

BOOK REVIEW

„*Social Economy and Entrepreneurship. An analysis of the nonprofit sector*”, by Mihaela Vlasceanu, published in Romania, Polirom, Bucharest, 2010.

Raluca Dinescu

Department of Sociology, University of Bucharest, Bucharest, Romania

E-mail: raluca.dinescu@sas.unibuc.ro

Mihaela Vlasceanu is a professor at the National School of Political Sciences and Public Administration of Bucharest, having as main research interest the sociology of organizations and the nonprofit sector. As a leading scholar in the area of *the third sector*, which is still an underexplored topic in the international scientific literature and especially in Romania, the author proposes a comprehensive perspective on the evolution and the main features of this nonprofit sector, carefully pointing out the difficulty to precisely delimit its scope and boundaries from the other two major sectors: public and private.

The book consists of three parts. The aim of the first part is to present the representative organizations of the nonprofit sector, followed in the second part by a discussion of some particular marketing and management issues, and ending with an emphasis on the existing osmosis between the nonprofit sector, the civil society and the concept of social entrepreneurship.

Given that the national academic literature concerning this subject is modest, the work starts with data regarding the specific of nonprofit organizations, attempting to draw from the profile existing literature definitions of an „independent” sector and to provide the reader with a clearer image on it. Thereby, in view of the size of the nonprofit sector, its features can also be found in the other two sectors, and most of definitions are given in relation with these structures, but, especially, by emphasizing „*of what is not*” rather than the „*of what it is*” (p.19).

In the first part of the book the author offers detailed information about the historical development of the nonprofit sector, from examples of philanthropic involvement in Egypt, Ancient Rome or India, passing to Christianity as an important base of sector development and at charitable institutions of the 18th-19th centuries. Also this part provides data concerning the evolution of the nonprofit sector in Romania, which was manifested predominantly in the early 20th century and was amplified by the economic and political context from the beginning of the

20th century. The presentation touches also the orientation towards social responsibility, providing the framework necessary for the appearance of charitable and cultural associations.

M.Vlasceanu advances also interesting data on the extraordinary expansion knew by the nonprofit sector in the last three decades, emphasizing that the main factors of growth were the crisis of welfare states (hence the need to involve new agencies that provide services the public sector has failed to provide), the limits of the private sector and the fall of communist regimes along with the effects of „transition periods”, factors that led to political and economic changes and to polarization processes between the prosperous and those who faced shortages of the most diverse and which do not find support in neither of the two main sectors. Along with these factors the author also assesses increasing education levels of the population, information technology and stimulation of individual activism and of the social movements, as factors that generated the expansion of nonprofit institutions.

In the last section of the first part the author answers to the question „*Why the nonprofit sector exists?*” from three perspectives: that of the political science (by reference to the incapacity of the state to cover the multitude of social needs and the possibility of intervention of the third sector to respond to these needs, of course, the extent of his capacity for action), the sociological approach (based on the idea of reporting of the nonprofit sector to „*solidarity, altruism and civic responsibility*”, compared with the public sector where comes first the provision of equitable services for a large number of people, this fact being related to the structural characteristics of nonprofit organizations) and the economic pillar (in terms of demand and supply, of the choice between free services by the public sector, paid by the private sector or opting for the services of nonprofit organizations).

In the second part of the book, the author starts from the analysis, more specifically from the formulation, of an own mission of nonprofit organizations, which starts from stating the objectives according to the specific of organization, and pursues the setting of long-term goals, but which can be adapted to changes which occur, and division of the general objective in objectives which can be operationalized.

The argumentation illustrates the specific model of management for the nonprofit sector, the goal being to understand the differences between managing a nonprofit organization and managing a public or a private institution. In this context, the author characterizes nonprofit organizations based on the concept of David Billis, that of „*ambiguous organization*” that presents three „*different worlds*” (bureaucratic, associational and personal) and the place occupied by the nonprofit organizations in this world. Moreover the responsibilities and functions of the Governing Board are presented in order to highlight the role and autonomy had by this board. The section ends by switching to executive management, more precisely to the responsibilities of administrative nature, where the entrepreneurial functions of management are analyzed (is it underlined the importance of a permanent connection with the environment to identify new lines of action, to attract new resources and relationships and it is presented the set of constraints and risks of the executive management of nonprofit sector compared with the other two major sectors; in this sense the author gives as an example the results of a case study of Dennis Young).

At the end of the second part, M.Vlasceanu describes the marketing activity of a nonprofit organization, presenting the main characteristics and their importance in the value chain. A

final point to be reached is represented by a discussion on how funds are developed. This part is of practical interest because, opposed to the private institutions, „*nonprofit organization sell something whose value ... is ... rather indirect tangible*” (p. 130). Among the central elements investigated we can enumerate the sources of donations, of development of funds, the identification of donors and the comparison between the types of donations (restricted – intended for projects and which come mainly from the area of corporations and foundations - and unrestricted – donor is usually an individual person and provides of the organization the freedom to use the funds in order to support the activities).

The last part of the book presents the concept of social entrepreneurship amid the expansion of social responsibility of the public area, of governments, to the profit sector and to the third sector. If in the beginning the author defined the nonprofit sector focusing on „what is not”, here she emphasizes „what it is” the third sector, its social role, reason for analyzing in this last part the civil society sector.

The conducted analysis is supported by presenting the results of a study during the period 1991-1998 by Johns Hopkins Comparative Nonprofit Sector, through which was analyzed the „Global Civil Society” of 35 states, pursuing the size, role, structure and sources of income of their depending on the specific of states. Romania, as a state included in research, is an atypical case from the point of view of income sources, where, compared to the other countries, most funds come from public funding (45%). The case of Romania is interesting to analyze in depth not only in terms of funds raised from public funding, but as well as from philanthropic sources, plus the relatively short time in which these organizations have developed in our country.

For those interested in the emergence and evolution of entrepreneurship concepts, social entrepreneur and entrepreneurship, the book provides numerous proofs, from the case of Saint Francis of Assisi (period 1209-1220), to the term of entrepreneur, invented by economist Jean Baptiste Say (approx. 1800), to „Schumpeter's entrepreneurial model” (1934) or that of Peter Drucker (1993) and to the concept of social entrepreneurship used mainly commencing with the 90s.

The added value of the book consists in the systematic manner in which provides to the reader complex definitions of concepts like nonprofit sector and social entrepreneurship, the dynamics of construction, evolution and expansion of nonprofit sector of civil society, and the differences between economic and social entrepreneurship, all this based on qualitative analysis.