



ROMANIA

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

Romania adopted the **Law on Social Economy** in 2015. On 31 December 2022, there were **2 816 registered social enterprises**, out of which 213 are insertion social enterprises.

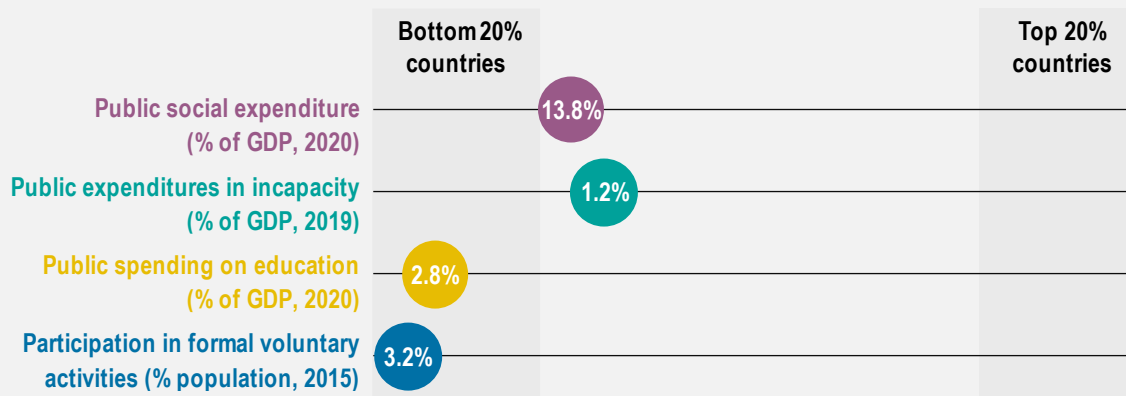
SOCIO-ECONOMIC INDICATORS

Romania is a unitary country and a member of the European Union. It is a high-income country with a very high human development level.

| | GDP per capita | Labour force participation rate | Youth not in employment, education or training (NEET) | Poverty rate | Gini coefficient | Rural population |
|---------|----------------|---------------------------------|---|--------------|------------------|------------------|
| Romania | USD 41 620 | 75.1% | 18.0% | 17.5% | 0.342 / 1 | 53.8% |
| OECD | USD 53 937 | 73.2% | 14.8% | 11.0% | 0.313 / 1 | 23.1% |

Note: Data from Romania refer to 2022, except for NEET (2021), poverty rate (2020) and Gini coefficient (2020). OECD data refer to 2022, except for poverty rate (2018) and Gini coefficient (2020). GDP per capita for Romania is a provisional value, for OECD is an estimated value. See sources at the end of the document.

Country position in selected social indicators



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

SOCIAL ECONOMY ECOSYSTEM

Definition of the social economy in Romania

The social economy is defined as the **set of activities organised independently from the public sector**, the purpose of which is **to serve the general interest, the interests of a community and/or personal non-pecuniary interests** by increasing the employment of persons belonging to vulnerable groups and/or producing and supplying goods, providing services and/or carrying out works.

The social economy is based on **private, voluntary, and solidarity-based initiative**, with a high degree of autonomy and responsibility, and limited distribution of profits to members.

The social economy is based on the following **principles**:

- Priority given to the individual and to **social objectives** over profit-making
- Solidarity and collective **responsibility**
- Convergence between the interests of the associated members and the **general interest and/or the interests of a community**
- Democratic control** of the members over the activities carried out
- Voluntary and free** nature of the association in the forms of organisation specific to the social economy
- Separate **legal personality, autonomy of management** and independence from public authorities
- Allocation of the **major part of the financial profit/surplus to the attainment of objectives of general interest**, of a community or in the non-pecuniary personal interest of the members.
- Transparent and responsible decision-making process** in the interest of the community it serves.

Note: Translation into English provided by the authors. For the original text and complete definition, please refer to the [Law on Social Economy \(219/2015\)](#), Articles 2, 4.

Institutional frameworks



Institutions

The **Ministry of Labour and Social Solidarity (MMSS)**, the **Ministry of Investments and European Projects** and the **Ministry of Economy, Entrepreneurship and Tourism** make most of the decisions relating to the social economy.



