

## DEVELOPING SPECIFIC ACTIVITIES FOR THE METALLURGICAL INDUSTRY BY ACCESSING FUNDS FOR SOCIAL ECONOMY AND HUMAN RESOURCES DEVELOPMENT

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*European funds, despite all the controversy they have generated, including political, bureaucratic or country strategy, can undoubtedly be an important opportunity to develop activities at local, regional or national level. The purpose of the article is to identify and present the specifics of the development of activities related to the metallurgical industry by accessing non-specific financing. The paper presents the authors' experience in implementing such a project through a SWOT analysis of this approach. The idea of the project started from the financing for Human Resources Development and the implementation of some activities on the border of two areas: social and economic. The working methodology involved the positioning of such an approach in the context of the financing of the Sectoral Operational Program Human Resources Development - Priority Axis 6.1. - Developing the social economy.*

**Keywords:** social economy, metallurgy, development

### 1. Introduction

The Sectoral Operational Program Human Resources Development 2007-2014 has enabled the implementation in Romania of projects to ensure the development of specific activities to improve the performance of the target group on the labor market.

This program established the priority axes and major areas of intervention of Romania in the field of human resources in order to implement the financial assistance of the European Union through the European Social Fund under the Convergence Objective for the period programming for 2007 - 2013.

The overall objective of all the projects was to develop human capital and increase competitiveness by linking education and lifelong learning to the labor market and providing increased opportunities for future participation in a modern, flexible and inclusive labor market of 1,650,000 people.

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Priority Axis 6 "Promoting Social Inclusion", one of the seven strategic axes of SOPHRD, was to facilitate the access of vulnerable groups to the labor market and to promote inclusive and cohesive society in order to ensure the well-being of all citizens.

Achieving the objectives involved four major directions:

- Developing the social economy;
- Improving the access and participation of vulnerable groups in the labor market;
- Promoting equal opportunities in the labor market;
- Transnational initiatives for an inclusive labor market.

The development of the social economy as a major area of intervention allowed the conception and implementation of projects at the border between the economic and the development of training programs for disadvantaged groups in order to better integrate them into the labor market.

The de minimis aid granted under this scheme has in principle complied with the rules relating to the object of activity and the amount of aid granted.

As a form of organization, a social economy structure is any entity involved in an economic activity, respecting cumulatively the principles of the social economy, with or without distinct legal personality.

## **2. The implementing method**

The proposed objective of the "Active measures for the development of social economy in the Bucharest-Ilfov and South-Muntenia Regions" project was to facilitate social inclusion and increase employment level, including by promoting entrepreneurial culture for 46 people from Bucharest-Ilfov and South-Muntenia regions. The total target group of the project was of 136 persons, out of which 125 belong to vulnerable groups, and 11 managers of social economy structures (SES) from the two implementation regions.

The 125 persons belonging to the vulnerable groups benefited from the first part of the intervention of information and counselling services, and in the 11 SES included in the project, 35 persons were employed. These persons, selected and engaged in the new SES, have benefited from a complementary package of services and training courses for the adaptation and maintaining at work, and implicitly, the sustainable development of SES.

The remaining 90 people in the target group who were not employed, benefited from a ICT course - information and communication technology course - and guidance and allocation measures on the labour market. The target group was selected from the communities where the ARAS applicant - the Romanian Anti-AIDS Association and its partners: Piontani Cleaning Services and the Bilciureşti Commune City Hall, Dâmboviţa County, are active in: families with

over 2 children, single parents, women, managers of social enterprises, early school leavers, people living on guaranteed minimum income, people with disabilities, Roma ethnics, young people over 18 who leave the institutionalized child protection system.

As far as the project indicators are concerned, the situation is presented in Table 1 below, which performs a comparative analysis of the proposed / assumed and achieved levels.

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Tabel 1.

**Sintese of project indicators**

<b>Indicators</b>	<b>Prognosis</b>	<b>Achievement</b>
<b>Immediate production indicators (output)</b>		
Number of incorporated social economy structures	11	11
Number of people benefiting from guidance / counselling - social economy	125	147
Number of participants in training - social economy	136	135
Number of ESF participants - women	15	19
Number of ESF participants - Roma persons	25	32
Number of ESF participants - people with disabilities	15	31
Number of ESF participants - other vulnerable groups	70	65
Number of communication and promotion events - social economy	2	0
<b>Result indicators</b>		-
Number of jobs created by social economy structures	46	47
Number of certified training participants - social economy	125	135
Number of jobs maintained by social economy structures	46	47

We observe that at the level of the project the assumed indicators were met, the only problem being their distribution by category.

Another interesting analysis is the amount spent by each analysed social economy structure, considering that the money spent represents a challenge for these projects.

Tabel 2.

