

NGO 'S ROLE IN SOCIAL ECONOMY

MARIANA CLAUDIA MUNGIU-PUPĂZAN

LECTURER PHD AND CONSTANTIN BRÂNCUȘI UNIVERSITY OF TÂRGU JIU,

e-mail:claudia.mungiu@gmail.com

Abstract

This paper aims to be a company - NGO relationship analysis and points out that a company can find its strategic stakeholders among non - profit organizations. In world practice social responsibility is spoken frequently about the collaboration between the business sector and non - profit. At the international level, NGOs are one of the most important dialogue partners of the business sector. In Romania, NGOs are often seen as something always require organizations that sponsor or if you want to do exercises image. On the one hand NGOs are wondering what to do to see their sponsored projects, although according to modern definitions, sponsorship does not really have much in common with corporate social. On the other hand companies are trying to answer the question "who are strategic stakeholders". Their proactive involvement of the stakeholders helps to cultivate relationships that can provide a competitive advantage especially in times of crisis. Like any business, stakeholder engagement has a number of constraints: requires time, financial and human resources dedicated to rely on a continuous process of monitoring and may require. Moreover, if not properly planned and implemented, could damage relations between the company and stakeholders.

Keywords: stakeholder, non - profit organizations, strategy, competitive advantage

Clasificare JEL : M1, M2

1. Introduction

When we think of civil society discussion essentially so vast concept to individual and social welfare and all items included in the democratic culture of tolerance (various behaviors and attitudes of everyday life). Also, civil society structures lies on the border between the private economy, entrepreneurship and formal institutions of political society, which inevitably is filled without substitutable. So, it is emerging as a developed concept, which includes all aspects of the public sphere, working outside the states, private parties and business.

In this way , the quality and depth of a democratic and participatory process are insured, its main features being diversified and active participation of citizens and various ways in which choices and decisions configures power, attracting people from socially responsible and with a high degree of individual independence. Every citizen feels he can be independent in a wider context over the past few years and this ensures more power to participate.

If we add this involvement a personalized element of social responsibility, the individual can take initiatives and can know others with similar characteristics and interests. In this participatory approach, an independent and responsible socially to meet other people more widely, creating the opportunity for personal responsibility to contribute to and implementation of a collective vision. So what matters is what you do citizen in relation to the state, not what it does state on the citizen. Civil society is a space above state and private enterprises are developed collective actions of different entities and citizens, scrolling down a wide range of actions and practices of informal communication horizontally. The goal is to operationalize a new concept of collective public interest for the benefit of the general public. As noted, the factors that determine or determine civil society is structured and vary depending on the level of legitimacy conferred by their autonomy and capacity of expression. In addition, the definition of civil society is not absolute and unambiguous no. According to Georgiadou (Georgiadou, 1996), civil society has a long history, as it involves a balance of forces between the economy and society: control , criticize and oppose incoherent policies manifests itself as an active component in the state. In this way it influences the political system in modern democracies.

Currently, NGOs are an integral part of civil society and their action depends directly on the needs of society and their ability to perceive them faster and authentic, due to the nature of social responsibility individually or collectively (that new needs society and how can they be covered). NGOs - as characteristic space expression for civil society - appeared initially as requirements expression and collective action as a new vector public action outside the party convention, and turned in substantial media entities between citizens and states, but targeting the interests of citizens. NGOs and requirements for co complicity in the traditional centers of power is a positive development in strengthening new forms of governance at local, national, supranational. NGO definition covers all governmental and non-profit groups.

2. Principles NGOs

It is considered that the fundamental principle of non-governmental organization refers to defining the purpose of the service provided to society as a whole. Thus, each NGO in civil society's mission is to mobilize adequate support, to influence governments, organizations and international corporations, to collect funds to educate the public, to allocate resources and to represent its members, beneficiaries, donors and key actors in the community. Through this expanded role, a non-governmental organization will achieve public goals or contribute to the social capital of the community, while promoting a cause which ensures continuity in its actions. The fundamental responsibility of NGOs is to coordinate their actions in a non-confrontational manner not to affect people, communities and the natural resources used.

For a non-governmental organization remain attached to tasks and services should be open and transparent to: mission and objectives; values and principles; own administration; own activities; the means to achieve goals.

Other principles derived

Independence

A nongovernmental organization transparently presents all legal ties, organizational and financial corporations, governments and other structures that may affect intentions, activities and impact.

Representation

In relation to governments, corporations, international organizations, non-governmental organization will always be transparent and honest in to represent its members, donors, beneficiaries and other structures whose interests they represent. An NGO must bear in mind that its services offered will be subject to public comment and review, which recommended to engage in discourse justified the mission, objectives, values and principles of governance and legal means at its disposal to achieve its objectives. Additionally, an NGO will provide honest and clear information about the cause that promotes the interests they represent.

