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# The Partnership between the Public Authorities and NGOs: An Effective Way of Covering the Need for Social Services in Romania

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**Abstract:** The paper aims to present a number of specific issues regarding the provision of social services by non-governmental organizations (NGOs) from Romania. In the current context of the budget cuts, these organizations play an important role in enhancing the quality of life for disadvantaged groups, such as elderly, disabled, families in need etc. The paper presents the characteristics of NGOs as they emerge in the national legislation and the practical ways in which the collaboration between these organizations and institutions occurs. The partnership between the public authorities and NGOs represents an effective way of covering the need for social services at the national level. The last part of the paper presents statistical data regarding the NGOs' activity in recent years.

**Keywords:** NGOs, social services, globalization, public-private partnership

**JEL classification:** I30, P36, A13

## 1. Introduction

Non-governmental organizations (NGOs) are important players in social services, together with the public providers and economic agents. The importance of the social services provided by these organizations in increasing the quality of life of disadvantaged people is acknowledged both in the scientific literature and at the level of some international organizations [Anheier, 2002].

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The social services are defined in scientific literature as structural components of the social assistance system, contributing together with the social benefits to social inclusion of the disadvantaged, vulnerable groups, to the increase of the quality of life, to poverty alleviation, and not least to the social and economic development [Buzducea, 2009].

The social services are tools by means of which the state provides a level of basic, minimal welfare for its own citizens, together with services such as the health and the education, the adequate housing, the minimum subsistence income.

The global changes affect the current way of organizing and delivering the social services, since there is an interdependence of the economic, social, cultural and political systems that cannot be denied [Ghența, 2014].

The globalization of the economic activities has generated a diversification of risks that may affect, at a given time, an individual's life, creating the need for an intervention in the form of social services. The effects of globalization on the social assistance, and thus on the social services, aim at:

- the diversification of the social services, the emergence of new types of social services;
- the proliferation of the digital technologies that had changed the practices in social assistance, resulting in an increase of the complexity of ethical and risk management issues [Reamer, 2013];
- the labor migration, a phenomenon that manifested itself differently from one country to another;
- the development of the capacity of understanding and the ability to respond to various social problems.

Based on these effects, we consider the implications of globalization on social services are both positive and negative (Table 1).

*Table 1: The effects of the globalization on social services*

The characteristics of the globalization	The implications on social services	
	Positive	Negative
The diversification of the social services, the emergence of new types of social services	<ul style="list-style-type: none"> <li>- the achievement of social inclusion for certain disadvantaged groups;</li> <li>- the increase of the quality of life for the beneficiaries of the social services;</li> <li>- the high protection of the fundamental rights and freedoms.</li> </ul>	<ul style="list-style-type: none"> <li>- the difficulties in ensuring financial sustainability;</li> <li>- the increase of the dependence on international non-governmental organizations and the programs implemented by them.</li> </ul>
The global communication	<ul style="list-style-type: none"> <li>- enhances the communication between professionals in social assistance work;</li> <li>- fosters the exchange of know-how;</li> <li>- a high degree of recognition of the global nature of the work undertaken by social workers;</li> <li>- facilitates the international partnerships;</li> <li>- changes the working practices.</li> </ul>	<ul style="list-style-type: none"> <li>- a high risk of labor migration;</li> <li>- a lack of relevance of some of the international practices, relative to the local character;</li> <li>- a preference for certain "best practices" (with proven efficiency) can discourage local initiatives.</li> </ul>
The labour migration	<ul style="list-style-type: none"> <li>- the increase of the employment.</li> </ul>	<ul style="list-style-type: none"> <li>- global imbalances in terms of satisfying the labour demand in</li> </ul>

The characteristics of the globalization	The implications on social services	
	Positive	Negative
		social services.
The development of the capacity of understanding and the ability to respond to various social problems	<ul style="list-style-type: none"> <li>- the development of the training programs held by the social assistance educational institutions;</li> <li>- the development of knowledge based on practical experience;</li> <li>- the transfer of knowledge between professionals in social assistance in an international context.</li> </ul>	<ul style="list-style-type: none"> <li>- the increased pressure felt by professionals in adapting to rapid change;</li> <li>- the need to implement measures leading to increased professional recognition.</li> </ul>

Source: *developed by the authors*

The NGO activity, even if it's limited in quantity due to the financial and human resources that are available, exerts a positive impact on the life of the communities and people that need, at a given time, interventions in the form of social service.

