

RECENT NORMATIVE ACTS ADOPTED IN ROMANIA AND ADVERSE EFFECTS IN SOCIAL ASSISTANCE. CASE STUDY*

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ABSTRACT: *The aim of this paper is to highlight the side effects of normative acts recently adopted in Romania, in particular, in favor of people with disabilities, on the activity of non-profit organizations providing social services. At the same time, we analyze the image of an organization taken as an exemplary model in social services provision, the Alpha Transylvanian Foundation (FTA), as well as the impasse that it has to face in its activity, as a result of the adopted regulations. The methodology is based both on qualitative aspects: interviews with the parents of children benefiting from services provided and with the president of the foundation and also, on quantitative aspects, a secondary analyze of the data regarding the evolution of its revenues. The conclusion about FTA reveals a positive image of it, a confirmation of the assumed social responsibility, resulting from the satisfaction of the beneficiaries. Despite this, the organization has had to drastically curtail its work as a result of legislative changes. Conclusions that may be generalizing for the work of similar organizations address the difficulties they face. We mention the most important one - the abolition, through Government Emergency Ordinance 60/2017, of the favored financing capacity of the protected units for disabled people, by amending Law 448/2006. The public-private partnership in Romania, which is part of the design of any participatory democracy, is desirable to be convenient to both sides.*

KEYWORDS: *normative acts, social services, social image, challenges for nonprofit organizations*

JEL CODE: *K00, K32, Z13*

1. TERMINOLOGY DELIMITATION

The socio-economic life is traditionally divided between the public and private sectors. But in modern societies, the third sector is often mentioned. This is an intermediate field between the business sector and the public one (Research report on the social economy in Romania, 2011). Under the current circumstances, features such as volunteering or

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philanthropy are no longer considered as defining indices of the third sector. Instead, addressing the organizations of the third sector from the perspective of the assumed mission gives them specificity. This mission may be to promote social causes, to provide social services and as a fundamental mission - to change the community and people (Vlăsceanu, 2010).

This sector is governed by principles like: reciprocity and solidarity or the principle of allocation, the non-contractual economic principle (as opposed to market-based enterprises that have strictly bilateral benefits, not targeting third parties, and surpluses directed to owners) and the indirect benefit principle, ie the beneficiaries can be other than the owners.

The *Third sector* concept has two approaches: one is the Anglo-Saxon acceptance that uses the term *Non-profit organizations*, and the other is the French acceptance, which uses the term *Social economy*.

Nonprofit sector / organizations include entities with the following features: they are institutionalized, are private, non-governmental, they are independent, with their own decision-making mechanisms, do not share profits with members, and if it exists, it is used to serve the mission of organizations, involves voluntary participation. They are charitable associations and foundations that are not part of either the traditional private sector or the public sector (Research report on the social economy in Romania, 2011).

Social Economy is an alternative form of economic life. It differs both from the market economy and from the state of welfare through a set of values and principles such as: the non-patrimonial goal, democratic participation, autonomy towards the state, professional development of members. Another concept associated to social economy refers to the "Economy of solidarity" (Cace, 2010).

The income sources of the social economy structures are diverse, coming from the market economy, or outside the market and from non-monetary ones. It is a combination of financial resources from the sale of goods/services produced, with public funding and private donations. The activity is based both on the paid work and the use of voluntary work.

In Romania, the social economy is regulated by law only in 2014, although financial resources dedicated to supporting the sector were also allocated from European Social Fund through the Sectoral Operational Program Human Resources Development 2007-2013 (with prolongation until 2015). The development of the social economy as a way of self-organization of communities has been and remains limited precisely because the mobilization and self-organization capacity of communities is reduced. The development of social economy initiatives as isolated as the communities they are addressing, is expected not to lead to sustainable results in the medium and long term, without the support of community members. (Duminică/Mocanu, 2017)

A hypothetical model of the Social Economy developed by a Romanian author starts from the premise that the emergence of the social economy is possible only if there is a certain level of *social solidarity* and *social participation* in the community, and the third essential concept is the one of *necessity*. (Asiminei, 2012)

As some authors conclude, the identification of the nonprofit galaxy, sometimes defined as "third system", proves quite complex. It has been identified by exclusion within an economic paradigm where the standard organization is the mainstream for-profit

enterprise: egoistic, rational and fully informed as textbooks expect. (Macri/Trimarchi, 2016)

In 2007, the European Commission proposed the concept *Third system* to include organizations setting a profit distribution limit. The criterion of the differentiation of organizations of the third sector from other productive organizations refers to profit distribution limits. (Research report on the social economy in Romania, 2011).

