



THE 16TH EDITION OF THE INTERNATIONAL CONFERENCE
EUROPEAN INTEGRATION
REALITIES AND PERSPECTIVES

**Modeling Growth – between Public Policy and
Entrepreneurship**

**Conceptual Differentiations on
‘Social Entrepreneurship’. Examples from Romania¹**

Roxana Marin²

Abstract: The initiatives of social entrepreneurship are rather scant in Romania, social businesses scoring a significant increase during the last ten to six years, with such enterprises as Ashoka Romania, Meștешukar ButiQ, Atelierul Merci, MamaPan, Concordia Bakery, etc., being especially active in this field. Nonetheless, this particular environment remains problematic, in the absence of public policies encouraging this new type of business and the general redistribution of profit. This paper is concerned with the definition and conceptualization of the notion of “social entrepreneurship”, providing a theoretical and taxonomical framework for the discussion of social business in Romania. Furthermore, it dwells on three case studies in Romania, in the attempt to properly identify the steps in the process of initiating a social enterprise and the main challenges this type of endeavor is currently facing in the Romanian context, during the last six years, in a – what would seem – increasingly welcoming entrepreneurial environment.

Keywords: social enterprise; legal environment; marginalized groups; profit

1. Introduction: The Concept of “Social Entrepreneurship”

The concept of “social entrepreneurship” has become increasingly used by a more and more significant scientific literature, generated by a more and more vivid activity of entities and initiatives in the domain of social enterprise. Most of the literature concerning the gradually rising phenomenon of “social entrepreneurship” is interdisciplinary, focusing not only on the importance and the impact of such enterprise on economics, but also looking into the sociology and anthropology of social businesses, on their impact on public management and on community work etc. However, given the fact that it studies an ever-changing reality still in its infancy, the literature dedicated to social entrepreneurship is problematic for a number of reasons, especially due to: its lack of empirical observations (Cukier, Trenholm, Carl & Gekas, 2011, 99-119); its initial association to the concept of “social movement”; its richness of confusing definitions and conceptual positions, sometimes ideologically charged (Mair &

¹ This paper is part of an ongoing research on social entrepreneurship, developed within the project „Entrepreneurial Education and Professional Counseling for Social and Human Sciences PhD and Postdoctoral Researchers to ensure knowledge transfer” Project, co-financed from European Social Fund through Human Capital Programme (ATRiUM, POCU/380/6/13/123343). Preliminary findings were previously published in On the Issue of Social Entrepreneurship in Romania: Some Introductory Remarks, in Boldea, I., Sigmirean, C., & Buda D. (eds.). *Paths of Communication in Postmodernity. Section: History, Political Science, International Relations*. Târgu Mureș: Arhipelag XXI Press, 2020, pp. 83-93.

² Senior Lecturer, PhD, “Danubius” University of Galați, Romania, Address: 3 Galați Blvd., Galați, Romania, Tel.: +40 761462441, Corresponding author: roxanamarin@univ-danubius.ro.

