

Erasmus Romania National Report

on
SMEs and youth
organizations
cooperation

This study was conducted within the framework of *Cooperate to Operate - bringing together youth organizations and SMEs through corporate social responsibility (CoOp)* project.

CoOp project (2017-2019) aims to enhance the collaboration between Small-Medium Enterprises (SMEs) and youth organizations, thus to promote and encourage private investment in youth development, and education. The main objective of the project is to support youth workers and youth organizations to diversify their funding sources and attract investments from the business sector, by professionalizing them in the field of CSR and fundraising from SMEs.

CoOp is co-funded by the Erasmus+ Programme of the European Union, through Norway National Agency for the programme - Aktiv Ungdom.

The project is outcome of a partnership between Norsensus Mediaforum (Norway), Youth Work Ireland (Ireland), Fundatia Danis (Romania), Asset Tec (Greece) and Fundacja Robinson Crusoe (Poland).

Contact us: <http://coop.norsensus.no/>

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partner organizations

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FUNDAȚIA DANIS
pentru Dezvoltare Managerială



Co-funded by the
Erasmus+ Programme
of the European Union

AKTIV UNGDOM

The European Commission support for the production of this publication does not constitute an endorsement of the contents which reflects the views only of the authors, and the Commission cannot be held responsible for any use which may be made of the information contained therein.

Executive Summary

Context and research objectives

CoOp Romania National Report was developed within *Cooperate to Operate - bringing together youth organizations and SMEs through corporate social responsibility (CoOp)* project. The main goal of the research was to collect relevant information that can be used by the CoOp partners in developing meaningful tools for youth organizations interesting in increasing and improving their collaboration with Small and Medium Enterprises from their community.

First, the study identified the gap in the national literature referring to the youth organizations, SMEs and the collaboration between these. Second, it aimed to understand how the youth organizations interacted with SMEs from their community, and what kind of bad or good experiences they had in these collaborations or partnerships; what these organizations' needs are in regards to collaboration with the private sector; what kind of resources they need from SMEs; what type of SMEs will fit their profiles; and, finally, what type of projects they could propose to SMEs for future collaboration. Finally, the study also targeted SMEs, learning from them what CSR activities they develop within their communities; how they cooperate with the youth organizations; what their needs and motivations in regards to CSR are; what type of projects they will be interested to develop with youth organizations; what type of NGOs will fit their profiles; what obstacles for being involved in community project they might encounter; and, finally, what good and bad experiences SMEs might have from their previous work with youth organizations.

Research methods

CoOp Romanian partner, Fundatia Danis, conducted a literature review looking to previous studies on Romanian SMEs' community involvement, Romanian youth sector and cooperation between SMEs and youth organizations. This literature review helped us in identifying the informational gaps in regards to the collaboration between the Romanian youth organizations and SMEs.

Then, following the CoOp research design, Fundatia Danis conducted a survey sent to more than 50 youth organizations and NGOs working with young people from Romania. 21 organizations answered to the survey, ensuring a 42% response rate. The general objective of the survey was to understand how Romanian youth organizations interact with small and medium enterprises (SMEs) from their community; and what the youth organizations' needs are in regards to collaboration with the private sector.

For the third and last part of the research, Fundatia Danis has conducted a focus group and interviews with ten representatives of SMEs from Romania. The purpose of the face-to-face interactions with the owners or the employees of SMEs was to identify to what extent SMEs tend to follow a pattern or have a particular interest while cooperating and establishing

partnerships with youth organizations or NGOs working with young people. Besides the aspects related to cooperation practices between SMEs and youth organizations, the qualitative research also tackled the question of motivation when it comes to SMEs involvement in community development. Also, the research intended to build on the issue of successful collaborations that were made possible with the support of the SMEs, altogether having a positive and significant social impact on youth and their communities.

The youth organizations and the SMEs included in the field research were selected using the stakeholders network of Fundatia Danis, thus we used the convenience sampling method. We chose this sampling method, as the main goal of the research is to respond to the project partners and their stakeholders' needs and interests in regards to the topic of SMEs-youth organizations collaboration.

Main results

The national desk research showed that there are no relevant studies specifically referring to the Romanian SMEs' involvement in the community or in supporting youth organizations, thus we could conclude that from our perspective relevant data are missing on the following topics: how many SMEs are involved in community projects/activities, what types of SMEs get involved, what types of causes or projects the SMEs support, or what types of organizations they support, the amount given, the motivation for giving, and any plans for the future in regards to their CSR/community involvement. The same, the desk research could not point to any relevant study that specifically analyzed the youth organizations' collaboration with the business sector or the SME sector from Romania, thus the Romanian literature on this topic misses a lot of data on the following topics: type of projects that youth organizations develop in collaboration with the companies, type of companies they work with, the amount of support provided, and plans they have for future collaboration with the business sector, more precisely with Romanian SMEs. Still, the resulted literature review presents data from relevant studies that talk about the collaboration between the business sector, in general, and the NGO sector from Romania; and it also put together some general information about the Romanian SMEs and the youth organizations sectors.