A summary of the differences between nonprofit organizations and social economy entities is shown in Table no. 1.

Table No. 1. Differences between the non-profit organizations and social economy

Criterion	Non-profit organizations	Social economy
Non-profit criterion	The organizations must apply the principle of non-distribution of the profit or surplus (constraints of non-distribution)	The cooperatives and the mutual societies, which are the decision-making nucleus of the social economy, most of them distribute profit among the members
Democracy criterion	The concept of democratic organization of an entity from the third sector is not a criterion	The approach of the social economy generally excludes any entity which doesn't operate on democratic bases
Criterion of serving people	Non-profit organizations can supply services both to the individual persons and to the corporations which control or finance them	Most beneficiaries are individual persons, households or families; the main purpose is to serve people or other social economy

Source: Cace, S. 2010, p.26

We have taken over the next definition of non-profit organizations, which are the subject of our work, as "organizations that are to some extent formally organised, private, meaning that they are institutionally separate from any government, non-profit distributing, self-governing, meaning that they are not controlled by other organizations, and voluntary in nature" (Salomon/Anheier, 1992).

2. NORMATIVE ACTS AND CHALLENGES FOR THE ACTIVITY OF NON-PROFIT ORGANIZATIONS SUPPLYING SOCIAL SERVICES

This part of the paper looks at the effects of amending the normative acts on the protection and defense of the rights of persons with disabilities on non-profit organizations in the sphere of social services. More specifically, we refer to Government Emergency Ordinance (GEO) no. 60/2017. This has been based on a convincing motivation: to ensure that people with disabilities have the opportunity to live independently and to participate fully in all aspects of life through measures to ensure

their employment growth both in the public sector and in the private sector, knowing that by the end of 2016 the number employed people with disabilities was under 35000.¹

We will further analyze from the GEO 60/2017, which brought changes to the Disability Law 448/2006, only those issues that are of interest to non-profit organizations providing social services.

Art. 78 of Law 448/2006 read as follows:

(2) Juridical persons, public or private, with at least 50 employees, must employ disabled people at least 4% of the total number of employees.

(3) Juridical persons who do not have employees with disabilities may choose between:

a) Monthly payment to the budget of an amount representing 50% of the country's gross minimum basic wage multiplied by number of jobs that did not employ people with disabilities.

b) Possibility to purchase products or services made by their own activity of persons with disabilities employed in the authorized protected units, on a partnership basis, in an amount equivalent to the amount due to the state budget.

Various situations emerged from this law:

- Preference to purchase products or services from protected units, to the detriment of hiring disabled people;

- An "inflation" of so-called protected units, with a fictitious employee, a person with disabilities.

- Some kind of fraud in the budget, because the money went through protected units and returned to legal entities in the form of equipment, supplies and so on.

Government EO no. 60/2017 intended to suppress these irregularities. Art.78, paragraph (3) is amended as follows: (3) The public authorities and institutions, juridical persons, public or private, who do not employ persons with disabilities in the conditions stipulated in paragraph (2), have to pay monthly to the state budget a sum representing the minimum gross basic salary guaranteed in the payment multiplied by the number of jobs in which they have not employed disabled people.

Discussion:

Several aspects can be ascertained directly - that no alternative is allowed and the amount to be paid to the budget has increased. This minimum gross salary, which is in discussion, was 1450 lei at the date of the GEO issue, and it became 1900 lei starting with the first of January 2018.²

The modified text eliminates any partnership option with protected units.

Juridical persons could be in the situation:

- Not to find so many disabled candidates to cover the 4% of the total number of employees;

¹ Government Emergency Ordinance no. 60 of 4 August 2017 for amending and completing the Law no. 448/2006 on the protection and promotion of the rights of persons with disabilities, published in the Official Gazette no. 648 of 7 August 2017

² Government Decision no. 846/2017 for establishing minimum guaranteed gross salary payment, published in the Official Gazette no. 950 of 29.11.2017.

