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# ROMANIA 2017

## THE NON-GOVERNMENTAL SECTOR

profile, tendencies, challenges

- summary -



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# Romania 2017

## The non-governmental sector

-Profile, tendencies, challenges-

Summary

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## Introduction

"Romania 2017. The Non-Governmental Sector - Profile, Tendencies, Challenges" aims to provide a multidimensional evaluation of the non-governmental sector evolution in Romania during the period 2010-2016. The study represents an update of the previous edition published in 2010<sup>1</sup> and, together with it, provides all those interested with a better knowledge (and recognition) of the role and importance of the non-governmental sector in the Romanian society.

The study collects and analyses data on the economic relevance of the non-governmental sector and tries at the same time to capture the developments and transformations that have taken place within the sector over the past few years. Those interested may also find in this paper information and analysis on the legal framework for the functioning of non-governmental organizations, civic engagement and volunteering, funding of the activities of associations and foundations, elements related to internal governance and organization, the relationship with the state and with other entities in the public sphere. This edition also includes sections devoted to three major fields of activity for non-governmental organizations: social, civic and youth.

*The report was conducted between March 2016 and April 2017, as part of the Complementary activities implemented under the NGO Fund in Romania, funded through the EEA Financial Mechanism 2009-2014.*

The present summary follows the structure of the complete report (available in Romanian)<sup>2</sup> and its primary aim is to make available in English a synthesis of key ideas, data or information analysed on each of the specific topics.

## Methodology

The analysis will primarily address the typical entities of the non-governmental organizations, namely associations, foundations and federations regulated under Government Ordinance no. 26 / 2000, as well as entities whose operation is regulated by special regulations (as in the case of credit unions).

All public data sources have been used, as much as possible. Apart from these sources, a series of new information was produced especially for this report, capitalizing on the following sources:

- **The National Registry of legal entities without patrimonial purpose (The National NGO Registry):** The information available on June 21, 2016 on the website of the Ministry of Justice<sup>3</sup> was used in this report;
- **Balance sheet data submitted by non-governmental organizations:** The report includes the information available in the annual financial statements submitted to the Ministry of Public Finance by over 40,000 non-governmental organizations for the years 2013, 2014 and 2015. Civil Society Development Foundation carried out the analysis and data processing based on the anonymized unitary data provided by the National Institute of Statistics. The series of annual data 2000-2012,

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<sup>1</sup> Lambru Mihaela, Vameşu Ancuța (coord.), *Romania 2010. The Non-Governmental Sector - Profile, Trends, Challenges*, CSDF, 2010, available at: [http://www.fdsc.ro/library/conferinta%20vio%207%20oct/Romania%202010\\_Sectorul%20neguvernamental1.pdf](http://www.fdsc.ro/library/conferinta%20vio%207%20oct/Romania%202010_Sectorul%20neguvernamental1.pdf)

<sup>2</sup> <http://fondong.fdsc.ro/romania-2017-sectorul-neguvernamental-profil-tendinte-provocari>

<sup>3</sup> <http://www.just.ro/registrul-national-ong/>

processed and published by CSDF in the most recent edition of the Atlas of Social Economy, were completed, following the same methodological milestones<sup>4</sup>;

- **Data provided by the National Union of the Credit Unions of Employees in Romania (U.N.C.A.R.S.R.) for its member organizations;**
- **Data provided by Omenia National Federation of Credit Union of Pensioners from Romania (Omenia FN) regarding the number of members;**
- **Omnibus type research:** The survey was conducted by the Institute for Marketing and Survey - IMAS S.A, between 8 and 25 July, 2016. The sample was multistage, multi-layered, with random extraction of the respondents. The interviews were on the phone, computer-assisted (CATI). The volume of the final sample was 1000 persons, representative of the population of Romania aged 18 and over. The presented data was weighted to ensure correspondence with the structure of the research universe. The maximum sampling error is  $\pm 3.1\%$ .
- **NGO Leaders' Barometer - online national survey among representatives of non-governmental organizations in Romania:** The questionnaire was completed online, in July - August 2016, resulting in a valid sample of 650 respondents. The presented results were obtained by weighing the sample so as to correspond to the distribution by regions and types of localities of the active non-governmental organizations (that submitted financial statements for 2015), resulting from the database processed by CSDF.
- **Focus groups.** In order to complete the qualitative analysis, the Institute for Life Quality Research conducted a number of 10 focus groups with representatives of non-governmental organizations and other key stakeholders, at the request of CSDF. Focus groups were held in February 2017.

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<sup>4</sup>Barna Cristina, *The Atlas of Social Economy*, CSDF, Bucharest, 2014, available at: [http://www.ies.org.ro/library/files/atlas\\_-\\_final\\_-\\_bun.pdf](http://www.ies.org.ro/library/files/atlas_-_final_-_bun.pdf))



# 1. Typology and size of the non-governmental sector

## 1.1 Legal Definitions and Typology

*Simona Constantinescu*

In Romania, a non-governmental organization or a non-profit organization, a civil society organization, without a patrimonial or without a lucrative purpose, are expressions that often designate the same universe of legal entities, but whose precise circumstance varies according to the particularities of the context in which they are used. Thus, from the perspective of the Fiscal Code, the non-profit organization is "any association, foundation, mutual aid house or federation established in Romania"<sup>5</sup>, whereas the general regulation of non-reimbursable public funding for non-profit activities of general interest<sup>6</sup> is applicable only to associations or foundations constituted according to the law.

These terms entered the current language, especially through the programs with international funding, much faster than in the normative acts. The latter continue to use them, without always clearly defining<sup>7</sup> the typologies of legal entities they are referring to, which we believe did not, however, hinder the existence at present of a general understanding of the identity of the main actors in this field, namely associations and foundations and their unions, whose legal name is that of federations.

These structures are joined by the associations of pensioners<sup>8</sup>, the credit unions of employees<sup>9</sup>, the credit unions of pensioners<sup>10</sup>, the forest and pasture commons and the compossessorates<sup>11</sup>. They all share the same framework law, plus special norms that define the particularities of each type of structure.

From the perspective of an extended understanding of the non-governmental sector, by including those forms that derive from the terms of social economy or social enterprises, we should also mention here:

- Associations of owners<sup>12</sup> - associative structures set up for the administration and management of common property, which are overwhelmingly present in buildings made up of several individual properties;
- Associations in agriculture<sup>13</sup> - for which the law expressly states that "they are not commercial in character"<sup>14</sup>, are governed by the "one associate, one vote" principle, but they distribute profit;
- Associations of employees<sup>15</sup> established on the basis of the Employees Shareholders' Program and were formed in the process of selling state-owned enterprises to employees organized in associations, in the context of the MEBO type privatization (Management Employees Buyout) 1993-2000.

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<sup>5</sup> Article 7, paragraph 24 of the Fiscal Code

<sup>6</sup> Article 3, paragraph (1) of Law 350/2005 on the regime of non-reimbursable grants from public funds allocated to non-profit activities of general interest

<sup>7</sup> For example, the Fiscal Code defines the term nonprofit, but also uses in its content the term non-governmental organization, without explaining it anywhere, and without specifying whether it designates the same entities as nonprofit organizations

<sup>8</sup> Law no. 502 of 17 November 2004 on pensioners' associations

<sup>9</sup> Law no. 122 of 16 October 1996 on the legal status of the employees' credit unions

<sup>10</sup> Law no. 540 of 27 September 2002 on the pensioners' credit unions

<sup>11</sup> The main information regarding the legal regime of these forms of association are in the Law no. 1/2000 for the reconstitution of the ownership right over the agricultural and forest lands, requested according to the provisions of the Land Fund Law no.18 / 1991 and of the Law no. 169/1997, as well as in the Government Ordinance no. 26/2000 regarding associations and foundations.

<sup>12</sup> Law no. 230 of 6 July 2007 on the establishment, organization and functioning of the owners' associations

<sup>13</sup> Law no. 36 of 30 April 1991 on agricultural companies and other forms of association in agriculture

<sup>14</sup> Art. 5, Law no. 36 of 30 April 1991 on agricultural companies and other forms of association in agriculture

<sup>15</sup> Law no. 77 of August 1, 1994 on the associations of employees and members of the management of privatized companies.

Starting with 2015, Romania has a Law on social economy<sup>16</sup>, designed to better define the conceptual framework applicable to that segment of entities that stood out in the last decades, either through joining the third sector (such as cooperatives and social enterprise, credit unions of employees or pensioners), or through reaffirming its role as a significant contributor to solving social problems (associations and foundations with economic activity). The latter were recognized as enterprises at a normative level in 2014, when the Romanian legislator introduced them into the scope of the Law on stimulating the establishment and development of small and medium-sized enterprises<sup>17</sup>.

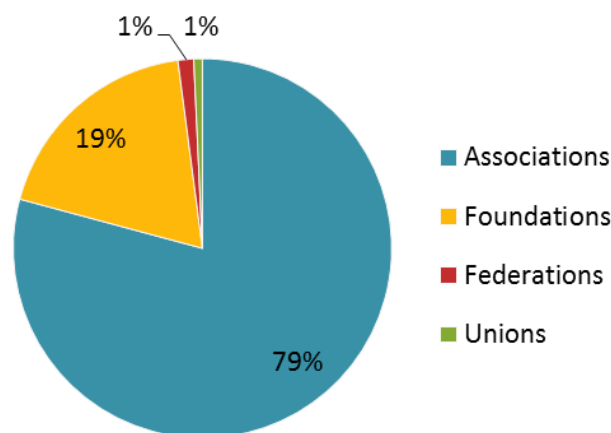
From the point of view of all that was enunciated, it can be stated that the typical entities for the field of non-governmental organizations are the associations and foundations, as well as the associations between them called federations. These are regulated by the Government Ordinance no. 26/2000<sup>18</sup>, approved by Law no. 246/2005, with the subsequent modifications.

## 1.2 The size of the non-governmental sector and its dynamics

Irina Sînziana Opincaru

*In 2015, the National NGO Registry contained 70,194 associations (including credit unions), 16,613 foundations, 1 195 federations and 649 unions.*

Fig.1.2.1: Distribution of Romanian NGOs by types of organizations, 2015



Source: National NGO Registry, Ministry of Justice, 2016, processed by CSDF

**Romania's Associativity Index, calculated as a number of organizations per 1,000 inhabitants, remained at a fairly high level** and increased in 2015<sup>19</sup> to 3.9 organizations per 1,000 inhabitants, compared to 2008 when there were registered 2.9 organizations per 1,000 inhabitants. At international level, Romania has a higher degree of associativity than the UK, which in 2014 had 3 organizations per 1,000 inhabitants<sup>20</sup>.

<sup>16</sup> Law no. 219 of 23 July 2015 on Social Economy.

<sup>17</sup> Law no. 346 of 14 July 2004 on the stimulation of the establishment and development of small and medium enterprises, modified by Law no. 62/2014.

<sup>18</sup> Published in the Official Gazette no. 39 of 31 January 2000

<sup>19</sup> The Associativity Index was calculated using data provided by the National Institute of Statistics on the Romanian population on 1 January 2016.

<sup>20</sup> Index calculated on the basis of data available in the UK Civil Society Almanac 2016 (for the number of registered organizations - <https://data.ncvo.org.uk/>, accessed in April 2017) and on the webpage of the Office for National Statistics UK (for the population Great Britain - <https://www.ons.gov.uk/>, accessed in April 2017)

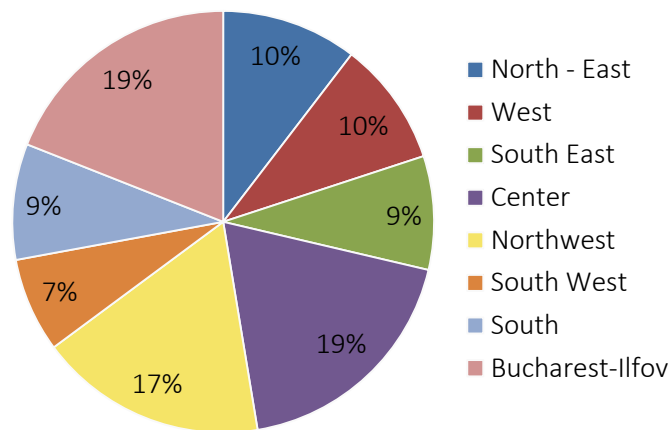
### 1.3 Territorial distribution of active non-governmental organizations

Irina Sînziana Opincaru

Regional distribution and rural / urban distribution were calculated exclusively for the active organizations<sup>21</sup> in each of the reference years, using the data provided by the National Institute of Statistics on the county and the locality in which they are based.

In 2015, *the Bucharest-Ilfov, Northwest and Center regions concentrated 55% of the non-governmental organizations active in Romania*, 62% of their total incomes, employed 54% of all staff and managed 64% of the sector's assets, being among the regions with the largest gross domestic product in Romania<sup>22</sup>.

