



**F**undația pentru  
**D**e dezvoltarea  
**S**ocietății  
**C**ivile

# **Romania 2010.**

## **Non-governmental Sector**

- Profile, Tendencies, Challenges -

Summary

Bucharest

## **Civil Society Development Foundation**

*Registered office:* 2k Splaiul Independenței, entrance 1, 4th floor, 3rd District, Bucharest, Romania

*Correspondence address:* Strada Orzari nr. 86A, Sector 2, București, România

P.O. Box 22-219, București, România

Tel: +40-21-310 01 81 Fax: +40-21-310 01 80

E-mail: [office@fdsc.ro](mailto:office@fdsc.ro)

web site: [www.fdsc.ro](http://www.fdsc.ro); [www.stirion.ro](http://www.stirion.ro)

*This material was performed within the project "Romanian NGO Directory" implemented by Civil Society Development Foundation and funded by Trust for Civil Society in Central & Eastern Europe*



**Trust for Civil Society  
in Central and Eastern Europe**

*All rights on this paper are reserved by Civil Society Development Foundation (FDSC). Any integral or partial reproduction, irrespective of the used technical means, without written consent from FDSC, is prohibited. Parts of this publication can be reproduced for non-commercial purposes, only if specifying the source.*

The report "**Romania 2010. Non-governmental Sector** - Profile, Tendencies, Challenges" aims to give an overall evaluation of the non-governmental sector development, offering in the same time an in-depth image of the sector, as it is at present and from various perspectives. It offers structured information related to the dimension of the sector, its dynamics, various sub-sector evolutions and activity fields related analyses, offering at the same time a series of recommendations for actions which may foster the development of the non-governmental sector. The report was produced in the period October 2008 – September 2010, within the project "Romanian NGO Directory", implemented by Civil Society Development Foundation and funded by Trust for Civil Society in Central & Eastern Europe.

This study is the most complex study of this kind performed during the latest 10 years in Romania. It has become even more necessary as, during the adhesion process to the European Union, the non-governmental sector, as part of the Romanian society, suffered important transformations and is still undergoing substantial changes. It is important, both for the practitioners and for the public, to understand the origins, dimension and perspectives of these changes. At the same time, as part of a European democratic system that Romania is trying to internalize, the non-governmental sector is a very important actor who needs to be better known and defined in order to carry on strengthening and developing. Not least, the report focuses on the important economic and social role of the non-governmental sector, especially in the context of economic crisis and of the current institutional reforms.

The report targets an audience of professionals in the NGO field, political decision makers, the business sector, journalists and, generally, to all the persons interested in this sphere, generically labelled "civil society".

The collection and analysis of comprehensive information on the non-governmental sector present substantial challenges. The methodology of this study attempted to respond to these challenges by using a diversified range of instruments. The research methods have included: quantitative data analysis (balance sheet data of the non-governmental organizations for the fiscal years 2006, 2007, 2008 according to the Ministry of Public Finances, the database of the National Institute of Statistics with the addresses of the non-governmental organizations which submitted tax returns in 2007, the Civil Society Directory – database with active non-governmental organizations in Romania, available online within the portal [www.stiriong.ro](http://www.stiriong.ro)); Omnibus research (conducted on a final focus group of 1196 persons, typical for the adult population of Romania); national online survey amongst the representatives of NGOs in Romania (Barometer of NGO Leaders); 6 thematic focus-groups; 22 interviews; public information requests on the grounds of Law 544/2001; analysis of more than 90 reports, studies, researches and reference works for the non-governmental sector.

The report tries to define the non-governmental sector from a wide range of perspectives: starting from the legal status of various non-governmental entities, their functions, structure and organizational types, geographic areas and fields of intervention, type and volume of human and financial resources they use, type of services and public goods they produce, to the public image of the non-governmental sector and the relation with the other actors of the public space (public authorities, business sector, other actors in the civil society) and first of all, the citizen.

## **The non-governmental organizations remain rather less visible and known in the domestic public landscape.**

Despite an impressive dynamics of the non-governmental sector in Romania – there are registered nowadays in Romania more than 62,000 organizations, with more than 21,000 active organizations – the non-governmental organizations remain a quite little visible and know actor in the domestic public landscape. Nonetheless for twenty years in Romania, non-governmental organizations have re-entered the public arena under various forms. Many of the Romanian citizens attend professional training courses organized by non-governmental organizations; they go to universities which operate as non-governmental organizations, use social services provided or managed by such organizations, spend their spare time in cultural or sports events organized by profile associations.

