

A PILOT PROFILE OF THE SOCIAL ENTREPRENEUR IN THE CONSTANTLY CHANGING ROMANIAN ECONOMY

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Abstract

Social economy and social entrepreneurship are concepts subject of much debate in the academic environment, as their importance is growing in the present times, when the public sector and business environment alike have demonstrated their incapacity to solve specific social problems, such as conserving local traditions and biodiversity or insertion into the labour market of people from vulnerable groups. This article focuses on social entrepreneurs, by aiming to identify their main motivations in the founding and development of a social enterprise, as well as the main challenges faced in their social entrepreneurial activity in a constantly changing business environment. The paper presents a qualitative research conducted on Romanian social entrepreneurs. The results, interpreted through content analysis, indicate that social entrepreneurs, unlike business entrepreneurs, are not profit-driven, but mission driven, their main objective being to make a difference in the society and have a positive impact in the local communities. Furthermore, the research revealed specific challenges faced by Romanian social entrepreneurs, as well as specific differences between social and business entrepreneurs, who aim strictly achieving economic performance. Considering the limitations and future research directions, the implications of the findings are discussed, the paper outlining a profile of the social entrepreneur that can be useful to the public sector for the development of policies aimed at enhancing this type of entrepreneurship, in a constantly changing social environment.

Keywords: social economy, dynamic business environment, changing social environment, social entrepreneur, business entrepreneur, motivation

JEL Classification: L26, L31, D71, D73.

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Introduction

Social economy and social entrepreneurship are an integral part of a sector which is beginning to gain as much importance as the public and private sectors. The role of social economy organizations and social enterprises in creating social value and, ultimately, in changing the lives of community members for the better, is now widely acknowledged. However, research into what drives and motivates social entrepreneurship is still in its infancy (Short, Moss and Lumpkin, 2009) and the literature relatively scarce (Bacq, Hartog, Hoogendoorn and Lepoutre, 2011). Thus there are few empirical studies offering a thorough understanding of the social entrepreneur and its impact on society (Mair and Noboa, 2006).

In the first section, the current paper presents a literature review on social economy and social entrepreneurship, offering a thorough understanding of the conceptual framework that stands at the basis of the empirical research. The paper then proceeds to discuss social entrepreneurs' traits and motivations, as mentioned in literature, as well as the acknowledged differences between social and business entrepreneurs. Moreover, the paper presents the dimension of the social economy sector in Romania, the authors finding as extremely useful the effort made by Cristina Barna (2014) in writing "The Atlas of Social Economy: Romania 2014", published under the aegis of the Foundation for the Development of the Civil Society.

Most importantly, the article presents the results of a qualitative research based on structured in-depth interviews with Romanian social entrepreneurs. Although the research is exploratory, it sheds light on the social entrepreneur's background, his activity and social impact, and his main motivations in pursuing an initiative aimed at creating social value rather than at creating wealth for himself, shareholders or investors. Moreover, the results also point out several key differences between social and business entrepreneurs, contributing to the design of the social entrepreneur's "pilot profile".

1. Brief literature review devoted to social entrepreneurs and social economy

1.1. Social economy and social entrepreneurship: conceptual clarifications

The concept of "social economy" designates a distinct economic sector which encompasses organizations such as cooperatives, mutual societies, associations and foundations (European Standing Conference of Co-operatives, Mutual Societies, Associations and Foundations, 2002). Although social economy organizations have played an important role in the social and economic process for over two centuries, social economy has only recently been recognized as a distinct set of economic actors (European Commission, 2013).

Social economy organizations operate in various fields including but not being limited to social services, health, agriculture, associative work, crafts, education and training, culture, sport and leisure activities (European Standing Conference of Co-operatives, Mutual Societies, Associations and Foundations, 2002), and account for over 6,5% of the working population in the European Union (European Commission, 2013). Social economy is currently well positioned as a third sector - in addition to the private and, respectively, the public sector – playing a core role in reducing the pressure put on public budgets for social service such as health, education and welfare (Hulgard, 2011). Fernández-Fernández, Fernández-Ardavin Martínez and Berenguer Herrero (2012) consider that social economy,

with its concepts of social entrepreneurship, social enterprises and social innovation, developed as a response and solution to the economic and social problems that traditional systems institutions fail to solve.

A concept closely related to that of social economy is social entrepreneurship. Since its emergence, social entrepreneurship has been an essentially contested concept, being subject to much controversy and debate (Certo and Miller, 2008; Fernández-Fernández, Fernández-Ardavín Martínez and Berenguer Herrero, 2012; Choi and Majumdar, 2014). Although a consensus regarding the meaning and dimensions of social entrepreneurship has not been reached (Abu-Saifan, 2012), several perspectives as to what this sector actually constitutes have been put forward: a sector encompassing non-profit organizations that use commercial activities to support social missions; the use of social innovations to generate social change, irrespective of whether the organization pursues commercial activities or not (Defourny and Nyssens, 2010; Choi and Majumdar, 2014); or the creation of businesses to serve the poor and satisfy social needs that existing markets and organizations cannot cater for (Seelos and Mair, 2005). Although “social economy” and “social entrepreneurship” have common specificities such as participatory decision-making, focus on community development, reinvestment of profits and social impact objective and do not emphasise the pursuit of profit and its distribution to the owners as an ultimate goal (European Commission, 2013), the two concepts are not identical. Social entrepreneurship implies the use of entrepreneurial principles to solve social and environmental problems (such as the insertion into the labour market of vulnerable and disadvantaged groups, conserving biodiversity, conserving the traditions of local communities); thus, social entrepreneurship is driven by entrepreneurs, namely by individuals with an exceptional mind-set, who seize opportunities that otherwise would go unnoticed and envision the future better than others do (Abu-Saifan, 2012).

