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Challenges of Measuring Social Impact in Romania. A Case Study in a Social Economy Organization Active in the Social Services Field

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Abstract

Even if the social economy is an emergent sector in Romania, advancing social impact measurement and management becomes imperative for public authorities and the whole society to understand how much positive social change can be attributed to the social economy organizations, especially those active in the social services field. The main objective of this paper is to systematically review and analyse the first fragile attempts of social impact approach and measurement in Romania. Applicative research will be carried out in a social economy organization active in the social services field to understand the current challenges of measuring and managing social impact faced by social economy organizations. The article concludes with an in-depth discussion and a set of recommendations for developing a more effective national impact measurement framework better calibrated to the social and solidarity economy realities, particularly considering the social services field.

Keywords: social impact, impact measurement, social services, social economy.

Introduction

Even if the size and dynamics of the Romanian social economy sector are not yet comparable with European countries with tradition in the social economy, Romania is part of the same trend of discovery, re-discovery, and development of the social economy, present in a diversity of organizations and fields, models of classic social enterprises, hybrid or sometimes even innovative models. In Romania, like in some other European countries, the actors of the social economy are the engine of a new endogenous economic development model (Barna &

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Vamesu, 2014). The social economy sector in Romania is still an emerging sector compared to other European countries, enjoying only a moderate level of recognition, “coexisting alongside other concepts such as the non-profit sector, the voluntary sector, and social enterprises” (Monzon & Chavez, 2017, p.34). Romania’s main social economy actors are the traditional social economy sector (associations and foundations, cooperatives, credit unions) and the emerging sector of the certified social enterprises that appeared in 2015 with the Social Economy Law no. 219. Public data available have been used in several national studies and reports (Kivu & all, 2017; Barna C., 2014), which reflected the size and dynamics of the Romanian social economy sector, considering the main types of social economy actors (associations and foundations, cooperatives and credit unions). These data were also complemented by survey data and relevant analyses made by the representatives of the social economy (Vameșu, A., 2021). Following the adoption of Social Economy Law No. 219 in 2015, the Minister of Labour and Social Solidarity established the Unique Register of Social Enterprises, and official data on the emerging sub-sector of certified social enterprises were provided regularly. As of October 2023, the Unique Register of Social Enterprises includes 2915 certified social enterprises.

We have chosen to carry out our research on an active foundation in the social services field because social services represent an important part of Romania’s social economy. A report elaborated in 2013 (coordinated by Dima) demonstrated the very good positioning of social services in the social economy sector. Funded primarily from international public and private sources, associations and foundations from the social field laid the foundations of the first social services provided in Romania in the fields, such as protecting the child’s rights, persons with disabilities, or the elderly. The report mentioned above brought to the public attention the fact that from the 2703 accredited providers of public and private social services that were registered in 2011, 1385 of them (51% of the total accredited providers) were private providers (associations, foundations, religious organizations, authorized individuals)(Dima *et al.* 1.2013). This indicates a great and constant concern for the social field on the part of civil society, increasing the level of professionalization of service providers in the context of public policies relatively favourable to the development of the social services sector: Government Ordinance (GO) no. 68/2003 on services offering their recognition alongside public services.

Moreover, according to the law regarding social assistance in Romania (Law no.292/2011), the social economy is an active, inclusive measure for vulnerable people. Suppose from the perspective of employment and labor market policies, the main role of the social economy expects to generate new jobs, especially for vulnerable people, as well as provide services in the field of vocational training and facilitate labor integration from the perspective of social assistance. In that case, the social economy is expected to deliver social services to individuals and communities, especially in areas where neither the public or the private sector are

able to meet increasing social needs, but also to contribute to the development of new social services (Rebeleanu & Popescu, 2016; Melinz, Pennerstorfer & Zierer, 2016).