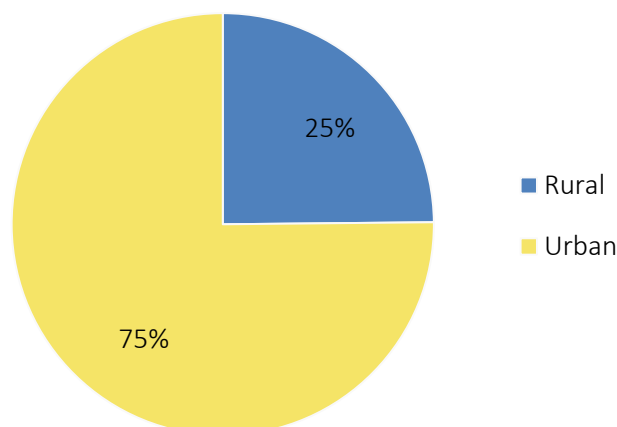
**Fig.1.3.1: Distribution of active non-governmental organizations by development regions in 2015**



Source: National Institute of Statistics, processed by CSDF

Non-governmental organizations continue to be registered predominantly in the urban area, 75% of them being in one of the cities or municipalities of Romania. However, compared to 2007, there is a very high growth in the percentage of officially registered organizations in rural areas, from 13% to 25% in 2015.

**Fig.1.3.2: NGO distribution by area: rural / urban in 2015**



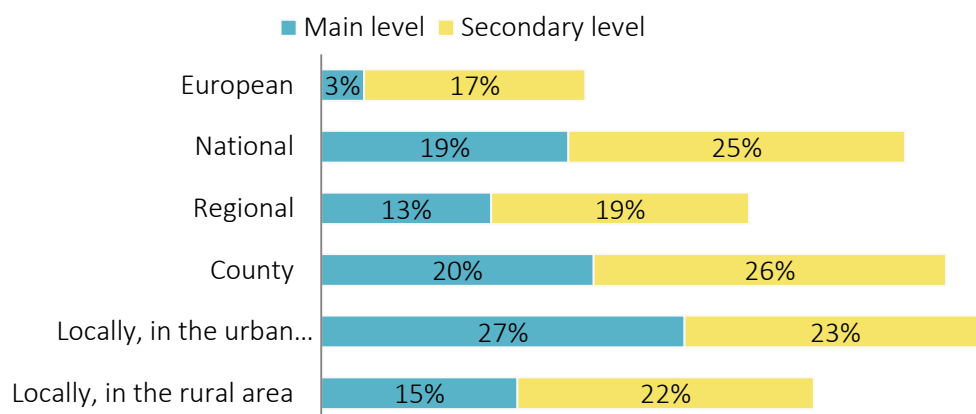
Source: National Institute of Statistics, processed by CSDF

<sup>21</sup> Active organizations are those organizations whose activity is economically reflected by submitting annual financial statements to the Ministry of Finance.

<sup>22</sup> According to data provided by Eurostat in the year 2015, available at [http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama\\_10r\\_2gdp&lang=en](http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_10r_2gdp&lang=en) (April 2017).

According to the 2016 edition of the NGO Leaders' Barometer, 27% of non-governmental organizations in Romania are active in the urban areas (mainly at the level of the locality where they are registered) and 20% at the county level. Only 3% of NGOs mainly carry out their work at European level.

**Fig.1.3.3: Level of intervention for non-governmental organizations' activity**



Source: NGO Leaders' Barometer, CSDF, 2016, (multiple answer question)

## 1.4 The activity rate and fields of activity of non-governmental organizations

Irina Sînziana Opincaru

*In 2015, the non-governmental sector in Romania appears to be a relatively active sector, with a total activity rate of 48.2%*<sup>23</sup>, being 50% more economically active compared to the economic enterprises sector, which registered a rate of activity of 32.4%<sup>24</sup> in the same year.

Compared to 2008, unions and federations have experienced a spectacular growth in activity rates, of almost 16 percentage points (from 32.4% in 2008 to 48.3% in 2015), suggesting an increasing trend towards stabilizing the non-governmental sector. *Associations continue to be the most active category of organizations, with an activity rate of nearly 52%*, while foundations have the lowest rate of activity, of nearly 33%.

**Fig.1.4.1: Activity rate of non-governmental organizations in 2015**

Organization type	No. of active organizations (2015)	No. of organizations in the NGO Registry (2015)	Activity rate (%)
Foundations	5,436	16,613	32.7%
Unions and Federations	891	1,843	48.3%
Associations	36,380	70,194	51.8%
<b>Total</b>	<b>42,707</b>	<b>88,650</b>	<b>48.2%</b>

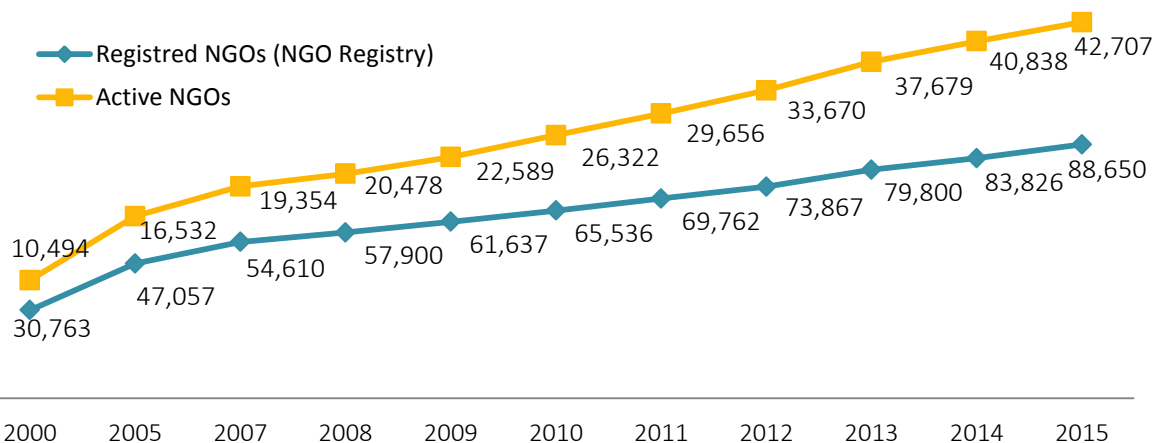
Source: National NGO Registry, Ministry of Justice, National Institute of Statistics, processed by CSDF

<sup>23</sup> The activity rate was calculated as the ratio between the number of organizations that submitted annual financial statements and the total number of non-governmental organizations registered in the National NGO Registry

<sup>24</sup> Percentage calculated using the available data at the National Trade Register Office ([www.onrc.ro/index.php/en/statistici](http://www.onrc.ro/index.php/en/statistici) - accessed in March 2017) for the total number of enterprises registered on 31.12.2015, respectively in the TEMPO database of the National Institute of Statistics Institute (<http://statistici.insse.ro/shop/index.jsp?page=tempo2&lang=en&context=55> - accessed in March 2017) for the number of active enterprises that submitted financial statements for 2015.

Over the last 15 years, the rate of activity of non-governmental organizations in Romania has registered a slow but relatively steady growth. The year 2015 is marked by a decrease in the activity rate as compared to 2014, despite the fact that more than 4000 new organizations are registered annually.

**Fig.1.4.2: Evolution of the registration rate and the activity rate of NGOs in 2000-2015**



Source: Atlas of Social Economy, 2014 Edition, CSDF (2000-2012); Ministry of Justice - National NGO Registry and National Institute of Statistics (2013-2015), processed by CSDF

In 2015, we can observe that the most important field of activity in which the Romanian non-governmental organizations are active is social / charitable. Thus, 21% of active organizations in 2015 carried out social or charitable activities, accumulating 23% of the sector's total incomes, 30% of employees and 24% of total fixed assets. Professional organizations, although relatively less in number<sup>25</sup>, cumulated in the same year 17% of the sector's total incomes, 18% of employees and 19% of the fixed assets. The table below summarizes the distribution by field of activity of the active organizations and their main economic indicators for 2015.

**Fig.1.4.3: Distribution of the number of organizations and key economic indicators by field of activity, 2015**

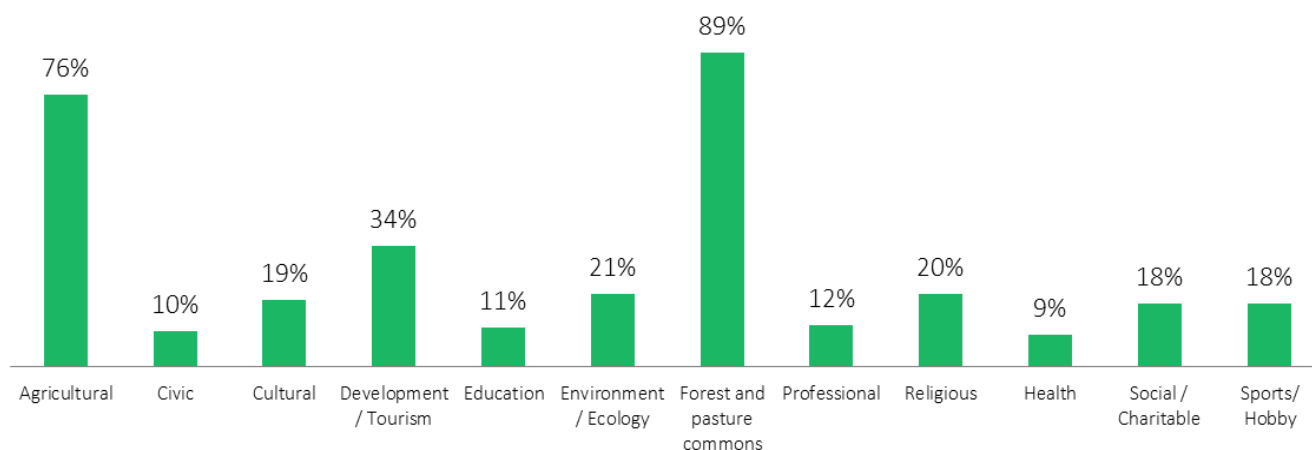
	No. of organizations	Total incomes	Fixed assets	Employees
Agricultural	10%	14%	15%	10%
Civic	4%	4%	3%	3%
Cultural	12%	7%	5%	7%
Development / Tourism	6%	11%	9%	9%
Education	13%	12%	11%	16%
Environment / Ecology	3%	3%	2%	3%
Forest and pasture commons	4%	4%	9%	3%
Professional	12%	<b>17%</b>	<b>19%</b>	<b>13%</b>
Religious	5%	5%	9%	8%
Health	6%	5%	3%	6%
Social / Charitable	<b>21%</b>	<b>23%</b>	<b>24%</b>	<b>30%</b>
Sports/ Hobby	<b>19%</b>	11%	7%	12%

Source: National Institute of Statistics (balance sheet data), National NGO Registry - Ministry of Justice, processed by CSDF

<sup>25</sup> Professional organizations include organizations of regulated professions at national and European level, so-called liberal professions: lawyers, notaries, accountants, architects, doctors, pharmacists, nurses.

*In rural areas, a relatively small number of organizations are active in each of the analysed fields of activity, except for agricultural organizations (76%) and forestry (89%), due to the nature of their activities. Relatively higher percentages of organizations active in rural areas are found in domains such as development / tourism (34%) and environment / ecology (21%), as well as religious organizations (20%), whilst health organizations and civic organizations have a presence relatively low (9%, and 10% respectively).*

**Fig.1.4.4: Distribution of rural organizations by field of activity (2015)**



*Source: National Institute of Statistics (balance sheet data), National NGO Registry - Ministry of Justice, processed by CSDF*

## 2. Analysis of the main economic indicators

### 2.1 Financial situation of the non-government sector

*Cristina Barna*

At the end of 2015, **the total assets of the active NGOs**<sup>26</sup> in Romania amounted to approximately 16.7 billion lei, of which 8.1 billion of fixed assets and 8.6 billion of current assets. The average fixed assets amounted to 191,445 lei, very close to the average current assets - 203,024 lei.

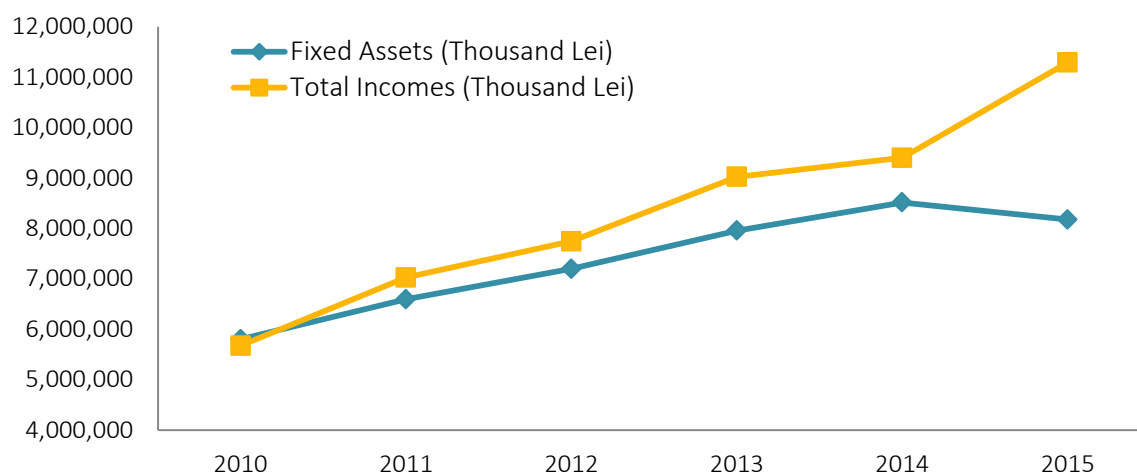
Within the non-governmental sector, **there is a strong concentration of fixed assets**: in 2015, 63.4% of organizations did not have fixed assets and 16.5% had fixed assets between 1 and 10,000 lei. Only 6.7% of NGOs had fixed assets over 200,000 lei.