The definition of social entrepreneurship is implicitly closely linked to that of “social entrepreneur” (Peredo and McLean, 2006). According to the School for Social Entrepreneurs (2014) in the United Kingdom, a social entrepreneur is a person who works in an entrepreneurial manner, but for public or social benefit, rather than to make money (for their own use). Dees (2001), who is often referred to as the father of social entrepreneurship education (Bornstein and Davis, 2010), states that social entrepreneurs play a role of change agents in the social sector, by: adopting a mission to create and sustain social value (not only private value); recognizing and continuously looking for new opportunities to serve that mission; innovating, adapting and learning permanently; acting courageously without being limited by resources available and showing accountability for the outcomes created. Perrini and Vurro (2006) also acknowledge the role of social entrepreneurs as change promoters in the society, as through their entrepreneurial initiative they pioneer innovation in the social sector, in order to accomplish their mission. In an intent to develop a more comprehensive definition of social entrepreneurs, Peredo and McLean (2006) describe this type of entrepreneurs through five actions: aiming at creating social value, recognizing and materializing opportunities to create that value, innovating in creating and distributing social value, accepting an at least medium degree of risk in creating and distributing social value, and managing to continue to pursue social value, despite the scarce resources available.

Alvord, Brown and Letts (2004, cited by Kickul and Thomas, 2010) consider that social entrepreneurship creates innovative solutions to immediate social problems and mobilizes

the ideas, capacities, resources and social arrangements required for sustainable social transformations. Zahra, Gedajlovic, Neubaum and Shulman (2009) studied the role of social entrepreneurship in achieving social wealth and define this type of entrepreneurship as all the activities and processes undertaken to discover, define and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner. The School for Social Entrepreneurs (2014) acknowledges that there is no template for social entrepreneurs, as they may activate in ethical businesses in the private sector, governmental or public bodies, the non-profit and community sector. In fact, social enterprises, the vehicles of social economy and social entrepreneurship, may take a great variety of forms (European Commission, 2013). Dees (2001) considered that social economy is not a very well defined sector, as it can be formed by innovative not-profit organizations, social purpose business ventures and hybrid organizations with for-profit and not-profit activities.

Heckl and Pecher (2007) define social enterprises as being characterised by the following traits: they have a trading income, they address a target population in need, they can operate under various legal forms, they deal with voluntary work, have a non-profit orientation or reinvest profits, and they may receive public funding. Although social enterprises are generally regarded as providers of goods and services, their mission remains largely social (Floyd, 2012). One of the world's leading organizations in the research of social entrepreneurship, the EMES European Research Network (Defourny and Nyssens, 2012) developed a series of social and economic criteria that may be used in appreciating whether or not an organization belongs to the social entrepreneurship sector. The economic criteria include: continuous activity of producing goods and/or selling services, high degree of autonomy, significant level of economic risk, minimum amount of paid work. As far as the social dimensions are concerned, a social enterprise should meet the following criteria: an initiative launched by a group of citizens; a decision-making power not based on capital ownership; a participatory nature; limited profit distribution; an explicit aim to benefit the community. Regarding the legal status, social enterprises have traditionally taken the form of non-profit organizations; recent evolutions show however that social enterprises actually stand at the blurred frontiers between the non-profit and for-profit sectors, with some entities exploiting opportunities for social innovation in the private for-profit sector (Defourny and Nyssens, 2010). This view is supported by the European Commission (2013), which regards social enterprises as organizations that emerge either from the private business sector, or from the civil society and social economy organizations and which may take completely new organizational forms, that combine a social and an entrepreneurial dimension while using different institutional arrangements.

1.2. Social entrepreneur: traits and motivations

Academics (Dees, 2001; Bornstein and Davis, 2010) acknowledge the fact that social entrepreneurs have always existed, but were recognized under different names. Social entrepreneurs are visionary individuals (London and Morfopoulos, 2010) with the ability of seeing the world in a different manner, identifying opportunities that for others are challenges and problems. As a result, social entrepreneurs are passionate persons who want to change things they feel strongly about (Ashton, 2010). In order to accomplish their social mission, social entrepreneurs need to be impact-focused, have very good abilities in persuading, listening and recruiting people who can support their mission (Bornstein and Davis, 2010) and, probably most important, need an innovative, achievement-oriented spirit

(London and Morfopoulos, 2010). Moreover, social entrepreneurs tend to be empathic and altruistic persons, with a strong sense of justice (Kickul and Thomas, 2010).

In the absence of recognition or short-term rewards, social entrepreneurs are not motivated by the need of power and admiration (London and Morfopoulos, 2010) and need to be extremely patient, consistent and to have very good networking (Kickul and Thomas, 2010) and public relations abilities in order to attract funding, to overcome opposition, to modify behaviours and positively influence political will (Bornstein and Davis, 2010). Mair and Noboa (2006) state that, very often, social entrepreneurs have previous experience in entrepreneurship and, based on their already established network of resource providers, proceed in developing social enterprises. As far as the temperamental and psychological characteristics are concerned, social entrepreneurs have initiative towards action, manage uncertainty, are independent (Bornstein and Davis, 2010), resilient, confident, optimistic and emotionally intelligent persons (London and Morfopoulos, 2010).