The main results of the survey showed that NGOs working with youth and youth organizations have been lived stable financial times in the last years, increasing their budgets. Also, referring to the income sources, we can conclude that the NGOs responding to our survey count mostly on European public funds, and sponsorship from companies. The survey results also show that SMEs are more often mentioned by the youth organizations, as income sources, than the multinational companies – 62% of the respondents mentioned SMEs, in comparison with 48% who mentioned large or multinational companies. However, 38% of the organizations have no funds from SMEs, while for those which receive funds, this income source, in average, represents 11% to 30% of their annual budgets. In terms of needs from the SMEs, 100% of the youth organizations mentioned they need money from SMEs; 67% – need companies' networks of professionals and business partners; 57% – companies' facilities, offices and expertise.

Finally, Romanian youth organizations prefer to work with bigger companies, which have a designated person or department in charge with the collaboration with NGOs, charities or CSR activities (67%).

The main results of the interviews & focus group with the SMEs show that most of the enterprises support several community projects per year, and they prefer to give in-kind support instead of money. Then, we learned that the SMEs do not have a clear preference in terms of causes they choose, but they tend to favor projects targeting children or young people and educational projects. The enterprises do not have a CSR strategy, and the majority of the companies do not have a dedicated person or dedicated personnel or committees for making CSR/community involvement decisions. The SMEs get involved in community projects mainly when they can see an immediately and palpable impact, clear objectives, and also if they can better connect with their clients. Finally, the companies do not necessarily measure the impact of their involvement in the community, and if they are interested in the results of a specific event or project, they would ask the NGOs or they would go online and search info about it.

For the complete results of the CoOp research in Romania, please read the following chapters, and for any question you might have, we encourage you to contact directly Fundatia Danis.

Literature Review

previous studies on Romanian SMEs' community involvement, Romanian youth sector and the collaboration between SMEs and youth organizations

Reports, studies referring to the involvement in CSR activities of Romanian companies (SMEs, large or multinational companies)

There are two relevant studies looking to the CSR activities of the Romanian companies, which are conducted periodically by Asociația pentru Relații Comunitare (*Trends in philanthropic behavior and fundraising practice* – original title: *Tendințe ale comportamentului filantropic și practici de atragere de fonduri*) and by CSR Media and Ernst and Young (*CSR trends and realities in Romania* – original title: *Tendințe și realități CSR în România*). In both cases the last reports were published in 2016, with data from 2013-2015, and in both cases the reports focus on companies in general, without making a distinction or present different data and trends for categories of companies, more precisely for multinational, large and small and medium enterprises.

Beside some data collected from the public agencies to whom companies report their financial data, *Trends in philanthropic behavior and fundraising practice* (2016), prepared by Asociația pentru Relații Comunitare, includes 529 interviews with companies with at least 7-9 employees, and which reported some profit at least in one year from the last three years of activity. 71% of the sampling represented companies with 10-49 employees, and only 7% of the companies that responded to the interviews had more than 250 employees. However, no criteria related to the companies' turnover was used in the selection of the sampling, in order for us to understand how many SMEs were actually included in the study. Still, we can estimate that most of the companies that took part in the study were medium enterprises, looking to the number of employees they have. The data included in the study refers to 2014-2015 and it looks to the following issues of community involvement:

- Who benefits from the companies' sponsorship (money or in-kind);
- The value of the sponsorship (money or in-kind);
- The sectors of activity supported by the companies;
- The value of the sponsorship for different sectors of activity supported;
- Philanthropy mechanisms and involvement mechanisms used by the companies;
- Companies' motivation for supporting and being involved in philanthropic activities;
- Companies' motivation to refuse to support certain projects or activities;
- The number of the organizations companies support during one year;
- The transparency level of the organizations supported by the companies;
- Methods of solicitation used by the organizations when asking companies' support;

- Communication mechanisms used by the companies to announce the involvement opportunities they provide;
- The right time for asking the companies' support;
- Companies' budget allocation for sponsorships;
- Decision making process regarding the sponsorships given.

The main conclusions of the report are:

- From the 137,000 companies, which were able to get involved in social or community or humanitarian cases, 21% of them supported community programs or social causes in 2014. In total, these companies gave away EUR110 million. 22% of the value of this support represented in-kind support, and the rest was financial support; then, 33% of this support was given to NGOs, and the rest of it to individual cases, churches, schools, hospitals, etc.
- The average support provided by one company was approximate EUR 3,400/year, but most of the companies provided EUR 1,800/year.
- The most supported sectors of activity – that received most of the money or in-kind support – were health, education, sport, social, religion and culture.

Regarding the motivations for giving, among the main reasons for giving, companies' representatives interviewed in the study said that they had a moral duty (66% of the respondents) to support such causes, or that CEOs or managers were impressed by some causes or individual humanitarian cases (60% of the respondents) or that the companies were responsible to take care of the community (58%). Most of the companies supported one or two NGOs during one year (49% of the interviewed companies), while only 23% of the companies said they usually supported around 5, between 6-10 or over 10 NGOs during one year. In regards to the mechanisms of involvement the companies use, most of them prefer to give money (55%), or in-kind support (34%), and less of them use volunteering (14%), employees' donations/payroll giving (8%) or cause-related marketing (5%).