Legal and policy instruments

The Ministry of Labour and Social Solidarity (MMSS) helped design the **Law on Social Economy of 2015**. In 2022 and 2023, the law and its and subsequent acts were modified and completed. The Directorate for Employment, Competences and Professional Mobility Policies together with the National Employment Agency (under the coordination of the MMSS) contribute to the implementation of the social economy legislation.



Stakeholder engagement

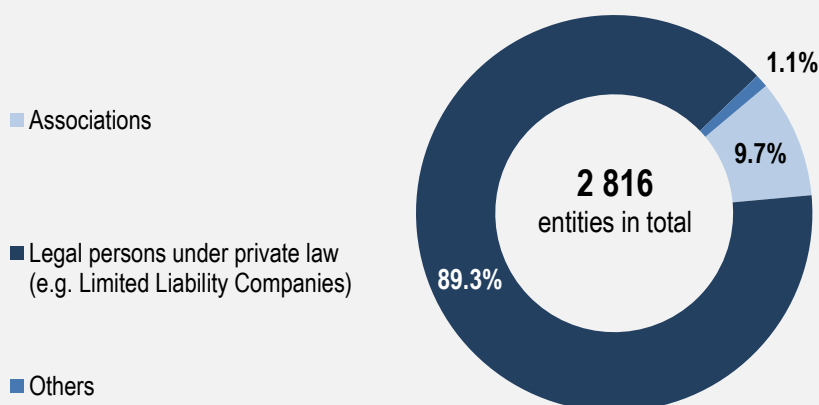
In 2022, the MMSS established the **Social Economy Community of Practice (SECoP)** which allows for dialogue and exchange of operational knowledge, practical experience and best practices in addressing implementation challenges, between government counterparts and other stakeholders to contribute to the social economy development, offering opportunities for labour market integration of people belonging to vulnerable groups.

Main figures

In Romania, there were **2 816 registered social enterprises** in 2022, out of which 213 insertion social enterprises. The majority of registered social enterprises are incorporated as **legal persons under private law including limited liability companies**.

SCOPE The Law no. 219/2015 on the social economy defines the social economy and also regulates the conditions for the certification as a social enterprise and as a social insertion enterprise. In the data provided, the number of entities relates to registered social enterprises and data on employment relate to social insertion enterprises.

Registered social enterprises by legal form (2022)



Note: Others include cooperatives; foundations; federations; employees' mutual aid houses; and unions of legal entities.

SOCIAL ENTERPRISES

| Number of registered social enterprises | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--|-----------|-----------|------------|------------|------------|--------------|--------------|
| Associations | 15 | 43 | 50 | 54 | 81 | 254 | 272 |
| Cooperatives | 0 | 6 | 7 | 7 | 8 | 9 | 9 |
| Foundations | 3 | 9 | 9 | 10 | 11 | 13 | 13 |
| Legal persons under private law (e.g. Limited Liability Companies) | 25 | 35 | 42 | 50 | 536 | 2 202 | 2 514 |
| Federations | 0 | 0 | 0 | 1 | 1 | 1 | 1 |
| Employees' mutual aid houses | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Unions of legal entities | 0 | 0 | 0 | 0 | 1 | 1 | 1 |
| Total | 49 | 99 | 114 | 128 | 644 | 2 486 | 2 816 |

Employment in Social Insertion Enterprises

| | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|---|-----------|------------|------------|------------|------------|------------|--------------|
| Associations | 21 | 51 | 63 | 91 | 79 | 121 | 208 |
| Cooperatives | 0 | 1 | 1 | 10 | 15 | 17 | 0 |
| Foundations | 0 | 62 | 51 | 43 | 43 | 43 | 45 |
| Legal persons under private law (e.g. Limited Liability Companies) | 0 | 10 | 17 | 20 | 56 | 292 | 753 |
| Total | 21 | 124 | 132 | 164 | 193 | 473 | 1 006 |

Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

| | |
|--|---|
| For the SSE | <ul style="list-style-type: none"> • <i>Not available</i> |
| For specific SSE entities at national level | <ul style="list-style-type: none"> • Government Ordinance 26/2000 - Associations, Foundations - Link • Law 540/2002 - Mutual Aid Associations of Retirees (RMAA) - Link • Law on the Organisation and Functioning of Cooperatives (1/2005) - Link • Law on Protection of People with Disabilities (448/2006) - WISEs – Link • Law on Social Economy 219/2015 - Social Enterprises, Social Insertion Enterprises - Link |

Note: The list above is not exhaustive of all existing legal frameworks around SSE in Romania.