The importance of research on social entrepreneurs' individual motivation was highlighted by Germak (2013), who stresses that, apart from other influential factors, such as available financial resources and social networks, motivation has a significant role in the outcomes of the entrepreneurial activity. Germak and Robinson (2013) developed a framework for social entrepreneurial motivation, highlighting that an individual engages in a social entrepreneurial activity if he has a desire for personally fulfilment, has a desire to help the society, focuses on other aspects, rather than on money, has a need for achievement and is close to a social problem he has identified. London and Morfopoulos (2010) argue that individuals engage in a social entrepreneurial activity based on a series of reasons and motives, such as: education and previous experiences regarding social action (for example, during college education), religion, professional experience in a socially responsible corporation, role models from friends and local community, life challenges and transitions, internet activism. Social entrepreneurs are both internal and external motivated (Kickul and Thomas, 2010): while internal motivation derives from personal values, external motivation is born by recognizing a social problem and the support of other people equally concerned by that problem. Ezell (2000, cited by London and Morfopoulos, 2010) claims that social entrepreneurs' motivation is based and enhanced by their values, ideals, commitment and hope to make significant change in the society.

After analysing previous studies developed by Hayak, Kirzner and Schumpeter, Zahra, Gedajlovic, Neubaum and Shulman (2009) developed a typology of social entrepreneurs: social bricoleur (who focuses on local social needs), social constructionist (who focuses on opportunities generated by market failure and innovates in the social system) and social engineer (who develops revolutionary change in order to solve systemic problems within the existing social structures). Ashton (2010) argues that although social entrepreneurs have the ability to found a social enterprise, they are not necessarily the most appropriate persons to lead it on a long term basis, as sometimes they tend to lack the organizational talent needed to develop an enterprise.

1.3. Differences between social and business entrepreneurs

Generally speaking, an entrepreneur is a person who stimulates economic progress by identifying new and better ways of doing things, while a social entrepreneur is an entrepreneur with a social mission (Dees, 2001). Thus, social entrepreneurs may be viewed as a particular genus of entrepreneurs; whereas entrepreneurs are responsible for the

identification, evaluation and exploitation of opportunities that generate private wealth for the owner or shareholders, social entrepreneurs go a step further by tackling the opportunities that result in social value (Certo and Miller, 2008). Bornstein and Davis (2010) even consider that social entrepreneurship is developing due to the problems created by successes of classic, business entrepreneurship. Nowadays, however, the two sectors tend to cooperate, as social entrepreneurs recognize the competencies that business entrepreneurs have in terms of management and finance, and business entrepreneurs recognize the innovativeness and importance of social enterprises (Bornstein and Davis, 2010). While business entrepreneurs try to survive competition and focus on adversarial relationships, social entrepreneurs cooperate with each other, in order to develop their enterprises in a more sustainable and competitive manner (Kickul and Thomas, 2010).

Social entrepreneurs are different from other entrepreneurs by having a strong social conscience: social entrepreneurs do not look to create vast personal wealth or a large corporation, their main objective is creating sustainable social change, this drive being often founded on personal experience of injustice, inhumanity or inequality (Ashton, 2010). This view is consistent with that of Certo and Miller (2008), who consider that commercial and social entrepreneurs differ foremost in terms of overall mission. While, for social entrepreneurs, the activity is guided in order to obtain a mission-related impact which translates in social value (Kickul and Thomas, 2010; Certo and Miller, 2008), for business entrepreneurs the wealth creating itself is the main way of measuring the success of their activity (Dees, 2001). While social entrepreneurs are passionate about the social problem they intend to solve, business entrepreneurs are passionate about their products or services, but their passion refers to their ability to make money by satisfying customers' needs (Kickul and Thomas, 2010). Social entrepreneurs are individuals committed to make a difference in a sustainable manner, both for themselves, as well as for those they are working to support (Ashton, 2010). While business entrepreneurs may exploit the weak by looking to obtain profit at any cost and producing money for themselves, social entrepreneurs strengthen the weak, work to implement sustainable change and to make money for others (Ashton, 2010). However, the border between commercial and social entrepreneurship is not always very clear: commercial entrepreneurs may also produce social value in the process of generating shareholder wealth, while social entrepreneurs may produce private gains in their mission to create social value (Certo and Miller, 2008).

However, Bornstein and Davis (2010) consider that both types of entrepreneurs are important for the economy and none of them should be considered superior to the other, although social entrepreneurship tends to be more challenging, as this type of entrepreneurship cannot be founded on already formed business models. After a long period of time when business entrepreneurs have been in the attention of the media, financial institutions and academic researchers, social entrepreneurs are beginning to receive more and more attention from all fields, as organizations in this sector continue to grow and develop (Bornstein and Davis, 2010).

What differentiates social entrepreneurs from other successful business entrepreneurs are not necessarily specific abilities, such as confidence or persistence, but their determination to succeed in achieving a long-term social goal they strongly believe in (London and Morfopoulos, 2010). Compared to classic entrepreneurship, social entrepreneurship develops on a more talent-intensive basis. Successful social entrepreneurs have as main objective to involve every individual in an activity correctly related to his abilities, in order

to bring significant change (Bornstein and Davis, 2010). However, Olaru, Dinu, Stoleriu, Sandru and Dincă (2010) consider that all enterprises should have a socially responsible activity, this meaning to assure organizational success by integrating several social aspects in the firm's activity, in order to properly manage the impact of the firm's activity to the environment and solve the community's problems.