The study also reveals the main reasons for accepting a solicitation from a NGO: over 90% of the companies said that they accept solicitations of support from NGOs that are trustable; then, they also mentioned the right timing for solicitation (over 75% of the companies) and the fact that the company's turnover or profit increased (over 70% of the companies). Other reasons for accepting a solicitation, mentioned by many respondents (over 40% of them) were: the projects should support the people from the city/locality where the company is active, and the projects or the organizations that receive the support should contribute to the company's good image in the community. In regards to rejecting such solicitations, the report shows some differences in perception between companies with bigger or smaller budgets; thus, the three main reasons for refusing support, mentioned by the companies with bigger budgets, are: they were not asked so far to provide support; they consider that the people should take care of themselves; they did not trust enough the organizations or the projects they were solicited for; and, finally, the three main reasons for refusing support, mentioned by the companies with smaller budgets, are: the companies have nothing to win from getting involved in such projects; the decision makers believe that the state should be

the only responsible for taking care of those in need; and the company does not have enough resources for supporting such projects.

In regards to the companies' communication of the sponsorship opportunities, less than 20% of them choose to make public announcements about these. Most of the companies (over 80%), in some cases, contact one organization to provide their support or, in other cases, they are in constant contact and provide constant support to a small number of organizations (75% of the companies). 37% of the companies said that the most appropriate moment to ask for their support is in the 4th quarter of the year, while 25% of the companies said that there is no such preferred period of time. However, the first quarter seems to be the worst for asking for support – only 7% of the companies consider it as the best moment for asking the support from them. However, 43% of the companies declared that they do not provide annually or regularly support to community projects, and only 10% of the companies said that they allocate annually a specific amount of money for these projects. Finally, in 85% of the companies, the decision about the support that is given to such community projects is taken by the owner or the CEO of the company, or by someone from the company's leadership. Only in 1% of companies there is a person responsible for such activities, and in 10% of the companies there is a committee that takes such decisions.

CSR trends and realities in Romania report (2016, prepared by CSR Media and Ernst & Young, explores and analyzes the perceptions of the companies' CEOs or CSR persons towards the CSR projects run in 2015-2016. The study included 150 CEOs and CSR persons from Romanian companies – 42% of the companies included in the study were SMEs, if we profile them looking only to their turnover (less than EUR 50 million); 88% of the companies that responded to the report's survey were already involved in CSR activities. However, the study does not present the data based on the demographic characteristics of the companies, so we could not find out the specificities of the SME sector.

Using a survey, the report analyzes the Romanian CSR trends, the role of the CEOs, CFOs and others top managers in CSR, and the role of the CSR persons in the development of the CSR strategy of a company. At the same time, the report presents longitudinal data, for 2013-2015, based on the data collected in the previous years and included in the previous reports. The study looks to CSR aspects, such as

- The companies' understanding of CSR concept;
- The companies' motivation to get involved in CSR projects;
- The companies' budgets for CSR;
- The departments involved in CSR activities;
- The CSR strategy of the company;
- The assessment of the companies' social impact;
- The CSR and social impact reporting;
- CSR projects developed in 2015 (value, coverage, sectors of activity, involvement mechanisms, partners);
- Supply chain and CSR;
- The companies' CSR teams.

The main results of the study:

In regards to the companies' understanding of the CSR concept, it is interesting how the Romanian companies changed their perception in the last three years: if in 2013, 57% of the respondents believed that CSR is mostly about community involvement, in 2015, only 26% of the companies still believed that; more companies believe now that CSR is also about sustainable businesses, ethics in business, supply chain, philanthropy, risk management, etc. 88% of the companies who responded to the survey implemented social responsibility projects in 2015. The main reasons for getting involved in social responsibility projects are: community visibility (56%), the projects are part of the PR strategy (46%), and the shareholders ask for such projects (40%).

12% of the companies had in 2016 an annual budget for CSR smaller than EUR 5,000, while 44% – had a CSR budget between EUR 5,000 & EUR 50,000; 7% of the companies said they had no budget for CSR activities. 41% of the companies said that their CSR budget stayed the same in the last year, and 39% mentioned an increase of 5% to 30%. In 68% of the companies, the CSR budget is managed by the PR & Marketing department, but also other departments are involved, such as human resources, sustainable development department, management, CSR department or others.

Most of the companies (76%) included in the study have a CSR strategy – 24% received their strategy from the headquarters (in the case of multinational companies), and 52% have their own local strategy. Also, 64% of the companies declared they measured the CSR activities impact towards the company itself and the community – they are interested mostly in the impact over their employees, over the environment and clients. In 2015, in average, one company developed 12.2 CSR projects, and 47% of these projects had a value of up to EUR 5,000 and 45% – were between EUR 5,000 and EUR 50,000. In 2015, 59% of the companies had CSR projects with local coverage, and 42% had national projects. The main sectors of activity of the CSR projects were: education (75% of the companies), health (61% of the companies), environment (51% of the companies), and social (48% of the companies). The community involvement mechanisms used by the companies are very diverse: in 2015, they got involved in community projects mainly through money sponsorships (69%), volunteering (67%), and in-kind donations (65%). 95% of the companies said that when they involved in community projects they collaborate with NGOs, and then they also partner with schools (64%), local or central authorities (48%) or health public institutions (35%). Regarding the CSR team from the companies, in average one company has 2.9 full time employees managing the CSR activities. All 80% of the companies declared, at the same time, that their employees are very involved in the CSR activities of the companies.

Reports, studies referring to youth organizations' cooperation with SMEs or the private sector

There could not be found specific studies referring to youth organizations' cooperation with SMEs or the private sector. However, two studies include some information regarding collaboration between NGOs and companies. One is the study mentioned above – *Trends in*

philanthropic behavior and fundraising practice (ARC, 2016), and the second one is *Romania 2017. The non-governmental sector. Profile, trends and challenges* (FDSC, 2017).