- Not to know whom to address to find them (the County Labor Office does not have a record in this respect);

- Not to be specialized in the integration of these people with special needs at the workplace.

Another observation would be that the larger amounts due to the budget are not clearly routed to legal entities that even hire disabled people.

The pro and contra opinions on normative changes, at that time, were posted by BankNews.ro.

The representatives of the Ministry of Labor specified that the GEO 60/2017 amending and supplementing the Law on the Protection and Promotion of the Rights of Persons with Disabilities aimed to increase the process of labor integration of these people and to increase the accountability of public and private employers. They pointed out that the Protected Authorized Units do not disband. Their argumentation was based on the following statistical data: on 31 December 2016 the number of disabled persons was 786546, out of which 706401 adults. The number of adults with disabilities engaged in work is 33449 and the employment rate is 17,97% of the number of people who can be employed. If in 2008 there were 1027 persons with disabilities engaged in 280 protected units, in 2016 759 protected units with a number of 2006 disabled persons were authorized. While the number of protected units tripled in the period 2008-2016, the number of disabled people engaged in this form of protected work increased by less than 1000 employees. At the same time, more than half of the 206 organizations authorized as protected units carried out brokering activities using this market niche reserved for people with disabilities in order to sell products at a significantly higher price than the original price, without a minimal use of skills and competences of people with disabilities for a workplace. (BankNews.ro, 2017)

The Federation of National Disability Council of Romania, composed of Federation of NGOs for Social Services, Dizabnet Network, RISE - social insertion enterprise network through social economy, FEDRA - Federation for Rights and Resources for People with Autism Spectrum Disorders and Association The Romanian Women's Lobby (ROWL) sent, at that time, an open letter to Prime Minister to warn him that "Legislative change through the EO sends to unemployment more than 2000 people with severe disabilities in Romania who have exceeded their social status." (Federation of National Disability Council of Romania, 2017) The Labor Ministry was asked to revert to Ordinance 60, because it "overcharges" the employer and that "it has disastrous effects for the economic environment without any predictability" In the view of the representatives of the Federation of Non-Governmental Organizations for Social Services, the ordinance "cut off" the only facility that these protected units had. Representatives of protected entities have argued that there can be no significant increase in the employability of people with disabilities, as there are a large number of them with severe disabilities who can't be employed on the free labor market and employers have no conditions and specialists to work with them can integrate them into the workplace. (Federation of Non-Governmental Organizations for Social Services, 2017)

We have not found public data to see the increase in the number of employees with disabilities, one year after the implementation of the GEO 60/2017, to see the expected results.

3. THE ACTIVITY AND THE IMAGE OF A SOCIAL RESPONSIBLE NON-PROFIT ORGANIZATION

3.1. Methodology

The aim of the research is to study the image of a nonprofit organization, as well as the challenges that it has to face in its work, especially after the adoption of the new regulations. The case study is carried out at an exemplary entity in social services provision - the *Transylvanian Alpha Foundation* (FTA) in Tg. Mures. The analysis can be divided into two major structural units. On the one hand we use we use qualitative methods, consisting of semi-structured interviews with social services beneficiaries, the parents of children with disabilities, as well as from an ample interview with the president of the foundation, Dr. Al. Lupşa. At the same time, quantitative methods by secondary processing of data provided at the organization level.

The question to answer is whether the decline in recent FTA revenues and in its activity, declared by the President, Dr. Al. Lupşa, could be caused by a decrease in the quality of the services performed or the deterioration of its image in the eyes of the public?

The desirable image

The data on the organization's web page³ allows us to study its desirable image. Thus, the FTA is self-identified by the following features and by the following object of activity:

- Non-governmental, humanitarian and charitable institution, unconditionally politically, ethnically, racially and religiously non-partisan, activating to help people with physical, mental and social disabilities and other categories of people in difficulty.
- Organization founded in 1992 by Dr. Alexandru Lupşa, neurosurgeon.
- Headquarters: Tg. Mureş, Aleea Vrancea Str., no.1.
- Visual identity – Logo:



- Number of employees: 55; number of volunteers: about 50; number of beneficiaries: about 1500-2000 / year.

