

SUPPORTING TOOLS FOR SOCIAL ENTERPRISES EXISTENT AT EUROPEAN LEVEL

PIRVU DANIELA

ASSISTANT PROFESSOR, UNIVERSITY OF PITESTI,
e-mail:ddanapirvu@yahoo.com

Abstract

This paper aims to present the elements of novelty in the documents and acts issued by the representative institutions of the European Union in order to support social enterprises. The paper also analyzed the actions taken to date to implement the plan of measures proposed by the European Commission to stimulate the development of social enterprises.

Key words: social enterprises, social entrepreneurship, support, tools

JEL Classification: E61, I32, I38

1. Introduction and context of the study

The various support tools offered to social enterprises lately have encouraged traditional non-profit organizations to adopt the social enterprise model. Richard Catherall and Mark Richardson, representatives of the British Council estimated that, by 2020, almost all traditional non-profit organizations would come to operate in the "social enterprise spectrum," meaning to do business in order to obtain the income necessary to achieve their social goals (Catherall and Richardson, 2014).

In recent years we could see an enhancement of the concerns of some important institutions of the European Union (the European Commission, the European Parliament, the European Economic and Social Committee, etc.) to create a policy framework and a comprehensive action plan for the promotion and development of social enterprises. These concerns are connected to the present economic and social challenges, faced by member countries and which require solutions that combine economic prosperity and social welfare.

The recognition of the importance and role of social enterprises was performed by various press releases, approvals, resolutions, opinions and statements of the EU institutions.

In the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee, and the Committee of the Regions entitled "the Initiative for social Business – Building an ecosystem to promote social enterprises, in the core of economy and social innovation". of 25 October 2011, it was specified that social enterprises support the achievement of the objectives of the Europe 2020 Strategy because they "contribute to smart growth by responding with social innovation to needs that have not yet been met; they create sustainable growth by taking in to account their environmental impact and by their long-term vision; they are at the heart of the inclusive growth due to their emphasis on people and social cohesion". The social enterprise is defined as a recent phenomenon, with potentially less explored on the European Union market that could have an important contribution to the economic growth and create jobs (European Commission, 2011a).

In the opinion of the European Economic and Social Committee on social entrepreneurship and social enterprises, published on 26 October, 2011, it is mentioned that: "Social enterprises make important contribution to society and are a key feature of the European social model. They contribute to the Europe 2020 Strategy targets by creating jobs, developing innovative solutions to meet public needs and by building social cohesion, inclusion and active citizenship. They play a particular role in promoting the participation of women, older persons, young persons, minorities and migrants". In another document, published on 23 May 2012, the European Economic and Social Committee opined that social enterprises should be supported due to their key role they can play as engines of social innovation because they introduce new methods for providing services and achieving actions aimed at improving the quality of human life and promote the creation of new products to meet new needs of society. The European Economic and Social Committee emphasized the enormous potential social enterprises have to improve access to the labor market and to improve the working conditions of women and youth and other disadvantaged categories of workers (European Economic and Social Committee, 2012).

Through the Resolution of 20 November 2012 on the Initiative for social Business (Building an ecosystem to promote social enterprises, in the core of economy and social innovation), the European Parliament emphasizes that "social enterprises are important provides of Services of General Interest points out that such enterprises often stem from, or are closely linked to, civil society organizations, voluntary organizations and/or welfare associations providing

person-oriented services and designed to respond to vital human needs, in particular the needs of users in vulnerable position".

2. Proposals of the European Commission to support social enterprises

The action plan proposed by the European Commission in 2011 to support social enterprises, provided in the "Initiative for social Business" includes three directions and 11 measures:

Strand 1 – improved access to finance

Key action 1 - Regulation on European Social Entrepreneurship Funds, whose purpose is to facilitate access to social enterprises to financial markets. This measure was necessary because potential investors do not trust the information available (in particular those related to the social impact that can be achieved by investing in these funds) and cannot easily identify those funds for social enterprises. Another problem is the regulatory errors: national systems governing fundraising outside of open markets (private placements) are divergent and are not tailored to the needs of social entrepreneurship funds and their managers. This means that cross-border fundraising is a complex process, marked by legislative differences. In the absence of uniform rules at EU level, it is possible that social entrepreneurship funds collect funds only at national level (European Commission, 2011b).