1.4. Social economy in Romania

Social economy and social entrepreneurship in Romania is still at their beginnings, the share of employees working in social enterprises representing less than 2 per cent of the total working population as compared to 6,5 per cent at EU level (European Commission, 2013). Although currently there is no legal framework regulating the functioning of social economy and social entrepreneurship, a law project has been proposed and is awaiting adoption by the Romanian Parliament. According to this law project, social enterprises include cooperative societies, associations and foundations, as well as mutual societies for employees and retired persons. The law project also introduces the term „social insertion enterprises”, which are defined as social enterprises whose employees include at least 30% persons belonging to socially vulnerable groups and that reinvest at least 50% of their annual profit (Ministry of Labour, Family and Social Protection, 2010).

According to the Social Economy Atlas (Barna, 2014), the social economy sector encompasses associations and foundations, cooperatives, mutual societies and also commercial enterprises owned by social economy organizations (table no. 1).

Table no. 1: The dimension of social economy in Romania, 2012

2012	Number of active organizations	Fixed assets (lei)	Income (thousand lei)	Number of employees
Associations and foundations	33.670	719.8847	7.742.043	76.902
Cooperatives	2.228	1.122.805	1.764.363	31.428
Mutual societies	2.767	3.624.190	589.143	5.403
Commercial enterprises owned by social economy organizations	682	1.971.666	2.202.562	17.394
Total	39.347	13.917.508	12.298.111	131.127

Source: Barna, 2014, p.17 (based on National Statistics Institute, 2012 and other secondary data processed by the Civil Society Development Foundation – FDSC and the Social Economy Institute - IES)

According to the latest statistical data (table no. 1) available on the dimension of social economy (Barna, 2014), in 2012 in Romania there were 39.347 active organizations (that had submitted their balance sheet at the end of the fiscal year), that had fixed assets in value of lei 13.917.508.000, income of lei 12.298.111.000 and had employed 131.127 persons. The sector of social economy in Romania is mostly computed of associations and foundations, that have a 85.57% share in the total number of active organizations, followed by mutual societies, with a 7.03% share. Associations and foundations also employ most of the persons engaged in an active social enterprise (58.65%), while cooperatives have a

share of 23.97% of the persons employed in this sector. According to the Social Economy Atlas (Barna, 2014) published by the Civil Society Development Foundation, social enterprises are active in all the development regions of Romania (table no. 2).

Table no. 2: The distribution of the main indicators of social economy in Romania's development regions in 2012

Region	Number of active social enterprises	Total income (thousand lei)	No. of employees
North East	4.493	1.138.374	13.941
South East	3.449	959.240	11.531
South	3.749	1.156.547	11.778
Bucharest Ilfov	6.275	2.722.183	23.732
South West	2.986	613.601	7.798
Centre	7.254	1.333.341	16.558
West	3.723	910.362	11.533
North West	6.736	1.261.874	16.862

Source: Barna, 2014, p. 24 (based on National Statistics Institute, 2012 and other secondary data processed by FDSC-IES)

As illustrated in table no. 2, in 2012 most of the social enterprises were active in the Centre (18.76%) and North West (17.42%) region of Romania, while in the Bucharest Ilfov region were registered 16.23% of the total active social organizations in the country. The regions with the lowest number of active social enterprises were the South West and South East, these also being the regions with the lowest number of persons employed in social economy organizations. Although the Bucharest Ilfov region did not have the highest number of active social enterprises in the country, it employed the highest number of persons (20.87% of the total number of persons who worked in an active social economy organization), followed by the North West and Centre region of Romania, where there were employed 14.83%, respectively 14.56% of the total number of individuals who worked in social enterprises.

Out of the main forms of social enterprises, associations and foundations are active in several domains (table no. 3).

Most of the associations and foundations in Romania activate in the social or for charity sector (28.64%) and in sports (16.39%). A significant number of associations and foundations are also active in culture (9.16%) and in education (8.16%), while the domains with the lowest representation are environment (2.35%) and agriculture (3.29%).

The importance of social economy is beginning to be put into light, as in 2012 the Social Economy Institute (ISE – part of the Civil Society Development Foundation - FDSC) developed the project “Making Social Economy Visible in Romania”. One of the main achievement of this project was the fact that, in collaboration with the Ministry of Labour, Family, Social Protection and Elderly and the National Centre for Statistical Training, there were determined the satellite accounts for social economy in Romania, in 2011 and 2012. This initiative is extremely valuable, as it indicates that the share of Added Gross Value of

social economy in the national economy of Romania was of 1.9% in 2012, with an 46.15% increase from 2011 (Barna, 2014).

Table no. 3 Activity domains of the associations and foundations in Romania, 2012

Activity domain	Number of associations and foundations	Share of the total number of associations and foundations (%)
Social/Charity	7.587	28,64
Sports	6.115	16,39
Education	3.858	8,16
Culture	3.713	9,16
Professional	4.113	7,58
Religion	1.992	7,45
Agriculture	3.214	3,29
Health	1.808	6,14
Development/Turism	2.040	3,86
Community/Forestry	1.326	3,41
Civic	1.273	3,55
Environment	989	2,35

Source: Barna, 2014, p. 43 (data processed by IES-FDSC, according to the data from INS 2012, the NACE code in the associations' and foundations' balance sheet and the information provided by the NGO Register of the Ministry of Justice)

As far as the taxes on income, profit and capital gains from business and employers' contribution to the state's budget are concerned, the social economy sector had a 4.18% contribution in the total business taxes and employers' contribution in 2012, with a 37.5% increase from 2011 (Barna, 2014). All these statistics highlight the growing role this particular sector has in the development of Romania's economy.