The confusion on what actually defines the term “NGOs” is also increased by the fact that they are grouped under various names, such as the “non-governmental”, “non-profit” sector or “civil society”, or more recently, “social entrepreneurship” and “social economy”. Due to the variety of objectives and instruments they use in order to perform their mission, the non-governmental organizations form a sometimes disordering assembly of entities – organizations with very diverse preoccupations – human rights, professional organizations, day care centres, groups for the environment protection, sports clubs, professional training centres, universities, and many others. The legislative framework which regulates the non-governmental organizations (in this case, associations, foundations and federations) experienced an evolution which, on the one hand, contributed to defining the non-governmental sector and to institutionalize it (without settling however important issues as regulating the statute of public utility or the legal and fiscal treatment of donations, sponsorships and contributions for the non-governmental sector), yet, on the other hand, it maintains another series of excessive procedures (especially related to their registration). The obligations instituted by law together with the obligation to follow a rather complex judicial procedure bring an excess of solemnity and control of legality for an action which, by its civic character which is available to any citizen, should be simple to fulfil by any interested person.

Partly because of the legal procedures needed for the registration, but especially due to the concentration of the human and financial capital in the urban environment, in Romania, non-governmental organizations remain a mainly urban phenomena (87% of NGOs are registered and operate in the urban environment), even though the urban-rural development gap remains one of the major issues of the countries. There can be noticed a major presence of national organizations constituted in large cities and in Bucharest, with a national mission, compared to organizations exclusively focused on working on issues of the communities they belong to.

## **The economic and social dimension of the non-governmental sector in Romania is impressive, despite difficult access to resources.**

The non-governmental organizations are active in wide range of fields (environment, social, human rights etc.). From a statistic point of view, according to the number of registered legal persons, the most important fields are sport and recreational activities (18.8%), education (7.5%) and social services (7.3%). From the perspective of the employed staff and of annual incomes, the most important field is education, followed by sport and recreational activities and those related to the social field. The most dynamic sectors are: education with a growth of 38%, sport

and recreational activities with 26%. Within the context of continuous reform of the educational system and of budgetary resources which constantly represented an issue, the contribution of non-governmental organizations as suppliers of educational services is considerable.

- At the level of the year 2009, the Romanian non-governmental organizations are registered as initiators and main financers of more than 750 private pre-academic teaching units.
- The weight estimated from the total courses of initiation, qualification, improvement or professional specialization supplied by accredited non-governmental organizations is of 25% of the total accredited training programs during the period 2005 – 2009.
- The non-governmental organizations represent 49% of the accredited suppliers of social services and almost 50% of the accredited services in Romania.
- The capacity of private suppliers to offer social services is marked out by the diversity and number of accredited services, the non-profit private suppliers (associations and foundations) accrediting 7776 different services, approx. 50% of the total accredited services in Romania.
- NGO supplies 25% of alternative services for child protection in Romania, but the weight of NGOs within the providers of such services decreases.
- The NGOs serve 41% of the beneficiaries of homecare services and more than 58% of the old persons each month, using their own funding sources. A monthly average number of 10,192 old persons receive attendance at their domicile from non-governmental organizations.
- According to the data of the Ministry of Labour, Family and Social Protection, the balance cost-efficiency and the preferences of the beneficiaries are favourable to NGOs.

Besides the important volume of work carried out as volunteering whose value is difficult to assess in monetary terms, the non-governmental sector in Romania is an important employer, which provides a large number of jobs.

- In the year 2008, the total number of jobs in the non-governmental sector was of 89,450 for a total number of 21,319 organizations, decreasing compared to 2006 and 2007.
- For the year 2007, the number of jobs in the non-governmental sector was higher than the number of jobs in other sectors such as financial intermediations (97,000 employees) or the mining industry (84,000 employees).
- The number of jobs in the non-governmental sector in Romania is small compared to the occupation capacity of the sector in other European countries.
- NGOs largely operate based on volunteering, 68% of the active organizations exclusively operating with volunteer work force.

Along with the integration in the European Union, Romania manifested more and more interest for the development of the social economy field. A significant part of the European economy is not organized only for making profit for the investors. Social economy, including cooperatives, the mutual aid companies, non-profit associations, foundations and social enterprises, supplies a wide range of products and services in all Europe and generates millions of jobs. It represents an opportunity for the non-governmental sector in Romania to reposition through certain sectors inside the Romanian society. However, despite the debates within the non-governmental sector on the need to find a viable alternative, independent solutions to fund their own activities, and despite the increasing popularity of and interest for the social economy, there has never been noticed an obvious tendency of the non-governmental organizations in

Romania to adopt entrepreneurship strategies.

- On the grounds of the balance sheet data of NGO, one can find that more than 8000 non-governmental organizations annually declare in their balance an economical activity. Their number registered a decrease in 2008.
- The incomes from economic activities of the non-governmental organizations 2006-2008 increase in a slow rhythm and have an approximately constant weight of 17% in the total incomes of the organizations, these incomes being acquired with a proportionally larger staff compared to the incomes from activities without lucrative purpose. These data can be the result of either a higher productivity of activities without lucrative purpose and a higher economical efficiency, or of a lower economic performance of economic activities.