In 2015, in Romania, the most important field of activity in which non-governmental organizations (NGOs) are active was the social/charitable field. 21% of the total number of NGOs activate in the social/charitable field, and 30% of the employees in NGOs belong to the social/charitable field (Kivu *et al.*, 2017). The social component of the NGO sector has emerged as a consequence of the public institutions' limitations in responding to the basic social needs of the most disadvantaged social groups: children, the elderly, or people with disabilities. NGOs' role is to act as subsidies or replace social services offered by public institutions (public social services), often insufficient or with low quality (Kivu *et al.*, 2017). This is why most of the social services in Romania are provided by the nonprofit sector, as outlined above. NGOs have a key role in social innovation and social protection by targeting new social needs and developing new social services (Lambriu & Petrescu, 2019). Social innovation also mobilizes each beneficiary to become active in the innovation process (Rebeleanu & Demian, 2019). NGOs providing social services operate in a highly competitive environment characterized by their target communities' ever-increasing.

On the other hand, as stated in the European Commission report, "Social enterprises and their ecosystems. Updated country report – Romania", the social enterprise sector in Romania remains little known by policymakers and the general public and exists in the margins of the welfare state. The logic of investing in social enterprises and opening the public market to all social economy entities currently remains a novelty and challenge for public policy decision-makers (European Commission, 2019). Therefore, advancing social impact measurement in Romania becomes imperative for public authorities and the whole society to understand how much positive social change can be attributed to social enterprises. This is more even important in the recent context, when social enterprises are even successfully combining the principles of social economy with the ones of circular and green economy, leading to overcoming the current challenges of the society and, therefore, creating substantial social and environmental impact (Barna *et al.*, 2023). Moreover, social enterprises have proven very good resilience during the Covid-19 pandemic due to their capacity to provide rapid solutions during times of crisis (Racolța-Paina & Pop, 2023; Zbucăea & Barna, 2020).

Social impact measurement is a relatively new topic of interest in Romania, but very important in the actual context of the social economy sector development. "The goal of impact measurement is to manage and control the process of creating social impact in order to maximise or optimise it (relative to costs)" (Hehenberger, Harling & Scholten 2015). An effective social impact measurement system can help Romanian social economy organizations better communicate their social value to the public. It could also be understood as an effective management tool, helping social organizations develop their business plans and better integrate

specific requirements from investors or authorities on social impact measurement. Our case study will provide an in-depth analysis of measuring social impact in a social economy organization active in the social services field, which works with various types of public and private funding, facing the challenges of various requirements from investors or authorities in terms of impact measurement.

Methodology

Our research is an exploratory study. The main research objective is to systematically review and analyse the first fragile attempts of social impact approach and measurement in Romania, such as the first theoretical approaches about accountability, social reporting, the social-economic value added by a social enterprise, social efficiency and social mission fulfilling, developed by the Institute of Social Economy (Civil Society Development Foundation) in 2012; some punctual social impact approaches specific to various social entrepreneurship competitions in Romania (e.g., NESsT program to support social business, Made in Andrei's Country Social Business Competition Social Impact Award competition etc); Social Return on Investment (SROI) method promoted and used by some NGOs; Social Reporting Standard (SRS) made and promoted by Ashoka for some civic organizations and social entrepreneurship to mobilize new resources and people for their cause; and the Indicative guidelines on outcome indicators, immediate achievement/output, and impact indicators to be used by social enterprises / social insertion enterprises in the annual reports from 15.03.2017, elaborated by the Ministry of Labor and Social Justice -MLSJ (2017).

The applicative research was carried out in a social economy organization active in the social services field (Heart of Child Foundation from Galati County). Qualitative research was based on interviews with the organization's representatives. The case study is built on the following thematic units: a short description of the organization, objectives, and main targets in measuring the social impact in the social economy organization, current metrics used in measuring the social impact, calculation and analysing the relevance of the indicators proposed in the Indicative Guidelines elaborated by the MLSJ (2017), proposals for improvement of social impact indicators. Possible areas for improvements will be identified following the testing process made in the case study and also recommendations considering the specific challenges of the social economy organizations active in the social services field.