**Structure of target group**

<b>Target group</b>	<b>Proposed value</b>		<b>Value achieved during the implementation period</b>	
	<b>Women</b>	<b>Men</b>	<b>Women</b>	<b>Men</b>
Families having more than 2 children	4	6	8	4
Mono-parental families	4	1	7	1
Women	15	0	20	0
Managers of the social enterprises	4	7	4	7
People who left school early	3	7	4	6
People living from the guaranteed minimum income	20	20	9	15
Persons with disabilities	8	7	14	17
Roma people	10	15	13	19
Young people over 18 leaving the institutionalized child protection system	3	2	0	0

Tabel 3.

**Expenditures structure**

<b>EXPENDITURES CATEGORIES</b>	<b>TOTAL (witf VAT*) - Lei -</b>
1. Human resources, of which	1.121.490,00
1.1 Expenditure related to project management	653.760,00
2. Participants	144.200,00
3. Other types of costs, out of which:	7.926.360,00
3.1. ERDF type expenditures	1.395.920,00
3.2 Value of subcontracted / outsourced activities (max. 49% of the total eligible project value)	933.052,00
3.3 De minimis aid, of which:	6.874.435,00
3.3.1 De minimis aid SES 1	758.170,00
3.3.2 De minimis aid SES 2	496.803,00
3.3.2 De minimis aid SES 3	668.470,00
3.3.4 De minimis aid SES 4	713.603,00
3.3.5 De minimis aid SES 5	450.945,00
3.3.8 De minimis aid SES 6	617.403,00
3.3.9 De minimis aid SES 7	766.903,00
3.3.10 De minimis aid SES 8	541.083,00

3.3.11 De minimis aid SES 9	815.145,00
3.3.6 De minimis aid SES 10	459.825,00
3.3.7 De minimis aid SES 11	586.085,00
5. Total direct expenditures (1 + 2 + 3)	9.192.050,00
6. Total indirect costs / general administration expenditures	155.800,00
Indirect expenditures S	120400
Indirect expenditures P1	27200
Indirect expenditures P2	8200
7. TOTAL ELIGIBLE VALUE OF THE PROJECT (5 + 6), out of which:	9.347.850,00
8. transnational activities value	
9. estimated non-deductible VAT value	1.136.396,79
10. CONTRIBUTION OF THE APPLICANT	188.507,00
11. REQUESTED NON-REFUNDABLE FINANCIAL ASSISTANCE (7-10)	9.159.343,00
Expenditures S	7.848.730,00
Expenditures P1	745.865,00
Expenditures P2	753.255,00
Total	9.347.850,00

### 3. Analysis and discussion

One of these social economy structures (SES) was the structure “Atelierele KOTYS”. The funding has enabled the acquisition of new, high-performance equipment for metal and glass processing.

A range of high-performance equipment has been purchased: Fusion furnace for glass, blasting machine, CNC plasma, manual milling machine, biax assembly, metal furnace, Brener gun, planing hammer, hand scissor, english wheel, rolling machine. Part of the equipment is shown in Figure 1

The equipment purchased allows the following metalworking operations, both through heat treatments and metalworking.

The high-precision plasma cutting machine allows specific tasks to be carried out in a short time. It offers the possibility of realizing fences and ornamental balustrades in conditions of maximum precision.



Fig.1. Photos of the equipment

In order to obtain the final product, the metallic materials and the glass are subjected to a specific heat treatment with the purchased furnaces.

The expenditures committed and funded for the development of this entity accounted for 98% of European funds.

From the point of view of the effectiveness of such a project, it is important to analyze the turnover and the number of employees in the first years of operation. The analysis shows a positive evolution of both the turnover and the number of employees

*Tabel 4.*  
Incomes and employes evolution

Year	2015	2016	2017
Incomes	116000 RON	256000 RON	860000 RON
Employees	6	8	11

Starting from the financial data and the evolution of such an approach, we can carry out a SWOT analysis of the project, highlighting the main aspects that can be retained.

**Strengths:**

- The possibility of acquiring new equipment worth more than 180000 RON, impossible through a classic financing
- Existence of a budget for promotion, allowing the penetration of the market under strong competition conditions

**Weaknesses**

The weaknesses identified relate in particular to

- Obligation of employing persons belonging to vulnerable groups, a factor that leads to a decrease in competitive capacity

- Excessive bureaucracy for some money

- Budgetary constraints

**Opportunities**

- The Law of Social Economy that promotes such activities but which at present does not provide real support, but only at declarative level

- New funding to ensure the development of such activities threats

- They are generally specific to any market and are related to the emergence and evolution of competitors and the volatility of demand

## **6. Conclusions**

The paper highlighted a way to develop metallurgical activities by accessing nonspecific funding, such as those addressed to vulnerable groups and human resource development.

Starting from the financial data and the history of such an approach, strengths and weaknesses, opportunities and threats were identified

## **R E F E R E N C E S**

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