Compared to 2010, in 2015 the percentage of organizations that did not hold fixed assets increased with 4.4 percentage points, which shows a slight growth in the concentration of fixed assets in the last 5 years.

**Total incomes** of NGOs in 2015 were about 11.2 billion, increasing compared to previous years.

<sup>26</sup> The data in sections 2.1 and 2.2 do not include data on mutual benefit houses. The economic indicators of the mutual aid houses can be found in section 2.3 Non-governmental organizations - actors of the social economy.

Fig.2.1.1.: Evolution of fixed assets and incomes of active NGOs in the period 2010 – 2015



Source: Atlas of Social Economy, 2014 edition, CSDF (2010 -2012);  
National Institute of Statistics (2013-2015), processed by CSDF

Between 2010 and 2015, there is an increase in the total incomes and average incomes of NGOs. Compared to the data for the previous years, **we can state that the incomes of the non-governmental sector have registered a constant trend of growth starting with 2000 to the present.**

Fig 2.1.2: Evolution of total incomes and average incomes of NGOs in the period 2010-2015

	2010	2011	2012	2013	2014	2015
Average Total Incomes (lei)	215,729	236,897	229,939	239,430	230,228	264,384
Median (50%) Total Incomes (lei)	12,660	11,031	11,904	12,258	12,625	13,000
Quartile 3 (75%) Total Incomes (lei)	80,116	80,692	81,418	85,146	84,021	84,488
Total incomes (Thousand lei)	5,674,974	7,025,410	7,742,043	9,021,471	9,402,044	11,291,064
Total expenditures (Thousand lei)	5,200,882	6,554,748	7,448,099	8,434,068	9,009,768	10,712,594

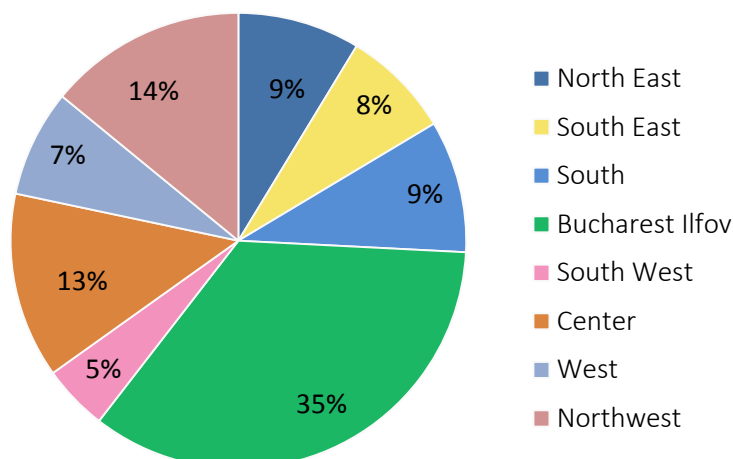
Source: Atlas of Social Economy, 2014 edition, CSDF (2010 -2012);  
National Institute of Statistics (2013-2015), processed by CSDF

On average, in 2015 an organization earned a total income of 264,384 lei, an increase of 22.55% compared to 2010. However, 75% of the organizations earned incomes below 84,488 lei.

The non-governmental sector is also characterized by a **relatively high concentration of income**. In 2015, 7.9% of NGOs (3,381 organizations) accounted for 82% of total incomes in the sector. Compared to previous years' data, we consider that this sectoral characteristic is maintained almost identical: in 2008, 7.46% of the organizations accounted for 82.11% of the total income of the sector.

**NGOs in the Bucharest - Ilfov Region generated most of the total sector incomes (35% of total incomes)**, followed by NGOs in the North - West Region (which earned 14% of total incomes) and the Center Region (which earned 13% of total income).

Fig. 2.1.3: Distribution of NGO incomes by development region in 2015



Source: National Institute of Statistics, processed by CSDF

Note: The values for the 39 County Credit Unions of Employees are not included in the calculation of the distribution represented on the chart. Given their low percentage in total, the percentages presented are not significantly influenced.

At the macroeconomic level, in 2015 the analysis reveals a contribution of 1.59% of the total incomes of the NGO sector in Romania's GDP, slightly increasing compared to 2014 (1.40%).

Fig.2.1.4: Weight of of NGOs total incomes in regional GDP, by development region (2015)

Region	NGOs Total incomes (mil. lei)	Regional GDP (mil. lei)	% NGOs Total incomes in regional GDP
North East	979	70,542	1.39
South East	870	79,027	1.10
South	1,058	90,730	1.17
Bucharest - Ilfov	3,906	196,340	<b>1.99</b>
South West	526	50,612	1.04
Center	1,485	77,230	<b>1.92</b>
West	856	65,166	1.31
Northwest	1,586	81,228	<b>1.95</b>

Source: National Institute of Statistics, processed by CSDF

Note: The values for the 39 County Credit Unions of Employees are not included in the calculation of the distribution represented on the chart. Given their low percentage in total, the percentages presented are not significantly influenced.



## 2.2 Non-governmental sector as an employer

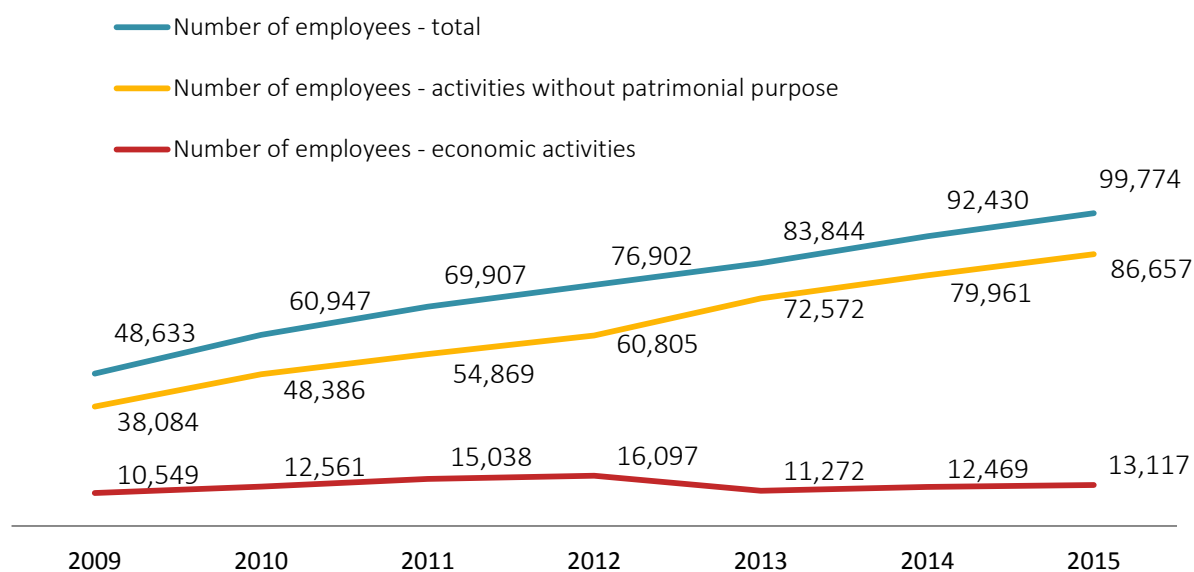
Cristina Barna

*The non-governmental sector in Romania is an important employer, generating a large number of jobs.* In 2015, the number of jobs created by the sector was 99,774<sup>27</sup>, most of the employees (87% of the total number of employees) being recorded in activities without patrimonial purpose.

On average, a non-governmental organization had 2 employees in 2015, but it is also noted that only 32% of the active NGOs created these jobs, the rest (68% of all organizations) having no employees.

In 2015, the number of jobs created by the non-governmental sector was comparable or higher than the number of jobs created by other sectors of the national economy, such as financial intermediation and insurance (102 thousand employees), cultural activities – performances, entertainment - (77.5 thousand employees), extractive industry (57.4 thousand employees), production and supply of electric and thermal energy, gas, hot water (55.1 thousand employees), real estate transactions (32 thousand employees).<sup>28</sup>

**Fig.2.2.1: Evolution of the number of employees in the NGO sector in the period 2009 – 2015**



Source: Atlas of Social Economy, 2014 edition, CSDF (2009 -2012); National Institute of Statistics (2013-2015), processed by CSDF

<sup>27</sup> **Methodological Note:** We mention that, as in the series of data from the successive editions of the Atlas of Social Economy, there was a very high dispersion of employees data from the NGO balance sheets over the period 2013-2015. As a result, data was further processed by identifying incorrect or inaccurate data, and then deleting, or correcting, as appropriate. In the first phase, the values of the "Total personnel" indicator, which are well above 3 standard deviations from the average, were analyzed, and several calculation iterations were required for the gradual elimination or correction of aberrant values of tens of millions, hundreds or tens of thousands of employees. Data correction was performed by analyzing the value series for the "Total personnel" indicator for the period 2013-2015, and for the entities for which the no. of employees for one year was completed and plausible, it was replaced in other years with this value. At this stage, 31 cases were for 2013 and 24 cases were corrected, for 2014 - 12 cases were eliminated and 3 cases were corrected, for 2015 and 20 cases were eliminated and 5 cases corrected.

In the second phase, the standard deviation was recalculated and individual organizations that declared values of the "Total personnel" of more than 3 standard deviations from the average were analyzed. The values of this indicator have been removed from the analysis only for those organizations that have declared total monthly expenses less than half of the minimum gross salary for each year (total expenditure / employees / 12 < 1/2 gross minimum salary). Thus, 106 cases were removed for 2013, 112 cases for 2014 and 118 cases for 2015.

<sup>28</sup> National Institute of Statistics (data extracted from INSEE - Statistical databases - Tempo Online).

## 2.3 Non-governmental organizations - actors of the social economy

Irina Sînziana Opincaru

### Legislative framework and typology

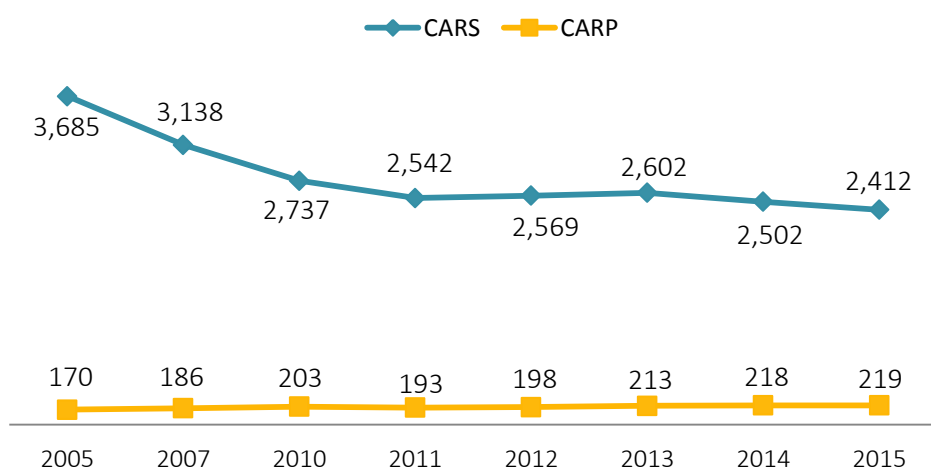
Romanian Credit Unions (CAR) are a very important segment of non-governmental organizations, that offer savings and lending services to their members and also have the status of non-bank financial institutions recognized by the National Bank of Romania. ***They contribute to combating financial exclusion, by offering low-cost loans that are particularly necessary for vulnerable groups and people who cannot access services offered by commercial banks.***

A defining characteristic of the CARs is their separation on the basis of the status of members on the labour market: employees and pensioners. Thus, in Romania there are employees' credit unions (CARS) and pensioners' credit unions (CARP). Both of these categories (CARS and CARP) are constituted, organized and function as legal persons according to the provisions of Law no. 122/1996, respectively of Law 540/2002, special laws, which are supplemented by the provisions of the Government Ordinance no. 26/2000 on associations and foundations, approved with amendments and completions by Law no. 246/2005, with subsequent modifications.

### Size and evolution

***With an activity rate of 98%, Romanian Credit Unions stand out as a particularly dynamic sector.*** At the end of 2015, the Non-Banking Financial Institutions Registry, managed by the National Bank of Romania (BNR) - Section B. Credit Unions<sup>29</sup> - included 2,677 registered entities, of which 2,631 CARP and CARS organizations were active (with annual financial statements submitted).

Fig.2.3.1: Evolution of CARS and CARP in the period 2005-2015



Source: Atlas of Social Economy, 2014 Edition, CSDF (2005 -2012); UNCARSR and National Institute of Statistics (2013-2015), processed by CSDF

<sup>29</sup>[http://www.bnro.ro/files/d/RegistreBNR/ifn/RegistruDeEvidenta/registru\\_evidenta\\_ifn\\_active\\_car.htm](http://www.bnro.ro/files/d/RegistreBNR/ifn/RegistruDeEvidenta/registru_evidenta_ifn_active_car.htm), consulted on 21/03/2017.

*Credit Unions, both of employees and of pensioners, are registered in proportion of 91% in urban areas.* This percentage does not, however, fully illustrate the level of CARs activities in rural areas, given that many of the credit unions have opened work agencies without legal personality in the communes and villages near the cities where they are registered or employ collaborators that attract and manage rural members.