The basis of financial resources of the non-governmental sector remains fragile. The financial resources of 2/3 of the non-governmental organizations are low and very low, which limits their action capacity.

- In 2008, NGOs had total assets of RON 8,213,926,246 and in the same fiscal year, they registered incomes of RON 5,339,855,854 (that is, about EUR 1.25 billion)
- For the period 2006-2008, one can find a constant increase of the assets and incomes of the non-governmental sector – the increase of assets being more accentuated than of other incomes.
- In the year 2008, 26.66% of the organizations had not registered any income for the concerned fiscal year. 66.58% of the organizations either had no income, or had incomes lower than RON 40,000.

Although the income sources of the non-governmental organizations have diversified, few of them receive support from the public authorities. The most important income sources for NGO remain those from abroad, that is, grants from the European Union and from foreign or international foundations.

- Depending on the weight of funding sources in the incomes of the organizations, foreign funds (the European Union and foundations or international or foreign governmental institutions) remain the most important funding source for more than a third of the organizations (35.2%).
- The national philanthropy (donations from companies, foundations and individuals) is an important source of income for almost 18% of the organizations, and the public sources (including directing the 2% of the tax) for almost 19% of the organizations.
- The economic activities are the most important income source for 5.5% of the organizations.
- The mechanism 2% determined the transfer of EUR 57,480,987 (calculated at the average exchange rate of the National Bank of Romania for the year when the transfer was performed) for the tax years 2004 – 2008, the amount significantly increasing every year. Out of the total tax on income owed to the state budget, for the year 2008 the taxpayers transferred 0.84%, almost half of the amount available to be transferred by the mechanism 2%.

**The civic involvement, citizens' mobilization within the actions of non-governmental organizations and volunteering, represent insufficiently developed sources for the sustainability of the non-governmental sector.**

The public trust in NGOs has a slow, however constant, ascending trend. The opinion surveys performed in various moments, along more than a decade, indicate an ascending trend (slow, but constant) of the public image related to the non-governmental sector. According to the data in March 2010, 32% of the Romanians trust much or very much the NGOs.

Nevertheless the public participation proportion of citizens in the activities of NGOs remains low, due as well to the insufficient preoccupation of the NGOs to choose their members and volunteers.

There are no active policies amongst non-governmental organizations to attract new members. Usually, the organizations preserve the original number of founding members. The Barometer of NGO Leaders showed that most of the organizations have below 10 members (49.6%). Amongst the organizations with a high number of members, most of them are professional organizations.

Volunteering keeps being an insufficiently and inefficiently promoted and exploited resource.

The public would rather make donations (especially for the church - 52% of the Romanian citizens) than work as volunteers for the benefit of the community, within an NGO (3.7% of the Romanian citizens). However, the Barometer of NGO Leaders shows that most of the non-governmental organizations (90%) works with volunteers, most of them declare not to have any problems regarding volunteers' involvement in their organizations and more than a half consider that the number of volunteers constantly involved in the activity of their organizations is enough when compared to the needs of the organization.

**The participation to drafting and monitoring public policies for the benefit of the citizens is one of the roles taken over by the NGO sector, in a context considered quite unfavourable.**

A third of the NGOs in Romania declare to be involved in activities for influencing public policies, both at a national and local level. As well, only approx. 30% of the leaders of non-governmental organizations are satisfied with the capacity of their organization to influence public policy.

The leaders of NGO generally consider the climate in Romania less favourable for efficient debates of public policies. According to the report, the leaders of non-governmental organizations are distrustful of the "democratic instincts" of the politicians in Romania, they would rather consider mass media to be an ally in promoting public debates and civic dialogue and most of them think there is an exclusion risk from public funding for the organizations which state too obviously their disagreement related to public policy initiatives, at central or local level.

Most of the NGOs (57%) show an interest for participating to public policy decision, by attending public consultations and sending their observations on legislative instruments submitted to public debate. The number of observations transmitted by non-governmental organizations to various public authorities within consultative processes increased by more than 5 during the period 2003-2007, that is, according to official statistics, from 2058 in 2003 to 11761 in 2007. Nonetheless, since 2008 one can notice a regress of the participation of NGOs to

this type of debate.

**The non-governmental organizations were actively involved in the stage of pre-accession of Romania to the European Union and are amongst the most dynamic actors in absorbing European funds during the post-adhesion period.**

Along with the accession, the non-governmental sector lost an important political support: the support of the Delegation of the European Commission in Romania and of the Embassies of the member states. Without this support, many of the initiatives in the field of democracy, transparency and “Europeanization” of the state lost the audience and interest of the political class, while the European Commission is no longer in the same strong position to pressure the political class to adopt these reforms, in return of the progresses related to the adhesion negotiations.

