



Roundtable Report

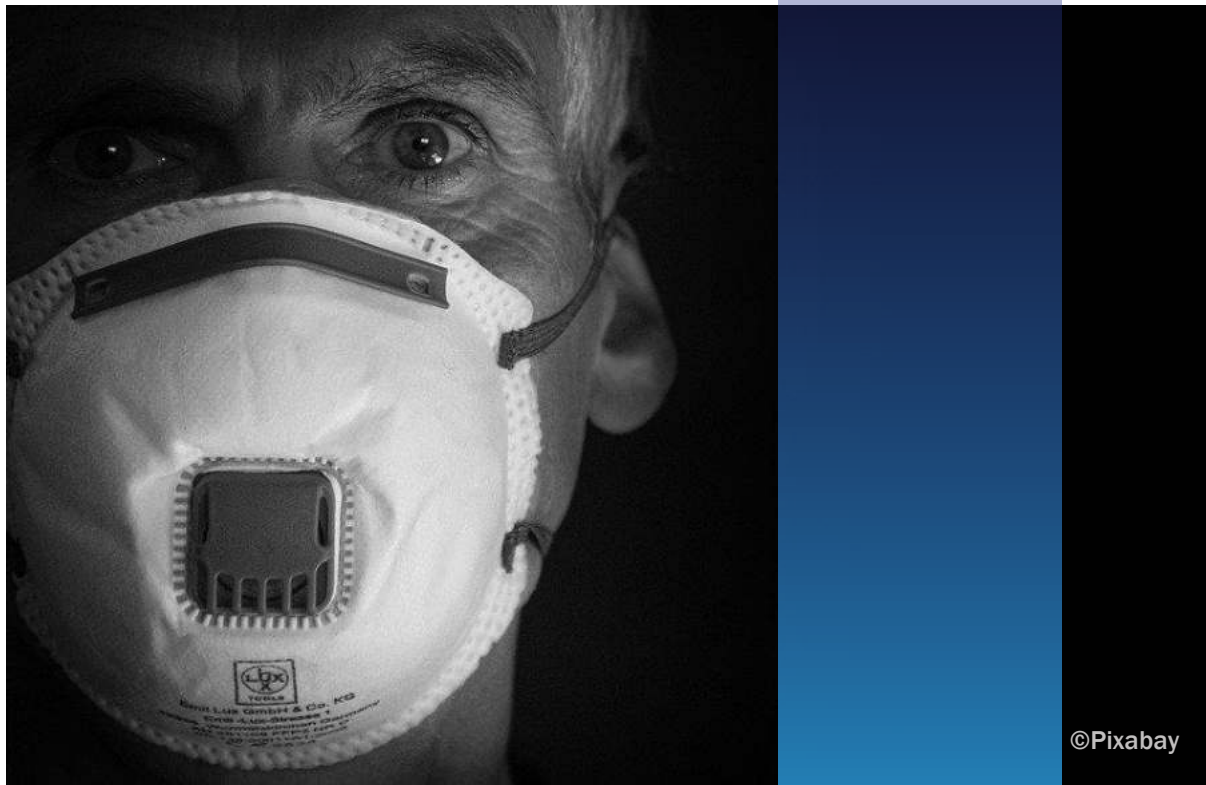
Social Economy coping with the COVID-19 crisis

Center for the Research of
**Responsible
Organizations**

October 16, 2020

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Executive Summary

This report presents an overview of the discussions of the Round Table on *Social Economy and the COVID-19 crisis* organized on October 16, 2020, by the Center for the Research of *Socially Responsible Organizations* from the Faculty of Management – National University of Political Studies and Public Administration, Bucharest, Romania, as part of the annual Strategica International Conference. The Round Table had eight panelists, representatives of the academia, research institutes, and social economy organizations from Greece, Poland, and Romania (Bucharest, Galați, Baia Mare, and Timișoara).

The main question addressed during the round table was: “What would be the long-term impact of the COVID-19 crisis on the social economy?” But also questions, like “Is COVID-19 crisis an opportunity to scale –up the social economy business models?” or “Has the social economy the potential to bring systemic change in the post-COVID-19 economy and society?”, were explored by the panelists in their debates.