We have chosen to use a case study as a strategy of qualitative social research. We explored in depth the process of social impact measurement at Heart of Child Foundation from Galati County in the period June –September 2020 by collecting detailed information using a variety of data collection procedures (in-depth interview with the manager of the organization in based on an interview guide, the study of internal relevant documents, and online conversations with

representatives from various departments). Our case study had two dimensions: it was a descriptive case study, with the purpose of describing the process of social impact measurement in the respective organisation, but it was also an exploratory case study, by exploring the relevance of the indicators proposed in the Indicative Guidelines elaborated by the MLSJ (2017) in the social enterprise. We decided to study a single case (Heart of Child Foundation from Galati County) that was carefully selected based on the following criteria: to be an NGO that is accredited provider of social services; to be an NGO recognized as a public utility organization in Romania; to be recognized as best practice at national level by gaining relevant awards for its outstanding activity (minimum 3 awards received); and to be an NGO that created a social enterprise in order to support its social mission better.

Research Results

A short review of social impact approach and measurement in Romania

Our review of social impact approach and measurement in Romania revealed that one of the first significant steps concerning the theoretical approaches to social accountability, social reporting, the social-economic value added by a social enterprise, social efficiency indicators, and social mission fulfillment in Romania was done in 2012 in the “Handbook of social enterprise manager” (Barna, Ionescu, Mişu & Vameşu). This handbook contains a chapter about responsibility and social balance. According to the authors (Barna *et al.*, 2012), the performance of social enterprises refers mainly to evaluating non-financial results.

Various social entrepreneurship competitions organized in Romania in the last 10 years promoted social enterprises’ social impact in the economy and society, creating awareness of the social impact concept and highlighting the importance of the social impact assessment. Such competitions laid the foundation for a further structured social impact approach and for opening the way to using social impact measurement indicators. We mention some of these competitions, which have contributed and still contribute (some of them, with ongoing editions) to the advancement of Romania’s social economy sector: NESsT program to support social business in Romania, Made in Andrei’s Country Social Business Competition 2013 -2017, Social Impact Award 2014 (organized by Impact Hub Bucharest and ERSTE Foundation), Social Impact Award Romania (organized by Social Innovation Solution Association, together with Global Shapers Bucharest Hub).

There is a proliferation of tools and approaches to help nonprofit organizations understand and measure their social impact concerning the value creation of programs funded by different financiers (Den Social Kapitalfond, 2012; Mook, Chan & Kershoaw, 2015). We mention two of them, in our opinion, relatively

unknown in Romania: the Social Return on Investment (SROI) method and the Social Reporting Standard (SRS). SROI is a method that analyses the results of a project using a combination of quantitative, qualitative, and financial data (Nichols *et al.*, 2012). In search of an appropriate method to measure the social impact of its programs after five years in operation, this method was used by the Bucharest Community Foundation in 2016. SRS is a method that helps the organization document and communicate its activity's impact chain. This approach provides a common language and comprehensive system for the results-based reporting of social organisations. It facilitates the dialogue about results, and it makes the value of social work visible to the community (Imprint Social Reporting Initiative e.V./o Auridising GmbH, 2014). It is suitable for the organization's internal reports and for increasing the transparent presentation of results to the public.

After adopting the Methodological Norms for applying the Law of the Social Economy by Government Decision No. 585 (Romanian Government, 2016), the indicative guidelines were elaborated on 10 August 2016 by the Ministry of Labour and Social Justice. They represent the first official regulatory attempt to impact measurement. Below, we explain the indicators proposed by the guidelines and which will be used in our case study.

The guideline differentiates between three categories of indicators: (1) result indicators, (2) immediate achievement/output indicators, and 3. impact indicators. The first two categories of indicators are, in fact, mainly addressed to work integration social enterprises (insertion social enterprises), while the proposed impact indicator is appropriate for any type of social enterprise.