The Romanian non-governmental organizations contacted the European federative structures and, within the context of the European integration of Romania, they commenced adopting strategies similar to European organizations. Along with the accession to the EU, following the European organizational model, discussion started also in Romania about the utility of developing (national) platform. This new type of association of the non-governmental organizations comes from the supranational and intergovernmental character of the EU and from the need to represent its interest on European level. The policies affecting the non-governmental organizations are no longer produced only in Bucharest, but more and more in Brussels. From now on, one can notice the need to be represented in relation to European institutions. The capacity of non-governmental organizations in Romania to influence European policies remains however limited.

- Around 18% of the Romanian non-governmental organizations are associates in national NGO networks, 13% attend European networks and 10% are affiliated to international networks.

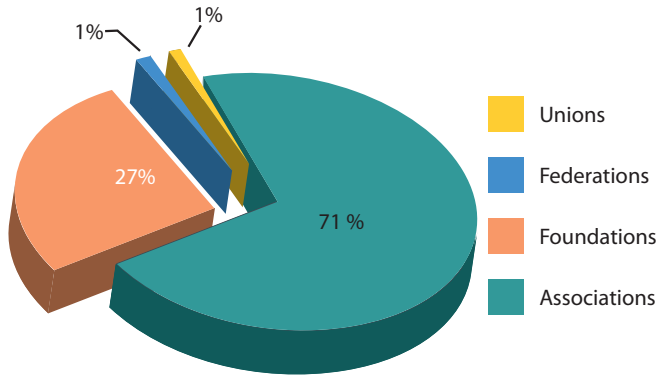
The European structural funds had the potential to create a positive impact on the non-governmental sector, opening new opportunities for innovation and development. But the delays in launching the calls for projects, the bureaucracy, the faulty pre-funding and reimbursement mechanism lead to major difficulties for the non-governmental organizations funded by these programmes.

- Within the Human Resources Development Program funded by the European Social Fund 2007-2013, more than 30 % of the beneficiaries were non-governmental organizations.
- For almost 20% of the non-governmental organizations in Romania, European funds represent the main funding source.



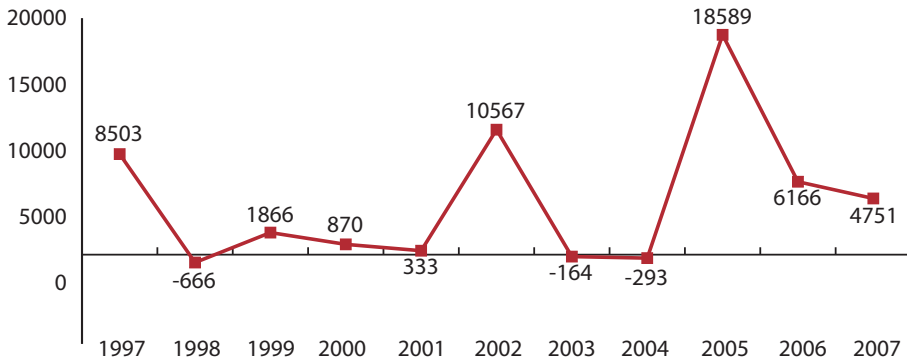
## Facts and figures

**Number of organizations in the National Registry for N.G.O.:**



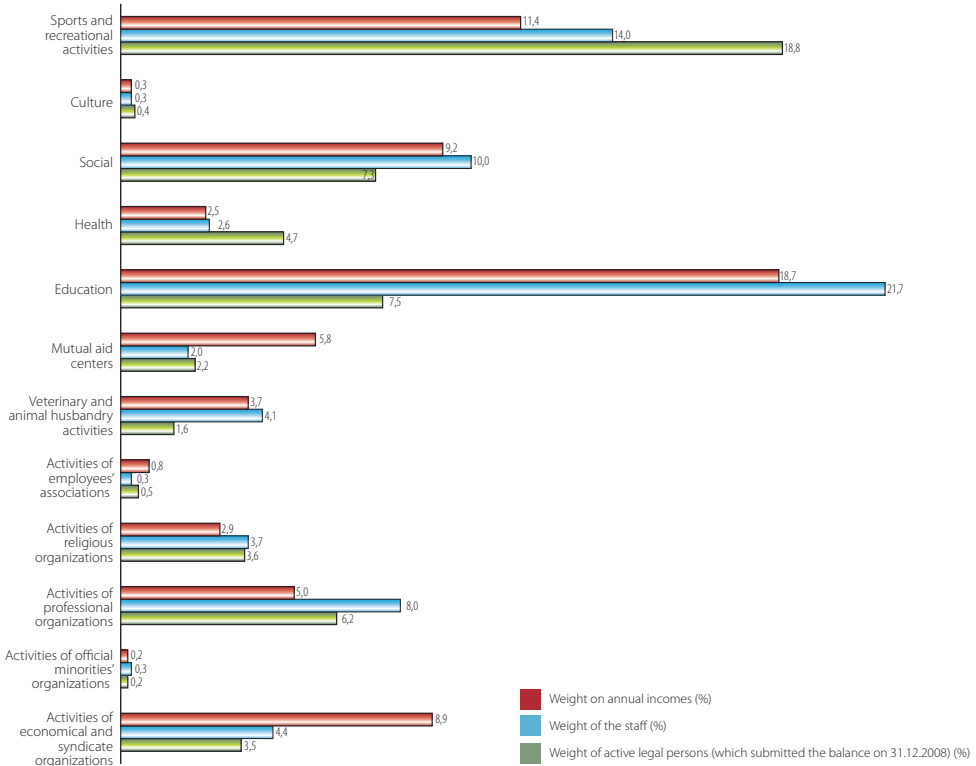
Source: Ministry of Justice - <http://www.just.ro/MeniuStanga/PersonnelInformation/tabid/91/Default.asp> (21.01.2010)