Key action 2- facilitating the access to microcredit. Due to the fact they are small organizations, social enterprises may not be able to grow on the account of internal funding sources. The access of social enterprises to bank loans is restricted either because of failure to meet the requirements related to material guarantees, or because of the form of organization (Allinson et al, 2011).

Key action 3 – creating a financial tool to facilitate access to finance for social enterprises in the start-up, development and expansion phases, through investment in solidarity investment funds in the amount of approximately 90 million euro under the umbrella of the European Union Programme for Social Change and social innovation, 2014-2020.

Key action 4 – introducing regulations on the European Social Fund and the European Regional Development Fund of certain investment priorities for "social enterprises", so that Member States and regions may benefit from a clear legal basis for the inclusion of specific activities in the 2014- 2020 financial programming of structural funds.

Strand 2 – more visibility for social enterprises

Key action 5 – identifying best practices and replicable models, and developing a complete map of social enterprises in Europe, stating their characteristics, their business model, economic importance, transboundary growth potential, their legal status, tax regime and existing labelling systems.

Key action 6 – creating a public database of labels and certifications applicable to social enterprises in Europe to improve their visibility and comparison.

Key action 7 – ensuring learning and capacity building of national and regional administrations in implementing comprehensive strategies of support, promotion and financing of social enterprises, particularly through the Structural Funds, through analysis and exchange of best practices, raise awareness, promoting social business networks and disseminating information on social enterprises.

Key action 8 – creating an electronic exchange platform for data and information exchange, multilingual, dedicated to social entrepreneurs, social enterprise incubators and other groups.

Strand 3 – optimized legal environment

Key action 9 – simplification of the European Cooperative Regulation in order to facilitate the creation of social cooperatives; developing a regulation on the European Foundation Statute, to support cross-border activities of foundations; initiate a study on the situation of mutual companies in all Member States. In its Communication "Social Business Initiative" of 25 October 2011, the European Commission stressed the importance of developing European legal forms for social economy entities (for example, foundations, cooperatives and mutual companies). The Social Business Initiative aims to support the development of enterprises, which, through their activities are focused on generating a social impact, and the expected actions are dedicated and bring benefits to economic social entities (including cooperatives, foundations and mutual companies) that meet the general criteria of "social enterprise" contained in the communication. In the resolution developed in response to the Commission's Single Market Act, the European Parliament called for an appropriate legislative framework for these organizations (European Parliament, 2011).

Key action 10 – the reform of public procurement system in the European Union, so that in the award of public procurement contracts, the quality-related aspects, especially in the case of health and social services, should take into account the social considerations; exploring ways in which the working conditions of the people involved in the production of goods and services related to the public procurement contract, could be considered, subject to the principles of non-discrimination, equal treatment and transparency.

Key action 11 – Simplification of the implementation of rules concerning State aid to social and local services. This measure could benefit social enterprises when providing social services or when providing services that do not generate effects on the intra-community trade.

3. What has been done so far?

The actions taken so far for the completion of the plan established in 2011 are related to the following:

A. Financing social enterprises

A1. On 17 April 2013 Regulation (EU) No 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds was adopted.

The Regulation is divided into four chapters and 29 articles. The first article describes the purpose of the Regulation. Thus, it states that increasingly more investors in the European Union are interested in achieving social objectives and no longer limit themselves to the pursuit of financial profit, thus creating a social investment market, constituted, in part, from investment funds aimed at social enterprises. These funds finance social enterprises that serve as engines of social change by offering innovative solutions to social problems, for example contributing to addressing the social consequences of the financial crisis and thus having a significant contribution to the objectives of Europa 2020 Strategy. In this context, it is necessary to have a regulation to establish uniform rules applicable to social entrepreneurship funds seeking to raise capital in the European Union using the name "EuSEF" and to impose corresponding obligations on their managers in all Member States. These requirements should provide confidence for investors wishing to invest in these funds.