From ARC study (2016) we saw already that the sectors/projects who received the most attention from the companies are: health, education, sport, social, religion and culture. The average support was of approximate EUR 3,400, but most of the companies provided EUR 1,800. However, there is no information about the type of companies that support certain projects, or certain organizations, such as youth organizations. Moreover, the study does not include any information about the organizations' motivation for asking support from the business sector or about their plans in regards to the collaboration with the business sector.

FDSC study includes data from 2013-2015 about the nonprofit sector from Romania, data collected from public agencies, NGOs, but also from other relevant stakeholders (through surveys, interviews and focus groups). Based on a national survey with NGO leaders (650 responses counted), FDSC study (2017) shows that Romanian NGOs count on companies' support; thus, for 27% of the Romanian NGOs money received from companies is their main, second or third source of income, for 7% being their main income source. The same study, when looking to the youth organizations sector (based on a focus group conducted with youth organizations), reveals that for bigger youth organizations, the main income sources are: European funds, sponsorships from companies and fundraising special events or income generating activities (such as social enterprises run by these NGOs) (FDSC, 2017). However, FDSC report includes no data about the type of projects the companies support, or about the types of companies that support the youth organizations, or about the amount of the support received or about the youth organizations' interests and plans for the future in collaborating with companies/SMEs.

Gaps identified in the literature

As there are no relevant studies specifically referring to the SME's involvement in the community or in supporting youth organizations, we can conclude that from our perspective relevant data are missing on the following topics: how many SMEs are involved in community projects/activities, what types of SMEs get involved, what types of causes or projects the SMEs support, or what types of organizations they support, the amount given, the motivation for giving, and any plans for the future in regards to their CSR/community involvement. However, through the research we will conduct in the CoOp project we might test some of the information, provided by the two studies mentioned above, about the general companies' behavior in getting involved in community projects.

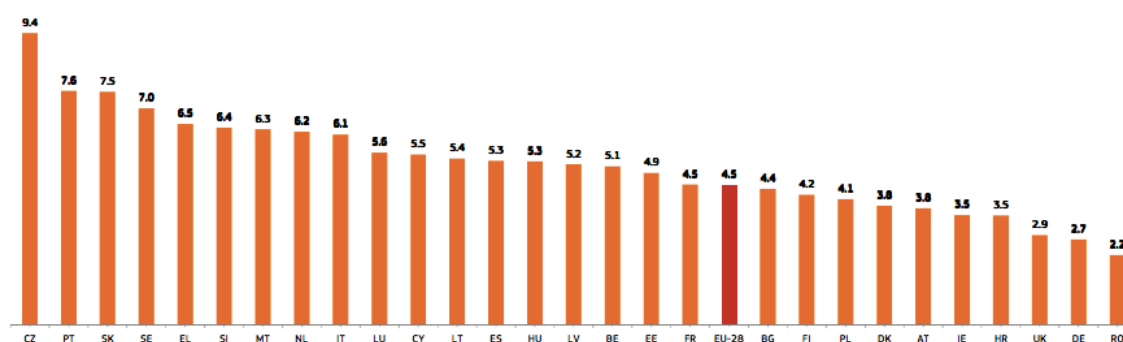
The same, as there are no relevant studies that specifically analyze the youth organizations' collaboration with the business sector or the SME sector from Romania, we can conclude that literature miss a lot of data on the following topics: type of projects that youth organizations develop in collaboration with the companies (definitely there is a collaboration as FSDC report, 2017, shows), type of companies they work with, the amount of support provided, and plans they have for future collaboration with the business sector, more precisely with Romanian SMEs.

Romanian SMEs' CSR activities

Main figures on Romanian SMEs

In Romania, in 2015, there were approximate 445,000 SMEs, 87.7% of them being small companies (under 10 employees, and with a turnover smaller than €2 million) (SBA, 2016). The SMEs represent 99.8% of the total number of businesses from Romania (SBA, 2016). The European Commission review on SMEs 2015/2016 (2016) reveals that Romania is the country with the lowest number of SMEs per 100 inhabitants in EU28, in 2015. If the EU28 average is 4.5 SMEs per 100 inhabitants, in Romania there are 2.2 SMEs per 100 inhabitants.

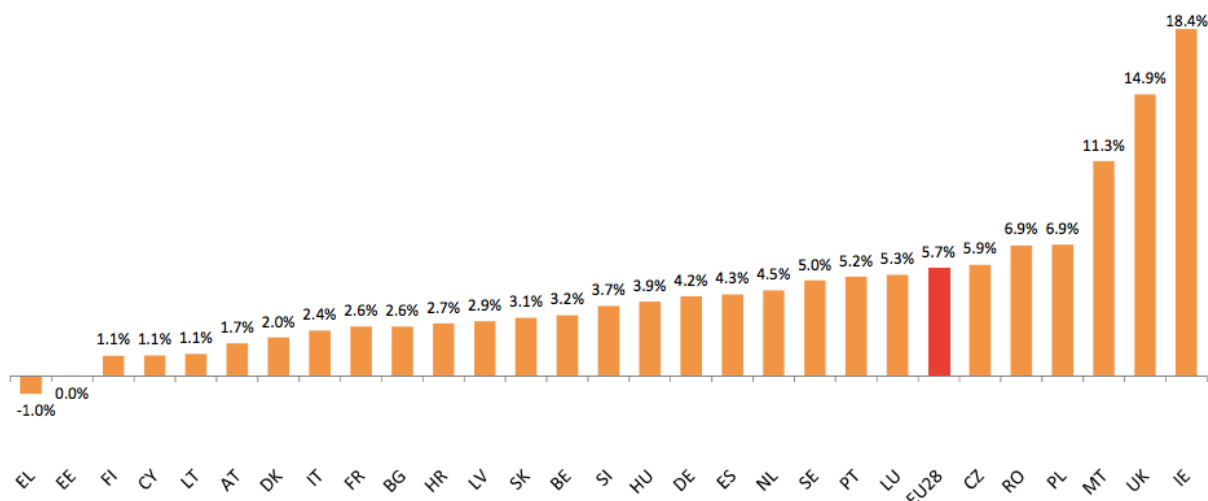
Figure 5: Number of SMEs per 100 inhabitants in 2015