*Romanian Credit Unions stand out as a particularly productive sector, in economic and financial terms.* In 2015, CARs owned fixed assets of nearly 5 billion lei, more than half of the total assets of the other non-governmental organizations. In the same year, their incomes exceeded 600 million lei and the number of employees reached almost 6000 people. Even if the number of employees in the sector tends to stabilize, CARs' total incomes and assets grow steadily from one year to the next, as can be seen in the table below. Pensioners' credit unions are generally larger in size than employees' credit unions, so that although they account for only 8% of the total Romanian credit unions, they make 35% of their total incomes, 21% of the fixed assets and employ 41% of the total personnel.

**Fig.2.3.2: Evolution of the main economic indicators of CARS and CARP in the period 2013-2015**

		Incomes (thousands lei)	Employees	Fixed Assets (Thousand lei)
2013	CARP	198,994	2,412	976,777
	CARS	358,911	3,315	3,176,373
	<b>Total CAR</b>	<b>557,905</b>	<b>5,727</b>	<b>4,153,150</b>
2014	CARP	210,101	2,544	1,057,554
	CARS	378,730	3,426	3,548,463
	<b>Total CAR</b>	<b>588,831</b>	<b>5,970</b>	<b>4,606,017</b>
2015	CARP	218,606	2,450	1,032,020
	CARS	401,048	3,498	3,931,460
	<b>Total CAR</b>	<b>619,654</b>	<b>5,948</b>	<b>4,963,480</b>

*Source: UNCARSR and National Institute of Statistics (2013-2015), processed by CSDF*

*Note: We mention that even in the case of non-affiliated CAR, there was a very high dispersion of personnel data from the balance sheets during the period 2013-2015. As a result, data was further processed by identifying incorrect or inaccurate data, and then deleting or correcting, as appropriate.*

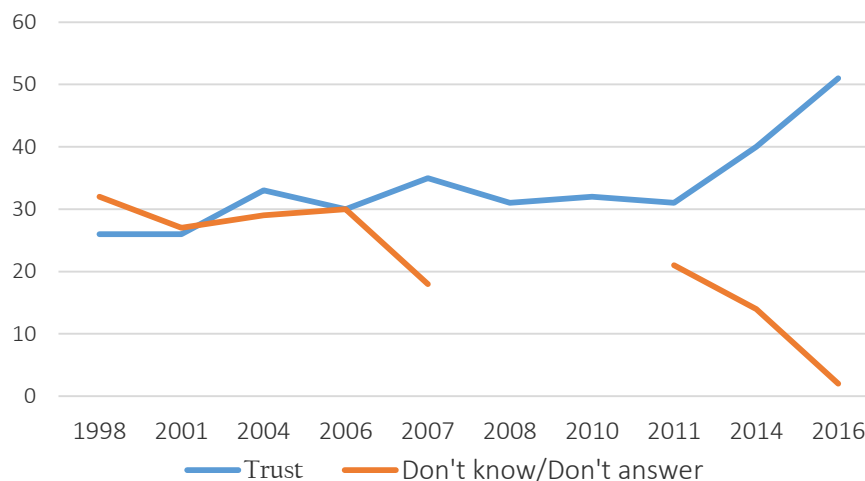
### 3. Civic engagement and collective action - Sources of Non-Governmental development

#### 3.1 Engagement of citizens in the work of non-governmental organizations

*Toma Burean*

Recent data show an increase in the level of trust in non-governmental organizations in Romania, with a tendency to approach the EU average (Figure 3.1.1). Thus, Eurobarometer surveys from 2001 to 2005 show an average EU-wide increase in trust from 56% to 66% in 2005. With the exception of Bulgaria (32% confidence), eastern European countries in the EU have levels of trust in NGOs above the Union average (Hungary 55%, Czech Republic 63%, Poland 65% in 2005 or Estonia 67% since 2005). In Romania, the trend was roughly constant until 2011, around 30%, and then increased to 51% in 2016.

**Fig.3.1.1: The evolution of trust in NGOs in Romanian**



*Source: Romanian electoral data (1998, 2001, 2004, 2006, 2008, 2011), Omnibus CSDF (2010), post-electoral poll-UBB (2014), Omnibus 2016; 1998-2011 trust in NGOs gathers answers to the "much" and "very much trust" variants; 2014 is the sum of responses from 6 to 10.*

The Omnibus 2016 questionnaire quantifies the engagement in various organizations and associations. What can be seen is that almost half of respondents (46%) declare their membership in at least one organization. These people are usually older, from Transylvania and have a high social status. There is no gender, education or income effect on membership in organizations.

Although few people could name an NGO, almost half of the Romanians are or have been members of associations. The number of philanthropic and voluntary activities has increased greatly. According to predictions from other studies, people with a high social status and older in age are members of associations. Interesting is the effect of Transylvania region. Here are more members in associations than in any other region.

### 3.2 Volunteering

*Daniela Angi*

Data gathered in 2011 at EU level placed Romania among the last places in terms of citizens' engagement in volunteering<sup>30</sup>. In the mentioned research, 14% of Romanian respondents stated they were engaged (on a regular or occasional basis) in voluntary activities, the European Union average being 24% in 2011. According to the same study, in the case of Romania, the majority of the respondents (27%) stated that their involvement as volunteers was for religious organizations.

It should be noted that in Romania, the legal framework of volunteering has undergone an important adjustment three years ago, through Law 78/2014, which provides for the recognition of volunteering as a professional experience<sup>31</sup>. The condition to be met in this respect is the correspondence between the field of

<sup>30</sup> *Special Eurobarometer. Volunteering and Intergenerational Solidarity*, October 2011, accessed 07.02.2017, at: [http://www.europarl.europa.eu/pdf/eurobarometre/2011/juillet/04\\_07/rapport\\_%20eb75\\_2\\_%20benevolat\\_en.pdf](http://www.europarl.europa.eu/pdf/eurobarometre/2011/juillet/04_07/rapport_%20eb75_2_%20benevolat_en.pdf)

<sup>31</sup> Law 78/2014, regulating the volunteer activity in Romania, published in the Official Gazette no. 469 of June 26, 2014. This was subsequently updated by Law no. 175/2016 for the amendment of art. 15 of the Law no. 78/2014 regarding the regulation of volunteer activity in Romania published in the Official Gazette no. 812, October 14, 2016.

studies of the volunteer and the specific nature of the volunteering activity carried out within the organizations<sup>32</sup>.

Data show that, in recent years, engagement in volunteering activities has increased (for church or for the community, from 19% in 2010 to 28% in 2016; for NGOs, from 4% in 2010 to 7% in 2016).

Significant differences can be observed in terms of gender (men declare more than women that they have volunteered for the church or for the community), the geographical region (with Moldova surpassing the other areas), and residence area (rural areas exceed the urban ones regarding declared volunteering activities, for church or for the community). Volunteering for NGOs is mostly reported by people under the age of 30, and in terms of education, by those with higher education. From the residential point of view, the Bucharest area surpasses other regions, and the urban environment accommodates more respondents with volunteer activities for NGOs.

### 3.3 Informal groups - the first steps in collective action

*Bogdan Radu*

Civic groups have begun to gain ground in Romania in recent years. Their growth is due, on the one hand, to the support and mobilization activities carried out by some non-governmental organizations that facilitate the formation of informal groups and, on the other hand, to an increased civic spirit among citizens, often triggered by measures, perceived as abusive, undertaken by public authorities, or the absence of their involvement in solving community problems.

Even if non-governmental organizations have a high degree of institutionalization, informal groups do not have legal personality, but have a high degree of legitimacy. Frequently, the latter are formed as a result of initiatives started by the ordinary citizen in order to solve some problems of the community. Participation in such groups and their success in resolving certain issues are influenced by various factors, such as resources - time, information - or mobilization, and are mediated by the political culture of society and the perceptions of citizens about their political effectiveness.

The population is generally skeptical about the activities of informal groups. This is due to a generalized mistrust, to convenience and to a lack of credibility of any initiative that can be associated with the political factor. The reluctance to civic engagement can be explained by both a low level of social capital and a parochial political culture, characterized by lack of participation and political inefficiency.

However, engagement is higher when it comes to addressing specific issues, that affect citizens directly, such as those encountered by owners' associations, parents in the school context, or the residential community. The degree of engagement increases also in the presence of a mobilizing leader and, in some people's view, if a given idea benefits from funding. Using online communication channels is very important in mobilizing participants, facebook or twitter, as well as whatsapp groups.

In the relation of informal groups with the public administration, it is important to note that, often, the representatives of the latter perceive informal groups as adversaries. Experiences are mixed, however, with some authorities initiating themselves dialogue with informal groups or positively responding to informal group activities.

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<sup>32</sup> Regulating volunteering in Romania, Law 78/2014 - perspectives, news, rights, accessed 08.02.2017, at: <http://www.stiriong.ro/legislatie/legislatie-ong/reglementarea-voluntariatului-in-romania> [publication date 05.08.2014]

## 4. The non-governmental sector: organization and capacity

### 4.1 Internal Governance and Transparency

*Valentin Burada*

According to the 2016 NGO Leaders' Barometer, there is a tendency for foundations to appreciate the role of the executive director as more important than for associations, while for the latter the board seems to play a more prominent role than in the case of foundations.

If we relate to the incomes criterion, the richer the organization (and often implicitly with more complex and larger staff), the more important is the role of the board of directors (and secondly that of the executive director). The lower the incomes for the organization, the more important becomes the role of the president (the position of executive director is often lacking in the organigram of small organizations, especially those with limited incomes and / or few staff).

Focus groups made in the preparation of this chapter<sup>33</sup> have confirmed the existence of differences between medium and large organizations in terms of how decisions are made. Medium organizations place more emphasis on individuals than on the process itself or on the organization. The decision belongs either to the person who has the most recognition in a field, to those with more seniority in the organization, or to employees with an indefinite contract of employment. In most of the organizations whose representatives participated in the focus groups, the decision-making model adopted is a participatory one: all members of the organization and its beneficiaries are involved, consulted in decision-making, with the mention that the level of engagement of both employees and beneficiaries is different.

Related to organizational planning and management tools, respondents' answers to the 2016 NGO Leaders' Barometer show that more than half of the organizations have strategic plans and almost half of them have communication strategies. Nearly 40% say they have a manual of internal procedures, and 36% have volunteer management strategies. Almost one fifth of organizations have marketing strategies and human resources strategies. Just over a quarter of organizations have fundraising strategies. Only 16% of Barometer respondents say they have no planning or management tool.

Depending on the field of activity, more attention is paid to the manual of internal procedures, especially for organizations in the social field (which are also larger organizations), while the presence of the volunteer management strategy is more frequent in the case of organizations in the youth, education, health and social fields.

Using the income criterion, most of the organizations with annual incomes over 450,000 lei have internal procedures manuals, and the frequency of these instruments decreases as income decreases.

The maturity level of an organization, its sustainability, often have as basic indicator its fate when the founders hand over leadership to new leaders (when the organization does not break down with the disappearance or withdrawal of founding leaders). On the other hand, there is a natural trend in many organizations that in the face of a rather unfavourable, financially unstable context, to compensate for this shortcoming by maintaining the leadership of the organization as a stability factor. Although this strategy often ensures the survival of a short-term organization, it does not guarantee its long-term sustainability. When analysing organizations older than 8 years, the longevity of the presidents of organizations becomes very visible, with nearly two thirds of these organizations having a chairman for more than 8 years (according

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<sup>33</sup> Focus groups on the topic "Non-governmental sector: organization and capacity" carried out with representatives of non-governmental organizations.

to the 2016 NGO Leaders' Barometer). The proportions are sensibly similar in the case of the directors of the organizations.

Traditionally, organizations have viewed the transparency criterion as a formal element imposed in relation to public or private donors. Over the past decade, in the context of decreased financial dependence on institutional donors and the need to diversify sources of funding, there is a growing interest of organizations to bring the community attention to their activities. Introducing the 2% mechanism was a first motivation in this direction. Beyond that, private philanthropy developed substantially over the last decade. Organizations are increasingly exposed to public space, and this also requires increased transparency. In the context of the increased importance of private funding in Romania, NGOs, often with the support and direct interest of corporations engaged in corporate social responsibility programs, have initiated a series of public events to publicize their initiatives and the people behind them. In recent years, galas, charity balls and other fundraising events (e.g. marathon or swimathon) are a major way of public communication for the nongovernmental sector.

## 4.2 Human resources

*Valentin Burada*

The human resource is one of the most important challenges faced by non-governmental organizations. This is directly related to the financial instability in which most of them operate.

According to the 2016 NGO Leaders' Barometer, nearly half of the employees in organizations are younger than 35 years of age (of which 42% are in the range of 25-34 years), while over one third is in the range of 35-44 years. Compared with the percentages of the employed population in Romania, we notice that for the 25-34 age range, the employment in the non-governmental sector is well above the general one (24%). For the 35-44 year range, the percentage of employment in non-governmental organizations is higher than the general one (29%), while for the range of 45-54 the percentage of employment is noticeably lower than general employment (24%). It is a young labour force that is supposed to be at the same time more flexible than other categories, a very important feature for a sector where fluctuations in staff are very high. Even if there is a high degree of stability in management and non-remunerated personnel (executive directors, chairmen), the operational situation is very different.

Financial instability is also reflected in staff recruitment criteria: although all organizations want qualified staff, trusted collaborators, specialists in various fields, they recognize that they are considering the quality-wage ratio they can give. Where there are important issues with financial resources, there is a tendency not to focus so much on the professional quality of staff.