• Creating unique associations in the minds of the beneficiaries: FTA mentions that it has been in the service of the community for more than 20 years, saying that "Our daily work brings with it optimism and a sense of solidarity. In what we do, we do not alone, but with other people who have the same concerns as ours".⁴

The FTA provides a variety of activities such as: early prevention and intervention services for newborns, day care centers for children and youngsters with serious disabilities, outpatient outreach and home rehabilitation services for children with disabilities, information services, counseling and job mediation for adults with disabilities, workshop development and protected facilities.

³ <http://www.alphatransilvana.ro/>

⁴ <http://www.alphatransilvana.ro/despre-noi/statut-misiune-viziune.html>

The social image

Besides the desirable image, we outlined the social image based on the data gathered through the interviews. We conducted these interviews with the clear intent of collecting opinions, impressions of people, because "in opinions, people express representations and images, through attitudes people accept or reject a particular representation or image, by beliefs they support or resist representations and images which suggests a certain interpretation that remains open to dialogue, through their faith they claim or combat representations and images that suggest interpretations ..." (Chiciudean, 2000)

- The interviews and the gathering of information took place in the period: April - May 2018;

- Information gathering: the interviews with the beneficiaries' parents were random at the start or end of activities within the organization building.

- The subjects: parents of children with disabilities, relatives of children, beneficiaries of services. The interview was conducted with 20 subjects.

The interview guide is structured in five parts, on a few big themes.

- The first part aims to find out where the subjects got the information to use FTA services and the motivation to opt for them;

- The second part focuses on respondents' opinions about how they see the image of the foundation;

- The third part includes four questions about employees from the FTA and about the organization in general;

- The fourth part contains two questions and tries to highlight the faithfulness of the respondents and the reason why they remain loyal to the FTA;

- The last part highlights respondents' feedback, but focuses on ideas for improvement of activity, on desired changes.

3.2. Analysis of data and interpretation of the results of interviews

Each respondent answers were recorded and then we extracted the most relevant.

Theme I. The option for FTA's services

Question no. 1. How did you find out ~~about~~ this foundation?

"I heard of this foundation from an acquaintance, she brought her baby up here for a few years, and I trusted her."

"A friend told me about this place. An aunt of hers works there."

"The most I learned from the Internet before I use the foundation's services."

We have noticed that media is not necessarily the most important source of information, but acquaintance first. Everyone who responded spoke enthusiastically about this place because it helps them solve the situation of their children with special needs.

Question no. 2. Why did you choose this foundation?

It is very difficult for parents to choose the right place for their children. We were interested in the criteria that led to such a decision. Here are the most relevant answers:

"I visited the building and I liked how the employees got me. The first impression I liked, they were very welcoming and were doing a lot of activities."

"First of all, I wanted to find a friendly place that would please my little girl. She smiled as I walked in. I knew it was the right place for her."

"I have heard from someone that many youngsters have found work under the program that helps young people find a job. I thought this program would also help my daughter, who told me she likes the flowers, and in short time there was a floral training course and I was content to see her happy."

"Accessibility was very important when I chose the right place for my child. We live close and I feel better knowing I'm close to my baby."

Parents were open to the interview and liked to remember when they opted for this foundation. Most respondents followed their first impression.

Theme II. Opinions regarding FTA's image

We wanted to find out how the image created in the media influences the parents of the children / young people. The foundation sometimes appears on news, not only with the services for disabled people, but also with second-hand shops, with the kitchen that offers the day's menu for schoolchildren or other people and with the pastry, which is a protected unit. The image of the FTA is also enhanced by these aspects, because all income is redirected to the organization.

Question no. 3. What do you think is the foundation's image at this time?

Here are some answers:

"The Foundation does not require promotion and advertising, and for me it suffice that lasts for more than 20 years. Its experience and functioning makes a good image. "

"The image of the foundation is a positive one and we have not found negative information in the media."

"Any foundation of this kind means involvement and seriousness."

Being a nonprofit organization dealing with children/youngsters with disabilities, the opinions were positive.

Question no. 4. Has the FTA's media image influenced your choice?

Any organization shapes its image through advertisements, media promotion. We wanted to see whether the fact that the foundation appeared in newspaper articles, or on the news influenced the respondents.

"I heard about this foundation in the news, and after a while I read, curiously, on the internet what I found about it. Even an acquaintance recommended it to me. I can say that the media has influenced me, because the first impression I made from it."