European Commission, 2016 (p. 6).

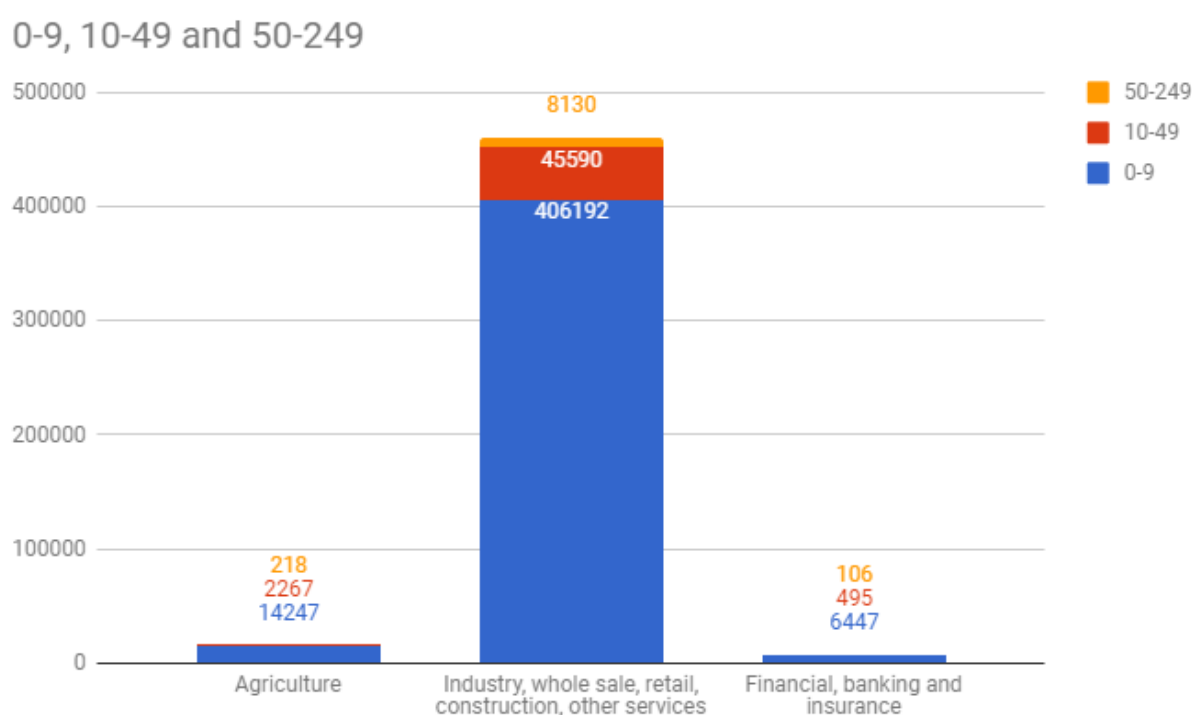
Still, even if the SMEs context seems to be underdeveloped in Romania, the small sector, when compared to other EU28 countries, brought significant value-added to the country. In 2015, the annual growth of the value added brought by SMEs was 6.9%, over the EU28 average, bringing Romanian in the group of few countries that ranked over the EU28 average (European Commission, 2016). The sectors that brought the most added value are the manufacturing and the wholesale/retail trade (European Commission, 2016).

Figure 13: EU SME value added annual growth by Member State, 2015



SMEs sectors of activity

Unfortunately the complete data for Romanian SMEs per sectors of activity is available only for 2008. However, combined information from Eurostat for some sectors, for 2015, with data from Romanian National Institute of Statistics, for 2013 and 2015, and with data from European Commission SBA Fact Sheet, from 2015, we can provide an estimate profile of the Romanian SMEs. Thus, in 2013-2015, the most of the SMEs were active in the wholesale and retail trade sector (~ 30%), followed by professional, scientific and technical activities (~13%), manufacturing (~11%), construction (~11%), and transportation and storage (9%). In 2013, the Romanian SMEs structure by main category of activities and size (number of employees) was the following:



The chart was developed using data from the Romanian National Institute of Statistics (2014), *SMEs in Numbers*

Type of CSR activities SMEs develop

According to ARC (2016), companies are interested in supporting mainly the following sectors of activity (in this specific order): health, education, sport, social, religion and culture. According to CSR Media and Ernst & Young (2016), in 2015, the main sectors of activity of the CSR projects developed by companies included in the study were: education (75% of the companies), health (61% of the companies), environment (51% of the companies), and social (48% of the companies). We need to keep in mind that even though both studies include in their sample SMEs, the data is collected and presented for companies, in general, and no particular trends were presented for the SMEs.