**Dynamics of private administration organizations in Romania (1996 – 2007)**



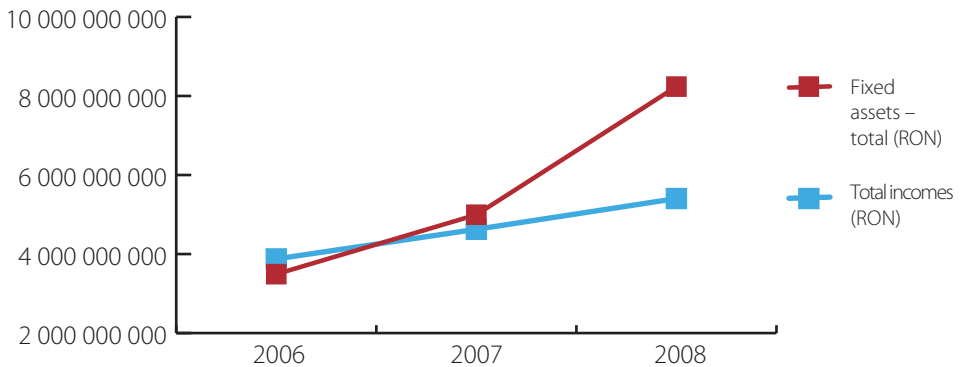
Source: National Institute of Statistics – Statistic Yearbook of Romania

**Activity fields of NGOs (2008)**



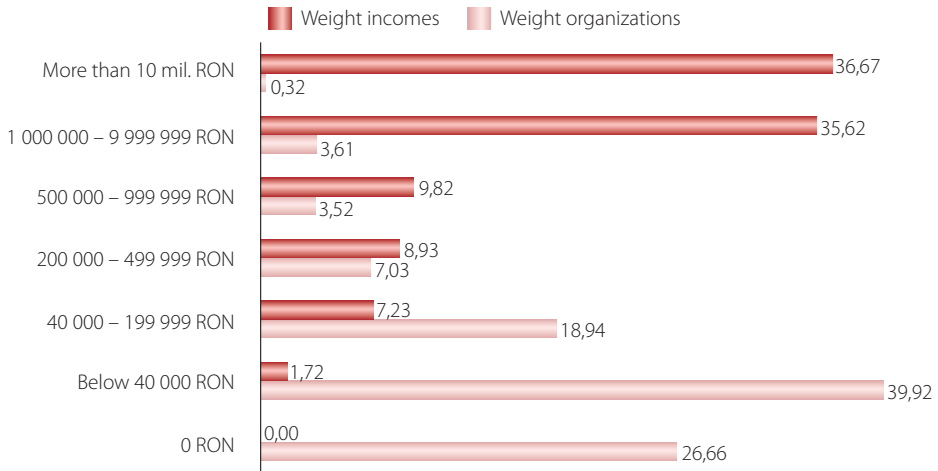
Source: Ministry of Public Finances, processing of FDSC