Participation

An NGO will communicate regularly with the parties they represent and provide them sufficient opportunity to respond to their objectives, activities and submissions made.

Respect for law

In all its operations, a non-governmental organization will demonstrate respect for the law and will consider all aspects and the relevant legal obligations in decision making.

The provision

When planning or implementing its policies and actions, an NGO will demonstrate sufficient attention and care on their own heads against whom action. For damage caused to a government, international organizations, corporations or other parties, will become responsible for their actions.

Integrity

The management and staff of nongovernmental organizations will use their positions not for personal advantage or financial gain. In particular, an entity of the social economy is considered a nongovernmental organization if it meets the following conditions: if an organization independent of the government (NGO) - this means that the state can not interfere in its operations; if nonprofit - do not aim for profit used for personal purposes; if established, organized or operated by a private initiative in order to compensate the lack of political interest; if voluntary - everyone should have the right to participate as a volunteer; if operating under a record which clearly defines its operations and administrative structure; whether they provide, maintain and promote democratic values; whether they provide, maintain and promote the autonomy to choose their operations and financing. These analytical characteristics must be present throughout the entire existence of the entity wishing to be classified as a non-governmental organization.

3. Corporate social responsibility

Corporate social responsibility is a relative concept again appeared in the second half of the twentieth century in the US, as societal responsibility of the company.

Keith Davis and Robert Blomstrom define the concept of Such corporate social responsibility: "Responsibility Social makers are obliged to act in order protecting and improving the wellbeing of society as a whole, along with the need to protect their own interests."

To operationalize the concept of responsibility Corporate social (short CSR / CSR = Corporate Social Responsibility), we need four main elements namely:

- economic responsibility is the foundation of all other types of responsibilities and relate primarily to economic responsibility of the company to be profitable;
- legal liability concerns, of course, responsibility company to comply with laws and perform contractual obligations;
- ethical responsibility refers to the observance of a code of and good business relations with the external environment Internal company;

- philanthropic responsibility covers issues the company's involvement in community development in operating at the company's contribution linked to increased quality of life in the community.

In Europe , the concept and practice of social responsibility corporate came relatively late ; a formalized form of this Green Card concept we find in social responsibility Corporate (2001), developed at the Summit Lisbon. This document have two clear goals:

- A multinational launch the debate on the subject
- Identify ways of establishing a European partnership to promote the concept and values of corporate social responsibility

CSR is defined as voluntary manner by which companies integrate social issues and those related to environmental protection in their actions and in their interaction with interest groups inside and outside the corporation.

Such a vision to overcome business interests and rigors legal framework, managing to combine operational needs and interests of those who play an important role in the life of the company. Interest groups from outside the corporation can be identified civil society representatives.

Reasons for business is willing to develop successful relationship with NGOs can be the following:

1. The relationship with the community. Companies argue most or community development projects and development services to the community in which they live their employees. These operations provide visibility by local consumers, but wins sympathy and suținerea employees.
2. Marketing. Companies are willing and sometimes very willing to sponsor events organized by NGOs, as long as their logos can be very visible featured prominently in those events.
3. Relationship marketing case. Companies donates a portion the gain from the sale of own product / service a cause supported by an NGO. Resort to this as this ensures its sales growth.
4. Corporate foundations. Some companies make their own foundations, which have a strategy and programs lasting support community development. With the advent of these corporate foundations, can speak and the emergence of a new type of corporate culture and the development of the concept of "corporate citizenship".
5. Discretionary grant programs. Some companies (most often banks) have a budget allocated donations. This budget does not have a strategy so that sponsorships they are made when the company considers it appropriate. By with these donations, companies establish a better connection with the community, but it also involves. Active in her life.
6. Corporate Membership. Some NGOs provide some Facilities companies (ex .: allowed free access to some events, often cultural, organized by them) in a fee for membership. Thus, companies can reward employees and even customers, but wins prestige in the community and NGOs wins support to achieve their own financial objectives and for programs.

In Romania, the concept of social responsibility is in phase early, but it is " pushed back " to awareness social problems and the pressure it exerts companies multinational this.

With market liberalization and influx of foreign capital, there was the need to identify some appropriate ways to enhance corporate image, and their reputation. This led to the construction strategies more sophisticated and complex, it is obliged to otherwise, and the consumer who was educated and taught to do informed choices. Even if they made remarkable efforts to change Romanians' perception of the concept of responsibility corporate social is still long before this concept it will not be understood and treated as an act of charity or a type donation. Unfortunately, only multinationals have significant budgets, supported by development strategies they include social responsibility.

To be consistent with the directives and international standards, Companies in Romania will need to make point strategies that meet the needs in their community operates.