## 4.3 NGO support structures, affiliation and cooperation at national and European level

*Valentin Burada*

According to the existing data, 1,195 federations were registered in Romania in 2015. This represents a nearly 60% increase in the number of federations registered since the beginning of 2010 (758<sup>34</sup>), above the registration rate of associations (almost 50%) or foundations (5%) over the same period. In the 2010 NGO

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<sup>34</sup> Lambriu Mihaela, Vameşu Anuţa (coord.), *Romania 2010. The Non-Governmental Sector - Profile, Trends, Challenges*, CSDF, 2010, available at: [http://www.fdsc.ro/library/conferinta%20vio%207%20oct/Romania%202010\\_Sectorul%20neguvernamental1.pdf](http://www.fdsc.ro/library/conferinta%20vio%207%20oct/Romania%202010_Sectorul%20neguvernamental1.pdf)

Leaders' Barometer, 17.7% of respondents declared affiliation to a national federation and 4% to European federations.

The same survey showed that 18.1% of respondents were associated in national NGO networks, and 12.8% were participating in European networks.

The 2016 data show significant changes in this regard. 28% of the Barometer's respondents say they are members of at least one national federation, 25% are part of at least one national informal network / coalition, 12% are part of European federations and 14% say they are members of European informal networks / coalitions.

Regarding the reasons why they choose to be part of such structures at national and international level, around 70% say they do it for information exchange or for developing the organization's capacity through access to expertise, information, resources, etc., 54% to increase advocacy and policy development capacity, nearly 60% to increase legitimacy in relation to public authorities or other stakeholders, or to coordinate policies, programs, and other activities with other members.

35% of the Barometer respondents say that in 2015 their organizations were contacted for public policy consultations by federations, platforms or NGO networks, almost equal to the percentage of those who say they were contacted by other non-governmental organizations. Thus, it is interesting to note that although they are much lower in number than other types of organizations, federations, platforms or networks of NGOs appear to be very much involved in public policy. It is yet one more indication for the hypothesis of the maturing of the non-governmental sector in Romania.

As observed in *Romania, 2010. The non-governmental sector - profile, tendencies, challenges*, some of the functions of resource centers that previously supported the development of Romanian organizations were taken over either by specialized organizations on certain services (e.g. training), either by networks and federations (information, partnership building, training, capacity building, etc.).

According to the NGO Leaders' Barometer, nearly 60% of respondents say that their organizations did not benefit from services from such resource center (compared with 63% in 2009).

## 5. Funding of the non-governmental sector

### 5.1 Structure of income sources and taxation regime

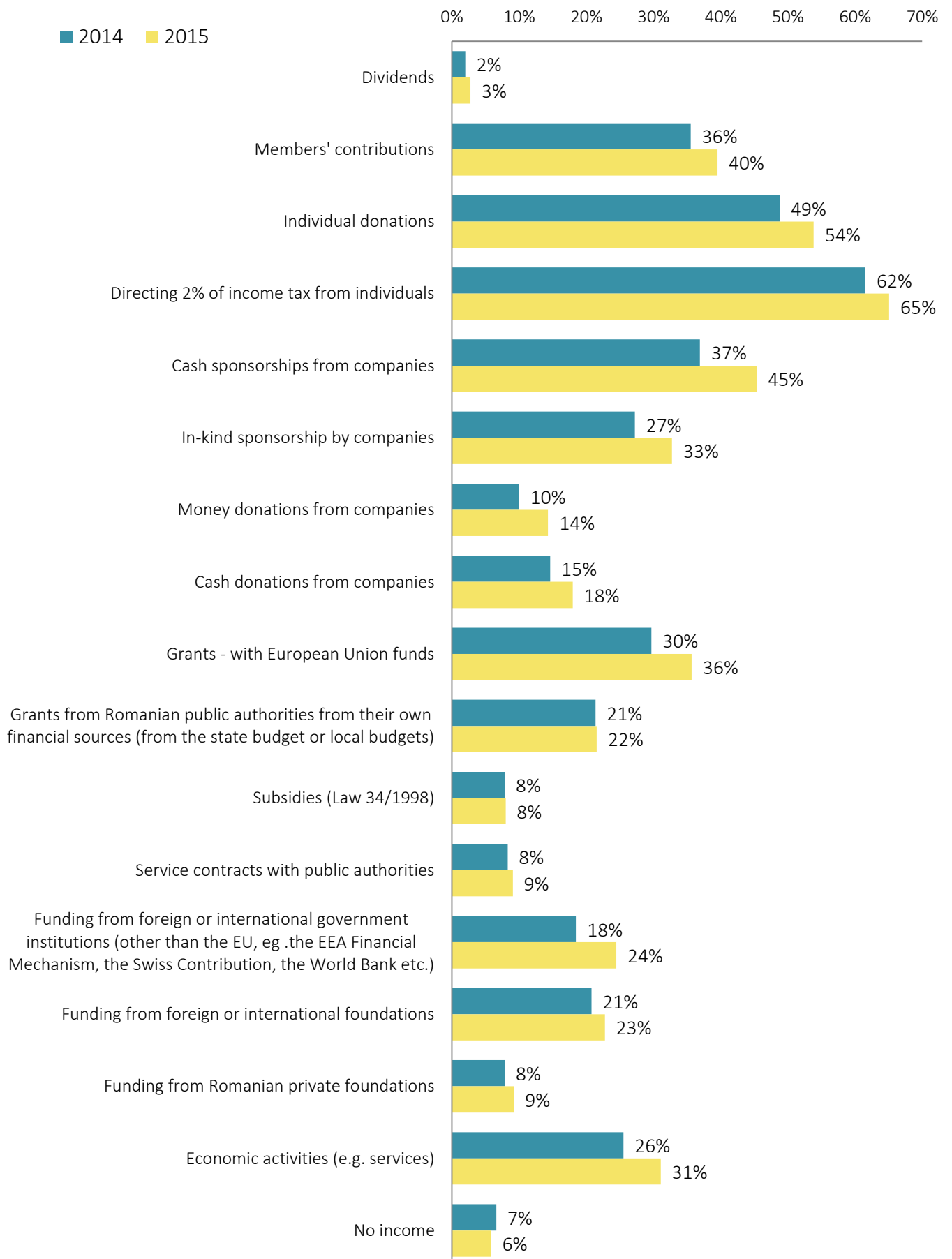
*Ștefania Andersen*

#### Diversification of income sources - tendency and necessity

2016 NGO Leaders' Barometer (CSDF) reconfirms the tendency to diversify sources of income for non-governmental organizations. The most common sources of income remain the individual ones (directing 2% of the income tax of individuals, individual donations and membership fees).



Fig.5.1.1: Frequency of non-governmental organizations by income sources



Source: 2016 NGO Leaders' Barometer, CSDF (Multiple answer question)

*Funding from external public sources* (EU or other foreign or international governmental institutions) was the most important source of funding for 34% of organizations, with a significant increase in frequency compared to 2010, supported by: the availability of financial resources from the Structural Funds (especially in 2014/2015 after a long period of blocking in the implementation of the operational programs)<sup>35</sup>; the financing schemes for the EEA Financial Mechanism<sup>36</sup> and the Swiss Contribution<sup>37</sup>, with a peak of financial allocations to the civil society over the same period.

The evolution of **incomes from economic activities** seems to be the most interesting and beneficial at the sector level. There is a considerable increase in the frequency of this source of income among organizations (31% in 2015), for 8% of organizations becoming the main source of income.

**Fig.5.1.2: The most important sources of income for non-governmental organizations in 2015**

	Source of income 1	Source of income 2	Source of income 3
Directing 2% of income tax from individuals	10%	14%	16%
Individual donations	9%	10%	12%
Members' contributions	11%	10%	10%
Grants - with European Union funds	22%	4%	3%
Cash sponsorships from companies	7%	11%	9%
Economic activities (e.g. services)	8%	8%	9%
Funding from foreign or international government institutions (other than the EU, eg.the EEA Financial Mechanism, the Swiss Contribution, the World Bank etc.)	12%	7%	1%
Funding from foreign or international foundations	6%	5%	4%
Grants from Romanian public authorities from their own financial sources (From the state budget or local budgets)	4%	5%	3%
In-kind sponsorship by companies	1%	2%	4%
Funding from Romanian private foundations	1%	3%	1%
Money donations from companies	1%	2%	1%
Service contracts with public authorities	2%	2%	1%
Subsidies (Law 34/1998)	0.5%	1%	3%
Cash donations from companies	1%	2%	1%
Dividends	0.5%	0.3%	0.4%
No income	4%	-	-

*Source: 2016 NGO Leaders' Barometer, CSDF*

<sup>35</sup> In October 2016, the Ministry of European Funds published as open data the SMIS electronic archive for projects funded by European funds ([http://data.gov.ro/dataset/transparentizare\\_smis](http://data.gov.ro/dataset/transparentizare_smis) and <http://www.fonduri-ue.ro/transparenta/> data-open). Normally, the analysis of these data should make it possible to determine the volume of European funds attracted by non-governmental organizations (in particular through the Operational Program Human Resources Development 2007-2013, most relevant for the types of activities carried out by NGOs). Unfortunately, however, the processing of these data reveals inconsistencies in how information is being filled in (ie, in the category of NGO / non-profit beneficiaries are included companies and vice versa). We also appreciate that the database referenced in November 2016 is incomplete - funding lines available, especially at the level of 2015, are not reflected in the contracted amounts.

<sup>36</sup> The financial allocation dedicated exclusively to non-governmental organizations was made through the NGO Fund in Romania, managed by the Civil Society Development Foundation (<http://fondong.fdsc.ro/>). Over 36 million Euros supported the implementation of support activities and projects implemented by non-governmental organizations from 2014 until April 2016. Non-governmental organizations could also access other funding lines within the same SEE Mechanism (<http://www.eeagrants.ro/en/home>).

<sup>37</sup> The financial allocation dedicated exclusively to non-governmental organizations was made under the Thematic Fund for Civil Society Participation - NGO grant scheme (CHF 9,98 million with 2 rounds of funding - in 2012 and 2015). The Thematic Fund for Partnerships and Experts - Partnership Grant Scheme (CHF 7.84 million, with 2 rounds of funding - in 2012 and 2015) had as main beneficiaries non-governmental organizations, but not exclusively (35 contracts out of a total of 40). Details on: <http://www.fdsc.ro/participation-society-civile> and <https://www.eda.admin.ch/romania>.

## Distribution of sources of income - empirical structure resulting from the analysis of the annual financial statements of active organizations

The distribution of income sources was analysed exclusively for NGOs (Associations, Foundations, Unions and Federations) that submitted full financial statements ("extended balance sheet"). In 2015, the percentage of NGOs that submitted the extended form of the financial statements increased significantly among the total number of active NGOs (16.91% compared to 6.78% in the previous year), covering in the same time 42.24% of total assets and 50.37% of total incomes from economic activities of active organizations. Surprisingly, there is a large percentage of active organizations that reported economic incomes, but are not registered with complete financial statements (the extended form), despite the legal regulations in force.

**Figure 5.1.3: Distribution of incomes sources for NGO with financial statements in extended form**

	2013		2014		2015	
		%		%		%
Total incomes from activities without patrimonial purpose (LEI)(NGOs with extended financial statements), out of which	<b>1,799,377,406</b>		<b>1,807,098,296</b>		<b>3,028,254,979</b>	
Non-reimbursable grants and loans from within the country and from abroad and income subsidies	<b>467,631,867</b>	<b>25.99%</b>	<b>432,500,592</b>	<b>23.93%</b>	<b>877,797,412</b>	<b>28.99%</b>
Other incomes from activities without patrimonial purpose	243,647,986	<b>13.54%</b>	240,416,813	<b>13.30%</b>	372,574,444	<b>12.30%</b>
Resources obtained from the state budget and / or from local budgets and income subsidies	<b>248,966,308</b>	<b>13.84%</b>	<b>262,048,056</b>	<b>14.50%</b>	<b>376,029,478</b>	<b>12.42%</b>
Incomes from occasional activities, used for social or professional purposes, according to the organization and operation statute	18,510,971	<b>1.03%</b>	21,543,208	<b>1.19%</b>	84,198,622	<b>2.78%</b>
Incomes from received quotas	65,149,118	<b>3.62%</b>	59,949,377	<b>3.32%</b>	77,381,140	<b>2.56%</b>
Incomes from membership fees and cash or in-kind contributions of members and supporters	<b>312,859,939</b>	<b>17.39%</b>	<b>315,007,003</b>	<b>17.43%</b>	<b>465,356,575</b>	<b>15.37%</b>
Incomes from insurance indemnities - damages and subsidies for extraordinary events and other similar events	939,064	<b>0.05%</b>	3,973,246	<b>0.22%</b>	5,165,837	<b>0.17%</b>
Incomes from exchange rate differences arising from activities without patrimonial purpose, income from provisions and impairment adjustments for operating activities, financial income from impairment adjustments [...]	37,728,148	<b>2.10%</b>	38,614,870	<b>2.14%</b>	68,554,586	<b>2.26%</b>
Incomes from dividends obtained from the placement of available funds resulted from the activities without patrimonial purpose	7,841,477	<b>0.44%</b>	16,468,650	<b>0.91%</b>	9,004,410	<b>0.30%</b>
Incomes from interests obtained from the placement of available funds resulted from the activities without patrimonial purpose	22,418,375	<b>1.25%</b>	17,839,200	<b>0.99%</b>	15,459,745	<b>0.51%</b>
Incomes from donations	<b>149,514,074</b>	<b>8.31%</b>	<b>128,148,541</b>	<b>7.09%</b>	<b>235,920,504</b>	<b>7.79%</b>
Incomes from amounts or goods received through sponsorship	<b>163,836,369</b>	<b>9.11%</b>	<b>158,461,144</b>	<b>8.77%</b>	<b>291,237,325</b>	<b>9.62%</b>
Incomes from registration fees established under applicable law	30,323,305	<b>1.69%</b>	63,254,621	<b>3.50%</b>	106,538,858	<b>3.52%</b>
Income for which tax on performance is due	16,039,606	<b>0.89%</b>	13,000,453	<b>0.72%</b>	13,107,815	<b>0.43%</b>
Incomes arising from the disposal of tangible assets owned by legal entities without patrimonial purpose other than those that are or have been used in economic activity	13,970,799	<b>0.78%</b>	35,872,522	<b>1.99%</b>	29,928,228	<b>0.99%</b>

Source: National Institute of Statistics, 2016, processed by CSDF

## 5.2 Mechanisms and sources of public funding

Ștefania Andersen

### Funding from the state budget and local budgets

Collecting consistent data on total amounts allocated from the central budget or local budgets to fund non-governmental organizations / services remains a challenge at the level of administrative organization and transparency. Each of the public institutions has its own mechanism for illustrating information, partially identifiable on available web pages, while the structure of budgets or budgetary execution at the level of public institutions does not include sufficient information to identify data relevant to the sector.