The Regulation applies to managers of collective investment undertakings. They may be legal entities whose regular business is managing at least one eligible social entrepreneurship fund.

The Eligible Social Entrepreneurship Fund is a collective investment scheme (the collective investment undertaking is an alternative investment fund) which:

- Plans to invest at least 70% of the total capital contributions and invested capital in assets that are eligible investments calculated based on the amounts that can be invested after deducting all relevant costs and holdings of cash and cash equivalents in accordance with a timescale set in its standards or its incorporation instruments, in a time frame set in its standards or its incorporation instruments;
- Does not use more than 30% of its capital contributions and of the invested capital to purchase assets other than those which are eligible investments calculated based on the amounts that can be invested after deducting all relevant costs and cash and cash equivalents holdings;
- Is established in a Member State.

Eligible social entrepreneurship fund managers invest in eligible portfolio companies. These are businesses that:

- At the time of an investment made by an eligible social entrepreneurship fund, do not operate on a regulated market or a multilateral trading facility;
- Have as a main object achieving a measurable positive social impact, according to its memorandum, its articles of incorporation, or any other rules or instruments of incorporation under which the company was founded (provides services or goods to vulnerable, marginalized, disadvantaged or excluded people using a method of production of goods or services that embodies its social objective, or provide financial support only to social enterprises);
- Use their profits primarily to achieve their social objective, according to its memorandum, its articles of incorporation, or under any other rules or instruments of incorporation under which the company was established and under the predefined procedures and rules that determine the circumstances in which profits are distributed to shareholders or owners, to ensure that any such distribution of profits does not undermine its main objective;
- Are managed in an accountable and transparent way, in particular by involving workers, customers and stakeholders of its business activities;
- Are established in a Member State or in a third country (only under certain circumstances).

The regulations contain detailed provisions the composition of the portfolio that characterizes an eligible social entrepreneurship fund. The eligible investment instruments are:

- Equity or quasi-equity instruments (Any type of financing instrument that is a combination of capital and liabilities and by which the profitability of the instrument is associated to the profit or loss recorded by the eligible portfolio company and by which the repayment of the instrument in case of non-fulfillment of the payment obligations is not fully ensured) which are issued by eligible portfolio companies;
- Non-guaranteed securities and debt instruments issued by an eligible portfolio company;
- Units or shares of one or more eligible social entrepreneurship funds, provided that such funds have not invested more than 10% of their capital contributions and in and callable employed capital in eligible social entrepreneurship funds;
- Secured or unsecured loans granted by the eligible social entrepreneurship fund to an eligible portfolio company;
- Any other type of interest in an eligible portfolio company.

The managers of eligible social entrepreneurship funds may make other investments as well (in addition to the above-mentioned ones), with an upper limit that should not exceed 30% of capital contributions and of the employed callable capital. The units and shares of the eligible social entrepreneurship funds may only be distributed to investors recognized as professional investors according to Directive 2004/39 / EC. The distribution to other investors is allowed only if they commit to invest an amount of minimum 100,000 EUR and declare in writing in a document separate of the

contract concluded for the investment commitment that they are aware of the risks associated with the presented commitment.

The regulations stipulate the general principles governing the behaviour of the managers of the eligible social entrepreneurship funds, especially in carrying out the activities of the fund and in the relationships with the investors, as well as the rules on how they address conflicts of interest. Eligible social entrepreneurship fund managers must have procedures in place necessary to assess and monitor the positive social impact the eligible portfolio companies have committed to achieve. Among the assessment indicators of the positive social impact there:

- Employment and labor market;
- Standards and rights related to the quality of the jobs;
- Social inclusion and protection of certain groups;
- Equal treatment, equal opportunities, non-discrimination;
- Public health and safety;
- Access to social protection, health and education systems, and the effects on these systems.