(1) Results Indicators (MLSJ 2017)

According to the indicative guidelines, the outcome indicators measure the real benefit of immediate results on the target group. The purpose of the result indicators is to measure the accompanying stage's efficiency in the process of reintegration of people from the vulnerable group. Relevant to this category of indicators is the insertion rate:

$$\text{Insertion Rate} = \frac{NVGp}{NTVG} \times 100$$

NEVp = the number of employees in the vulnerable group representing positive outputs in the reporting year;

NTVG = the total number of employees in the vulnerable group in the reporting year;

Positive outputs = positive results of the application of the accompanying measures; they represent employment with another employer regardless of the type of employment contract, resumption of the education process for people who have not completed compulsory education, inclusion in the form of higher education,

high school, post-high school or enrolment in the form of professional training of adults, carrying out a private activity.

(2) Immediate achievement / Output Indicators (MLSJ 2017)

According to the indicative guidelines, the indicators of immediate achievement represent the way of measuring the effects, benefits, and immediate and direct benefits on the vulnerable group involved in work integration social enterprises' activity. The purpose of the indicators of immediate achievement is to measure the evolution of the average number of employees of the vulnerable group in social enterprises and in insertion social enterprises. The relevant indicators in this category are the percentage change in the total number of employees in social enterprises and insertion social enterprises in the reporting year compared to the previous year and the percentage change in the total average number of employees in the vulnerable group in insertion social enterprises in the reporting year compared to the previous year.

In the case of the insertion social enterprises, the evolution of the average number of employees in the vulnerable group is closely linked to the evolution of the average number of employees, given the provisions of Law no.219 / 2015 on the social economy, according to which the social insertion enterprises must have employees from the vulnerable group at least 30% of the total number of employees. This indicator allows monitoring the increase or decrease of the average number of employees in the vulnerable group in the insertion social enterprises compared to the previous year.

(3) Impact Indicators (MLSJ 2017)

One of the principles of the social economy is the allocation of the largest share of profit / financial surplus to achieve the general interest objectives of communities or in the non-patrimonial personal interest of the members, which implies reinvestment of at least 90% of the profit made for social purposes and of the statutory reserve, according to Law no. 219/2015. According to the indicative guidelines, the impact indicators provide information on the overall long-term benefits of the measures taken. The relevant indicator in this category is the social return rate.

The social return indicator is a measure of the social enterprise's ability to obtain profit so that 90% of it covers the costs of economic and social activity of the social enterprise within one year. This indicator measures the social impact by reinvesting 90% of the total profit obtained in the year to be reported.

$$\text{Social Return Rate} = \frac{VR}{V} \times 100$$

VR = Value reinvested for social purposes;

V = Value of the percentage of 90% of the profit.

Case Study – Social Impact Measurement in a Romanian social services organization

Table 1 presents the main findings of the case study realized at Heart of a Child Foundation. According to the assumed methodology, we used the thematic analysis of the data. The processing and analysis of the obtained data allowed the following thematic units to be outlined: the short description of the organization; objectives and main targets in measuring the social impact in the social economy organization; current metrics used in measuring the social impact in the organization; calculation and analyzing the relevance of the indicators proposed in the Indicative Guidelines elaborated by the MLSJ (2017); and the organizations' representatives proposals for improvement of social impact indicators.

Discussions

Romania can clearly and officially speak about the social economy sector and social enterprises starting in 2015 when The Law of Social Economy No. 219 (Romanian Parliament, 2015) was adopted. Therefore, different terms and concepts were used simultaneously until then (e.g., social business, social enterprise, social economy organization, social economy structure, social entrepreneurship, social economy, etc.). This conceptual overlapping could also be seen in the various terms used in the initiatives described in the above table, which summarizes the main findings of the case study. Currently, even if the social economy is a small sector and we still meet to some extent such overlapping, it begins to be drawn the concept of Social and Solidarity Economy (SEE) slowly, as a fully-fledged socio-economic actors involved in a large spectrum of activities and functioning with internal democratic governance systems.

We have deeply analyzed the relevance of the indicators proposed in the Indicative Guidelines elaborated by the MLSJ in 2017 together with the representatives of Heart of a Child Foundation (including the “Workshops with Soul” social enterprise developed by this foundation). According to this analysis, a series of challenging points of discussion resulted.