In October 2016, the Ministry for Public Consultation and Civic Dialogue published the report "**Financing of Non-Governmental Organizations by the Romanian State**"<sup>38</sup> in the context of an appreciated process of transparency of the central administration. However, communication of accurate data and their correlation with actual execution is still missing. The report presents a synthesis of the main funding mechanisms open to non-governmental organizations, reflecting to a certain extent the efforts to structure these mechanisms in a coherent manner and by assuming, at least at a declarative level, the principles of transparency, equal treatment and non-discrimination regarding access to funding. Nevertheless, the data included in the report converge to confirm that there has been no significant change in public funding when it comes to allocations (a slight downward trend). In addition, there are significant variations at the implementation level, reflecting management problems (such as in the case of environmental funds).

### 2% Mechanism

In 2015 (by analysing data on the redirected amounts from the incomes registered in 2014), 1.82 million citizens (29% of the total taxpayers) directed 143.4 million Lei through this mechanism. However, the growth potential remains significant, given that at the level of the incomes registered in 2014, the total amount potentially available for distribution through this mechanism reached 482 million Lei<sup>39</sup>.

**Fig. 5.2.1: 2% mechanism - redistributed amounts and number of beneficiary organizations**

2% Mechanism	2007	2008	2009	2010	2011	2012	2013	2014
No of people who directed 2%	964,000	1,326,806	1,535,203	1,648,313	1.663.925	n.a.	1,250,000	1,820,000
The redistributed amount ( Lei)	48,000,000	109,756,460	117,184,652	114,733,978	114,275,170	n.a.	87,000,000	143,486,859
The redistributed amount (EUR) <sup>40</sup>	14,382,884	29,803,258	27,655,500	27,253,374	26,965,046	n.a.	19,687,712	32,283,413
No. of organizations that have benefited			23,432	24,891	26,032	n.a.		28,164
% Of total taxpayers		17.18%	19.87%	25.00%	23.00%	n.a.	20.00%	29.00%

Source: ANAF, provided at ARC's request for 2007-2011 and data published in open format for 2013-2014 by the Ministry for Public Consultation and Civic Dialogue (<http://dialogsocial.gov.ro/research-redirectiare-2/> and <http://data.gov.ro/dataset/analyze-ong>, December 2016)

<sup>38</sup> <http://dialogsocial.gov.ro/surse-publice-de-finantare/> (October 2016)

<sup>39</sup> Ministry of Public Consultation and Civic Dialogue, based on data provided by ANAF, <http://dialogsocial.gov.ro/rezultate-redirectiare-2/> (December 2016)

<sup>40</sup> For the conversion, the average annual LEI / EUR exchange rate cf. National Bank of Romania was used

The Omnibus research (CSDF, 2016) highlights the significant increase in the percentage of the population that decided to direct 2% (36.6% of those who knew about the mechanism, compared to 17% in 2010). Moreover, this percentage may predict an increase in the absolute volume of targeted incomes from 2015, as the Omnibus poll was conducted in July 2016, shortly after the legal deadline until directing was possible (May 2016).

Fig. 5.2.2: Have you so far directed 2% of income tax to non-governmental organizations?				
Base: People who knew about the possibility of redirecting (709 people)	2016		2010	
	Of total	Of base	Of total	Of base
Yes	36.6%	51.6%	17.0%	35.4%
No	27.7%	39.0%	22.7%	47.5%
I do not have taxable income	6.7%	9.4%	8.2%	17.1%
<b>Total</b>	<b>70.9%</b>	<b>100%</b>	<b>47.9%</b>	<b>100%</b>

Source: Omnibus type research, CSDF (2010 and 2016)

### 5.3 Philanthropy - mechanisms and sources of private funding

Ștefania Andersen

#### Individual donors – Profile and innovative methods of fundraising

Omnibus research (CSDF, 2016) reconfirms the growing interaction between non-governmental organizations and the population. In 2016, 20.9% of the population made at least one donation to a non-governmental organization, with the most active profile being between the ages of 18-44 and with higher education. In rural areas, 17% of the population made a donation and only 2% benefited from the services of an NGO, compared to at least 23% of the urban population who donated but also benefited to a larger extent from NGO services (4% in cities with 10-49 thousand inhabitants and cities with more than 200 thousand inhabitants).

Fig.5.3.1 Have you ever come into contact, you or your family, with a non-governmental organization?	2016		2010	
	Abs	%	Abs	%
Yes, I have benefited from the services of an NGO	30	3.0%	20	1.5%
Yes, I made donations	209	20.9%	218	21.3%
Yes, I have been asked for donations	141	14.1%	174	15.1%
Yes, I have seen informative materials	302	30.2%	135	10.2%
Yes, but in a different way (*)	33	3.3%	7	0.4%
No, I did not get in touch with any NGOs	551	55.1%	817	66.9%
(*)Voluntary work, relatives / friends who are members				

Source: Omnibus type research, CSDF (2010 and 2016)

#### Corporate Social Responsibility

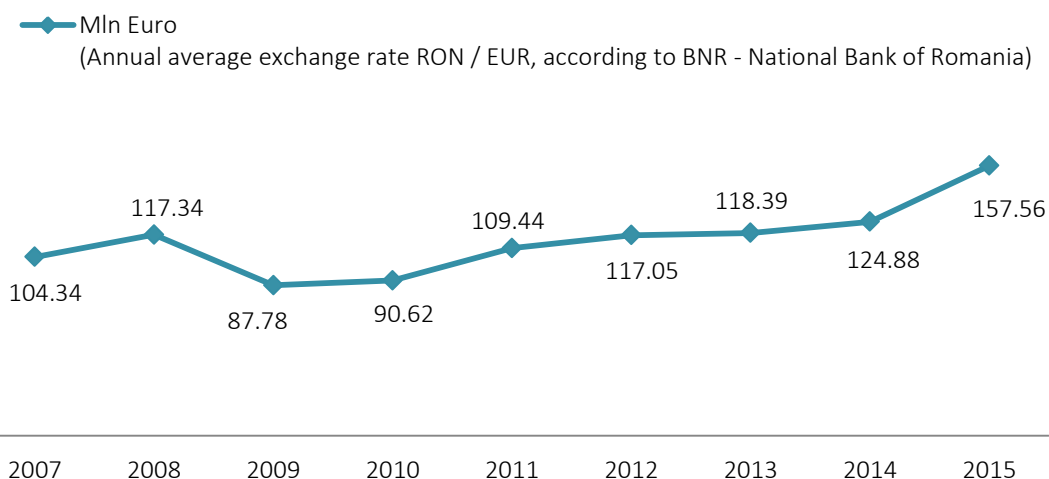
The increase in the sponsorship volume in the period 2010-2015 is remarkable, although the potential for sector support by companies is insufficiently capitalized. In 2015, the sponsorship fiscal facility was used by 23% of the companies that registered profit<sup>41</sup>. In the absence of detailed data on the categories of

<sup>41</sup> The number of companies that registered profit in 2015 was 150,541, according to data provided by ANAF to Hospice Casa Sperantei, EY Romania and the Association for Community Relations, published in "How would the world show if all things were done in half? But on a quarter "(available at: <http://20.hospice.ro/wp-content/uploads/2016/11/BrochureWeb2.pdf>).

sponsorship beneficiaries, we can still see that a consistent volume (compared to the total funding sources of the sector) reaches non-governmental organizations.

According to ARC's study<sup>42</sup>, NGOs were the sponsorship beneficiaries for 34.6% of the companies analysed<sup>43</sup>.

**Fig.5.3.2: Total expenditures with Sponsorship / Mécénat / Private Scholarships 2007-2015 (EUR million)**



Source: ANAF, provided at the request of Funky Citizens for 2007-2013 and data published in open format for 2014-2015 by the Ministry for Public Consultation and Civic Dialogue (<http://data.gov.ro/dataset/ong-situatie-deducere-sponsorizari-ale-companiilor>, December 2016)

## 5.4 Economic Activity of Non-Governmental Organizations

*Cristina Barna*

Between 2011 and 2015, the number of organizations performing economic activity increased, indicating that economic activity is considered a possible alternative source of funding by more and more NGOs.

**Fig. 5.4.1: Evolution of the number of non-governmental organizations with economic activity between 2011 and 2015**

	2011	2012	2013	2014	2015
Associations	3,284	3,477	3,821	4,075	4,587
Foundations	502	531	546	564	603
Unions and federations	46	50	101	105	112
<b>Total</b>	<b>3,832</b>	<b>4,058</b>	<b>4,468</b>	<b>4,744</b>	<b>5,302</b>

Source: *Atlas of Social Economy, 2014 Edition, CSDF (2011 -2012); National Institute of Statistics (2013-2015), processed by CSDF*

However, considering the increasing trend of the number of active NGOs, the economic activity rate remains relatively constant between 2011 and 2015, oscillating around 12%. In 2015, 12.44% of the active NGOs carried out economic activities. Compared with previous data, we can say that the 12% rate is relatively constant, with very slight fluctuations, starting with 2008.

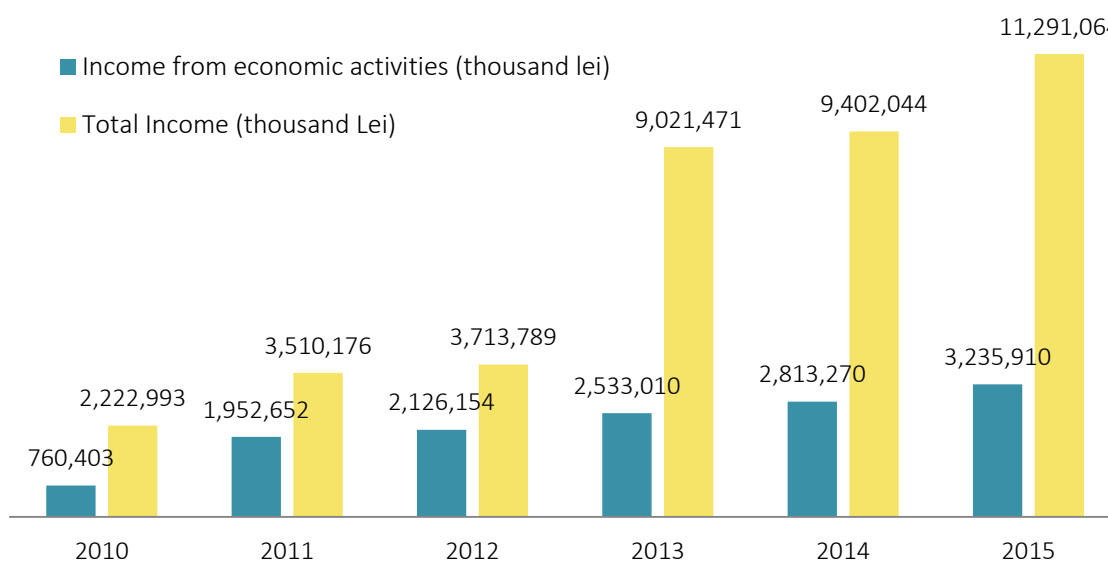
<sup>42</sup> Trends of philanthropy in Romania, Association for Community Relations, 2016 (available at: <http://arcromania.ro/content/documente/Tendinte.pdf>)

<sup>43</sup> Companies with at least 10 employees and who have earned profit in at least one of the last three years of their activity. Collection period: November 2015.

As seen in the following figure, incomes from economic activities increased between 2010 and 2015. In 2015, the incomes from economic activities increased by over 3 times compared to 2010. Due to the increasing trend of total sector incomes and to the similar growth rhythm, we can see that the percentage of economic activity income has been oscillating over the entire period, with growth peaks in 2011 and 2012, and stabilizing around 29% starting with 2013.

Compared with previous data, we can notice an increase in the percentage of economic activity incomes in total incomes compared to the period 2006-2008, when it oscillated around 17%. Incomes from economic activities have therefore begun to become an increasingly important source of funding for the non-governmental sector.

