

Organizations of social economy within market relationships – theoretical approaches

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ABSTRACT

The paper brings into discussion the issue of cooperative society and its place within other organizations of social economy. The debates in literature and personal views are emphasized and the features of civil society, cooperative society and commercial society are compared. The results show that the key of causality relationships for which cooperative societies are less representative in economy belongs to manufacturing sector, especially the industrial one. In addition, cooperative societies do not have a real potential of development without a dynamic industrial sector.

***Keywords:** land market, free movement, cooperatives, associations*

Social economy of exchange is a concept that belongs to Christian Democratic doctrine according to which both economic and social criterion are important (Popa, M.et all., 2009). The organizations of social economy are economical and social players who are active in all branches, and who have specific features according to their purposes and their specific form of entrepreneurship. Social economy includes organizations such as: cooperatives, associations and foundations. These are very active in certain fields: social protection, social services, health, banking, insurance, agricultural production, local services, education, culture, sports and leisure activities (Carta Principiilor Economiei Sociale, 2002).

All organizations of modern economy, grouped in civil societies, cooperative societies, and commercial societies (Figure no.1), are based on the associative spirit of those who represent them and who are their members, regardless of issues that these become entities from juridical, economical point of view or in relation to markets. In other words, association is the process that, in horizontal approach, means the common thing linking the three categories of organizations. It express the attitude of organizations' members, attitude that brings together the members to a common purpose and make them to respect the principles and rules both general and particular, institutional.

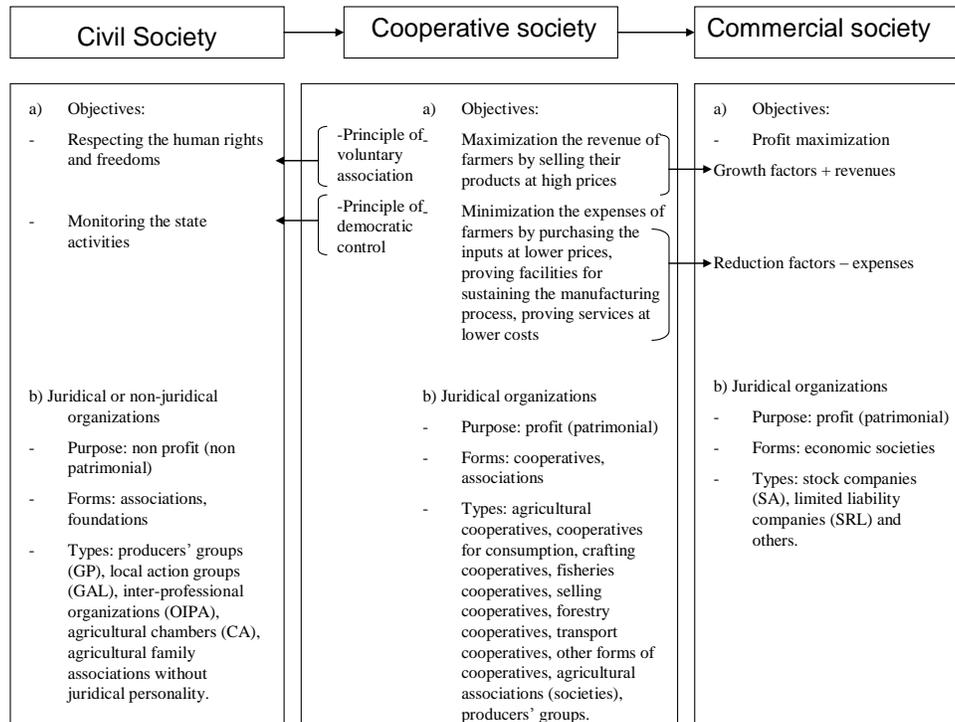


Figure no. 1 – The place of cooperative in society and economy

The three categories of organizations represent the key elements in structural approach of economies of developed countries. Their role within the general economic mechanism is well defined and personalized. For example, the commercial societies have the main target the profit maximization which ensures, in a hedonist (egoist) manner, the engine of their development. As a result, commercial societies activates exclusively only in economic field. At the opposite pole, the are organizations in the domain of civil societies, which gain the power, considering the degree of their responsibilities, imply and defend human rights and freedoms, in ethical manner in which generosity, mutual aid, tolerance, civic commitment are dominant. Because they are non profit, their activity does not imply direct economical effects. However, through all activities, these structures contribute to achieving peace and social stability, so needed for good functionality of other sectors, and, mostly, for economical ones.

Cooperative society has three main categories of organizations, lucrative, which activate in agriculture, namely: cooperatives, associations and producers' groups. These organizations represent, in a doctrinaire approach, the subject of social economy.

In European view, the cooperative society manifest itself as a private economical agent, being considered somewhere between civil society and commercial society. In relation to commercial society, the cooperative activate in double direction. Firstly, it contributes to decreasing the expenses for input purchasing at lower prices, or providing facilities to the production process through delivering services at lower costs etc. Secondly, the cooperative society may contribute to income maximization for farmers by selling their products to higher prices. Compared to civil society, cooperative society must take actions actively for respecting human rights and freedoms and monitoring state activity.

This is the reason why the cooperative society is, in equal measure, an exponent of both civil and economical, respectively commercial, societies. The transition to post-industrial society in which the energy of development will come through knowledge requires new formulas of society functionality, as a whole, for all EU member states, because knowledge based economy belongs to the strategic visions of this multinational structures. As Paul Dobrescu (Dobrescu, 2013) says, the quality leap in the case of new societies, regardless their content and nature, determined as a result of high technologies, brings, in an objective manner a new wave of invention system. The same author affirms that, for industrial society the main invention system was private propriety. In post-industrial society, there is no such a thing definitely defined. The market of knowledge can be put into the light, with their structural element that belong to agriculture and rural environment and, by extension, cooperative entities with key roles in managing informational streams from producers to consumers of information.

Between the three types of organizations, but also within them, proportional relationships must exist. They facilitate the normal functionality of economic mechanism. In the case when one or several organizational segments go dysfunctional, usually below the others, potential assembly aligns itself to the one with the weakest results. This is the typical situation of Romanian economy, which, after two decades of capitalist relationships, has not yet found nor the way, or the rhythm of normal functionality. Obvious, the main reason is the incapacity of industries, as process and distinctive activities of commercial societies, to recover themselves after the hick of reforms taken in '90, doubled by the current economic crisis.

In these conditions, cooperative sector become a victim of industry's unfulfillments. So, the key of causality relationships for which cooperative societies are less representative in economy belongs to manufacturing sector, especially the industrial one.

Sententious, we may consider that the revival of the cooperative sector is a direct result only in the conditions of industrialization process' recovery in economy. Without industries, without a dynamic industrial sector, cooperative societies do not have a real potential of development. In the process of cooperative sector's recovery and consolidation, new organizations have issued, following the European model; they act in the field of civil society, such as: local action group (GAL), inter-professional organizations (OIPA) and part of producers' groups (GP) – meaning those juridical entities set up as producers' groups, but with non patrimonial purpose, such as foundations and associations. But all these structures are not, yet, actors with experience needed to influence the good functionality of economy, in general, and of agro-food market, in particular. As a result, for accelerating the development of cooperative sector, considering the rural and agricultural ones, a new thinking in clever and innovative approach of all institutional and relationships system in economy is needed.

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