Type of organizations the SMEs support

According to CSR Media and Ernst & Young (2016), in 2015, 59% of the companies had CSR projects with local coverage, and 42% had national projects. Most of the companies support one or two NGOs during one year (49% of the interviewed companies), while only 23% of the companies say they usually support around 5, between 6-10 or over 10 NGOs during one year (ARC, 2016). However, there is no data on what type of NGOs the companies, more precisely, the SMEs would prefer to work with.

Type of support the SMEs provide

In regards to the mechanisms of involvement the companies use, most of them prefer to give money (55%), or in-kind support (34%), and less of them use volunteering (14%), employees' donations/payroll giving (8%) or cause-related marketing (5%) (ARC, 2016). According to CSR Media and Ernst & Young (2016), the community involvement mechanisms used by the companies, in 2015, were: money sponsorships (69%), volunteering (67%), and in-kind donations (65%). The same study shows that, in 2015, 47% of the projects supported by the companies had a value of up to EUR 5,000 and 45% of the projects were between EUR 5,000 and EUR 50,000. However, ARC study (2016), based on data from Ministry of Finance, shows that the average support given to the community, in total, by a company/year is lower – around EUR 3,400.

The SMEs' motivation to support social activities, community projects, etc.

Regarding the motivations for giving, among the main reasons for giving, companies' representatives interviewed in ARC study (2016) said that they have a moral duty (66% of the respondents) to support such causes, or that CEOs or managers were impressed by some causes or individual humanitarian cases (60% of the respondents) or that the companies are responsible to take care of the community (58%). Most of the companies (76%) included in the CSR Media and Ernst & Young study have a CSR strategy – 24% received their strategy from the headquarters (in the case of multinational companies), and 52% – have their own local strategy; and the main reasons for getting involved in social responsibility projects are community visibility (56%), the projects are part of the PR strategy (46%), and the shareholders ask for such projects (40%).

Decision making process in regards to the CSR activities

According to ARC (2016), in 85% of the companies, the decision about the support, which is given to community projects, is taken by the owner or the CEO of the company, or by someone from the company's Only in 1% of the companies there is a person responsible for such activities, and in 10% of the companies there is a committee that makes such decisions.

Youth organizations' collaboration with the business sector

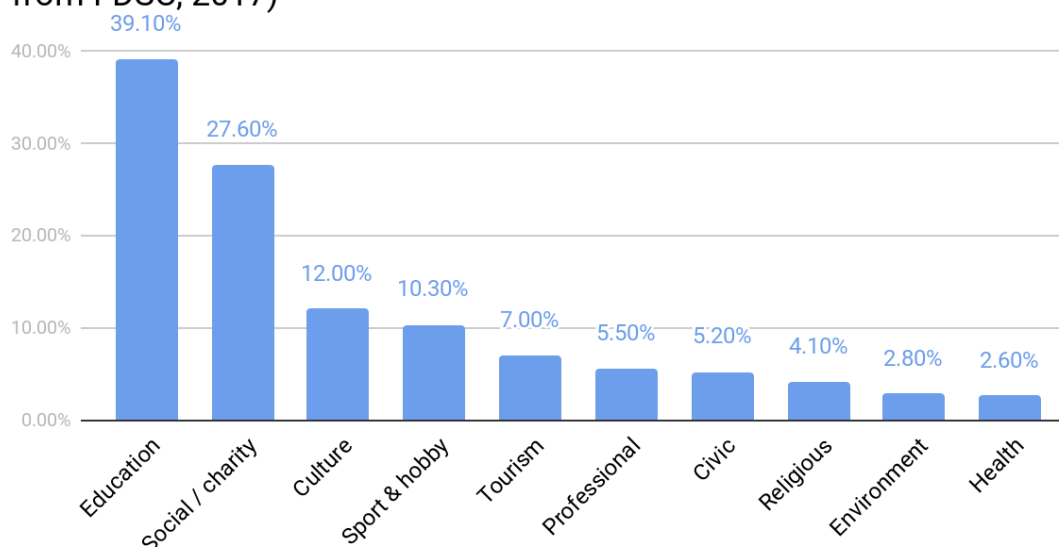
Main figures on Romanian youth organizations

According to the data available in the National Register of the NGOs, in October 2017, there were almost 105,000 nonprofit organizations in Romania. According to the last national study on the Romanian nonprofit sector (FDSC, 2017), in 2015, only about 48% of the organizations from the National Register are really active – meaning they reported financial data to public authorities for the last year of activity. And out of these active organizations, 5.7% could be considered as youth organizations (organizations run by young people or working with/for young people). Thus, applying these estimations to the NGOs figures from 2017, there would be around 50,400 active NGOs in Romania, and around 2900 youth organizations. Taking into consideration the Romanian young population – around 5,000,000 people between 14 and 34 years old (FDSC, 2017), there will be one youth organization for each group of approximate 1700 young people. 91% of the youth organizations have the legal form of an association (at least three persons come together and start an organization having in common a public interest goal).