Fiscal treatment

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

| Fiscal treatment of SSE entities | Fiscal treatment for contributors to the SSE |
|--|--|
| <ul style="list-style-type: none"> • Non-governmental organisations may obtain non-taxable income and taxable income, depending on the nature, frequency and amount of economic activities. • Associations, foundations, social enterprises and cooperatives benefit from tax exemptions on income while their donors can claim tax reimbursements from their donations. | <ul style="list-style-type: none"> • Under certain conditions, individual donors may benefit from income tax deduction for donations to non-profit organisations, registered religious units and eligible units granted the right to received tax deductions by fiscal administration. Sponsorship expenses may also be deductible under certain conditions. • For corporate donors, donations can be deducted up to 20% of the income tax, but not more than 0.75% of the turnover. |

Note: The list above is not exhaustive. Information is retrieved from OECD desk research and "Relevant taxation frameworks for Social Economy Entities" published in 2023 by the European Commission.

Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.

Evidence-based initiatives

- [National Registry of Social Enterprises](#) (2016) △ National Agency for Employment
- [National Social Services Register](#) △ Ministry of Labour and Social Solidarity

Note: Evidence-based initiatives help produce and disseminate impact evidence to raise awareness on the social and solidarity economy as a whole, and to reduce the cost of accessing data for single and particularly small-sized entities.

FURTHER READING ON THE SSE IN ROMANIA

[Anica Lancu, Luminita Popescu and Virgil Popescu: Factors influencing social entrepreneurship intentions in Romania](#) | [Social Economy Barometer in Romania 2022](#) | [Socially Responsible Public Procurement Barometer in Romania 2021](#) | [The Barometer of Access to Financing of Social Economy Enterprises from Romania 2021](#) | [European Commission: Social Enterprises and their Ecosystems in Europe Romania Country Report](#) | [EU Social Economy Gateway Romania](#)

DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <https://doi.org/10.1787/na-data-en>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <https://doi.org/10.1787/data-00310-en>; NEET (15-29 year olds, all levels of education) (OECD): OECD Education at a Glance 2022, <https://doi.org/10.1787/19991487>; NEET (Romania): World Bank, <https://data.worldbank.org/indicator/SL.UEM.NEET.ZS>; Poverty rate (after taxes and transfers, poverty line 50%): OECD Social and Welfare Statistics (database), <https://doi.org/10.1787/data-00654-en>; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <https://www.oecd.org/social/income-distribution-database.htm>; Rural population (OECD): OECD, CFE Regions and Cities databases, <http://oe.cd/geostats>; Public social expenditures: OECD Social Expenditure Database (SOCX), <http://dotstat.oecd.org/Index.aspx?QueryId=26920>; Public spending on incapacity: OECD (2022); Public spending on incapacity (indicator), <https://doi.org/10.1787/f35b71ed-en> (Public spending on incapacity refers to spending due to sickness, disability and occupational injury); Spending on education (primary to tertiary level, in % of GDP): OECD Education Statistics (database), <https://doi.org/10.1787/c4e1b551-en>; Participation in formal voluntary activities (% of people): Eurostat table [ilc_scp19], based on the 2015 EU-SILC ad-hoc module.
- SSE data were collected through OECD questionnaire circulated in May 2022. The data were provided by the Ministry of Labour and Social Protection, Directorate for Employment, Competences and Professional Mobility Policies.
- Further information on the methodology followed in the country fact sheets can be found [here](#).

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



Centre for Entrepreneurship, SMEs, Regions and Cities
Local Employment and Economic Development (LEED) Programme
Social Economy and Innovation Unit



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