The non-profit legal persons are subject to registration in the National Registry of NGOs and include: NGOs, unions, non-profit foreign legal persons.

The Romanian law includes in non-governmental organizations: the associations, the foundations and the federations (groups of associations and foundations).

What distinguishes these organizations from public organizations or other private profit or non-profit organizations are the purpose and the categories of the persons for which they activate. From this point of view, the associations and the foundations develop non-profit activities, in the general interest of a community or of a non-profit individual interest.

In most cases the collaboration between the public and non-governmental sector takes the form of a public-private partnership. In the scientific literature, they are appreciated the positive effects of the cooperation between the public and private organisations within the social services in an increasingly complex economic and social environment [Jalonen, H., Juntunen, 2011].

## **2. The partnership between public and non-governmental organizations in providing social services**

The diversification of the social needs, together with the multiplication of the potential beneficiaries of social services, made impossible satisfying them by the effort of one single actor: the state [Dima, 2013].

It is considered that the relationship between the government and the NGOs can develop through a constant consultation with the NGOs on the issues of the local communities, on the development of joint projects and action plans designed to meet various social needs, on a clear division of responsibilities of satisfying the social needs of the community, on granting financial support within the available public resources [Cace, Sali, 2002].

Having small size, high mobility, high adaptive capacity according to the changes occurred in the social and economic environment where they operate, the NGOs are able to identify and respond to social needs much faster than the public institutions.

The public-private partnership is favouring the generation of positive effects on economic and social field, such as: the increase of the involvement of citizens in voluntary social

activities, the improvement of the quality and efficiency of social services, the strengthening of the communities, the ensuring of a high level of social integration.

The assignation of public financial resources (central and local) for developing and providing social services is regulated, in Romania, in the form of service contracts (like the type of contract by which the public-private partnerships can take place), subsidies, grants, public procurement contracts, concession contracts.

In the case of the public procurement or concession contracts which have as their object the social services, the NGOs are considered and treated as any economic agent that is closing a public procurement or concession contract with the state or one of his entities. All of these represent the public funding mechanisms that are able to support the activity of the NGOs.

Where the provision of social services is done by NGOs and other types of private providers based on a public-private partnership, any of these suppliers may request a social audit for the provided social services [Mihăilescu, 2007].

Both from the perspective of the legislator, as well as of some authors, the social audit offer a way of developing the privately provided social services. The social audit promotes the verification of the efficiency and effectiveness of the public resource assignation and the improvements in the activity of the social services providers as a result of given recommendations. The social audit enables the social organizations to measure the viability of the social actions undertaken from the point of view of the things that the organization and its stakeholders consider to be important [Freer, 2008].

As the share of the allocated costs to the social assistance (social services and benefits) decreased in 2009-2012, the ability to finance public social services has decreased, while the social needs have increased as a result of the economic and financial crisis. In the current context, the partnership between public authorities and NGOs represents an effective way of satisfying the need for social services.

The real form that can take this collaboration is the contracting of public social services. The contracting in social services provides the social service provision by the local public authorities through the development of a specific procedure for the purchase or concession of this type of services.

Contracting in this field is carried out only for the types of social services organized and defined as in the Nomenclature of social services. It is estimated that, in terms of NGOs, the contracting foster:

- the public costs reduction related to social services;
- the sharing of the risks associated to the provision of social services;
- the increase of the activity and revenue efficiency.

For the public organizations the contracting helps ensure the stability in the provision of social services, the development and diversification of the social services, the increase in number of the beneficiaries, the improvement of the service quality, the fostering of the development of the NGO sector.

### 3. Specific issues regarding the provision of the social services by non-governmental organizations

The involvement of the non-governmental organizations in providing social services was done gradually since 1990. The non-governmental sector in Romania has gained importance in the social field as different types of social services have been developed. The National Registry of NGOs kept by the Ministry of Justice were registered 66.804 organizations in 2010 and 88 337 organizations (66 369 associations and 17 968 foundations) in April 2014. Only a small fraction of these have submitted the balance sheet by the end of the fiscal year, thus demonstrating that they had economic activity in the previous financial year (Figure 1).

