social-political area, where qualitative descriptions and records criteria are needed for quality.

Shortage of skilled workers represents a wide discussed issue. The paper presents an overview of approaches to the social economy in recent human resources policy thinking, with respect to the demographic changes. Different actions must be taken in this area to prevent a more dramatic effect of the shortage of skilled labor. The most important aspects of the staff management are described in the section regarding human resources in social economy.

Global efforts must be made in order to build economies more human. Social economy becomes more relevant as a reformator to the social and economic forces that do everything is possible to isolate economics from its social context.

The social economy remains the main point of how people will use the structures of social relations to make society with a human face.

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