Marti, 2006, 36-44). The employ of the concept skyrocketed after the publications, in 1997, of *The Rise of the Social Entrepreneur*, by Charles Leadbeater, and, in 2004, of *How to change the world: Social entrepreneurs and the power of new ideas*, authored by *New York Times* journalist David Bornstein. Already after the publication of Mair and Marti's article on social entrepreneurship research in *Journal of World Business*, in 2006, the scientific literature on social business comprised an impressive number of contributions, but an equally impressive number of contesting definitions and interpretations of the phenomenon. Two years later, Brock, Steinder, and Kim reviews these definitions (2008). The definition that *Ashoka* (probably, the best-known and the biggest organization supporting social enterprises all over the world) provides refers to social entrepreneurs as to "individuals with innovative solutions to society's most pressing social problems. They are ambitious and persistent, tackling major social issues and offering new ideas for wide-scale change"¹. In one of the earliest contributions to the literature on social entrepreneurship, Johnson rightly observes: "Social entrepreneurship is emerging as an innovative approach for dealing with complex social needs. With its emphasis on problem solving and social innovation, socially entrepreneurial activities blur the traditional boundaries between the public, private and non-profit sector and emphasize hybrid model of for-profit and non-profit activities" (Johnson, 2000, pp. 96-106). In a quite early attempt to define the impact and the position of the social entrepreneur in the economic landscape, J. G. Dees notes that: "[The] [s]ocial entrepreneurs play the role of change agents in the social sector, by: Adopting a mission to create and sustain social value (not just private value); Recognizing and relentlessly pursuing new opportunities to serve that mission; Engaging in a process of continuous innovation, adaptation, and learning; Acting boldly without being limited by resources currently in hand; Exhibiting heightened accountability to the constituencies served and for the outcomes created" (Dees, 2001, pp. 1-5). Bornstein's popularizing book defines the social entrepreneur as a "pathbreaker with a powerful new idea, who combines visionary and real-world problem-solving creativity, who has a strong ethnical fibre, and who is 'totally possessed' by his or her vision for change" (Bornstein, 2004, p. 37). Similarly, Paul C. Light, in a paper for *Stanford Social Innovation Review*, in 2006, discusses about the social entrepreneur as "an individual, group, network, organization, or alliance of organizations that seeks sustainable, large-scale change through pattern-breaking ideas in what or how governments, non-profit, and business do to address significant social problems" (Light, 2006, pp. 46-51). Light's contribution was one of the first times when social entrepreneurship endeavors were not considered individually-driven, but seen as organizationally-based. The abundancy of definitions and interpretations of "social entrepreneurship" follows the year 2006, after Mair and Marti's article. Mair and Marti themselves provide a compelling definition, while reporting the confusion in properly defining the concept: Social entrepreneurship refers to "innovative models of providing products and services that cater to basic needs (rights) that remain unsatisfied by political or economic institutions" (Seelos & Mair, 2005, p. 244). This points to the linkage to the concept of "social movement", for it emphasizes the relationship between social enterprises and the public institutions and typical NGOs, and (although hidden) protest component of a social enterprise. Most definitions stress on the alleged innovative facet of social entrepreneurship. A good example in this sense is provided by J. Austin, H. Stephenson, and J. Wei-Skillern: "Social entrepreneurship is an innovative, social value-creating activity that can occur within or across the non-profit, business or government sectors" (Austin, Stephenson & Wei-Skillern, 2006, pp. 1-22). Another, equally illustrative, example is Nicholls's definition: "Social entrepreneurship entails innovations designed to explicitly improve societal well being, housed within entrepreneurial organizations which initiate, guide or contribute to change in society" (Nicholls, 2006, pp. 1-5).

¹ *Ashoka*, <https://www.ashoka.org/en-us/focus/social-entrepreneurship>.

When attempting to define a “social enterprise”, Defourny and Nyssens distinguishes between economic and social characteristics; the economic *criteria* of a social enterprise refer to: (a) “continuous production activity of goods and/ or services”, (b) “a high degree of autonomy”, (c) “a significant level of economic risk”, and (d) “a minimum number of employees”, while the social *criteria* of a social enterprise are: (e) “an explicit goal dedicated to the benefit of the community”, (f) “an initiative launched by a group of citizens”, (g) “decision-making power not based on the principle of capital ownership”, (h) “participatory nature, involving various parties affected by the activity”, and (i) “limited distribution of profit” (Defourny & Nyssens, 2006, pp. 3-26). Ryszard Praszkiar and Andrzej Nowak isolates five “pivotal dimensions” forming “the skeleton around which the concept of social entrepreneurship seems to be constructed”: (a) “social mission”, (b) “social innovation”, (c) “social change”, (d) “entrepreneurial spirit”, and (e) “personality” (Praszkiar & Nowak, 2012, p. 15).

It should be pointed out that a social entrepreneurship endeavor remains a for-profit activity; its sustainability depends on profit. The major difference to a classical for-profit enterprise is the fact that the profit is almost exclusively oriented towards people in vulnerable, marginalized groups, and not towards the initiator(s) of the business. This is the reason why this paper considers Thompson’s definition of “social entrepreneur” as more closely illustrating the Romanian case: Social entrepreneurs are “[p]eople with the qualities and behaviours we associate with the business entrepreneur, but who operate in the community and are more concerned with caring and helping than ‘making money.’” (Thompson, Alvy, & Lees, 2000, 328-338) Another suitable definition for the manner in which this paper understands the role and the mission of the “social entrepreneur” is provided by R. L. Martin and S. Osberg: “The social entrepreneur should be understood as someone who targets an unfortunate, but stable *equilibrium* that causes the neglect, marginalization, or suffering of a segment of humanity; who brings to bear on this situation his or her inspiration, direct action, creativity, courage, and fortitude; and who aims for and ultimately affects the establishment of a new stable *equilibrium* that secures permanent benefit for the targeted group and society at large.” (Martin & Osberg, 2007, pp. 28-39) A social entrepreneurship can also take the form of a self-sustainable endeavor for people in socio-economic risk.