**Evolution of assets and incomes of NGOs which submitted the accounting balance**



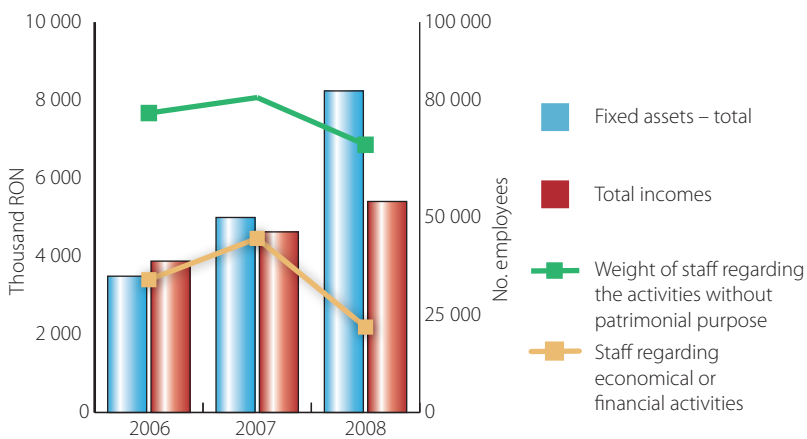
Source: Ministry of Public Finances, processing of FDSC

**Weight of number of organizations and incomes classified on categories of incomes (2008)**



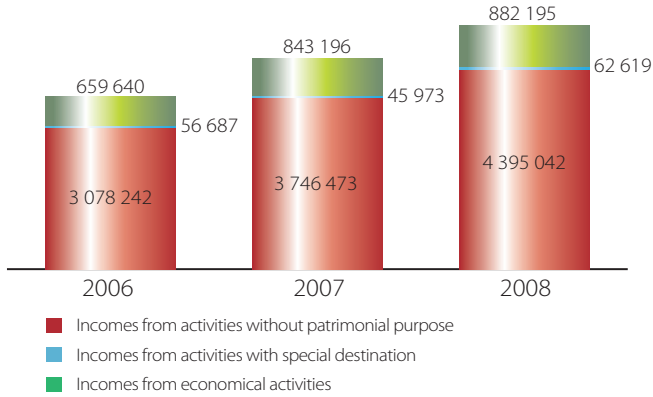
Source: Ministry of Public Finances, processing of FDSC

**Evolution of financial indicators and of the number of employees in NGOs (2006 – 2008)**



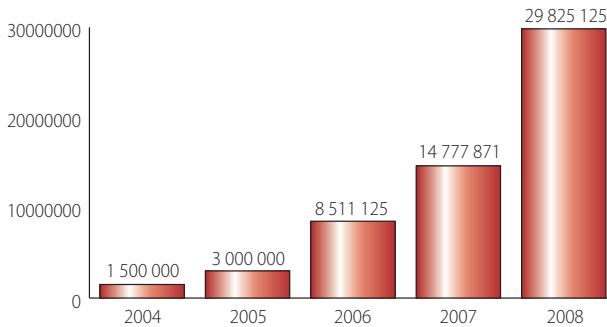
Source: Ministry of Public Finances, processing of FDSC

**Evolution of incomes without lucrative purpose and of economical incomes of NGOs (2006 – 2008) (RON)**



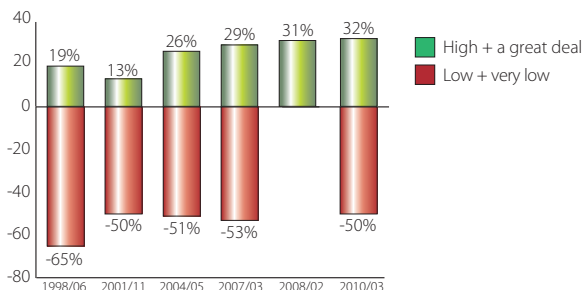
Source: Ministry of Public Finances, processing of FDSC