Two case studies of social services providers were presented: the Heart of a Child Foundation (Romania, Galați) and the Humanitarian Association Together for Them (Romania, Baia Mare). The representatives of the two organizations presented the impact of the COVID-19 crisis on their organizations and beneficiaries and explained the main coping strategies and results. The impact of the COVID-19 crisis on the social services providers but also other types of social economy organizations (e.g., WISEs, cooperatives) was also analyzed by the academics & researchers.

Interesting perspectives from Greece and Poland added an international dimension to the Round Table. The new financial resources mechanism designed at the EU level was seen as an opportunity. However, the skepticism on including the social enterprises and the social economy organizations in the supporting schemes (at least in Romania) has been a central point in the discussions.

We invite the readers to explore in detail this report, which outlines the main findings of the debates following three dimensions: personal dimension, organizational dimension, and a systemic dimension. During this COVID-19 crisis faced by all of us, the social economy has proved resilience and adaptation. Let us do not forget that the social economy was resilient in economic downturns following the Global Financial Crisis in 2008, too. Therefore, now it is time to make the cause visible to decision-makers for adequate financial and legal support!





Framework

Considering the unprecedented COVID-19 crisis, Europe and all the world is facing, the Round Table intends to be a forum of exploratory discussions between academics, researchers, practitioners, and experts in the social economy field. The main question addressed during the round table is:

What would be the long-term impact of the COVID 19 crisis on the social economy?

As it is stated in the OECD Policy *Social economy and the COVID-19 crisis: current and future roles* (30 July 2020), “the social economy has played an important role in addressing and mitigating the short- and long-term impacts of the COVID-19 crisis on economy and society. In the short term, social economy actors have assisted the recovery from the crisis by providing innovative solutions that are aimed at strengthening public services to complement government action. In the long term, social economy organizations can help reshape the post-crisis economy by promoting inclusive and sustainable economic models”. In this specific context we face, the main objective of this Round Table is to advance the debates about the current and future role of the social economy sector and the proven resilience of the social economy actors due to their capacity to provide rapid solutions during times of crisis. In such a crisis, solidarity is the only possible answer. The social economy could be a viable alternative helping to adapt and transform society and the economy.

The Round Table was organized on October 16, 2020, by the Center for the Research of Socially Responsible Organizations from the Faculty of Management – National University of Political Studies and Public Administration, Bucharest, Romania. It was part of the **Strategica** Conference.

Moderators

Cristina Barna
Pro Global Science
Association, RO

Alexandra Zbucea
Faculty of Management,
SNSPA, RO

Speakers

Ancuța Vameșu
The Laboratory for Solidarity, RO
*Cooperatives and Work Integration Social
Enterprises*

Anna Burtea
Inimă de Copil Foundation, RO
*Inimă de Copil Foundation responding to the
challenges of COVID*

Adina Rebeleanu
Babes-Bolyai University, RO
*The COVID-19 Crisis from the Perspective of the
social services providers in Cluj Region, Romania*

Asteris Huliaras
University of Peloponnese, GR
Social Economy and the new EU Recovery Fund

Gabriela Pop
Împreună pentru ei Association, RO
*Together for Them Association (Baia Mare)
responding to the challenges of COVID*

Simona Stănescu
ICCV – Research Institute for Quality of Life, RO
*Setting up Priorities of Social Entrepreneurs in a
Post-COVID 19 Agenda*

Witold Mandrysz
University of Silesia in Katowice, PL
*The COVID-19 Crisis from the Perspective of Social
Economy Entities in Silesia Region, Poland*

Mihai Lisetchi
West University of Timișoara, RO



Case studies

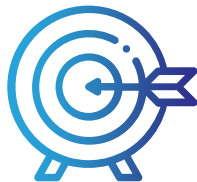
Inimă de copil
Împreună pentru ei

Inimă de copil

The organization *Heart of a Child* supports children and families in need from 5 counties in Romania, for almost 25 years. It has around 300 monthly beneficiaries, many from rural areas. All three day centers managed by the organization have been closed during the pandemic. Therefore, the focus moved to provide online educational services, while other services offered at the day centers were offered remotely (food packages, healthcare kits).