2. Research methodology

The aim of the present research was to give an insight on Romanian social entrepreneurs' motivations to initiate, develop and work in a social enterprise. Due to the scarcity of in-depth data regarding social entrepreneurs in Romania, the authors opted for an exploratory research. The research was qualitative and consisted in structured interviews with Romanian social entrepreneurs after which the results were interpreted through content analysis. The choice for a qualitative research is justified by the fact that it allows the interpretation of the studied subject without any numerical measurements, while offering new insights and inner meanings (Zikmund and Babin, 2010). The choice to conduct a qualitative research is also in line with the main objective of the study which is to identify a deeper meaning of social entrepreneurs' motivations and way of action.

The instrument used in the research was the structured interview, consisting in 16 questions, which targeted the following specific objectives:

- Outlining a profile of the social entrepreneur, considering his academic education, professional experience and expertise in the activity domain of the enterprise he works in;
- Identifying the main coordinates of the social entrepreneur's activity and the structures founded/developed by him (including legal forms, financial resources, social impact, the impact of the external environment on the organization's development);

- Identifying the main motivations in developing a social entrepreneurship initiative;
- Identifying the interviewees' perceived differences between social and business entrepreneurs.

The interviews were conducted one-on-one between one or two of the authors and a social entrepreneur, which enabled the authors to gain considerable insight from each respondent. Due to the lack of structured information on social entrepreneurship in Romania, the recruitment and selection of respondents was made from the most visible social enterprises, the first selection criteria of the interviewed persons being their belonging to a social enterprise that had been subject of an at least one article in print or online media with national coverage. The second criteria was that the interviewed person had to have a decision function in the organization he belongs to or to have had coordinated at least one social economy project in the organization.

As a result, the researchers used several sampling methods: judgment sampling, as they contacted individuals with appropriate characteristics required for the sample, and snowball sampling, as some respondents were recommended by the respondents initially selected by the researchers. Overall, 30 social entrepreneurs were identified and received an invitation via e-mail to take part in the study. The sample size consisted of ten social entrepreneurs who responded affirmatively to the researchers' initiative. As expected for a qualitative research (Proctor, 2005), the sample is not representative of the target population of the research.

The interviews were organized in the period July 20th – September 24th 2014: one interview was conducted in Reghin (July 20th 2014), five interviews were conducted in Bucharest (three interviews on September 7th 2014, one interview on September 18th and one on September 19th), three interviews were organized in Arad, Arad county (September 3rd 2014) and one interview at Elnia, Mehedinți county (September 24th 2014). The choice for this particular research method proved to be time-consuming, as each interview lasted between 20 and 30 minutes. With the respondents' approval, the interviews were recorded with a digital recorder.

This qualitative approach proved to be researcher-dependent, as the authors had to lead the interviews, as well as to extract the text from the recorded interviews. Furthermore, the results are not to be generalized and are researcher-dependent, as Zikmund and Babin (2010) state that different researchers may reach different conclusions based on the same interview.

3. Results and discussion

The data provided by respondents were compelled and processed by way of content analysis. It has to be mentioned that the obtained findings outline an early profile of the Romanian social entrepreneur, as a result of a pilot study. The research, one of debut in this specific issue, presents primarily opinions on how the Romanian social entrepreneur can be defined. His profile can be further developed through a more comprehensive study, with statistical representativeness that can provide relevant results, with greater acceptability.

All respondents included in the research are aged between 26 and 42 and have university education. They acknowledge their role of social entrepreneurs and consider they act in an entrepreneurial manner, while pursuing a social mission. Of the ten respondents, six have

previous experience in entrepreneurship; one was previously a freelancer, while three others have been previously employed in private-owned structures. Only one respondent declared she had no experience as an entrepreneur or employee although she had been involved in volunteer projects prior to founding the organization she currently works for. Furthermore, seven respondents have had previous experience – either as entrepreneurs or employees – in fields related to the activity of the social enterprise they founded and developed.

A number of seven of the ten social entrepreneurs interviewed as part of the study work and operate in nongovernmental organizations, namely associations, with the social entrepreneur being one of the members. Two other social entrepreneurs operate in commercial enterprises owned by associations. One social entrepreneur is in the process of obtaining legal personality through the founding of an NGO and meanwhile provides services through a commercial firm owned by a friend. The number of active members or employees involved in the ten social enterprises ranges between two and 20 (Figure no. 1), with an average of 7.6 persons/organization.

In the selected group, four organizations have one to five employees/active members, three organizations employees/active members, and three organizations employ over ten persons (Figure no. 1). In eight out of the ten cases, the organizations set up by the social entrepreneurs also use voluntary work.