**Amount directed by the taxpayers during the period 2004 – 2008 (EUR)**



Source: Association for Community Relations, processing of FDSC

**Level of trust in non-governmental organizations:**

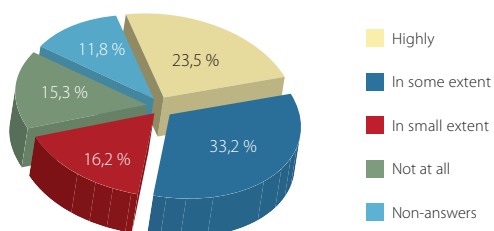


Source: 1998 – 2007: Soros Barometer; 2008: IMAS; 2010: Omnibus FDSC

**Characteristics of volunteering for NGO vs. volunteering for church and community**

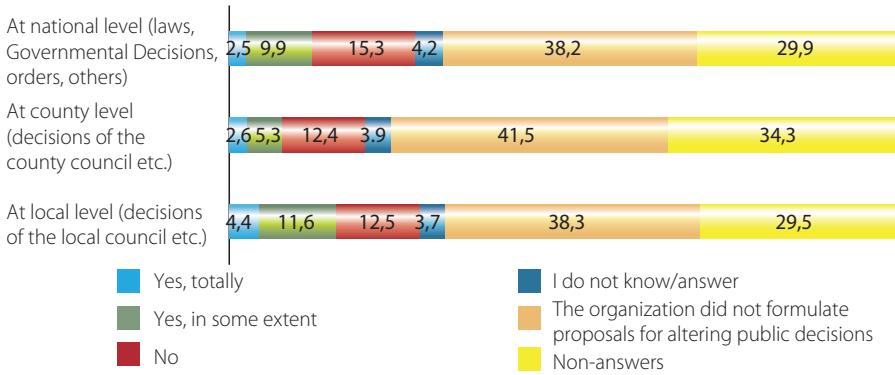
Actions performed one or several times		volunteering work for church or community	volunteering work for a non-governmental organization
Sex	Male	23 %	4 %
	Female	15 %	4 %
Age	18-29 years old	9 %	4 %
	30-44 years old	21 %	5 %
	45-59 years old	19 %	5 %
	60 years old and more	24 %	1 %
Studies	Less than or equal to 8 grades	19 %	1 %
	Vocational School/10 grades	25 %	4 %
	High School, Post-secondary	15 %	5 %
	College, Faculty	15 %	5 %
Social category	Department Managers and Private Undertakers	19 %	4 %
	Civil Servants with Upper Studies and Skilled Staff	15 %	6 %
	Skilled Workers and Civil Servants with average studies	17 %	3 %
	Unskilled workers and other servants with minimum studies	23 %	3 %
Income per household	Low (below 1120 RON/month)	28 %	3 %
	Average (1121-1960 RON/month)	17 %	6 %
	High (more 1960 RON/month)	15 %	3 %
Historical region	Transilvania, Banat, Crişana, Maramureş	20 %	4 %
	Oltenia, Muntenia, Dobrogea	14 %	3 %
	Moldova	28 %	3 %
	Bucharest	9 %	6 %
Size of locality	Cities with more than 200K inhabitants	8 %	3 %
	Towns 50-200K inhabitants	13 %	5 %
	Towns sub 50K inhabitants	15 %	4 %
	Rural localities	28 %	4 %
Total		19 %	4 %

Source: Omnibus research, performed by Mercury Research at the order of FDSC, 2010

**Is decision influencing at central or local level a preoccupation of your organization?**


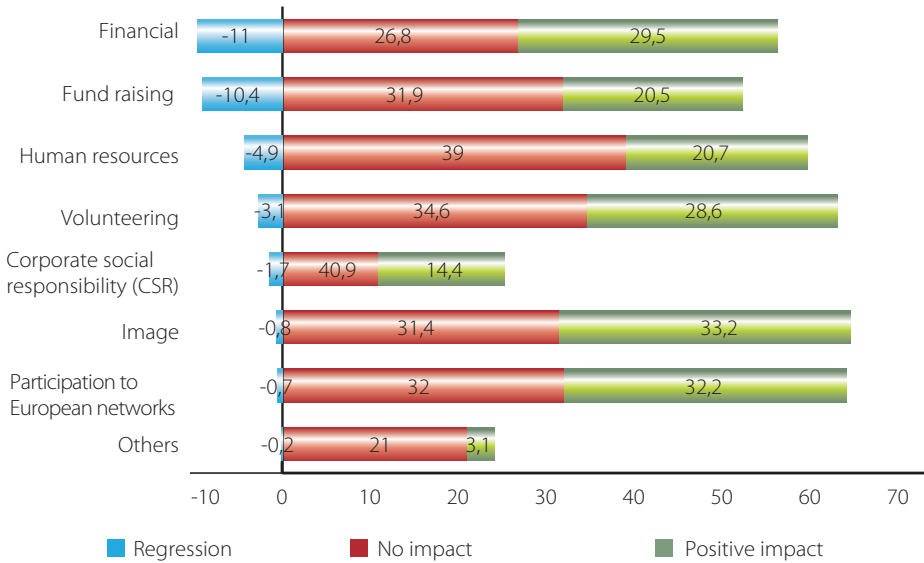
Source: Barometer of NGO Leaders, FDSC, 2010

**Were your proposals for altering public decisions found in the final decision adopted by the public authorities? (%)**



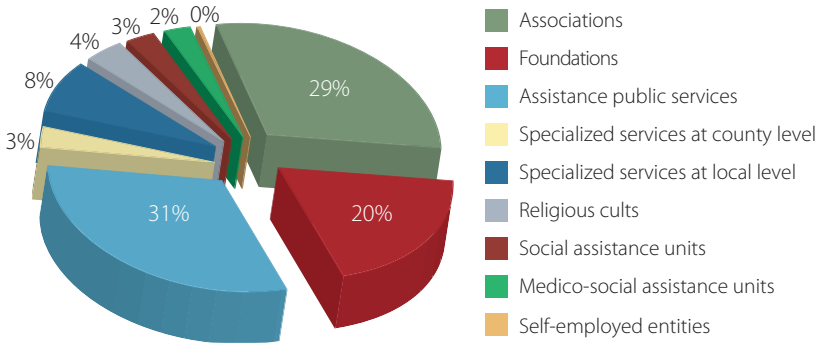
Source: Barometer of NGO Leaders, FDSC, 2010 (Question with multiple choice)