It should be mentioned that, outside the scientific literature, among the “practitioners”, among the “social entrepreneurs”, the definitions provided are somewhat different from those sketched by the scholars. The PBS’s “The New Heroes” program stipulates: “A social entrepreneur identifies and solves social problems on a large scale. Just as business entrepreneurs create and transform whole industries, social entrepreneurs act as the change agents for society, seizing opportunities others miss in order to improve systems, invent, and disseminate new approaches and advance sustainable solutions that create social value.”¹ Equally different are the definitions offered by those entities, generically called “foundations” which developed as the charitable compartment of a large business player (e.g. the “Skoll Foundation” for “eBay”, or the “Schwab Foundation” of the World Economic Forum, etc.). A good example in this respect is precisely the definition provided by the “Skoll Foundation”: “The social entrepreneur as society’s change agent: a pioneer of innovation that benefits humanity. Social entrepreneurs are ambitious, mission driven, strategic, resourceful, and results oriented.”² The “Schwab Foundation” offers a similar perspective on “social entrepreneurship”: “What is a Social Entrepreneur? A pragmatic visionary who achieves large scale, systemic and sustainable social change through a new invention, a different approach, a more rigorous application of known technologies or strategies, or a combination of these”³. These last definitions, however, provide little insight into the actual work and

¹ PBS, “The New Heroes”, pbs.org/now/enterprisingideas/what-is.html.

² Skoll Foundation, skoll.org.

³ Schwab Foundation, <https://www.schwabfound.org/content/what-social-entrepreneur>, last accessed: 10.10.2020.

effort of a social entrepreneur, who actually has more social skills rather than entrepreneurial ones. Following a taxonomy put forward by Zahra, Gedajlovic, Neubaum, and Shulman, Luis Portales discusses three types of social entrepreneurs: (1) the “social bricoleur”, (2) the “social builder”, and (3) the “social engineer” (Zahra, Gedajlovic, Neubaum & Shulman, 2009, pp. 519-532). A less advertised type of entrepreneur (Di Domenico, Haugh & Tracey, 2010, pp. 681-703), the “social bricoleur” knows a local, rather tacit, need in a very profound, intimate manner; in his/ her attempt to solve this need, he/ she works every day and employs local resources and, most often than not, his/ her enterprise is a small-scale and limited, contingent one. However small his/ her initiative, the “social bricoleur” has the potential of contagion on a larger scale, similarly to some *foci* for a revolution of social entrepreneurship. The second category, the “social builder” refers to those social entrepreneurs who are rather problem-oriented, interested in systemic change, aiming towards radically transforming the way to satisfy a certain need, transcending the local level; his/ her principal quality is innovation, while his/ her orientation is rather towards an issue affecting populations globally (Barki, Comini, Cunliffe, Hart & Rai, 2015, pp. 380-384). Nonetheless, as compared to the “social bricoleurs” who can work with limited resources, the “social builder” requires important initial resources (especially for constructing a network of people and organizations globally, helping in implementing a certain systemic change in some innovative way). The need for more resources and financing drives this type of social entrepreneur towards various NGOs, charitable foundations linked to big businesses, or towards governments, a drive which might endanger the main focus of the “social builder” and which might absorb him/ her into the government, big business, or other distant focus. Finally, the “social engineer” is more than a strategist and organizer, a species of economic (and, eventually, political) actor Karl Popper hints to, in his famous *Open Society and Its Enemies*, under the description of “piecemeal social engineering” (Popper, 1945). The “social engineer” achieves the highest advertising potential, having the ability to garner popular awareness for his/ her systemic, global change. This is, actually, one of the most important assets this type of social entrepreneur employs in influencing a large number of people to take action (even when not necessarily in their own interest) in the benefit of the problem the social entrepreneur wants to address and solve.