Sectors of activity of the youth organizations

The main sectors of activity of the youth organizations are the followings: education (39.1%), social services/charity (27.6%), cultural services (14.8%) and sport & hobby (10.3%) (FDSC, 2017). The following figure was adapted and translated from the national study on the Romanian NGO sector (FDSC, 2017). From this graphic is clear that some of the organizations work on more than one sector, but no clear data is available on this issue, on how the sectors are combined or on how often the youth organizations reach through their work multiple sectors.

Romanian youth organizations - sectors of activity, 2015 (adapted from FDSC, 2017)



Youth organizations annual budgets

It is expected that the average annual budget of a youth organization is small, taking into consideration the financial data available at the entire Romanian NGO sector. According to FDSC (2017), in 2015, 47% of Romanian NGOs had an annual income of less than 10,000 lei (~EUR 2,150), the median of the NGOs income being 13,000 lei (~EUR 2800) – so half of the NGOs are under this line of EUR 2,800/year. However, in average, the annual income of one organization increased from 2012 to 2015 with 15%. The total income of all Romanian NGOs increased with 46% from 2012 to 2015 (estimations done based on the data available in the FDSC study, 2017). Only 15% of Romanian NGOs had the annual income bigger than 200,000 lei (~EUR 43,000) in 2015, and 82% of the total income of the NGO sector is recorded in the annual budgets of 8% of the Romanian NGOs (FDSC, 2017). No specific data for the youth organizations' income is available, however, from our experience and observation, we would say that the youth sector will follow similar trends, maybe with more organizations being in the group of organizations with smaller budgets, less than EUR 2,800/year.

Main income sources for Romanian youth organizations

FDSC study (2017) concludes, from focus groups organized with youth organizations, that the main money sources for these organizations are membership fees and local and national public authorities' budgets (such as, Ministry of Youth and Sport and the local agency of this ministry). However, for bigger youth organizations, the main income sources are: European funds, sponsorships from companies and fundraising special events or income generating activities (mainly social enterprises run by these NGOs) (FDSC, 2017).

Figures on number of enterprises and types of companies Romanian youth organizations cooperate with

No such information could be found in the studies identified as relevant for this desk research.

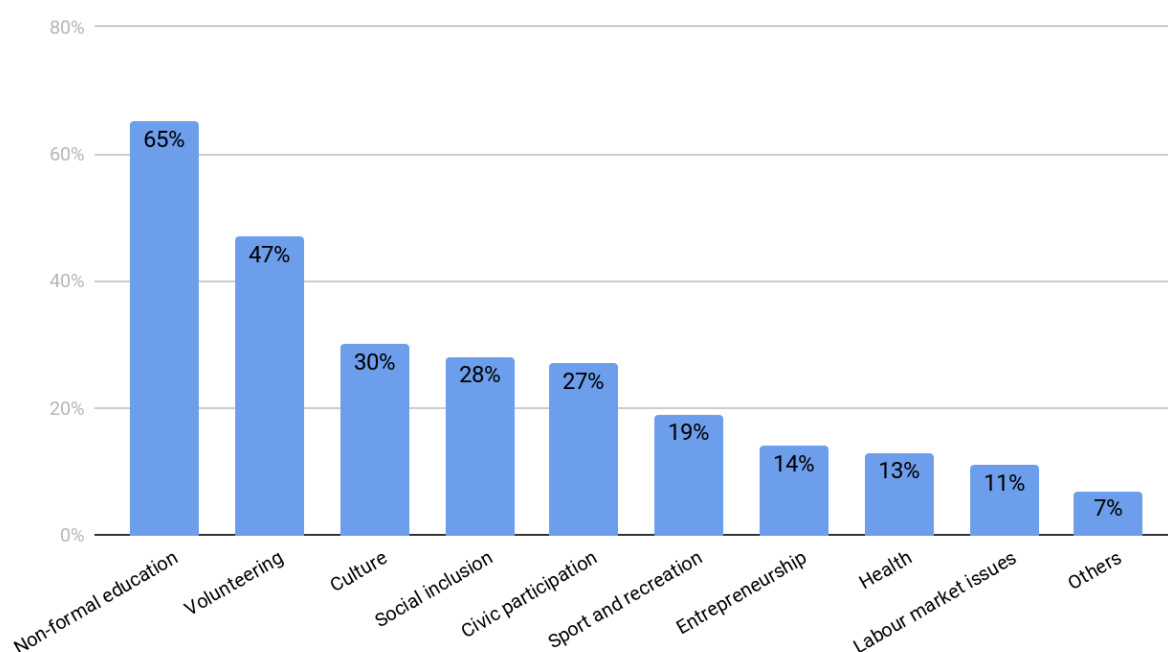
Type of projects the youth organizations develop for youth

During the same national study on Romanian NGO sector (FDSC, 2017), focus groups and a survey with youth organizations were organized, and the following conclusions on projects were drawn:

- The youth organizations are very active in organizing projects and events, as 41% of them organized more than 8 events or projects in the previous year (2015), and 37% – between 3 and 7 projects or events;
- The topics of the projects and events are very diverse (see the figure below, adapted and translated from FDSC, 2017);

- The youth organizations serve young people or young professionals or students, in general, but also many of them focus on homeless young people, drug users, young people with disabilities, and young people from institutional care;
- Most of the youth organizations (59%) work with less than 200 young people/year – 22% of them worked with less than 50 young people during 2016; 26% of the youth organizations work with more than 500 young people in 2016.
- Many small youth organizations are involved in international partnerships, through programs, such as Erasmus+, while the big youth organizations are more involved in national partnerships with other NGOs from Romania and public authorities.