**Impact of Romania's adhesion to the EU on various organizational aspects of NGOs in Romania (%)**



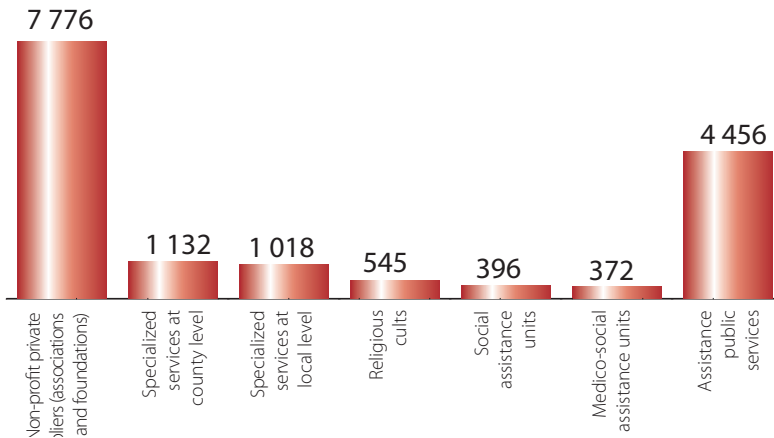
Source: Barometer of NGO Leaders, FDSC, 2010 (question with multiple choice)

**Typology of social service suppliers**



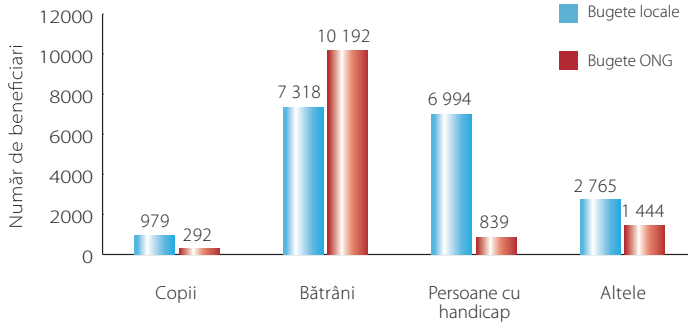
Source: Ministry of Labour, Family and Social Protection – [www.mmuncii.ro/sas/index](http://www.mmuncii.ro/sas/index) (March 2010), processing of FDSC

**Distribution of the number of accredited services per types of accredited suppliers**



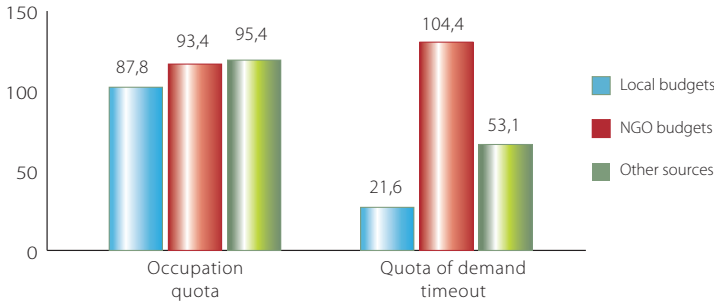
Source: Ministry of Labour, Family and Social Protection – [www.mmuncii.ro/sas/index](http://www.mmuncii.ro/sas/index) (March 2010), processing of FDSC

**Capacity to supply attendance services at the domicile on funding sources and types of services**



Source: Ministry of Labour, Family and Social Protection, Directorate Social Inclusion Programs – Report related to the social inclusion activity for the year 2008

**Demand of services per type of suppliers**



Source: Ministry of Labour, Family and Social Protection, Directorate Social Inclusion Programs – Report related to the social inclusion activity for the year 2008

**Weight of assets and incomes of accredited private universities in the field of education**

	Statistic data in the field of education (December 31, 2008) 1 EUR = 3.9852		Statistic data for the 28 accredited private Universities (List according to www.edu.ro, April 2010) 1 EUR = 3.9852		% altogether Education Field
	RON	EURO	RON	EURO	
Fixed assets	1 021 049 990	256 210 476	727 554 035	182 563 996	71,26%
Incomes from AFSL	1 121 549 357	281 428 625	759 357 054	190 544 277	67,71%
Incomes from deeds with special destination	384 949	96 595	–	–	–
Incomes from economical activities	67 091 686	16 835 212	5 298 815	1 329 623	7,90%
Total incomes	1 189 025 992	302 007 410	764 655 869	191 873 901	64,31%

Source: Ministry of Public Finances, balance data (processing of FDSC)