Also, public sector and civil society will have to popularize long-term projects. A very important role for information and promotion of the concept of fair CSR plays and the media.

4. NGOs - strategic stakeholder

The term "stakeholder" was first used in the 80s, at which many believed it was wrong transcription of the word "Stockholder". The concept of "stakeholder" refers to individuals or groups who: are affected directly or indirectly by the activity of a company, are interested in the functioning of an organization, have the legal right to be treated in a certain way, can positively affect or negative results of a company.

Romanian specialized literature, the concept has been translated either as' partner of interest "or by the" group jointly interested ", but because none capture the full meaning of the term stakeholder, was preferred to use the English version.

Once inside the practitioners use the term stakeholder has proved to be extremely useful and generator of confusion because it is increasingly difficult to identify key stakeholders and strategic. As the segmentation methodology becomes more developed, the number of stakeholders are in constant growth. Also, after the term stakeholder was imposed in the vocabulary of social responsibility, a number of theorists felt that CSR is a relational concept, which rather means Stakeholder Corporate Responsibility.

It must therefore question, "have in common stakeholders and NGOs?" Apparently, not much. At the limit, NGOs are considered external stakeholders, forms of organization non-profit entities that advocate for causes the most diverse and sometimes can implement one project sponsored by a company. But that stakeholders concerns social groups and individuals, not abstract bodies, complicates practice.

The groups may overlap in terms of interest and identity while individuals may have different social roles and may belong to multiple groups. Key stakeholder groups of traditional companies: shareholders, employees, distributors and consumers themselves can include subgroups. Thus, some of the employees may belong to minority groups or can be segmented by gender. Consumers can include activist groups, while shareholders may be members of various civic groups. And all these groups and community activists, minority groups of shareholders or, in many cases, self-organizing as NGOs.

Therefore, more and more companies consider NGOs as strategic stakeholder groups, ie groups essential to the survival of the organization, groups that contribute to reducing risks and maximizing existing opportunities within a specific time. Obviously, strategic stakeholder status is directly influenced by the relationship between cause and values supported by NGOs or corporate objectives. On the other hand, the vehemence of a stakeholder group is not a guarantee of the importance of the case although there are plenty of cases of multinational various projects initiated by the desire to avoid an open confrontation with militant NGOs.

5. Conclusions

International, non-governmental organizations - NGOs - are recognized as key actors of the third sector in terms of the areas of development, human rights, humanitarian, environment and many other areas of public action. NGOs run mainly different types of activity, but most often interrelated, as a mix of following guidelines: services, public companies, organization of pleadings / advocacy. NGOs have the main function providing services in various fields. Most arrogates based organizations and militant (or advocacy) in the dominant activity . NGOs are active presence in public space by drawing attention important issues, but ignored by authorities. It is often the " mouthpiece " of minority groups or specific problems that can generate social effects (rights of disadvantaged people, tolerance for orientation sexual rights expropriated etc.). NGOs, through their actions the organization functional communities, economic development and of the community, forming networks and community initiate policies and social action plays an important role in community development, participating fully in the creation of capital social. By enrolling in the voluntary nature of the activity of an organization NGOs, facilitates skills development and social skills, enabling their transfer areas economic or political activities.

Social entrepreneurs operate in the same market as imperfect and commercial entrepreneurs, however, this market raises many other obstacles in attracting financial and material resources necessary. This affects the ability to create economic value, which is reflected default on the ability to create social value. For this reason, NGOs are constrained to appeal and forms of aid such as: acts of volunteering, donations, membership fees which are increasingly difficult to obtain. The results of these are dependent on a number of factors such as access to resources and support in this regard, the purpose of employment, its reputation, how they can assess the social value achieved by the company.

6. Bibliography

- [1] Clark, Gerard (1998), „Non-Governmental Organizations (NGOs) and Politics in the Developing World”, *Political Studies*, 46, p. 36-52
- [2] Lambriu, M., *Relația între sectorul de afaceri și sectorul nonguvernamental între sponsorizare și construcția de relații parteneriale*, Fundația Concept
- [3] Lewis, D. (2005), *Actors, ideas and networks: trajectories of the nongovernmental*.
- [4] *** *Economia socială și grupurile vulnerabile* (2011), Raport final, Editura Expert, București.
- [5] *** www.catalogong.net
- [6] *** www.responsabilitatesocială.ro
- [7] *** *Commission of the European Communities – Communication from the Commission concerning Corporate Social Responsibility: A Business Contribution to Sustainable Development*, www.europa.eu.int.
- [8] *** http://ec.europa.eu/enterprise/csr/index_en.htm
- [9] *** <http://www.ngo.org/ngoinfo/define.html>.