The health programs have been previously provided at its Recovery Center, which provides mental and physical therapy. This activity has been the most impacted by the COVID-19 pandemic. During the lockdown the support was moved online and on the phone; it was important for beneficiaries to find support and advice.

The workshop of the organization decreased the number of employees from ... to 2. After the lockdown-related reopening, the workshop provided products for other projects of the organization (for instance masks).



FOCUS DURING THE PANDEMIC

Supporting the beneficiaries remotely, not only online but continuing to provide them the needed products and services at home



IMPACT ON THE ORGANIZATION

- increased costs for sanitary procedures
- longer time required for some activities
- redesign of traditional partnerships



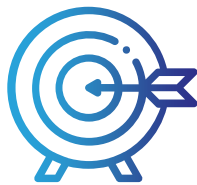
IMPACT ON BENEFICIARIES

Scholarships: the number of beneficiaries did not change
Therapy: the number of monthly beneficiaries decreased by 20%

Împreună pentru ei

The humanitarian association *Together for them* operates since 2000, mainly in Baia Mare, Romania. Its mission is to promote a model of community involvement by providing support to people, groups, and communities in difficult situations, based on love for others. To fulfill it, the association provides social and educational services. It also operates a protected unit since 2012.

The beneficiaries of the association are various vulnerable groups, consisting of children at risk of dropping out of school and children from poor families who have restricted access to educations, adults with disabilities, elderly people with low incomes who are unable to take care of themselves or who are at risk of institutionalization, families with many children living on the brink of subsistence, Roma communities at risk of social exclusion and marginalization.



BENEFICIARIES DURING THE COVID-19 PANDEMIC

- increased isolation
- loss of revenues



MAIN COPING STRATEGIES

- flexibility to ensure quick solutions for problems that developed overnight;
- started new product lines/ converted production



RESULTS

- ensuring work for their staff
- continuing offering services to the beneficiaries

Personal dimension

Call to action:
*Keep the human
experiences alive!*

The COVID-19 pandemic has affected the members of the organizations and their communities, at many levels. Some of the most negative aspects are the following: social interactions have been disturbed; loss of revenues and sometimes of jobs; restricted access to therapy and support programs. All the members of the organization's community (employees and experts, volunteers, beneficiaries, and stakeholders) have been affected both at personal and professional levels.

In many cases, volunteer contracts have been terminated. Some organizations, such as *Together for them* transferred their activities online or on the phone. Digital is more accessible for some volunteers, who have previous skills. The challenge to adapt to digital is in most cases bigger for beneficiaries than for volunteers. Therefore, even if some social services provided previously can be moved online, even enhanced by developing complex platforms with resources and online activities, part of the beneficiaries are not able or capable to access them.

Some other services can only partially be moved online. For some persons, for instance, for those with various disabilities, constant direct therapy is vital.

For all beneficiaries of social services, one of the great losses is related to the loss of human touch, the lack of contact with other community members / with peers, caretakers, or psychological supporters, as well as the enriching personal experiences. For instance, leisure activities in groups, trips, or urban/summer camps cannot be organized during the COVID-19 pandemic. These were frameworks for personal development, social enriching encounters, offering also healing contexts, and unforgettable experiences. Therefore, multiple personal losses are registered in the absence of such services.

In focus

Insecurity
Burnout
Connecting to the community
Life experiences
Social resilience



Organizational dimension

Call to action:

***Adaptation is not enough,
plan for sustainable social
innovation!***

Many dimensions of the impact of the COVID-19 pandemic have been observed. The organizational impact varies among organizations, which confront mainly with one of the following situations: closing the activity completely or only some programs; restricted activities and partial adaptation; or new activities valorizing the opportunities related to the pandemic

The challenges cataloged range from strategic to tactical and very specific activities. A non-exhaustive listing presents as follows:

Work framework and relationships (preventive isolation at the workplace; providing disinfection, hygienic and sanitary materials; ensuring social distancing for the employees/volunteers working in the office; new working procedures; design (new) responsibilities and procedures for employees/volunteers working remotely; new monitoring and reporting procedures)