"First of all I read the information from the foundation's website and after that I personally went to see the place. Other articles I have not read, because I only trust what I see."

"I knew this foundation from a friend who has a little girl with syndrome down. After a few years I gave birth to a son and he has autism, so I opted for this foundation because I heard they had experience. Mass media has not influenced me."

Although the media has a strong influence, however, we find that many people have asked about the foundation's services from an acquaintance or have contacted the Internet, or went to visit the foundation before deciding, because every parent wants what is best for his child's situation.

Theme III. General impressions about employees and organization

Children / young people with disabilities need more attention and for them, to make progress, it takes a lot of perseverance. Parents, as indirect beneficiaries of FTA services, can assess the performance of employees and volunteers working within it.

Question no. 5. What is your opinion about Foundation employees?

"Employees are understanding and affectionate with the children. I started to pay attention to the relationships of the employees with the little ones. My opinion is that they have a lot of patience and the effect is most apparent on the children. They feel good and that's important."

"Our children need more attention than others, and for this, staff prove patience and much attachment. Employee devotion is very important."

"Employees are proud of what they do, and we see that they like their work. Respect for employees and volunteers for their effort!"

"This foundation has been around for a few years and I think it has experienced staff. Children learn a lot of things, from manual work and drawing to various games. Often my child tells me all day long what he did. I often hear him singing."

Question no. 6. How does social responsibility manifest within the Foundation?

We wanted to find out what this means from a parent's point of view.

"Social responsibility means that the foundation's employees turn the hard days of children with disabilities into more beautiful and acceptable days. Every child has the right to a better life and these people can do it. "

"The foundation is socially responsible because it takes care of these children who deserve a normal life."

"Social responsibility is manifested in activities that take place both indoors and in nature. Employees, alongside volunteers, manage to bring joy to children's lives."

"Volunteering here is a beautiful and socially responsible activity. Volunteers only think about these children and spend time with them, so that they feel good."

"I met an employee who offered his help outside the work schedule. I did not think there might be such a place. Complete devotion!"

Answers show that employees are friendly, available to provide support. From talking with parents, who would do anything for the health of their children, we realize how important it is for them as the foundation's employees be well prepared and patient. Interviewees gave different answers, but generally referred to the dedication of employees and volunteers. An organization is socially responsible if employees are primarily responsible.

Theme IV. Fidelity of respondents to FTA

Q7 How long do you continue to use FTA services?

Both parents who go to the foundation already 3 years, but also parents who started their activities with children only a month ago, responded. There are activities for each age category - for small babies – baby splashing and for children - foreign language, theater and music classes, there are also outdoor activities.

Table No. 2. Duration of service provision

<1 year	25%
1-3 years	45%
>3 years	30%

Source: Study conducted at the FTA

We selected one response from each of the three categories in Table 2.

"I have been here for 3 years and my little girl is much friendly than she was in the beginning."

"For one year and a half, the foundation's services help us a lot, because my husband and I work and during this time our employees take care of our child. He has many activities and interacts with other children."

"Now we are in the first week, our boy now starts to integrate, fortunately he likes it. I wanted to meet with children of his age and with special needs. "

Q. 8. What makes you stay loyal?

I mentioned some answers:

"I have seen the transformation and development of my daughter, that's what keeps me at this foundation."

"I know my boy is more special and I know he needs help. The thing that mattered was that he felt like home."

"Children of the same age meet in an organized way, and this helps them grow. This makes me happy and motivates me to go further here."

Employees of such an organization must be well-trained, specialized. Every child is different and has other reactions. It is important for parents to see their children in a positive, propitious environment.

When parents see that employees cares about the happiness of their children, they start to have more trust in the foundation, and the relationship based on trust is longer.

Theme V. Feedback and tips for the future

Question no. 9. What type of activity do you appreciate the most so far?

"Outdoor activities are very relaxing for the kids. Every day my child is impatient to go there."

"My son has found a job as part of the Alpha Transylvanian Foundation program. He liked training, learning the job."

"I enjoyed music lessons. My little girl loves music and likes to sing."

It is important to find out their favorite activities to know what activities to organize most often. Volunteers are very helpful in conducting many activities, even children have their favorite volunteers with whom they have become accustomed.

Question no. 10. What would you like to change or what improvements do you propose for the future?