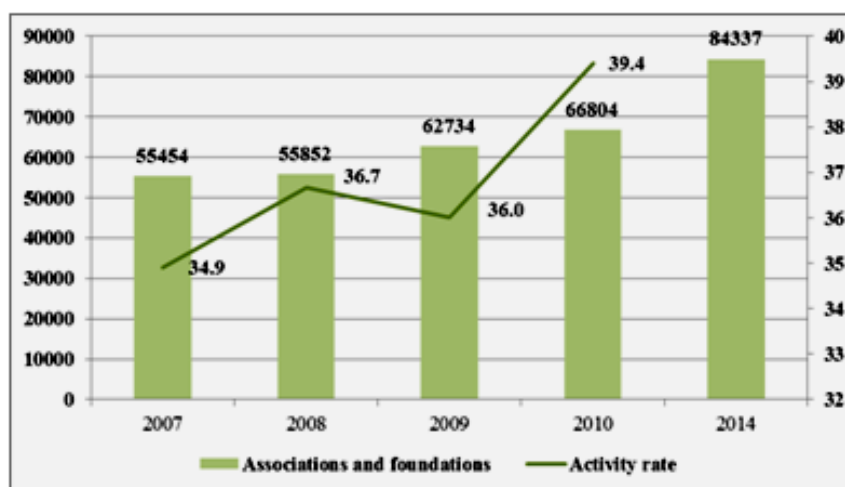


Figure 1: Associations and foundations: number and activity rates

Source: developed by authors after Institutul de Economie Socială, (2012) Atlasul Economiei Sociale 2012, pp. 15, [http://www.fdsc.ro/library/files/atlasul\\_economiei\\_sociale\\_2012\\_ro.pdf](http://www.fdsc.ro/library/files/atlasul_economiei_sociale_2012_ro.pdf), accessed in September 2014; Registrul Național ONG, Ministry of Justice, <http://www.just.ro/MinisterulJustiției/RegistrulNaționalONG/tabid/91/Default.aspx>, accessed in april 2014

Note: activity rates for 2011-2014 weren't calculated because of data unavailability.

In the period 2000-2010 the most active NGOs (with demonstrated economic activity in the previous fiscal year based on the balance sheet) have worked in the social field: 41.9% in 2000, 30.3% in 2005 and 22.6% in 2010 (a short distance from NGOs working in the field of sport - 19.2%).

This fact is reflected in the income derived from the carried out activities, too. In 2010 from the total income obtained by the NGOs, 21% belonged to NGOs from the social sector, followed at a distance of more than 5 percentage points by the NGOs from sports, education field and the ones belonging to the religious denominations [The Institute of Social Economy, 2012].

Considering the development regions, it is noticed that in 2010, most of the associations and foundations (regardless the field of activity) were established in the North-East and Central regions, that had high poverty rates and associated social problems, followed at a distance by the Bucharest-Ilfov region. The Central and the North-East regions also had the highest rates of NGOs with economic activity (Figure 2).

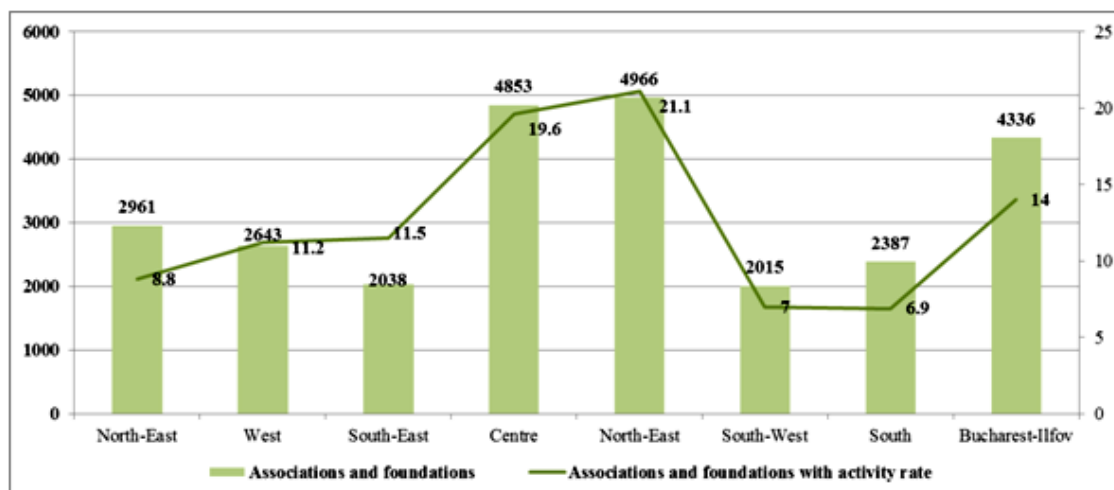


Figure 2: Associations and foundations at regional level: number and activity rates (2010)