**Fig. 5.4.2: Evolution of total incomes and incomes from economic activities of NGOs in the period 2010-2015**



Source: Atlas of Social Economy, 2014 edition, CSDF (2010 -2012); National Institute of Statistics (2013-2015), processed by CSDF

## 6. The non-governmental sector and the public sphere

### 6.1 The Relation State - Civil society 2009 – 2016

Mircea Kivu

The involvement of the non-governmental sector in the establishment of public policies became possible following the adoption of some important laws in the years preceding the accession to the European Union. This is the case of *Law no. 544/2001 on free access to public interest information* and *Law no. 52/2003 on decisional transparency in public administration*. Empirical research has shown that the provisions of Law 52/2003 are largely ignored, especially at local government level. However, the impact of the law remains important in that it gives those willing to do so - in this case, non-governmental organizations - the legal framework to call for public debates on the normative acts to be adopted. A similar situation is observed in relation with Law 544/2001 - the authorities are generally responding slow and late to requests for information, sometimes the recourse to justice is needed to force them to do so, but eventually the mechanism moves.

According to the 2016 NGO Leaders' Barometer, 21% of organizations requested public information at least once in 2015, and 13% made written requests for public debate. Compared to the total number of non-governmental organizations, the proportions are impressive. On the other hand, an equally large number of organizations (11% and 12%) do not know the provisions of those laws. This is especially the case of small organizations and those recently established.

After 2010, the College for the Consultation of Associations and Foundations (CCAF), a consultative body without legal personality, working with the Prime Minister, was convened only once, in April 2012 at the initiative of Prime Minister Răzvan Ungureanu (although the mandate of members expired). In February 2013, *Decision no.105 / 2013 on the establishment of the prerogatives of the Prime Minister's Chancellery* removed, after twenty years, all the duties of the Prime Minister's working apparatus related to collaboration with non-governmental organizations. In September 2015, the Ministry for Public Consultation and Civic Dialogue (MCPDC) attempted to revitalize the Council by publicly debating a draft government decision, to re-establish it<sup>44</sup>. In the Governance Program of the new government set up at the beginning of 2017, there is no explicit reference to the institutionalization of a relationship with non-governmental organizations.

The representation of the non-governmental sector in the Economic and Social Council was unblocked almost seven years after its establishment. Even so, a new selection procedure for NGO representatives made in 2015 by the Minister of Social Dialogue was contested by the sector for lack of transparency. Following that, however, 15 representatives were appointed and took the office on January 4, 2017. Similarly, the access of civil society representatives to the Supreme Council of Magistracy, stated by the Constitution, is currently blocked sine die. There are many other national bodies, considered independent, in which civil society would normally have the right to representation. The National Council for the Audio-visual, the National Health House, the boards of public radio and television, the National Council for Combating Discrimination are some examples of institutions that, by their nature, would demand the direct representation of the non-governmental sector. Even where the presence of the non-governmental sector in collegiate bodies has been legislated, it remains devoid of content, being prevented from functioning.

## 6.2 Participation of the non-governmental sector in the public policy process

*Andrei Pop*

The last years have brought success in advocacy on issues with profound impact on society. The establishment of political parties with only three members, the re-use of confiscated goods for social purposes, the provision of social vouchers for keeping children of disadvantaged families in kindergarten are some examples. However, at the level of central and local public administration, the rules on access to public information and the transparency of decision-making processes are often violated. Beyond the first effect, to discourage organizations from replicating their successes and engaging in public decision-making, these detours of Laws 544/2001<sup>45</sup> and 52/2003<sup>46</sup> override successful achievements. Among the most common non-transparent practices are the adoption of public budgets without consultation and the abuse of government emergency ordinances, in situations where the urgency remains publicly misunderstood. At the

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<sup>44</sup><http://dialogsocial.gov.ro/2016/09/proiect-de-hotarare-de-guvern-privind-constituirea-colegiului-pentru-consultarea-asociatiilor-si-fundatiilor/>

<sup>45</sup> Law no. 544 of 2001 on the free access to information of public interest

<sup>46</sup> Law no. 52 of 2003 on decisional transparency in public administration



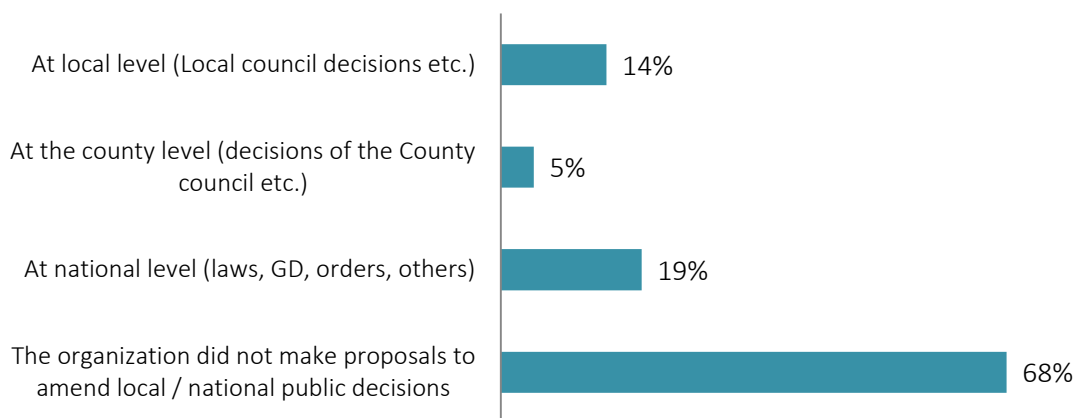
beginning of 2017, the largest civilian protests since 1989 have been spurred by the adoption by the Government of an ordinance of this type, significantly modifying offenses set out in the Criminal Code.

A focus group organized in February 2017 on the topic of engagement of the non-governmental sector in public policy-making, with local and general counsellors from Bucharest, identified several directions for strengthening cooperation between the latter and NGOs. On the one hand, local counsellors do not consider themselves well-informed about the variety of organizations they might involve in each of the topics discussed, analysed, or in policy-making. In other words, they rather address the few organizations they know best, while they would actually be interested in expanding their collaborative area, if it was easier to identify and contact organizations working with subjects in their spectre of interests. On the other hand, the counsellors also pointed out that, at the level of NGO representatives, better information on the legislation in force would be needed, to achieve a balanced vision of what is achievable and what is desirable.

30% of respondents in the 2016 NGO Leaders' Barometer state they have *information, awareness, research, advocacy and public policy monitoring* among the organization's main activities. As the object for the activities of influencing public decisions, according to Fig. 6.2.1, the national decision level prevails, with 19% of respondents saying they have made proposals to this level in 2015. However, we note that the proportion of NGOs that have proposed changes is slightly lower than in 2009, at all three levels of decision-making tested.

**Fig.6.2.1: Decision levels targeted by advocacy activities**

In 2015, did your organization initiate or make proposals to amend local or national public decisions?



Source: NGO Leaders Barometer, CSDF, 2016 (multiple answer question)

As a success rate of proposals initiated at national level, 15% of the respondents' organizations have succeeded, at least to a certain extent, in influencing the decision in the desired direction.

As topics of interest in influencing public policies, more than half of respondents to the Barometer have formulated answers to the question on the legislative measures their organization expects for a favourable legislative / normative framework for the NGO sector. Thus, most of the valid answers, 19%, aimed at increasing public funding for NGOs and improving existing funding programs, including those with European funding, 17% concerned additional tax facilities for NGOs and individual and corporate donors, bank guarantees and improvements to the sponsorship law and the 2% mechanism, 16% of responses addressed the need to improving the relationship between civil society and public institutions and authorities, including increasing decision-making transparency.

### 6.3 The relationship of non-governmental organizations with other actors (mass-media, church, political parties)

*Valentin Burada*

#### Mass media

When there is no opposite political interests, the media is one of the best allies of non-governmental organizations in reaching their goals, whether is about advocacy campaigns or mobilizing the public around very important topics (e.g. discrimination, fight against corruption, environmental protection, etc.), or about responding to the needs of organizations to make their initiatives known to get support from citizens.

In the most recent NGO Leaders' Barometer (2016), 45% of respondents state that the press is involved and very involved in promoting organizations' activities. In spite of this, the online environment remains the main space for the promotion of non-governmental organizations, while traditional media approaches the subjects from NGOs most of the time without recognizing the associative sector as a whole and as a particular constituent of Romanian society. Most often, references to NGOs as a whole take place in rather negative contexts (press scandals). In recent years, there has been a positive evolution of the independent media sector (even if it is still very low), which is often more receptive to the topics proposed by non-governmental organizations. To this growth we can state that an important contribution was that of the non-governmental sector.

The politicization of the traditional mass media and its control by political and economic interest groups also imprints on the way it reflects the non-governmental organizations. When parties influencing the editorial policy of major media trusts view civil society organizations as adversaries, or when their messages are critical to party-promoted policies, the reaction of partisan media trusts aligns with, amplifies, or even anticipates the reaction of political parties. This phenomenon was highly visible in the electoral campaign in 2016 and especially during the civic protests in early 2017.

#### The Church

Trust in the Church has seen a downward trend in the past two decades, from 90% in the early 2000s to 58% in 2016<sup>47</sup>. The actions of the Romanian Orthodox Church (BOR) to regain the public space must be analyzed also from this perspective, but also from the temptation of political parties to seek to win the Church's support for electoral reasons.

The topics that BOR promotes on the public agenda (e.g. the position of religion in schools, the "traditional" family, the prohibition of abortion, etc.) as well as the issue of the allocation of public resources with priority for the construction of new churches (especially for the project The Nation's Salvation Cathedral) provoked the opposition of non-governmental organizations, both those active in the field of human rights protection and those active in the field of good governance and democracy. In connection with the allocation of public resources for the Church, the involvement of the Church in the electoral competition remains a constant concern for some non-governmental organizations.

In 2011, a large number of non-governmental organizations, from the social field and from other areas, opposed the Law on Partnership between the State and the Church that the Parliament had adopted in March that year. Non-governmental organizations<sup>48</sup> criticized the law because it was in contradiction with the principle of free competition in the provision of social services, establishing a second monopoly, after

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<sup>47</sup> INSCOP, April 2016 - Trust in institutions [www.inscop.ro/aprilie-2016-increderea-in-institutii](http://www.inscop.ro/aprilie-2016-increderea-in-institutii)

<sup>48</sup> For example, the position of more than 40 organizations: <http://www.mediafax.ro/politic/ipp-ii-ce-preşedintele-sa-nu-promulgea-legea-privind-parteneriatul-in-statul-si-biserica-9382468>

that of the state, on the provision of social assistance services. The president of Romania rejected the promulgation of the law. On the other hand, a number of other nongovernmental organizations close to the church have become increasingly visible on topics close to it, such as the Family Coalition, which, with the support of the church, has led a successful campaign in support of a citizens' initiative for the explicit definition of the "traditional" family in the Romanian Constitution.

## Political parties

Romanians' trust in political parties has been consistently below the European average and substantially below what citizens give to other actors in the public sphere (non-governmental organizations, mass media, the Church). The 2016 Eurobarometer<sup>49</sup> Spring edition set the trust of Romanian citizens in political parties around 13%. Romanian survey institutes published even lower percentages (6.5% in April 2015 according to CCSB, or 8.3% in March 2016 after INSCOP<sup>50</sup>).

The lack of general trust in political parties is clearly reflected within the non-governmental organizations as well. For example, according to the 2016 NGO Leaders' Barometer, most non-governmental organizations are rather sceptical about the openness of politicians for dialogue. Thus, over 70% of respondents do not think that politicians in Romania are encouraging the public debate.

Political parties have been worrying about the wave of civic mobilization in recent years, beginning with the protests in January 2012 that led to the dismissal of the Boc Government, continuing with the *Uniți Salvăm* movement from September 2013 ("The Romanian Autumn") (and which in fact continue the less widespread movements against the gold exploitation of Roșia Montană and shale gas from 2011), then the protest caused by the Collective club tragedy, followed by the resignation of the Ponta Government in November 2015, and most recently the most massive protests, against corruption, in January 2017.

Some parties have tried to take advantage of this popularity wave in the civic area by suggesting candidates who are perceived as coming from the civil society, but with unconvincing results. Others have launched a campaign of discrediting civil society organizations. Since the protests against shale gas and exploitation at Roșia Montană, politicians have rediscovered the theme of non-governmental organizations - agents for foreign interests. The formation of a new technocrat government in November 2015 and the inclusion in the Government led by Prime Minister Cioloș of important figures directly from the civil society (a minister, several state secretaries, many other officials in the central apparatus<sup>51</sup>) constituted a key point for the relationship between political parties and non-governmental organizations.

The ascension of the Save Romania Union (Uniunea Salvați România) after the 2016 elections also contributed to the emergence of the new line of attack, rediscovered by political parties that felt their power undermined by the influence of representatives of civil society organizations: to accuse the most critical organizations of being foreign agents, funded by occult circles of influence outside the country. In this context, mentioning the name of George Soros, a much older and more common theme in the region, especially in states with authoritarian tendencies (such as Russia or Hungary) has become more and more frequent, including in the electoral campaign, but especially in the context of anti-corruption protests in early 2017.