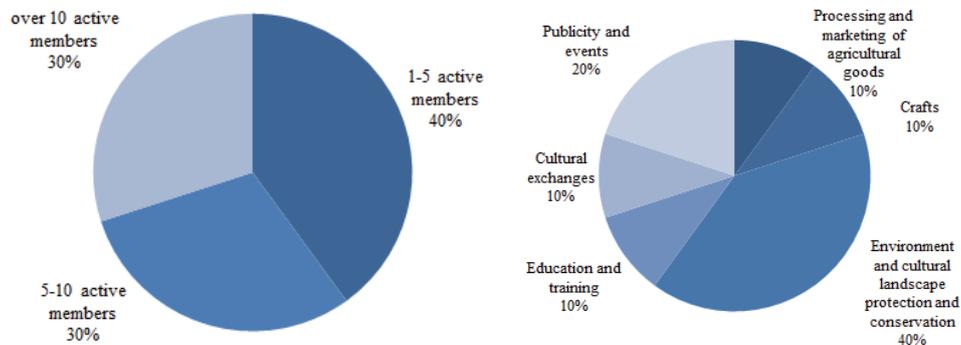


Figure no. 1: Description of the respondents' organizations

Source: Processed by the authors based on the research results

An analysis of the activities conducted by social entrepreneurs in the organizations they initiated and/or developed reveals that all ten respondents either focus on the satisfaction of social needs or pursue opportunities generated by market failure, thus falling into two out of the three categories of social entrepreneurs described by Zahra, Gedajlovic, Neubaum and Shulman (2009) - social "bricoleurs" and social "constructionist" – or a combination of the two. None of the respondents sees himself or herself as highly innovative or as driving revolutionary change, leading us to believe that social "engineers" are less frequent despite their potential social impact.

In what regards the field in which the social enterprises developed by the respondents activate, they are structured as follows (Figure no. 1): one organization is active in the processing and marketing of agricultural goods; one in crafts (weaving, dressmaking and souvenirs); four in environment and cultural landscape protection/conservation; one in non-

formal education and training; one in cultural exchanges, two in publicity and events. A common trait is that the social enterprises in which the ten respondents operate provide not one, but a series of services that are part of an integrated value chain. For example, the organizations active in environment and cultural landscape protection/conservation implement a series of closely-related activities such as awareness campaigns, educational programmes for the local population, infrastructure development (building of bicycle lanes), events, publishing, marketing and promotion activities. A number of five of the ten organizations also own online platforms which benefit from wide recognition and are used for providing information on both the social enterprises as well as on the field and geographical area in which they are active.

With no exception, each of the organizations developed by the ten respondents works closely with the local community and has a profound social impact. This impact may be translated in: creating jobs for persons belonging to groups prone to social exclusion (such as people with disabilities); encouraging the local economy through the promotion of local products or services and even by developing an infrastructure for the processing of local agricultural goods; investments in educational programmes for the local community; raising awareness regarding local culture, heritage and environment and their potential to generate economic growth through crafts or tourism; providing information regarding business development and financing opportunities; promoting a healthy lifestyle and enhancing positive attitudes towards sports.

In what regards the financing of activities, nine out of the ten organizations have benefitted from external funding and only one organization, while one organization has resorted solely to the profits earned through the provision of services. According to the data presented in table no. 4, the most frequently mentioned sources of external funding include:

Table no. 4: Sources of external funding used by social entrepreneurs

Financial Sources	No. of organizations that have accessed them
European Structural Funds – Sectoral Operational Programme Human Resources Development 2007-2013	3
European Structural Funds – Sectoral Operational Programme Environment 2007-2013	2
European Structural Funds – Cross-border cooperation programmes	1
Other EU financing programmes – Youth in Action	3
Funding awarded by corporations as part of their CSR policy	2
European Economic Area (EEA) Financing Mechanism and Norway Grants	1
Funding awarded from the state budget (Environment Fund Administration, National Cultural Fund Administration)	2
Funding awarded by local public authorities	2

Source: Processed by the authors based on the research results

A number of four out of the ten social respondents indicated that their organization accessed more than one of the above mentioned financing sources.

Bureaucracy and the lack of a clear and coherent legal framework regulating the functioning and financing of social economy organizations are identified as the major obstacles stemming from the external environment, being mentioned by eight out of the ten respondents. Two respondents feel that social entrepreneurship initiatives should be subsidised by the state as they provide services that public institutions are not able to provide and solve social problems which both the private and public sector have failed to solve. By creating jobs for people prone to social exclusion, providing education services, enhancing the protection, sustainable valorisation and promotion of the natural and cultural heritage, social enterprises significantly decrease the costs that the state would have incurred with the provision of public services. One respondent proposed a better framework regulating public-private partnerships so that social enterprises could be remunerated for the services they provide to society. Other external obstacles identified by respondents include the local communities' lack of interest for the cause pursued by their organizations (three mentions) and the conflicts with the private sector (one mention), when private companies feel that their pursuit of rapid financial gains is threatened by the social entrepreneurs' support for a social cause.

The availability of external funding is seen by seven of the ten respondents as the most important element of the external environment having positive impact on the social entrepreneurs' activity. Moreover, two of the respondents recognized that they had planned their projects not according to the community's needs, but rather considering the accessible financial resources available. Other beneficial factors identified by respondents include the partnerships with organizations having similar mission (three mentions) and the corporate social responsibility projects developed by private companies and which promote the activity of social enterprises (two mentions).