Services provision (how to provide services safely; remote service provision; digitalization of relationships with beneficiaries and processes related service provision; new allocation of responsibilities to employees/volunteers; adapting the existing infrastructure to remote or new services/products; repositioning)

Financial pressures (increased costs for ensuring the sanitary security; coping with the emergency regulations; granting risk incentives; reduced funding; the decrease is the organization's revenues and in the number of contracts; competition from other providers; more difficult fundraising for most organizations)

Relationships with the state (less support compared to previous months; new bureaucracy; no support package to help the social organizations cope)

Adina Rebeleanu

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The outbreak of the COVID-19 pandemic effectively forced the associations to reinvent themselves and find quick solutions to many problems that have arisen overnight.

Gabriela Pop

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We do not know what the future holds, but we will certainly contribute to finding solutions to solve the grass's problems. To some extent, we expect the state's involvement because most of the NGOs solve a multitude of problems that are, in fact, rightly, his.

Competences (new knowledge and skills necessary for the staff to comply with the new regulations; new needs related to the use of new technologies)

Volunteer management (reshaping in terms of communication, support, and distribution of responsibilities; new tasks and contexts for volunteers; some volunteers are facing additional personal problems and new concerns; new relationships between volunteers and beneficiaries)

Communication with beneficiaries (some beneficiaries are not digitally literate and do not have the necessary infrastructure to connect remotely)

Increased competition (for resources, for markets, for social involvement of third-parties)

Increased cooperation (with other organizations, individuals but also with some representatives of the public administration)

New business models

Under the pressures related to the COVID-19 pandemic, various adaptation strategies have been adopted to cope with the new context and be able to serve at least part of the beneficiaries. Nevertheless, social innovation was scarce. Probably it needs more design and planning. Hopefully, in the post-pandemic period, such approaches will be successfully implemented.

Ancuța Vameșu

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I think that social enterprises have always shown resilience, they will prove more resilience than traditional enterprises. They will adapt, probably they will adapt faster. (...) They will win because they will adapt better and faster but, at least in the case of Romania, with little to no support from the state.

Simona Stănescu

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The main priorities in a post-COVID-19 agenda would be:

- ✓ *Development of social communities;*
- ✓ *Challenges for (vulnerable) people;*
- ✓ *Involvement of stakeholders;*
- ✓ *Public information and awareness campaigns;*
- ✓ *Social resilience.*

Systemic dimension

Call to action:
*Lobby and make the
cause relevant to
decision-makers for
financial and legal
support!*

NGOs supplement or even replace explicitly/implicitly social services that are considered to be the responsibility of public institutions. Additionally, they are more agile in spotting and targeting new social needs. Therefore, cooperation and support from public institutions should be the norm, especially in times of crisis, to continue to provide high-quality services in a period when the demand increases. This mechanism has not been put in motion by the Romanian authorities during the pandemic. Quite the contrary, the perceived attitude of the state seems to be of decreased support. When positive decisions have been taken (such as in the case of the Emergency Ordinance 82/2020), the lack of methodology and implementation mechanism annulated the potential positive outcomes.

The overall impact of the pandemic on social enterprises is negative at many levels, as already discussed. Still the new financial resources mechanism designed at the EU level, and in some countries also at the national level, was seen as an opportunity. In the near future, NGOs and social enterprises could lobby, make their voices heard to be considered as eligible. Arguments are many, ranging from the relevant positive role in society these organizations fulfill the fair treatment of any organization/ administration. Looking from a macro-economic and societal perspective, the support of social organizations would be even more justified considering the general weak involvement of the state in a wide range of social matters and even its decrease during the pandemic which determined decreased financial revenues and increased need to support especially the healthcare system.

Ancuța Vameșu

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This is a battle we have to have at the national level, to be sure no organization is excluded on the grounds of legal form. (...) The impact of networking on policies is zero. (...) There is a success (...) a bad law (...) finally changed (...) My impression is that this is the only success that non-profit service providers have managed so far.