The valuation and calculation of asset value is done at least once a year, and within six months from the end of the accounting period, the eligible social entrepreneurship fund managers make available for the competent authority of the home Member State an annual report for each eligible social entrepreneurship fund managed. The report describes the composition of the portfolio held by the eligible social entrepreneurship fund and the activities carried out in the previous year and includes the communication of the profits of the eligible social entrepreneurship fund at the end of its existence and, where appropriate, the profits distributed during its existence. The report also contains the audited financial statements of the eligible social entrepreneurship fund.

The manager of an eligible social entrepreneurship fund which intends to use the name "EuSEF" is recorded by the competent authority of each State Member State, if the provisions of the Regulation are observed. This authority also has powers related to the supervision of the managers of eligible social entrepreneurship funds. The competent authorities of the Member States are required to notify the European Securities and Markets Authority concerning the recordings made. The European Securities and Markets Authority maintains a central database which is publicly accessible on the Internet and includes all the managers of eligible social entrepreneurship fund registered and the eligible social entrepreneurship funds distributed by them, as well as countries where they are distributed.

A2. In the 2014-2020 period, the **EU programme for Employment and Social Innovation** will operate at the level of the European Union, being a financial instrument with the purposes below:

- Coordination of actions at EU and national level in the field of employment, social affairs and inclusion;
- Supporting the development of adequate social protection and labor market policies;
- Modernization of EU legislation in the social field;
- Promoting labour mobility and fostering employment opportunities by developing an open labor market;
- Increasing the availability and accessibility of microfinance for vulnerable groups and micro-enterprises, and increasing access to finance for social enterprises.

The EU programme for Employment and Social Innovation pools the PROGRESS programme, the EURES network and the PROGRESS Microfinance Facility. Starting with 2014, the three 3 instruments form the axes of the EU programme for Employment and Social Innovation. These axes support:

- The modernization of employment and social policies - the PROGRESS axis (61% of total budget);
- the labour mobility – EURES axis (18% of total budget);
- Access to microfinance and social entrepreneurship - Microfinance and Social Entrepreneurship axis (21% of total budget).

The total budget of the programme for the 2014-2020 period is 919,469,000 EUR.

A3. The European Commission identified as a **priority investment for the structural funds** in the 2014-2020 period, **supporting social enterprises and the social economy**. Regulation no. 1304/2013 of the European Parliament and of the Council on the European Social Fund includes a new investment priority called "Promoting social economy and social enterprises". Thus was created the legal basis for Member States to include specific activities in this area in the operational programmes for the 2014 – 2020 period. These activities will largely consist of supporting social business, granting support to social enterprises for accessing various financial instruments and raising awareness concerning the importance of the sector among EU citizens.

B. Increasing the visibility of social entrepreneurship

B1. The European Commission publishes, twice a year, a Guide for European social economy and social entrepreneurship. This guide reveals the key problems and challenges in the field, describes the various actions and policy instruments developed/used at EU level to encourage social entrepreneurship and provides examples of best practices in the Member States of the European Union (European Commission, 2013a).

B2. At the end of 2013, the European Commission started a project for mapping the eco-system of social enterprises in the European Union. The project aims: (a) to identify an operational definition of social enterprises at the level of the European Union; (b) to develop maps of social enterprises for all the European Union member states so that they can be used as a database for the development of specific policies; (c) to develop a set of recommendations for the future actions of the European Union in this field. The final report of the Project will be published during 2014.

C. Developing a stimulating legal framework for the establishment of European cooperative societies, European foundations and European mutual companies

C1. The Statute for a European Co-operative Society was adopted in 2003 by Council Regulation no. 1435, having as main objective to provide an adequate legal framework for the cross-border activities of these organizations. A study funded by the European Commission on the implementation of this Regulation, published in 2010, emphasized that there were significant differences in the national legislation, which created barriers to the efficient functioning of cooperative societies in the European Union, in terms of their cross-border activities. The study recommends a simplification of the Regulation and the establishment of more stringent standards, so as to generate an indirect and gradual harmonization of the laws of Member States related to the activities of cooperative societies.