Discussing the process of initiating and carrying out a social enterprise, Austin *et al.* identify four stages in such an endeavor: (a) “beginning”, (b) “institutionalization”, (c) “decentralization”, and (d) “social conglomerate”. On this sequence of stages, Luis Portales overlaps the three types of “social entrepreneur” previously isolated by Zahra, Gedajlovic, Neubaum, and Shulman: in each of the four stages of its development, a social enterprise needs a certain type of social entrepreneur, therefore the initiator has to adopt a chameleon-like behavior, adapting himself/ herself to the new and different needs of the enterprise. During the initial phase, the “beginning”, a charismatic leadership garnering awareness and involvement of the others within the community is essential; the required skills are the entrepreneurial ones and the diagnostic ones. The “beginning” phase is the favorite domain of the “social bricoleur”. During the second phase, the “institutionalization”, the leadership should have the “ability to harmonize, motivate, share the vision and social commitment”; this particular phase is the domain of either the “social bricoleur” or the “social builder”, those possessing these mobilizing and energizing abilities. During the third phase, the “decentralization”, the leadership should become participatory, it should allow for delegation, for responsibly assuming roles within the enterprise. The “decentralization” is the moment in which, truly, the initiative develops into an enterprise, and the entrepreneur should not be alone anymore in his/ her undertaking; this phase remains suitable for the “social builder”, as long as he/ she operates with “acolytes”, fellow social entrepreneurs, helpers, etc. During the fourth and last phase, the “social conglomerate”, the leadership turns political, and the entrepreneur acquire the ability to coordinate, to bargain, to compromise and to negotiate. This is not to say the social entrepreneur

renounces his/ her moral principles, vision, and aspirations, but rather he/ she should learn how to maximize opportunities for his/ her enterprise, serving its purpose. Oftentimes, this may presuppose the association of the social enterprise to multinational corporations, big economic actors, or to NGOs of international vocation, for mutual benefits: the social enterprise will be properly funded, while the big players will put a tick against the box of “corporate social responsibility” (the famous “CSR”). Such a dynamic, though fortunate for the social enterprise, might be detrimental, problematic, and paradoxical for the social entrepreneur; the very “ability to compromise” is dilemmatic for such a business initiator. The “social conglomerate” phase is the favorite domain of the “social engineer”, for his/ her capacity to persuade is indispensable in this final stage (especially, in identifying constant and stable sources of funding, sometimes vital for the sustainability of a social business). The link between a certain development stage of the social enterprise and a certain type of social entrepreneur is illustrative in pointing out that, depending on the entrepreneur’s traits, a social business can develop only to a certain extent, as the initiator is prone either to stimulate or to hinder such a development.

What is more, Matyna Wronka-Pośpiech adds to the long list of traits a social entrepreneur should possess the importance of managerial skills, for a social entrepreneur should be “preferably someone with a business track record and in-depth knowledge of formal issue.” (Wronka-Pośpiech, 2016, p. 41) This is rarely the case for the Romanian social entrepreneur, whose profile is generally dominated by the social component, rather than the business, economical one; the Romanian social entrepreneur tends to be a person who has previously worked in the private sector for several years and who claims and wants to do “something different” from the work within a multinational corporation, or a person previously connected to non-governmental social work. Seldom, does this person have a strong managerial training, even though he/she might be familiar either with business management or with specific social issues. Among the notable traits of a “social entrepreneur”, Wronka-Pośpiech identifies: the creative use of minimal resources, the ability of relate/ evaluate the feasibility of/ implementation of business plan, conflict resolution skills, the ability to communicate with customers, suppliers, and other stakeholders, the identification with the idea, actors and activities of the social economy, the confidence to succeed at challenging task, the ability to manage administrative work, optimism, the ability to identify social problems, and the ability of lead and develop others (Wronka-Pośpiech, 2016, p. 48).

2. Social Entrepreneurship in Romania: a Pioneering Endeavor

In Romania, the social entrepreneurship is still in its infancy, still a pioneering endeavor, most often than not, placed in between experiment and courageous attempt. The average age of a social business is 6 years old. Therefore, such an economic activity is rather sporadic within the Romanian economic environment and, at times, audacious and daring. I say „daring”, because generally the present legal and the economic framework do not necessarily encourage such an endeavor. Even so, the necessity of the social entrepreneurship and its utility for the society should be taken for granted.