Source: developed by authors after Institutul de Economie Socială, (2012) Atlasul Economiei Sociale 2012, pp. 29, [http://www.fdsc.ro/library/files/atlasul\\_economiei\\_sociale\\_2012\\_ro.pdf](http://www.fdsc.ro/library/files/atlasul_economiei_sociale_2012_ro.pdf), accessed in September 2014.

However, in 2010 only a small part of the NGOs working in the social field were accredited providers of social services, respectively only 990 associations and foundations (16.6%) met the conditions required for accreditation – they could provide organizational and financial conditions appropriate to the minimum quality criteria.

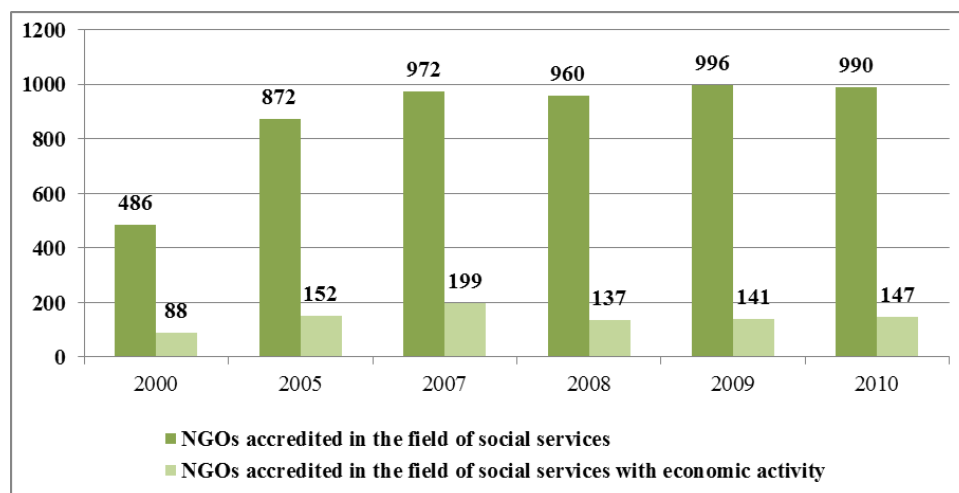


Figure 3: Associations and foundations in the field of social services

Source: developed by authors after Dima G. (coordonator), (2013) Serviciile sociale în România. Rolul actorilor economiei sociale, pp. 43, [http://www.ies.org.ro/library/files/raport\\_serviciile\\_sociale\\_in\\_romania\\_rolul\\_actorilor\\_economiei\\_sociale.pdf](http://www.ies.org.ro/library/files/raport_serviciile_sociale_in_romania_rolul_actorilor_economiei_sociale.pdf), accessed in april 2014.

In the period 2000-2010, the NGOs that managed to meet the conditions for accreditation increased, the only period of decline had been recorded in 2010 compared to 2009: decreased by 0.6% (Figure 3).

## Conclusions

The social services and the social benefits, components of the social assistance system in Romania, help improve the quality of life for all people that experience at some point in life a state of need that they cannot overcome by themselves [Matei et al., 2012].

Social services are contributing to limiting the negative effects of situations that may affect the quality of life of different groups of people. In Romania there were changes that had the consequence of aligning the national legislation with the European trends towards the inclusion of the social services in the category of social services of general interest [Ghența, 2014b, 2012, 2011].

The changes that took place in the legislation in the last decades have shaped the current level of development and the involvement of NGOs in community life. Regardless of the geographic area in which these organizations operate, the contributions to the economy are significant (Ghența, 2014a).

As the economic situation stabilizes, the statutory funding mechanisms will become more efficient, in terms of opportunity and rationality of the budget allocations, with positive effects on increasing the quality of life of disadvantaged groups.

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