The report of the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the application of Regulation (EC) no. 1435/2003 of 22 July 2003 on the Statute for a European Co-operative Society, reveals that the European Cooperative Society has been relatively unsuccessful not only because it is complex, but also because, mainly, companies that choose to operate as cooperatives tend to be well anchored in their local territory. Also, the Regulation on the European Cooperative Society was implemented very late in many Member States, even in countries such as France, Italy and Spain where the cooperative movement is very strong. Because of its many references to the national legislation, the Regulation does not provide any real benefit to cooperatives. Until December 2011, none of the large cooperative groups that operate or intend to operate at European level resorted to the instrument "European cooperative society" (European Commission, 2012). In this context, the European Commission intends to consult the stakeholders on whether and how to simplify the Regulation on the Statute for a European Co-operative Society.

C2. In February 2012 the European Commission presented its proposal for a Council regulation on a **Statute of the European Foundation**. The preamble to the proposal stated that the activities of public interest entities in the European Union are based on the national legislation, without a harmonization at EU level. Moreover, there are significant differences between civil and tax laws of the Member States. Due to these differences, the cross-border operation of public interest entities is expensive and cumbersome. Consequently, transborder fund channeling for public interest objectives remains largely untapped. In this context, there is a need to create at EU level a European legal form designed specifically for these entities. The proposal for a Regulation was made after the publication in 2011 by the European Parliament, of a written statement on the development of the European statute for societies and associations and for foundations. Also, the European Economic and Social Committee published in 2010 an opinion on the European Foundation Statute. The main objective of the statute is to remove the obstacles encountered by foundations when carrying-out transborder operations in the Union.

C3. In 2012 a study was published concerning the current situation and prospects of **mutual societies in Europe**, conducted at the request of the European Commission (Broek et al, 2012). The objective of the study was to provide the Commission with the information necessary to better assess the current situation of mutual societies and allow reasoned reflection on the need to formulate and implement a future development policy of the field. The study includes, inter alia: (a) a mapping of relevant national laws related to mutual societies; (b) an overview of the activities of mutual societies and the description of their importance and role for the Member States; (c) an inventory of the difficulties and barriers faced by mutual societies when trying to expand their business abroad; (d) the identification of national support measures benefiting mutual societies; (e) to make recommendations for possible action at national or European level to promote mutual societies and remove the barriers that prevent their development. The authors came to the following conclusions:

- The field of the mutual societies is characterized by diversity;
- At European level, there is no clear and comprehensive legal concept that can be define a mutual organization;
- mutual organizations make a significant contribution to the European economy and society and deserve the support of the policy makers to ensure access to cross-border markets;
- The main barriers faced by mutual societies in their efforts to operate across borders relate to: (a) the non/recognition of mutual-type organizations in some Member States; (b) capital requirements; (c) lack of possibilities (or very limited possibilities) to form groups;
- Overcoming the identified barriers due to the fact that the existence of a statute for the European mutual society is uncertain.

D. Encouraging the public authorities to use social considerations in the public procurement procedures

Ever since 2001, in a document in which it interpreted the Communication "Public procurement in the European Union" of 11 March 1998, the European Commission specified that between the economic and the social community policies there should be a dynamic and positive interaction so that the objectives of the European integration (increasing protection and social cohesion, higher living standards, sustainable economic development, etc.) could have real chances achievement. In this context, the European Commission stated that the introduction of some social considerations (such as the integration on the labor market of the disadvantaged or unemployed, positive actions or discriminations to combat unemployment and social exclusion, etc.) in public the procurement procedures did not contravened the provisions of the Community law in this field (European Commission, 2001).

In another document published by the European Commission in 2010 it was specified that many social considerations, depending on their nature, could be included in certain stages of the procurement process. Due to concrete situations, contracting authorities could decide on introducing those social considerations relevant to public procurement contracts (European Commission, 2010).

Presenting public procurement as one of the twelve initiatives as a lever for a single greener market, more social and more innovative (European Commission, 2011c), the European Commission launched in 2011 a broad consultation on the need for modernization of the EU policy public procurement. The result of research approaches were published in the 'Green Paper on the Modernisation of EU public procurement policy - Towards a more efficient European Procurement Market "(European Commission, 2011d). In relation to the social role of public procurement the European Commission investigated the following aspects: (a) the introduction through the European legislation of a third award criterion, in addition to the lowest price and the most economically advantageous offer; (b) stipulating through the European legislation the possibility of reserving contracts involving social services for nonprofits and possibly other levers to facilitate the access of these organizations to social service contracts; (c) the possible negative effect of the use of public procurement as a tool to implement social policies, in the sense that the above mentioned measures might lead to a decrease in the capacity of the public procurement system to provide the purchase of these services at "the lowest cost for the community".