Thus far, the idea of a “social orchard” has been poorly developed in Romania, although different other forms of social entrepreneurship do exist and have been successfully implemented (*e.g.* “Atelierul Merci” [“Thank You Workshop”] manufactures clothes and accessories out of the refuse of some garment factory and, then, donates the money raised from selling these products to the “Zâna Merseluță” project – a portable dental office for the village children). “Bunicel.ro” (a project producing handcrafted jams, preserves and marmalades by farmers based in Argeș county and by “people in disadvantaged environments”) is a very illustrative example, as “Bunicel.ro” provides two jobs for two women from the socio-economically vulnerable group. Another illuminating example is to be found in the village of

Isacova (Orhei, Republic of Moldova): “Casa Angelus” [“Angelus House”] is, actually, an orchard and two glasshouses meant to ensure the fresh food needed by the Centre for Palliative Care (the centre for those children suffering from life-threatening diseases). “Moara de Hârtie” [“The Paper Mill”] stakes on traditional skills and handicrafts connected to paper and printing press, providing jobs for 11 people din Comana (Giurgiu). “Mesteshukar Butiq” (another favorite store) sells products handmade by craftsmen from the Roma community. And the examples can continue... The mechanism of a “social orchard” partly employs the “Emmaus” logic (*i.e.* homeless people or people from socio-economically vulnerable categories, those marginalized etc., operate the sorting and the reselling of donated goods, usually furniture or household items, household appliances, electronics etc.). Consequently, during the last 5 to 7 years, the attempt to implement social enterprises has been carried out relatively successfully within the Romanian economic environment. Nonetheless, a series of extremely important drawbacks and limitations of both legal and economic nature persist on any endeavor to sustain a social business.

Legally, Law no. 219 of July 23, 2015 on social economy regulates the manner in which social enterprises can function. Additionally, most of the existing legislation refer to the “public-private partnership”, a mechanism in which the social enterprise can engage in order to try to solve social problems locally (or even nationally). But the public-private partnership is just one among at least four other types of funding the social enterprise can employ (including and primarily in its relationship with the Romanian state): public subsidies, grants, public-private partnerships, and outsourcing of public services (Rusu, Petrescu, & Vâlcu, 2007, quoted in Lambru & Petrescu, 2012, pp. 163-182). The manner in which state subsidies are distributed towards social associations, foundations, and other social assistance units is established by Law no. 34 of 1998 and Law 448 of 2006 on the protection and promotion of disabled people’s rights. The access to grants is regulated to Law no. 350 of 2005 on the non-returnable financing regime from public funds allocated to non-profit activities of general interest; this legislation is the second most important piece, alongside Law 219 of 2015, for the activity of the social enterprises in Romania. The fashion in which social enterprises in Romania can become involved in public-private partnership is prescribed by Government Ordinance no. 68 of 2003 on social services, referring to contracts for services and contracts for partnership, Law no. 17 of 2000 on social assistance for elderly, Law no. 251 of 2001 on the local public administration, and Law no. 272 of 2004 on the protection and promotion of children’s rights. Finally, the outsourcing of public services is regulated by the Government Ordinance no. 34 of 2006 on the awarding of public procurement contracts, contracts on concession of public works and concession of services (*criterium*: the lowers prices for the highest quality) and by the Government Ordinance no. 68 of 2003 on social services. All this legislation is meant to create a legal framework for the functioning and funding of social enterprises in Romania. Law no. 219 of 2015 on social economy defines the “social economy” as “the entirety of activities organized independently from the public sector, whose purpose is to serve the general interest, the interests of a collectivity, and/ or some non-patrimonial personal interests, by increasing the employment rate of persons belonging to a vulnerable group and/ or by producing and providing goods and/ or services, and/ or performing works.”¹ In a 2015 paper, Orhei, Nandram and Vinke identify and analyze 103 founders of social enterprises in Romania, quite an impressive number for the time.

This study discusses three (thus far) successful cases of social enterprise in Romania. These enterprises work in different areas and differ in their manner of operationalizing the concept of “social business”. The first case is Mercy Charity Boutique/ “Atelierul Merci” [literally, “Thank You Workshop”], in effect, a tailor shop which manufactures clothes and accessories out of the refuse of some garment factory and, then, donates the money raised from selling these products to the “Zâna Merseluță” project,

¹ Law no. 219 of July, 23th, 2015, on social economy, art. 2, paragraph (1).