Most interviewees declared that they have decided to develop a social economy organization because they have always felt "their mission was to save something in the world". It was identified a consensus on the fact that after identifying several problems and a lack of initiative to solve those problems in their community, interviewees felt that "something had to be done" in order to change the status quo. As a result, the social entrepreneurs interviewed decided to develop a social enterprise driven by passion and the strong desire to bring a positive impact to their community. All the respondents agreed that setting up a social enterprise was seen as a chance for professional development and financial independence, although obtaining profit was not their main objective and motivation, which is in accordance with the definitions of a social entrepreneur mentioned in the literature review. Only one interviewee mentioned that he had chosen to develop a social enterprise because he had identified in the social economy sector fewer legal constraints and more opportunities to obtain financial resources. However, after setting up his business, he acknowledged the importance and impact of his enterprise to the local community and became motivated to continue in an economic sector that enables him to obtain profit, while helping other people. All the social entrepreneurs' interviewed stated that they have decided to set up a social enterprise after identifying a specific niche (a specific problem that needed to be addressed) in the market and after researching the available funding opportunities.

The social entrepreneurs' involved in the present study are motivated to continue to develop their activity in the social economy sector mostly by their social role in the community and by the fact that they truly have a positive impact and manage to help people

in need. Two interviewees actually mentioned that “people and their joy” determine them to continue to implement projects that help local community. Furthermore, social entrepreneurs mentioned that passion and the constant need of change drives them to new projects in their organization, while one interviewee stated that he is motivated to continue to develop his organization up until the moment when “it will work on its own”, which means that he have had managed to involve in the activity of his enterprise sufficient individuals with the same vision and mission as his own.

Based on the opinions expressed by respondents a profile of social entrepreneurs’ motivations was compelled (Figure no. 2):

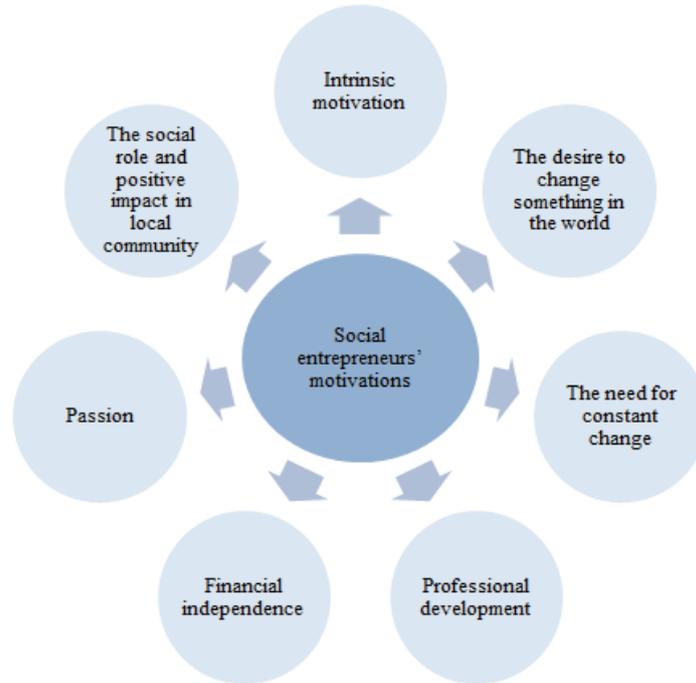


Figure no. 2: Social entrepreneurs’ motivation profile
Source: Processed by the authors based on the research results

The social entrepreneurs’ interviewed mentioned that their employees are mostly intrinsic motivated, as themselves, and that financial rewards are not the prime element that determines them to work in a social economy organization. Three of the respondents stated that the people they work with are also motivated by the fact that their work has visibility in the media. Moreover, a consensus was identified on the fact that the people involved in the organization have to share the same vision and values, highlighting that the work environment in a social enterprise is extremely important and the organizational culture should enhance creativity, personal development and the acknowledgement of the importance of each member of the organization. However, it was interesting to discover that three of the interviewees state that they are still looking for opportunities to properly motivate the persons that do volunteer work in their organization’s projects.

Another important object of the research was to identify whether social entrepreneurs consider they need and have specific traits and competencies, compared to business entrepreneurs. All the interviewees clearly stated that a social entrepreneur differs from a classic, business entrepreneur, mainly because he has a social mission, “an inclination towards social” and “a specific sensibility towards social problems”. The interviewees also mentioned that a social entrepreneur needs to have the competencies of a business entrepreneur (in terms on classic business competencies, such as: initiative, marketing and sales competencies, finance and human resources management competencies, but also very good knowledge regarding the organization’s domain of activity), but, in addition, he should be passionate, creative, extremely determined and perseverant in achieving his mission. These results are also in accordance with the hypothesis mentioned in the literature review.

In terms of differences of social status between social and business entrepreneurs, several opinions were identified. All the respondents agreed that social entrepreneurs have a different social status, compared to business entrepreneurs. But, while 5 interviewees consider that a social entrepreneur has a positive image in the society, begins to have more visibility and is much more trusted than a business entrepreneurs, 1 interviewee stated that she “is not taken seriously when mentioning she represents an association”, while another interviewee mentioned that, in relationship with the public sector, social entrepreneurs are seen as “opportunistic”. Two respondents also feel that social entrepreneurs are perceived significantly better in urban areas and among highly educated professionals in comparison with rural areas; this difference stems from the fact that people in urban areas and with a high level of education generally have access to more information regarding social entrepreneurship, already acknowledging the role that social entrepreneurship plays in society. Furthermore, two of the persons involved in the study consider that social entrepreneurs receive less recognition in society and earn less money than business entrepreneurs.

Perceived differences between social and classic entrepreneurs are illustrated in Figure no. 3.