Responding to the initiative of the European Commission concerning the consultation on the need for modernization of European Union policy in the field of public procurement, the representatives of the economic, political and social environment requested a review of the directives on public procurement in order to simplify the rules, to increase their efficiency and effectiveness and to facilitate the participation of SMEs in the public procurement market (European Commission, 2011).

On 26 February, 2014 Directive 2014/24/EU of the European Parliament and of the Council on public procurement and repealing Directive 2004/18/EC was published in the Official Journal of the European Union. The new legislative package on public procurement represents a step forward due to the fact that it allows contracting authorities to reflect on the social considerations in evaluating bids.

E. Simplifying the implementation of the rules on State aid for the assessment of public compensation for services of general economic interest

On 20 December 2011, the European Commission adopted a revised package of EU rules in the field of state aid for the assessment of public compensation for services of general economic interest. The new package clarifies the main principles related to the state aid and introduces a diversified and proportionate approach with simpler rules for services of general economic interest in small-scale, with local scope, or pursuing a social objective, while taking better account the aspects related to the competition in large-scale cases. Member States have a wide discretion as regards the definition of services that are of general interest. However, the Commission must make sure that public funding granted for the provision of such services does not unduly distort competition in the internal market.

All social services are exempted from the obligation to notify the Commission, regardless of the value of the compensation they receive. The services concerned must satisfy the social needs related to health and long-term care, child care, access to, and reintegration into the labor market, social housing and social care and inclusion of vulnerable groups. Other services of general economic interest are exempt provided that the amount of compensation is less than 15 million EUR per year (European Commission, 2011f).

The new legislative rules on State aid for the assessment of the public compensation for services of general economic interest facilitates the access of all the entities that carry out economic activities in the market of services of general economic interest. Non-profit or charitable organizations carrying out economic activities will be subject to the same rules on State aid as the organizations in the traditional economy. The rules on State aid do not forbid, in principle, Member States to prefer certain types of providers (for example, social enterprises), if the public authorities are not limited by the obligations in other areas covered by EU law, such as, in particular, the rules on public procurement (European Commission, 2013b).

4. Conclusions

No evaluation of the impact of these instruments on the activities of the social enterprises at European level has been made so far, because the implementation of most of the above mentioned instruments will be performed in the future period.

The Governments of the Member States of the European Union appreciated the emergence of the new regulations that are intended to support social enterprises. The United Kingdom is one of the countries with the greatest openness to the social enterprise sector. In a report published by the UK Government we can find a lot of statistical information about social enterprises. Between 2006 and 2012, the number of social enterprises in the UK has increased by over 30% (Cabinet Office, 2013). The answer of the UK Government to the European Commission's initiatives resulted in an action plan, published at the beginning of 2014, adapted to the situation of social enterprises in this country, covering: a scheme of exemption from taxation of social investments, expanding the options for indirect investments, establishing a governmental accreditation system for the evaluation of the social securities that are eligible

for the scheme of exemption from taxation of social investments, and promoting this scheme among investors and social enterprises. Also, from January 2014, the new legislation on public services that enables social enterprises to become competitive in winning public service contracts came into force in the UK.

In the same context, the Italian government announced that it was preparing a reform of the social economy sector in which social cooperatives shall be assigned an important role as engines of economic growth and employment (CECOP, 2014).

In July 2014, the French government presented a new legislation on investments that could stimulate the development of social enterprises. The French government also agreed to a number of other initiatives to support the social economy, including: the collection of statistical information about the social economy, for a more efficient monitoring of the social economy, developing common principles for defining the social economy and economic solidarity and financial support to social entrepreneurs (The Guardian, 2014).