a portable dental office for the village children. After successfully launching a clothing line titled “Poartă o faptă bună” [“Wear a Good Deed”], the social project expanded to include also a scholarship programme for children living in the rural area. The idea of the tailor shop was preceded by the initiators’ wish to donate their clothes and to gather donated clothes for those in need¹. This idea evolved in 2016, when Alina and Dani (the two initiators) decided to open a charity shop in downtown Bucharest, supporting different medical cases of children checked in the Oncological Institute in Bucharest. As the number of donations increased, many clothes were not quite suitable for donation, the initiators thought of recycling these clothes into innovative and trendy ones, moved their location into a bigger place, and started the workshop. In 2015, “Atelierul Merci” had already won a competition for social enterprises organized by UniCredit Bank and NESsT. The tailor’s shop works with a garment factory in Brăila, for recycling the refuse into new pieces of clothing. Nowadays, “Atelierul Merci” organizes also charitable concerts and presents its products in different clothing bazaars and flea markets. 100% of the profit from selling the workshop’s clothes and accessories and from organizing go to “Zâna Merseluță” project and to other social programmes in education and healthcare. The enterprise offers to 9 students enrolled in vocational schools a 400 lei/ month scholarship, covering accommodation and transportation expenses and school supplies for these children in rural areas. The portable dental office works with volunteer dentists and orthodontists. Additionally, giving the fact that the functioning of mobile dental offices was in a *vacuum* in the Romanian legislation, the social entrepreneurs of *Mercy Charity Boutique* worked with a state secretary in the Ministry of Health in order to create a legislation regulating the activity of mobile medical practices, especially for the rural area, where doctor’s offices are scarce. The income of this social enterprise comes from: (a) sponsorships from big companies; (b) individual donations; (c) the profit from selling the recycled clothing; (d) money collected from other activities; e.g. sports competition (running competition), Byron concert, Christmas concert at St. Joseph Catholic Cathedral, etc. The clients of the workshop are young women, aged between 20 and 45 years old, upper-middle class or lower-upper class, who buy, on average, products of around 180 lei². It is important to note that the main source of financing the social project does not come from selling the workshop’s products, but from sponsorship and donations, even after four years of activity. This is telling for the sustainability of social enterprises in the Romanian business environment.

“MamaPan” Bakery – “Bread with yeast and love” is the second case of social enterprise, and, probably, the most classical example of social business. This bakery employs young mothers (with many children or single mothers) belonging to vulnerable or marginalized groups, and produces healthy bread and pastries, without using grout, additives, taste or flavor enhancers; the products are handmade. For single and impoverished moms, “MamaPan” provides jobs, professional training, a decent wage and a friendly work environment³. The bakery *per se* functions in Bucharest, being a social economy project initiated by Center-Foundation Partnership for Equality [“*Fundația Centrul Parteneriat pentru Egalitate*”]. The social business started in 2015, when the bakery attended “Pakivalo” Solidarity Festival, the only Romani festival in Romania, and sold its first bread. In partnership with Kaufland Romania, “MamaPan” Bakery helped yet other persons, during the “Pâinea este dar” [“Bread is gift”] campaign, when 10 daycare centers received bread and pastries for a whole year. Additionally, the bakery has also organized over 200 workshops for children in the factory in Bucharest. “MamaPan” Bakery works with big business, providing catering services, organizing bread and pastries tasting for multinational

¹ A similar mechanism functions for *La Taica Lazăr* Charity Shop, the initiative of the Medical Association for Public Health, which receives donations of high-valued products and resells them, in order to support the patients’ support programme “*Voluntar în Spital*”.

² ateliermerci.ro.

³ mamapan.ro.

corporations and their employees. During weekends, the products of the factory are displayed and presented in fairs and health food seminars and workshops. In this case also, the main buyers of the products made and sold by “MamaPan” Bakery are big companies, especially for their private events. Nonetheless, the sustainability of this social enterprise is more significant, partly because it functions in the food industry, an industry which enjoys traditionally more firm sustainability.

The third case study of this paper refers also to a mechanism which is closer to the classical understanding of “social enterprise”. “Mesteshukar ButiQ” is a shop in Bucharest, selling interior design products, jewelry, traditional clothing and accessories, crafted by members of the Roma community. This initiative was initially supported by ERSTE Foundation Roma Partnership (once again, an entity linked to one of the most important players in European banking), in 2015¹. “Mesteshukar ButiQ” has the aim of raising awareness and preserving the traditional Roma craftsmanship and, as a result, it gathers silversmiths, copper smiths, wood carvers, basket makers from Romania. The project joins the shrewdness and ingenuity of traditional artisans with the creativity of some fine, both Romanian and foreign, architects and product and interior designers; the shop’s idea is to use the traditional Roma craftsmanship for creating innovative products, to be bought by urban, well-educated, middle class clientele. Similar to the *Merci Charity Boutique*, “Mesteshukar ButiQ” relies on a specific type of customers, especially present in the urban areas and that need to be retained as loyal clients by such boutiques. These social businesses are dependent upon a stable clientele, usually a social category which is, in itself, significant only in large urban areas in Romania and which is also targeted by non-social business as “perfect clients”: young, well- or highly educated, upper-middle or lower-upper class. This is particularly the reason why social boutiques, such as “Mesteshukar ButiQ”, “Atelierul Merci”, “Magazinul Faptelor Bune”, “Bine Boutique”, or “La Taica Lazăr”, rely not only on donations, but on the support of big business, either directly (through sponsorship and CSR activities), or through various competitions corporations are organizing through their foundations.