Table 1. Results of the case study realized at Heart of a Child Foundation

<p>Short description of the social economy organization</p>	<p>Heart of a Child Foundation (www.inimadecopil.ro) was established in December 1996. It serves the interests of a large number of children and young people, providing social and support services for children and families. Government Decision 451/2016 recognised the Foundation as a public utility organization.</p> <p>The Foundation gained many awards for its outstanding activity, such as 2016 -Civil Society Gala - 1st Prize for Improving access to education for children and preventing school and family abandonment for children in Galati County, 2015 - Civil Society Gala - 1st Prize in the section "Education and Research," for the project "A village, a child!", 2013- Erste Foundation Awards - finalists in the Social integration category for the project: Early Intervention Center for Children with disabilities in Galati, 2012 - Civil Society Gala - 1st Prize in the Social Assistance Services section for the project: Early Intervention Center for Children with Disabilities, etc.</p> <p>In 2015, the Foundation created a social enterprise, "Workshops with Soul," which supports and offers jobs for people from vulnerable groups - people with disabilities, women at risk, supporters of single-parent families, and young people who have left the institutions. This social enterprise was created in the project POSDRU/173/6.1/S/148943 "ŞEŞ - Economic and Social Support for Vulnerable People", co-financed by the European Social Fund.</p> <p>The social enterprise "Workshops with Soul" is currently organized as a section with separate financial management within the Heart of a Child Foundation.</p>
<p>Objectives and main targets in the social economy organization</p>	<p>Heart of a Child Foundation measures the social impact for the whole organization, including the social economy section ("Workshops with Soul").</p> <p>The objectives and main targets in impact measurement at the level of the social enterprise are:</p> <ul style="list-style-type: none"> - Maintaining the number of jobs in the social enterprise and the percentage of 60% of employees from vulnerable groups in total employment; - At the same time, the social enterprise's income should be increased to reach the break-even point and, subsequently, to obtain profit.

<p>Current metrics used in measuring the social impact (2017 – 2019)</p>	<p>Quantitative indicators:</p> <ul style="list-style-type: none"> - The number of employees from vulnerable groups: 2019: 2, 2018: 6, 2017: 10 - Percentage of employees from vulnerable groups in the total number of employees: 2019: 62%, 2018: 75%, 2017: 67% - The total number of employees: 2019: 3, 2018: 8, 2017: 16 - The average number of employees/ month: 2019: 3, 2018: 5,41; 2017: 11,33. - Percentage of economic incomes in total expenses of the social enterprise: 2019:65%, 2018:38%, 2017: 77% <p>Qualitative indicators:</p> <ul style="list-style-type: none"> - Life stories (how working in “Workshops with Soul” social enterprise changed the life of the parents with disabilities) <p>Example of a life story:</p> <p>“I am 49 years old, and I have been in the Inimă de Copil (Heart of a Child) family for many years... 3 of my children were in the foundation’s programs; they went to the Day Center where they received a hot meal daily, homework support, went to camps, to sea or in the mountains, at the beginning of each school year, they received school supplies, and for the holidays we were supported by food packages. Our life would have been much harder without the support of the foundation... I have a locomotor deficiency, and because of this, it was impossible for me to find a job.... At the foundation I was able to work while my children were at the Day Center, to integrate into an environment where there were other people with different disabilities. I received support in a good environment for me, a salary, and the chance to do something useful with my hands. The Heart of a Child Workshop is the place where I felt I meant something to society. I had and still need this job. Here, I paint on the glass, model, sew, and give life to the products that are then sold.”</p> <p>Camelia I. a person with disabilities, an employee in the workshop.</p>
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<p>Calculation of the indicators proposed in the Indicative Guidelines elaborated by the MLSJ in 2017 (for the period 2017 – 2019)</p>	<p>Results indicator: The Insertion Rate</p> <p>Immediate achievement / Output Indicators</p> <p>“Workshops with Soul” social enterprise is not accredited as a social insertion enterprise. Therefore, the above categories of indicators are not relevant.</p> <p>Impact indicator: Social Return Rate</p> <p>“Workshops with Soul” social enterprise is not obtaining profit. Therefore, this indicator cannot be calculated.</p>
<p>Concluding remarks from the interview with the social economy organization Manager</p>	<p>“For Heart of a Child Foundation, it is important to develop the social economy section because it can be associated with the social programs of the Foundation. An impact indicator of success refers to the number of jobs created by a social enterprise and the percentage of jobs for vulnerable people in total jobs, regardless of whether the respective social enterprise is accredited as an insertion social enterprise or not. Also, the long-term maintenance of these jobs reflects the success of the social enterprise and the fact that it creates a social impact in the community”.</p> <p>From the interview with Dr. Anna Burtea, Executive Director of the Heart of Child Foundation</p>