A first step taken by the Government for the recognition of the social economy was the legislative proposal concerning the social economy which is currently being discussed by the Parliament. The draft legislation sets out the principles and objectives of the social economy, provides the measures which public authorities can adopt to stimulate the social economy, regulates the statute of social enterprise and social insertion enterprise. Moreover, for the operationalization of the initiatives of the European Commission concerning the social investments, draft legislation on alternative investment fund managers is being discussed (Ministry of Public Finance, 2013).

The action plan meant to support social enterprises, developed by the European Commission, is complex, comprising three important directions related to funding, legal and visibility. The progress achieved so far in implementing this plan is obvious, aiming most actions that were provided. The efforts of the European Commission to put in place in a short period, to implement financial instruments to support social enterprises are commendable.

The assessment of the impact of these instruments will however be difficult, because the form of organization of the social enterprise is not regulated at the level of the European Union. Social enterprises take various forms from the point of view of their organization: associations, foundations, cooperatives, mutual societies, etc. Only part of the aforementioned organizations has the characteristics of a social enterprise, recognized by the European Commission. In my opinion, the establishment of a Statute for the European social enterprise status should be a priority of the European Commission. Thus, the recognition of entities could be obtained, in order to increase the understanding of citizens on the activities carried out by them, and the implementation of other measures provided in the "Social Business Initiative", particularly those related to the visibility of the social enterprises would be much easier.

Acknowledgements

This paper was co-financed from the European Social Fund, through the Sectorial Operational Programme Human Resources Development 2007-2013, project number POSDRU/159/1.5/S/138907 "Excellence in scientific interdisciplinary research, doctoral and postdoctoral, in the economic, social and medical fields -EXCELIS", coordinator The Bucharest University of Economic Studies.

6. References

- [1] **Allinson, G., Braidford, P., Houston, M., Robinson, F., Stone, I.**, Business support for social enterprises: findings from a longitudinal study. Study funded by the Office for Civil Society and managed by the Department for Business, Innovation and Skills, 2011, available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/32229/12-566-business-support-for-social-enterprises-longitudinal.pdf;
- [2] **Broek, S., Buiskool, B.J., Vennekens, A., van der Horst, R.**, Study on the current situation and prospects of mutuals in Europe, study for the European Commission, 2012, available at http://ec.europa.eu/enterprise/policies/sme/files/mutuals/prospects_mutuals_fin_en.pdf;
- [3] **Cabinet Office**, Social enterprise: market trends, 2013, available at https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/205291/Social_Enterprises_Market_Trends_-_report_v1.pdf;
- [4] **Catherall, R., Richardson, M.**, What will social enterprise look like in Europe by 2020?, British Council, 2014, available at http://www.britishcouncil.org/sites/britishcouncil.uk2/files/what_will_social_enterprise_look_like_in_europe_by_2020_0.pdf;
- [5] **CECOP**, Italian government launches the reform of the third sector: important role assigned to social cooperatives as drivers of growth and employment – press release, 2014;
- [6] **European Commission**, Interpretative Communication of the Commission on the Community law applicable to public procurement and the possibilities for integrating social considerations into public procurement, 2001, available at <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52001DC0566&from=EN>;
- [7] **European Commission**, Buying social – A Guide to Taking Account of Social Considerations in Public Procurement, 2010, available at <http://ec.europa.eu/social/BlobServlet?docId=6457&langId=ro>;