The Romanian social entrepreneur is, in most cases, the initiator and the constant investor into his/ her own enterprise, as few social enterprises manage to independently sustain themselves. A good, a product, a service resulting from a social business costs, as a rule, more than a mass-produced product or than a service that is provided on a broad scale; the outcomes of social enterprises are more expansive because they encompass also the “social” aspect, *i.e.* the very fact that it was produced or provided by persons belonging to marginalized, underprivileged, or minority groups (for whom its selling is essential for survival), or by persons who openly assumed that the profit gained from selling such products and services will be entirely directed towards the persons in the aforementioned groups. Developing such a project brings every time something new, precisely because it represents a somewhat innovative and audacious concept in Romania.

References

*** Law no. 219 of July, 23th, 2015, on social economy.

Antonovici, C.-G.; Săvulescu, C. & Sandu, C. (2015). Social Enterprise in Public Governance. The Early Stage for the Romanian Case. *Acta Universitatis Danubius. Administratio*, Vol. 7, No. 2, pp. 43-60.

Austin, J. E.; Stevenson, H. & Wei-Skillern, J. (2006). Social and commercial entrepreneurship: The same, different, or both? *Entrepreneurship Theory and Practice*, Vol. 30, No. 1, pp. 1-22.

¹ mbq.ro/about-us.

- Barki, E.; Comini, G.; Cunliffe, A.; Hart, S. & Rai, S. (2015). Social entrepreneurship and social business: Retrospective and prospective research. *RAE: Revista de Administração de Empresas*, Vol. 55, No. 4 (July-August 2015), pp. 380-384.
- Bornstein, D. & Davis, S. (2010). *Social Entrepreneurship: What Everyone Needs to Know*. Oxford & New York: Oxford University Press.
- Bornstein, D. (2004). *How to Change the World: Social Entrepreneurs and the Power of New Ideas*. Oxford & New York: Oxford University Press.
- Brock, D. D.; Steiner, S. D. & Kim, M. (2008). Social entrepreneurship education: Is it achieving the desired aims?. *USABE 2008 Proceedings*. Washington, D.C.: USASBE.
- Chivu, L. (2019). Local entrepreneurship and social services in Romania. Territorial analysis. *European Research on Management and Business Economics*, Vol. 25, No. 2, pp. 78-86.
- Crișan, C. M.; Dabija, D.-C. & Dinu, V. (2015). Social Entrepreneurship in Romania: Significance and Models. *Montenegrin Journal of Economics*, Vol. 11, No. 2, pp. 65-77.
- Cukier, W.; Trenholm, S.; Carl, D. & Gekas, G. (2011). Social Entrepreneurship: A Content Analysis. *Journal of Strategic Innovation and Sustainability*, Vol. 7, No. 1, pp. 99-119.
- De Bruin, A. & Teasdale, S. (eds.) (2019). *A Research Agenda for Social Entrepreneurship*. Cheltenham (UK) & Northampton (MA): Edward Elgar.
- Dees, J. G. (2001). *The meaning of 'social entrepreneurship'*. Durham (North Carolina): Center for the Advancement of Social Entrepreneurship, Fuqua School of Business. Duke University, pp. 1-5.
- Defourny, J. & Nyssens, M. (2006). Defining Social Enterprise. In Nyssens, M. (ed.) (2006). *Social Enterprise: At the Crossroads of Market, Public Policies and Civil Society*. London & New York: Routledge, pp. 3-26.
- Di Domenico, M. L.; Haugh, H. & Tracey, P. (2010). Social bricolage: Theorizing social value creation in social enterprises. *Entrepreneurship Theory and Practice*, Vol. 34, No. 4, pp. 681-703.
- Etchart, N.; Iancu, D.; Rosandić, A.; Mocanu, V. & Paclea, I. (NESsT) (2014). *The State of Social Entrepreneurship in Romania: SEFORIS Country Report*, pp. 1-24.
- Gunn, R. & Durkin, Ch. (eds.) (2010). *Social Entrepreneurship: A Skills Approach*. Bristol (UK) & Portland (OR): The Policy Press.
- Iancu, A.; Popescu, L. & Popescu, V. (2020). Factors influencing social entrepreneurship intentions in Romania. *Economic Research – Ekonomska Istraživanja*, Vol. 33, No. 1.
- Johnson, S. (2000). Literature Review on Social Entrepreneurship. *Canadian Centre for Social Entrepreneurship*, Vol. 16, No. 23, pp. 96-106.
- Lambriu, M. & Petrescu, C. (2012). Trends and Challenges for Social Enterprises in Romania. *International Review of Social Research*, Vol. 2, No. 2, pp. 163-182.
- Leadbeater, Ch. (1997). *The Rise of the Social Entrepreneur*. London: Demos.
- Light, P. C. (2006). Reshaping Social Entrepreneurship. *Stanford Social Innovation Review*, Vol. 4, No. 3 (Fall 2006), pp. 46-51.
- Light, P. C. (2008). *The Search for Social Entrepreneurship*. Washington, D.C.: Brookings Institution Press.
- Lyons, Th. S. (ed.) (2013). *Social Entrepreneurship: How Businesses Can Transform Society*, Vol 2: Approaches to Financing Social Entrepreneurship. Santa Barbara (CA) & Denver (CO) & Oxford (UK): Praeger.
- Mair, J. & Marti, I. (2006). Social entrepreneurship research: A source of explanation, prediction and delight. *Journal of World Business*, Vol. 41, No. 1, pp. 36-44.
- Martin, R. L. & Osberg, S. (2007). Social entrepreneurship: The case for definition. *Stanford Social Innovation Review*, Vol. 5, No. 2, pp. 28-39.
- Nicholls, A. (2006). Playing the field: A new approach to the meaning of social entrepreneurship. *Social Enterprise Journal*, Vol. 2, No. 1, pp. 1-5.