Note: Case Study: Impact measurement at Heart of a Child Foundation (including “Workshops with Soul” social enterprise developed by this foundation)

The Indicative Guidelines elaborated by the MLSJ in 2017 had, without a doubt, many strong points, among which we mention: they represent a necessary starting point in the impact measurement of social enterprises in Romania, and the insertion rate and the proposed immediate achievement/output indicators are relevant indicators for social insertion enterprises. However, the analysis carried out in the case study also highlighted a series of weak points, such as the Indicative Guidelines do not propose indicators to measure jobs for vulnerable people created by the social enterprises that are not accredited as social insertion enterprises (as it was the case of the social enterprise developed by Heart of a Child Foundation). Also, the Social Return Rate does not cover situations in which social enterprises do not make a profit. However, they are related to parent organizations and their social mission (the case of “Workshops with Soul” social enterprise, which, even if it is not profitable, creates substantial social impact, being closely linked with the Heart of a Child Foundation’s social mission – for example, it employs vulnerable mothers of the children who are beneficiaries in the foundation programs). Discussions concerning how the proposed indicators are helping the social economy organization to perform better and to learn revealed that the impact indicators really helped the organization see the extent to which they meet their social objectives and are also financially sustainable.

We continue the discussions with some practical challenges related to the fact that the proposed indicators did not cover the specific situation of the “Workshops with Soul” social enterprise. However, as previously explained, it is a social enterprise that creates a sound social impact, linked with the Heart of a Child Foundation, and this cannot be disputed as the Foundation has gained many awards in Romania for its outstanding social activity. Some relevant proposals for the improvement of social impact indicators (at the social economy organization level) came from the Foundation’s representatives in this sense. We mention the importance of developing new impact indicators for the social enterprises that are not accredited as social insertion enterprises, and also, considering qualitative indicators, in addition to quantitative indicators, would have been highly beneficial.

These proposals are in line with key issues mentioned in the social impact measurements frameworks previously reviewed, such as even if financial data certainly plays an important role, a social enterprise’s efficiency lies fundamentally in meeting social needs and fulfilling its mission (Barna *et al.*, 2012, p.35), or a possible application of Social Return on Investment (SROI) method, that could be highly useful in illustrating the impact of large-scale projects. However, SROI is not the most suitable method for analysing the impact of small and innovative projects because it is a time-consuming and expensive evaluation methodology. For example, referring to SROI, the representative of another NGO mentioned that “Given our foundation’s resources and Romanian market realities, it is a tool that we cannot afford to employ regularly.” (Vaileanu, 2017, p. 10). Also, the Social Reporting Standard (SRS) method mentioned in our review results could be helpful for a better highlighting of the social impact in regular annual reports.

In Romania, the SRS is used by Ashoka Fellows, which offers an online course regarding this approach. Focusing on the problem, on the solution, and on the main results, SRS is promoted as a self-guided program. The course is free for social entrepreneurs and changemakers at all stages of project development. It offers a compelling overview of SRS, a tool for building projects with maximum impact, defining target groups, and reporting outcomes to stakeholders (Ashoka, 2018).