- [8] **European Commission**, Social Business Initiative. Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation, 2011a, available at http://ec.europa.eu/internal_market/social_business/docs/COM2011_682_en.pdf;
- [9] **European Commission**, Proposal for a regulation of the European Parliament and of the Council on European Social Entrepreneurship Funds, 2011b, available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:52011PC0862:EN:NOT>;
- [10] **European Commission**, Single Market Act Twelve levers to boost growth and strengthen confidence "Working together to create new growth", 2011c, available at <http://eur-lex.europa.eu/legal-content/RO/TXT/DOC/?uri=CELEX:52011DC0206&from=EN>;
- [11] **European Commission**, Green Paper on the modernisation of EU public procurement policy. Towards a more efficient European Procurement Market. Synthesis of replies, Brussels, 2011d, available at http://ec.europa.eu/internal_market/consultations/docs/2011/public_procurement/synthesis_document_en.pdf;
- [12] **European Commission**, Green Paper on the modernisation of EU public procurement policy - Towards a more efficient European Procurement Market, 2011e, available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2011:0015:FIN:EN:PDF>;
- [13] **European Commission**, State aid: Commission adopts new rules on services of general economic interest – press release, 2011f, available at http://europa.eu/rapid/press-release_IP-11-1571_ro.htm;
- [14] **European Commission**, Report from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions the application of Council Regulation no 1435/2003 of 22 July 2003 on the statute for a European Cooperative Society (SCE), 2012, available at <http://eur-lex.europa.eu/legal-content/RO/TXT/DOC/?uri=CELEX:52012DC0072&from=EN>;
- [15] **European Commission**, Social economy and social entrepreneurship. Social Europe guide, vol. 4, 2013a, available at <http://ec.europa.eu/social/BlobServlet?docId=10027&langId=en>;
- [16] **European Commission**, Guide to the application of the European Union rules on state aid, public procurement and the internal market to services of general economic interest, and in particular to social services of general interest - Commission staff working document, 2013b, available at http://ec.europa.eu/competition/state_aid/overview/new_guide_eu_rules_procurement_ro.pdf;
- [17] **European Economic and Social Committee**, Opinion of the European Economic and Social Committee on Social entrepreneurship and social enterprise, 2011, available at http://toad.eesc.europa.eu/viewdoc.aspx?doc=ces/int/int589/ro/ces1584-2011_ac_ro.doc;
- [18] **European Economic and Social Committee**, Opinion of the European Economic and Social Committee on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions: Social Business Initiative – Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation, 2012, available at http://eescopinions.eesc.europa.eu/viewdoc.aspx?doc=ces/int/int606/en/ces1292-2012_ac_en.doc;
- [19] **European Council**, Council Regulation (EC) No 1435/2003 on the Statute for a European Cooperative Society, 2003, available at <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=CELEX:32003R1435:RO:NOT>;
- [20] **European Parliament**, European Parliament resolution of 6 April 2011 on a Single Market for Europeans, available at <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P7-TA-2011-0145+0+DOC+WORD+V0//RO>;
- [21] **European Parliament**, European Parliament resolution of 20 November 2012 on Social Business Initiative – Creating a favourable climate for social enterprises, key stakeholders in the social economy and innovation, available at <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P7-TA-2012-0429+0+DOC+WORD+V0//RO>;
- [22] **European Parliament and Council**, Regulation no. 346/2013 of the European Parliament and of the Council of 17 April 2013 on European social entrepreneurship funds, available at <http://eur-lex.europa.eu/legal-content/RO/TXT/PDF/?uri=CELEX:32013R0346&from=EN>;
- [23] **European Parliament and Council**, Regulation no 1304/2013 of the European Parliament and of the Council of 17 December 2013 on the European Social Fund and repealing Council Regulation no 1081/2006, available at http://www.fonduri-ue.ro/res/filepicker_users/cd25a597fd-62/2014-2020/pachet_legislativ/adoptate/4_Regulamentul_1304_2013_FSE.pdf;
- [24] **Fici, A.** – coordinator, Study on the implementation of the Regulation 1435/2003 on the Statute for European Cooperative Society (SCE), study for the Cooperatives Europe, European Research Institute on Cooperative and Social Enterprises and EKAI Center, 2010, available at http://ec.europa.eu/enterprise/policies/sme/files/sce_final_study_part_i.pdf;
- [25] **Ministry of Public Finance**, Draft law on alternative investment fund managers, 2013;
- [26] **Phillips, S., Hebb, T.**, Financing the third sector: Introduction, Policy and Society, no. 29, pp. 181-187, 2010;
- [27] **The Guardian**, New French investment law could boost social enterprises, 2014, available at <http://www.theguardian.com/social-enterprise-network/2013/jul/09/french-investment-boost-social-enterprise>.