"The Foundation would need more space for its activities. It is a growing organization, and children need as many rooms as possible to carry out their day-to-day activities."

"More experienced and skilled staff would be needed to be even more effective."

"The 2% campaign should be promoted more because many people do not know this way to help the foundation."

Service feedback is very important at the FTA, everyone's opinion counts. I have noticed that if there is a request for a particular activity, the management debates it and if it proves to be a good activity then it will be organized. Any opinion is welcome. We appreciate the leadership attitude about this issue, they are open people, with positive thinking.

We consider that interviews with parents show that the social image of the FTA is a positive one, which doubles the desirable image of it. The trust that the FTA has gained from its beneficiaries increases its reputation, but at the same time, good reputation will attract people with special needs to the foundation to provide the necessary services.

3.3. A nonprofit organization with good reputation, in difficulty

We have conducted an extensive interview with FTA President Dr Al. Lupșa about the difficulties the organization has to face as a result of changes to normative acts. "For the ALPHA Transylvanian Foundation, 2017-2018 is the darkest period and the most difficult financial situation and demolition of departmental functional structures."

We present two assertions regarding the most important topics addressed in our discussion.

The abolition through the Emergency Ordinance 60/August 2017, of the possibility of favored financing of the protected units set up by the nonprofit social organizations, by amending Law 448/2006, strongly affected the financial support capacity.

Frequent changes to the Fiscal Code and, implicitly, to sponsorship have greatly reduced the ability of small business companies to contribute through a stimulating form to the development of civil society by exempting the money they are directed towards social activities.

Besides this, there are some other modified normative aspects that the interviewee considers to have adverse effects on nonprofit organizations working in the field of social assistance.

- Since January 2017, without notice, the General Directorate for Social Assistance and Child Protection of Mures county has discontinued a traditional funding for FTA provided services for recovery and education for integration into mass and family education, for over 100 children with complex disabilities. The relationship between the two organizations was based on the renewal of annual contracts by December 31 of each fiscal year. This change took place without the inclusion of services to these beneficiaries in the annual plans of the General Directorate for Social Assistance and Child Protection.

- I also point out the inconsistent payment and the permanent deferral of payments for primary care provided by the FTA, for children with severe and very serious disabilities over the past 8-9 years, by the local authority.

- As far as the Volunteer Law is concerned, it is introduced in Romania as a necessary regulation since the pre-accession period to the EU. However, its repeated changes make it so restrictive (motivating the elimination of masked *black labor* through volunteer contracts) so that nonprofit organizations have a minimal capacity to use human resources with volunteer availability, and activities that may involve volunteers are very limited.

- The functional structures of employees built over the last 25 years, made up of specialists in addressing the specific problems of care, recovery and social integration of children and adults with disabilities, have broken down. The cause lies in the inability to pay, for the reasons explained above, what has led to the massive migration of specialists trained in professional programs and projects of nonprofit organizations.

3.4. Probation of assertions

Regarding the first assertion in the interview with the president of FTA, we did a secondary analysis of the accounting data to verify the income of the protected unit, before and after the issue of EO 60/2017.

From Fig. no.1 it can be noticed a dramatic decrease of the protected unit revenues starting in August 2017.

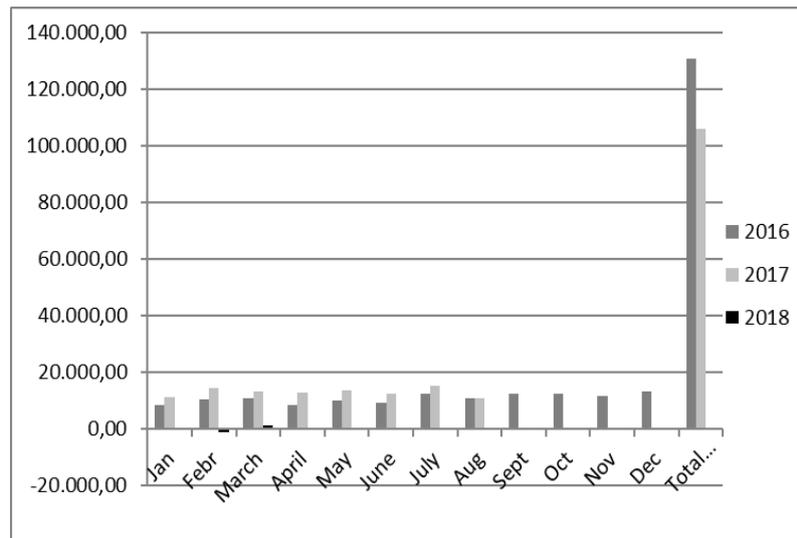


Fig. 1 Evolution of net income of the protected unit, excluding VAT in recent years
Source: Own data processing from FTA accounting