We conclude our discussions by also highlighting that the accreditation of social services provided by NGOs presents advantages at the level of serving local communities and at the level of diversifying financing sources for the non-governmental sector. European experience indicates that associations and foundations play an important role in promoting an ecosystem where social enterprises can thrive. In fact, it facilitates an approach beyond the perspective of social work: reciprocity practices are activated, and both economic and social value is produced (offering jobs, adapting the work conditions to the needs of vulnerable people, and social workers can support integration into work by integrated social services) (Caritas Europa, 2018). Our case study proves that the organization can create and implement new ideas to deliver social value. The organization has a real contribution to increasing the quality of life and well-being of its beneficiaries and increasing the local community's solidarity by developing creative solutions to ensure the social inclusion of vulnerable people (unemployed persons, ageing persons, disabled, children, etc.). Its solutions are based on the needs of local communities. Moreover, to support its social mission better and diversify its sources of income by obtaining sustainable economic income, the selected organization created "Workshops with Soul" social enterprise.

Conclusion

All the social impact approaches presented in our article have influenced how the social and solidarity economy develops in Romania. NESst competition created awareness about a new way of doing business, using the term social enterprise for the first time in 2007 (8 years before the Law of Social Economy was adopted in Romania in 2015). Made in Andrei's Country, Social Business Competitions benefited from a very good national marketing campaign; therefore, all the Romanian people have become familiar with the idea of a new type of enterprise creating social impact in the community. On the other hand, these initiatives promoted the model of WISE by financing many social enterprises that employed vulnerable or disadvantaged groups. The European Structural Funds funding programs also follow this trend. WISE (social insertion enterprise, as it is named in the Romanian Law of Social Economy) became a very popular social enterprise model in Romania. The need for the WISE model is well justified also in the present by the Romanian economic realities, with WISEs still being a solution for the employment of many vulnerable or disadvantaged people; for

example, in 2020, according to the National Institute of Statistics, the relative poverty rate in Romania was 23.4%. On the other hand, Social Impact Awards competitions have propagated the approach of creating social impact amongst the young, many of them students at various universities. Their awareness has increased; they embraced the idea of being changemakers who bring a positive impact on Romanian society. This fact was even more important as the topic of the social economy is not currently well represented in Romanian higher education.

Particularly referring to the field of social services approached in the case study, we mention that in order to measure their social impact, the social enterprises accredited as social services providers need to take into account the qualitative indicators recommended by the national standards for each type of services (e.g., 26 indicators for social impact recommended for the sheltered houses, 48 for the satisfaction of beneficiaries, and 39 indicators recommended for the efficiency and efficacy of social services). On the other hand, if the organizations are developing projects under different grant programmes, the financiers also establish or even impose social impact measurement indicators. Based on the case study experience, although the organisations have a constant and real interest in the measurement of social impact, it could be an expensive activity, especially for the small social economy organizations that provide social services. Also, having too many templates for social impact measurement is difficult. Therefore, a general social impact measurement guide covering the whole diversity of social enterprises would be necessary. This guide should be based on a mixed approach entailing qualitative and quantitative methods. Relevant qualitative impact indicators should also be used in addition to the social return rate indicator proposed in the ministerial framework to better capture the positive social change created by social enterprises (even if they do not obtain high profits, as highlighted in our case study).

On the other hand, the Romanian training providers should design and deliver Social Impact Measurement and Management courses for social economy organisations. This is a niche market currently not covered in Romania. Moreover, academic courses on Social Impact Measurement topics should be included in the Master programmes related to the social and solidarity economy. Transversal subjects concerning social impact could also be debated in the academic disciplines for NGOs.

Our research represents the first exploratory attempt to investigate the social impact measurement and management in Romania in social economy organizations active in the social services field. It paves the way for further research directions, such as testing the effectiveness of the impact indicators proposed by the MLSJ in 2017 in other types of social economy organizations (e.g., credit unions, cooperatives, etc.), and in various fields of activity of social economy organizations in order to elaborate a set of recommendations for the development of a more effective national impact measurement framework and robust impact management practices customized to the social economy organizations' specific contexts, social missions, and impact investment strategies.

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