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<sup>49</sup> Standard Eurobarometer 85, Public opinion in the European Union, European Commission, July 2016 <https://ec.europa.eu/COMMFrontOffice/publicopinion/index.cfm/ResultDoc/download/DocumentKy/75902>

<sup>50</sup> INSCOP Research, Barometer Adevărul despre România, March 2016 <http://www.inscop.ro/wp-content/uploads/2016/04/INSCOP-raport-martie-2016-INCREDERE-INSTIUTII.pdf>

<sup>51</sup> For example, *Decât o Revistă* presented in February 2016 a gallery of such people <http://www.decatorevista.ro/oamenii-noi/>

## 7. Sector perspectives

### 7.1 Social / Charitable

Simona Constantinescu

The social / charitable field is the main component of the sector, both in terms of number of organizations and main economic and financial indicators.

#### The size and evolution of the social / charitable sector

At the end of 2015, according to INS (National Institute of Statistics) data, processed by CSDF, the social / charitable field of the NGO sector comprised about 8861 active organizations<sup>52</sup>, 49% more than in 2010 and 77% more than in 2005. Although the percentage of the social charity sector in the total sector has fallen from 42% in 2000 to 21% in 2015 due to higher growth rates in other NGO subsectors, it remains the most important segment of non-governmental organizations in quantitative terms.

**Fig.7.1.1: Social / Charitable NGO Sector in Figures: 2000-2015**

	2000	2005	2010	2011	2012	2013	2014	2015
No. of organizations	4,393	5,008	5,961	6,651	7,587	8,192	8,688	8,861
% from the NGO sector	41.9%	30.3%	22.6%	22.4%	22.5%	21.7%	21.3%	20.7%
No. of employees	7,362	18,550	16,480	20,916	23,240	24,687	27,620	30,056
% from the NGO sector	38.0%	38.0%	27.0%	30.0%	30.0%	29.4%	29.9%	30.1%
Incomes (Thousands Lei)	171,485	719,174	1,197,894	1,532,580	1,862,333	1,904,612	2,025,859	2,638,342
% from the NGO sector	40.0%	35.0%	21.0%	22.0%	24.0%	21.1%	21.5%	23.4%
Assets (Thousand Lei)	70,716	570,040	1,337,890	1,626,588	1,739,219	1,871,834	1,957,262	1,944,707
% from the NGO sector	34.0%	37.0%	24.0%	25.0%	24.0%	23.5%	23.0%	23.8%

Source: Atlas of Social Economy, 2014 Edition, CSDF (2000-2012); National Institute of Statistics (2013-2015), processed by CSDF

The social / charitable field is the most important employer in the NGO sector, with 30% of all NGO employees being within this subsector; in just 5 years (2010-2015), social / charitable organizations almost doubled their number of employees, reaching more than 30,000 people. In addition to employees, another feature of the charitable social sector is the massive presence of volunteers, with 91% of all organizations calling for their support, while 19% work exclusively with volunteers<sup>53</sup>.

Cumulatively, social NGOs record the highest incomes among all sub-sectors of NGOs, representing almost one-fourth of total attracted income; In 2015, these organizations recorded total incomes of about 2.64 billion lei, 30% more than in 2014 and more than the double of 2010.

Social NGOs show uneven geographical distribution, following the trend of the entire sector, with localization mainly in regions that traditionally have higher levels of development; thus, more than two-thirds of all organizations are grouped in Bucharest and in the Transylvanian historical region; on average, at the level of 2015 there were 180 organizations per county, most of them having their headquarters in Cluj (562 organizations) and the least in Teleorman (36 organizations).

<sup>52</sup> Active or "statistically visible" organizations that have submitted their balance sheet at the end of 2015

<sup>53</sup> NGO Leaders' Barometer, CSDF, 2016

Most of the social NGOs are made up of organizations providing services of general interest, not accredited as social service providers but with a strong social character, carrying out a variety of activities such as: supporting social causes by raising public awareness, raising funds, community activities, defending the interests of vulnerable groups and generally identifying, assisting and supporting activities to meet the underlying needs of disadvantaged groups. The percentage of accredited providers of social services in the social NGO is low, about 13%.

### Accredited providers of social services

According to the most recent information published on the website of the Ministry of Labor and Social Justice<sup>54</sup>, at the end of 2016 there were 2,947 accredited public and private providers and 2,550 licensed services, of which about 40% were private NGO providers, associations and foundations (1,168 organizations, 13% of the total social NGO) operating 45% of the total licensed services (1,154 services)<sup>55</sup>.

Although they are a relatively small component of the entire social NGO sub-sector<sup>56</sup>, accredited social service providers represent the segment of organizations performing the highest degree of continuity and professionalism.

About 40% of the services licensed and provided by NGOs have as beneficiaries children or children and their families; thus, the first two most frequent services, with a capacity of approximately 11,500 seats, are mainly provided in day care centers or in smaller residential centers (family-type houses / apartments).

Home care services, alongside day care centers for adults with disabilities, have as main providers the non-governmental organizations, with approximately two-thirds of all licensed services at the end of 2016 being provided by these organizations. However, although private providers were the first to start such services in Romania, the current offer for these services (about 8,000 beneficiaries) is far below the level of demand<sup>57</sup>.

The same gap between demand and insufficient supply is also recorded for day care centers for adults with disabilities, services overwhelmingly covered (approximately 86% of total beneficiaries) by private NGO providers.

Private providers cover almost half of social services for elderly people, both in day care centers and in residential centers; in this case, the significant presence of NGOs in residential centers can be explained by the existence of an important segment of beneficiaries and carers willing to pay maintenance costs for the elderly in need of permanent assistance.

Last but not least, we must note the often innovative and pioneering presence of NGO providers in the development of new types of services or in the improvement of the quality of those already provided by public institutions, such as respite, street intervention, day care centers for young people at risk or for victims of domestic violence and aggressors, victims of trafficking or homeless.

### Funding of the social/charitable sector

Similar to other non-governmental sub-sectors, social / charitable organizations use virtually any available public or private funding source.

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<sup>54</sup> <https://harta-furnizori.mmuncii.ro/acreditare>

<sup>55</sup> According to CSDF's report Romania 2010. The non-governmental sector - profile, tendencies, challenges, non-governmental organizations represented 49% of the accredited providers of social services and almost 50% of the accredited services in Romania.

<sup>56</sup> Relatively recently a new accreditation process based on the provisions of Law no. 197/2012 has been initiated, through which the accreditation and licensing process is underway.

<sup>57</sup> According to <http://www.seniorinet.ro/project-project>, 1 out of 5 elderly in Romania needs home care services, ie about 390,000 people, but only 0.23% of them benefit from these services.

The segment of small organizations, more than half of all social / charitable organizations, is mainly based on the efforts of individuals: members, clients, supporters, or the general public, social NGOs being above the average of the non-governmental sector in terms of frequency of use of funding sources from individuals.

Large or medium to large organizations are capable of attracting funds in the form of grants from a variety of sources, mainly non-reimbursable EU funds or from foreign or international foundations, which, surprisingly, show a relatively high frequency given that a rebound was expected after the accession.

According to the results of the 2016 NGO Leaders' Barometer, sources of funding from Romanian public authorities have a relatively small percentage, both in terms of frequency and value.

## 7.2 Democracy, human rights and good governance

Anca Nicovescu and Andrei Pop

Civic organizations keep in 2015 a small percentage in the total active organizations from Romania, 3.8%<sup>58</sup>, with very slight variations compared to previous years (2010: 3.7%, 2011: 3.7%, 2012: 3.8%, 2013: 4%, 2014: 3.9%)<sup>59</sup>. These organizations are characterized by a lower average number of employees than the average of the entire NGO sector.

**Fig. 7.2.1.: Financial Indicators of civic organizations, compared to all active organizations.**

		All active organizations		Organizations with the CIVIC field of activity	
Year	Indicator	Amount	Mean	Amount	Mean
2015	Total employees	99,774	2.34	3,327	2
2014		92,430	2.27	2,836	2
2013		83,844	2.23	2,454	2
2015	Total incomes (Lei)	11,291,063,556	264,384	457,098,883	281,638
2014		9,402,043,608	230,228	290,758,138	181,045
2013		9,021,471,186	239,430	325,563,146	217,768
2015	Fixed assets (Lei)	8,176,057,209	191,445	227,961,973	140,457
2014		8,514,747,018	208,501	200,472,435	124,827
2013		7,954,871,642	211,122	182,417,932	122,019

Source: National Institute of Statistics, processed by CSDF

Organizations in this field have the fewest members in relation to the rest of the associative forms. Only 1.1% of the population declares in 2016 to be or have been a member of a civic, democracy, human rights and minority rights organization.

Regarding the functioning mode, civic organizations have some distinct features that differentiate them from the NGO sector as a whole. According to the 2016 NGO Leaders' Barometer, organizations that have as their main field of activity "human rights" or "civic and policy influence" act mainly at national and European level

<sup>58</sup>Processed by CSDF, based on data from the National Institute of Statistics 2016 of the NACE codes from the balance sheets, of the information contained in the NGO Registry from the Ministry of Justice.

<sup>59</sup>Barna Cristina, *The Atlas of Social Economy*, CSDF, Bucharest, 2014, p. 42, available at: [http://www.ies.org.ro/library/files/atlas\\_-\\_final\\_-\\_bun.pdf](http://www.ies.org.ro/library/files/atlas_-_final_-_bun.pdf),

to the detriment of local, county, regional and even international levels (in the broader, extra-European sense).

Regarding their attitude to government policies, they are more often placed in critical positions. They carry out their activities by appealing more often to requests for public information, as well as to official requests for the organization of public debates. They formulate more frequently proposals to modify public decisions at national level. They rely more on their own communication strategies, as well as on research on the field in which they operate. They act more often as members (that do not pay membership fees) in national networks, coalitions or federations, whether they are informal or not. The motivation to engage in such structures is more about increasing legitimacy in relation to public authorities, as well as coordinating policies, programs, and other activities with other members (implicitly, it is also related to the appreciation of the other members of these structures). They are less motivated by the financial benefits of this coalition, by the possibly increased access to funds. Assessing the organization's financial resources at the level of 2015, NGO leaders consider them insufficient (77.9%).

### 7.3 Youth

Vlad Dumitrescu

The exact definition of youth / for youth organizations can be difficult to achieve. According to the Youth Law (L350 / 2006), non-governmental *youth organizations* are "*private legal entities without patrimonial purpose, that operate under the terms of OG. 26/2000<sup>60</sup>, approved with amendments and completions by Law no. 246/2005, fulfilling cumulatively the criteria: a) the purpose stated in the statute directly concerns the youth field and for its realization the majority of the assumed objectives are addressed to young people and b) at least two thirds of the total number of the members are youth.*"<sup>61</sup>

The law also mentions that *organizations for youth* are "*private legal entities without a patrimonial purpose, operating under OG 26/2000 approved with amendments and completions by Law no. 246/2005, which only fulfil the condition a) the purpose stated in the statute directly concerns the field of youth, and for its realization most of the assumed objectives are addressed to young people*"<sup>62</sup>. According to this definition, all organizations that do not explicitly mention working with / for young people in the statutory documents cannot be defined as youth organizations. This raises the question of how to define integrated or separately youth organizations outside of the phrases mentioned in the law, especially for non-governmental organizations working for young people.

In 2015, out of a total of 42,707 active nongovernmental organizations, a total of 2,434 youth organizations were identified. Thus, 5.7% of the Romanian non-governmental organizations could be included in this category. According to INS (National Institute of Statistics), the resident population in Romania on 1 January 2016 was of 5,034,853 young people aged between 14 and 34 years<sup>63</sup>. So we have a report of 1 youth organization that serves about 2,070 young people. Most organizations are in the urban area, with only 14% of all youth organizations identified being registered in rural areas. According to the data available in the

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<sup>60</sup> Ordinance no. 26/2000 on associations and foundations

<sup>61</sup> The Youth Law no. 350/2006, art. 11

<sup>62</sup> The Youth Law no. 350/2006, art. 12

<sup>63</sup> TEMPO database of the National Institute of Statistics:

<http://statistici.insse.ro/shop/index.jsp?page=tempo3&lang=en&ind=POP105A>

TEMPO database of the National Institute of Statistics<sup>64</sup>, there is a distribution in Romania of about 50-50% of young people living in rural areas and those located in urban areas.

Non-formal education, volunteering, cultural activities, civic participation and social inclusion were priority areas for youth organizations in 2015, according to the NGO Leaders' Barometer.

According to the 2016 NGO Leaders' Barometer, 71% of organizations identified as youth organizations do not work with **youth workers**, and of those who do, in 2015 almost half of them involved a maximum of 2 youth workers. Another important feature of youth organizations is the **extensive work with volunteers**.

Whether talking about youth organizations or organisations for youth, the activities conducted are very diverse and relate primarily to the profile of the youth towards which the organization is orientated. If we report the percentages for the different types of activities identified in the National Youth Strategy and its main areas of intervention, we can say that the fields of culture, non-formal education and participation and volunteering are covered to a certain extent, but less those of health, sport and recreation, work and entrepreneurship.

Thus, a better correlation of the Strategy with realities on the ground would be useful. This can be done, in particular, by motivating existing organizations (other than the youth ones) that have as their field of interest the domains of action in the Strategy to also carry out activities in support of young people.

Since funds for small youth organizations are limited, it would be appropriate to encourage youth funding, particularly from the private sector, for example by setting up a Youth Fund managed from within civil society.

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<sup>64</sup> <http://statistici.insse.ro/shop/index.jsp?page=tempo3&lang=ro&ind=POP105A>





**THE NON-GOVERNMENTAL SECTOR**  
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