Asteris Huliaras

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The positive news is that the EU has created these new financial instruments for resilience and recovery (...). It is important that nonprofits, social enterprises, and solidarity organizations to mobilize themselves and contact government officials to propose to the Commission so a certain amount of the money to be directed to social enterprises and nonprofit organizations. (...) Please mobilize!

Skepticism on including social enterprises and solidarity organizations in the supporting schemes has been the norm in the discussions. Considering some legal provisions and the evolution in time of the state support, at least in Romania, one additional – somewhat paradoxical aspect – has been presented. All companies – for non-profit and for-profit - have been hit by the pandemic and ask for support. In this context, it is even more difficult to make the case of a non-profit company, when its voice was not really considered even in "normal" times.

Somewhat paradoxically, the debate on how eligible are the social economy structures to these new financing organisms has led to another debate on their legal and fiscal status as nonprofits. This apparently conceptual debate on what are social enterprises proves to have some very practical facets, with increased relevance in times of crises. The legal status would facilitate or not access resources, could lead to some opportunities or additional restrictions. The participants observed that the overall economic, fiscal, and financial ecosystem contributes to the hybridization of existing organizations. Also, it influences the decisions to choose the legal status and model of operation of new entrepreneurs, who would be interested in being part of the social economy.

Ideally, networking would facilitate cooperation to survive the pandemic and would strengthen the voice of social organizations in front of policymakers, would help them face the old and new - pandemic related - systemic challenges. Nevertheless, concerns on the actual impact of national and transnational networks have been expressed. These networks proved effective in terms of counseling, knowledge sharing, and emotional support. Still, as successful agents in systemic changes and respected partners for policymakers, a lot of progress still has to be obtained.

Interestingly, optimistic voices observed new opportunities to mobilize more volunteers, in association with the new climate and needs of response in association with the pandemic. Another positive aspect registered was a boom of philanthropic response and civil society's involvement especially in aspects directly linked to the pandemic and health-related risks.

Nevertheless, the impact documented in the first stages of the pandemic is negative throughout the EU and many organizations are considering stopping the activity. Variation among the European countries has been observed, as well as different evolution patterns while advancing through the pandemics.

Conclusions

The COVID-19 pandemic and lockdown affected the activity of social economy organizations. It was the case of the organizations from Romania, Poland, and Greece - countries' experiences debated in this Round Table, and a reality in the whole EU. More information is available, for example, in the European survey of Impact of Covid on Work Integration Social Enterprises WISEs May 2020, which was brought to the attention of the participants of this Round Table.

The social services field was strongly affected by the COVID-19 pandemic, not only in Romania. According to the 2020 Social Economy Europe report, The impact of COVID-19 on social economy enterprises, social services have suffered the most in terms of employment (14,5%). Two relevant case studies from Romania were presented in this Round Table, offering valuable lessons to learn about resilience and adaptation for other similar organizations.

In Romania, as in other European countries, social economy organizations have operated at the forefront of the crisis to address urgent sanitary and social needs, proving resilience and adaptation. (e.g., making masks, distributing food and hygiene packages for children from vulnerable communities, fighting to change the digital exclusion reality, etc.).

Social economy projects could be an investment priority in the “Next Generation EU” regulations. The new financial resources mechanism designed at the EU level, and in some countries also at the national level, was seen as an opportunity. But it is imperative in the near future that NGOs and social enterprises to lobby and make their voices heard to be considered as eligible. Large international events, such as the European Social Economy Summit 2021 (<https://www.euses2020.eu/>), which was mentioned during the Round Table discussion, could be an excellent opportunity.

The impact of the first stages of the pandemic over social economy organizations is negative throughout the EU. However, the social economy could play an important role during and after the COVID-19 crisis. Social Economy has a significant capacity to increase economic and social resilience and boost (social) innovation.

Anna Burtea

“
The pandemic brought fewer opportunities for our beneficiaries (...), very vulnerable families. (...) The whole network they had have collapsed.

Mihai Lisetchi

“
The pandemic increased social responsibility, (...) determined a boom of humanitarian campaigns (...) and in volunteering. (...) Another aspect has been a scaled social innovation.