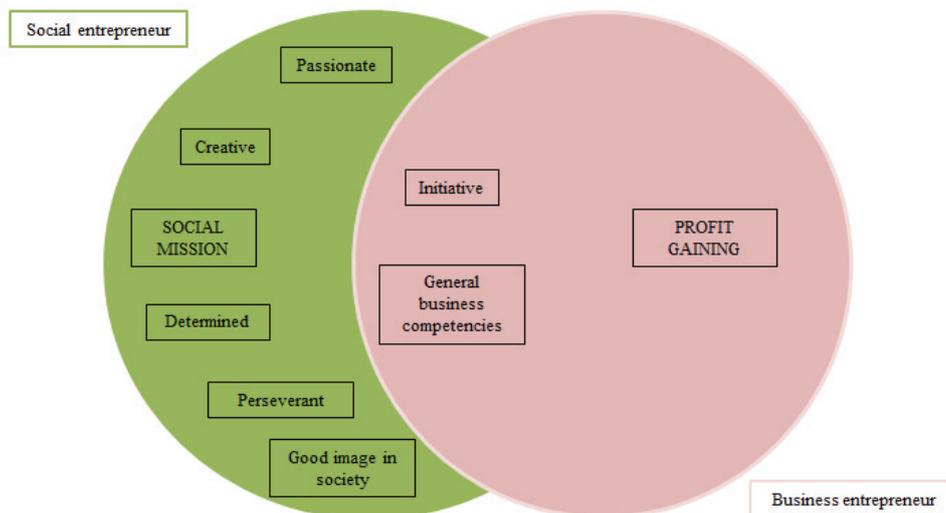


Figure no. 3: Differences between social and classic entrepreneurs
 Source: Processed by the authors based on the research results

However, these being said, all the social entrepreneurs mentioned that their activity offers them personal satisfaction and fulfilment, which they could not have obtained through a classic entrepreneurial initiative.

Conclusions

By providing information on the background of social entrepreneurs, their activities, traits and motivations, the paper constructs a “profile” of the social entrepreneur. Since the research is exploratory, this profile should be subject to further study and validation and may become a crucial instrument in understanding how social entrepreneurship can be stimulated and enhanced. Qualitative research (using in depth structured interviews) allowed a complex investigation of the social entrepreneurs’ traits and motivations, but, due to its nature, it has certain limits. One limit is the use of a rather long interview guide, which did not allow the detailed discussion of every aspect targeted by the authors. Furthermore, due to the many responsibilities that social entrepreneurs have, some interviews suffered interruptions, which perturbed the discussion. Another limit is the blurred boundary between the collection of data and the analysis, the two stages partially coinciding. This happens due to the fact that in the case of qualitative research, the researcher is the main methodological vehicle, being involved in all the stages of the research: designing the interview guide, computing the sample, conducting the interview and analysing the results. The sample size is not representative, being heterogeneous and comprising social entrepreneurs from different areas and activity domains. However, it might be considered that the research results constitute a relevant starting point for future research which could also involve classic entrepreneurs.

The main result of the research is outlining a pilot profile of the Romanian social entrepreneur, considering the constantly changing business environment. First of all, social entrepreneurs in Romania generally operate in the nongovernmental sector, although private firms are not excluded. Results show that social entrepreneurs have both expertise and experience in the field in which they operate; when initiating a social enterprise, they choose a field that is close to their field of study or related to previous work. Social entrepreneurship is generally viewed as a career alternative by young and middle-aged people, with a mind-set capable of identifying both social needs which the market has not yet satisfied or is unable to satisfy as well as new means to cater for these needs. Thus, social entrepreneurs tend to be social bricoleurs (identifying social needs previously unattended), social constructionists (identifying opportunities resulting from market failure) or a combination of the two. Regardless of which of the foregoing categories they belong to, social entrepreneurs define themselves as creative and visionary persons, as faced with social problems such as the lack of jobs for socially vulnerable persons, they have to find innovative solutions and persevere in solving the problems identified.

Clearly, social entrepreneurs consider themselves different from classic, business entrepreneurs, the difference consisting in taking a social mission, a mission perceived as more important than the one of making profit for shareholders, associates and owners. However, social entrepreneurs’ activity is not charity, as pursuing a social mission does not exclude having a financial independence or professional development. For social entrepreneurs, intrinsic motivation, generated from the satisfaction of bringing added-value for the community they live in, from having brought a positive change in the society, is

fundamental. They tend to make a team that shares their values, passions and social mission.

Regardless of the social mission, creativity, perseverance and passion, a social entrepreneur has to have good knowledge regarding his field of activity, but also classic business competencies, also associated to business entrepreneurs: initiative, marketing and sales, finance, human resources management. Moreover, social entrepreneurs tend to be opened to accessing external financial resources and consider the opening of the community market as an opportunity to develop their organization. This fact is natural, as the majority of social entrepreneurs work in organizations that do not have profit aims or in small enterprises, with limited resources – and in the case of organizations that employ vulnerable persons on the labour market – with a limited potential of productivity growth.

Social entrepreneurs' organizations are generally involved in not one but a variety of activities, connected or part of an integrated value chain, bringing a significant social impact through the creation of jobs, promotion and valorisation of local assets such as heritage or natural environment, raising awareness on development opportunities, and improving education. Achieving social impact involves close interaction with the local community including both the local population and other agents such as local producers, small firms or schools.

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