Looking at the second assertion of the interview, we analyze a punctual aspect of the amendments to the Fiscal Code regarding the tax on the income of micro-enterprises and, implicitly, the sponsorships they can make. We only pay attention to Title III. 47. - The definition of micro-enterprise, just letter c, specifying the income ceiling of a micro-enterprise. In the year 2016 the specifications were: c) has made revenues that have not exceeded the equivalent in lei of 100,000 euros (ANAF, 2016)

In 2017, this paragraph was amended as follows: c) realized revenues that did not exceed the equivalent in RON of 500,000 euros. So, starting with 1 February 2017, the tax ceiling has increased from € 100,000 to € 500,000 for micro-businesses. (Conta.ro, 2017)

GEO no. 79/2017⁵, has profoundly changed the Fiscal Code and it is implemented from 1 January 2018. Letter c has obtained the following wording: c) realized incomes that did not exceed the equivalent in lei of 1,000,000 euros. The exchange rate for determining the euro equivalent is the one applicable at the close of the financial year in which the revenue was recorded.

Consequences:

If the value of a company's revenues is below the ceiling that has been gradually increased, initially being EUR 100,000, then 500,000, and currently EUR 1,000,000, the company goes to micro-enterprise, ie it becomes income tax payer and no longer benefits from tax reduction when sponsoring. Many non-profit organization sponsors have been lost because costs can no longer be deducted.

⁵ Published in the Official Gazette no. 885/2017.

GEO 25/2018⁶ brings a new amendment to the Fiscal Code. From the first of April 2018 allows microenterprises to deduct 20% of their income tax if they sponsor under the terms of Law 32/1994. Thus, not all sponsorship will be deducted from the tax due, only those to social service providers and those accredited with at least one social service license. (LegeaAZ, 2018) We find that there is a restriction on sponsorship, meaning that if a micro-enterprise sponsors an NGO that does not provide social services and has no licensed social service, it can't deduct anything from the tax.

But from the point of view of nonprofit organizations providing social services, these normative changes are welcome.

4. CONCLUSIONS

The good intention of government to increase the number of employees with disabilities has generated major challenges for non-profit organizations working for disabled people, which we can notice one year after the legislative changes. One of these organizations, where I did the case study, is the Transylvanian Alpha Foundation in Tg.Mures, which is an exemplary organization in providing social services.

The conclusion about FTA reveals a positive image of it, a confirmation of the assumed social responsibility, resulting from the satisfaction of the beneficiaries. Despite this, the organization has had to drastically curtail its work as a result of legislative changes.

Conclusions that may be generalizing for the activity of similar organizations address the difficulties they face. We found real adverse effects on the activity of non-profit organizations that dealt with people with disabilities, because of the normative changes among which we mention the most important ones.

- The abolition, through Government Emergency Ordinance 60/2017, of the favored financing capacity of the protected units for disabled people, by amending Law 448/2006.

- Interruption of traditional funding for outsourced services;
- Payment delays from local authorities for childcare services;
- Reducing the capacity of non-profit organizations to use human resources available at volunteering due to the increasingly restrictive aspects of the Volunteer Law.

We also conclude that the frequent change in sponsorship normative acts has led to a considerable reduction in the ability of small businesses to contribute in a stimulating way to the development of civil society. However, the government has come up with new amendments to normative changes, precisely because of the need to finance the activity of non-profit entities or cults that are social service providers accredited with at least one licensed social service, by encouraging micro-enterprises to sponsor their support entities.

As a disastrous consequence of the aforementioned causes is the massive migration of specialists trained in professional programs and projects by of non-profit organizations. Public-private partnership in Romania, which is part of the design of any participatory democracy, will have to be reconsidered in a convenient way for both sides.

⁶ Published in the Official Gazette no.291/30 March 2018.

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