Orhei, L. E.; Nandram, S. S. & Vinke, J. (2015). Social Entrepreneurship Competence: Evidence from Founders of Social Enterprises in Romania. *International Journal of Entrepreneurship and Small Business*, Vol. 25, No. 1 (2015), pp. 80-105.

Orhei, L.; Bibu, N. & Vinke, J. (2012). The Social Enterprise in Romania. A European Perspective on Their Current Situation. *Annals of Faculty of Economics of the University of Oradea*, Vol. 1, No. 2, pp. 756-762.

Perrini, F. (2006). *A New Social Entrepreneurship: What Awaits Social Entrepreneurial Ventures?* Cheltenham (UK) & Northampton (MA): Edward Elgar.

Popper, K. (1945). *The Open Society and Its Enemies*. London: Routledge.

Praszkier, R. & Nowak, A. (2012). *Social Entrepreneurship: Theory and Practice*. Cambridge & New York: Cambridge University Press.

Rusu, O.; Petrescu, C. & Vâlcu, I. (2007). *Place and role of NGOs on the social services market in Romania. Report elaborated under the Programme for the Development of Civil Society in Romania*. Bucharest: Civil Society Development Foundation.

Seelos, C. & Mair, J. (2005). Social entrepreneurship: Creating new business models to serve the poor. *Business Horizons*, Vol. 48, No. 3, pp. 241-246.

Thompson, J., Alvy, G. & Lees, A. (2000). Social entrepreneurship. A new look at the people and the potential. *Management Decision*, Vol. 38, No. 5, pp. 328-338.

Wronka-Pośpiech, M. (2016). The identification of skills and competencies for effective management in social enterprises. A managerial perspective. *Management*, Vol. 20, No. 1, pp. 40-57.

Zahra, S. A.; Gedajlovic, E.; Neubaum, D. O. & Shulman, J. M. (2009). A typology of social entrepreneurs: Motives, search processes and ethical challenges. *Journal of Business Venturing*, Vol. 24, No. 5, pp. 519-532.

Internet Resources:

***Ashoka. <https://www.ashoka.org/en-us/focus/social-entrepreneurship>.

***Atelierul Merci. ateliermerci.ro.

***MamamPan. mamapan.ro.

***Mesteshukar ButiQ. mbq.ro/about-us/.

***PBS, "The New Heroes". pbs.org/now/enterprisingideas/what-is.html.

***Schwab Foundation. <https://www.schwabfound.org/content/what-social-entrepreneur>.

***Skoll Foundation. skoll.org.