The topics of the projects / events / actions implemented by youth organizations in 2015 (adapted and translated from FDSC, 2017)



Type of methods of fundraising the youth organizations use

Taking into consideration the main income sources of youth organizations, as described in FDSC study (2017), we could say that the main fundraising methods used are: grants (from local and national or European authorities), collection of membership fees, sponsorships and special events.

The Romanian youth organizations' motivation to cooperate with the business sector

No such information could be found in the studies identified as relevant for this desk research.

Fundraising responsible persons in the youth organizations

According to FDSC (2017), the youth organizations work extensively with volunteers, so it is expected that in these conditions even the fundraising activities to be develop and implemented by or with volunteers' involvement.

Youth workers' responsibilities in partnering with the private sector

It is expected that the youth workers will be not so involved in fundraising activities of the youth organizations, as most of the Romanian youth NGOs seems not to work with youth workers. The Romanian nonprofit sector study (FDSC, 2017) reveals unexpected facts: 71% of the youth organizations do not work with youth workers, and from those that involve youth workers (29%), half of them involved maximum 2 youth workers in their activities in one year (2015). For the moment, the only conclusion that can be drawn from this fact is that the youth organizations, even if they hire youth workers, might give them different positions or they might be included under the broad category of "volunteers".

Resources:

Reports & studies

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Websites databases on Romania SMEs:

Romanian National Institute of Statistics, www.insse.ro

European Commission, Eurostat, <http://ec.europa.eu/eurostat>

Website databases on Romanian NGOs:

National Register of Romanian Associations and Foundations, <http://www.just.ro/registrul-national-ong/>

Report on the survey conducted on Romanian youth organizations and organizations working with young people

The general objective of the survey was to understand how Romanian youth organizations interact with small and medium enterprises (SMEs) from their community; and what the youth organizations needs are in regards to collaboration with the private sector. The following report presents the data collected from Romanian youth organizations or NGOs working with young people.

Profile of the Romanian youth organizations part of the survey

In March 2018, the survey was sent to 56 youth organizations and NGOs from Romania. The organizations' leaders, employees or volunteers gave their answers and feedback via Internet and by the end of the month 21 organizations positively responded to our request by filling in the survey, ensuring a 37.5% response rate. All organizations declared that they either work with or for youth and children/teenagers in Romania, on issues, such as inclusion and support for vulnerable youth groups, personal and professional development, representation of youth (students), entrepreneurship education, youth participation, empowerment, mental health, arts, and education. A significant number of respondents (about one third) were staff or volunteers from students unions/associations activating at local or national level, while the rest of the organizations were very diverse in missions and activities, all dedicated to young people, as it could be observed from the type of activities and services described before.

Though the survey did not directly inquire about the size of the organizations, the results showed that most of the leaders or youth workers came from small youth NGOs since more than half of them had budgets of less than EUR 20.000 in 2017 (67%). However, in terms of the size of the organization, in regards to their annual budgets in 2017, the voice of larger youth NGOs was also represented due to the participation in the study of four organizations that worked with evidently more generous budgets between EUR 100.000 and more than EUR 200.000. An indicator that proved to be relevant for the assessment of the financial situation of the respondents' organizations referred to the evolution of the NGOs budgets during the last three years. In this sense, it is worth mentioning that 52% of the organizations declared that their budgets had increased in the last three years, while 29% of the organizations experienced some financial difficulties due to the fact that their budgets decreased. The survey showed that out of the total number of organizations, about three of them had carried out activities with the same amount of money as in the previous years.

An interesting aspect, which was addressed in the survey, had to do with the main income sources of the organization's budget for 2017. We found out that organizations rely on many types of income sources ranging from local and national government funds to income-generating activities and businesses owned by the organization and individual donors or business sponsors. In 62% of the cases, 48% respectively, organizations rely on financial contributions from small and medium enterprises, or large/multinational companies.



Youth organizations interaction with SMEs from their community

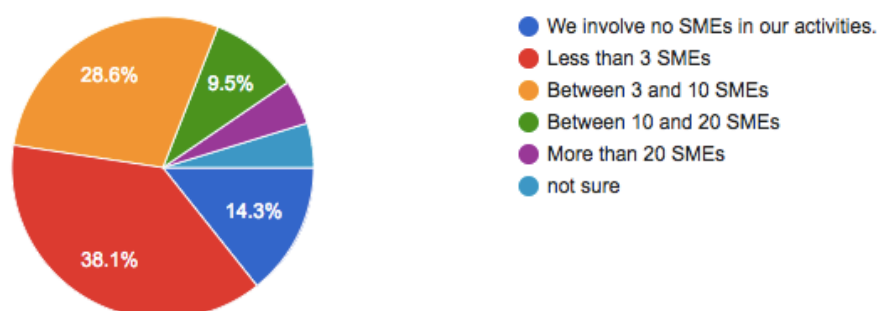
Taking into consideration the overall purpose of the survey, a considerable number of youth organizations are already cooperating with SMEs, as 62% of them mentioned the small and medium enterprises as one of their income sources. Still, 38% of the organizations had no contribution in their budgets from SMEs, in 2017. For 29% of youth organizations SMEs contributed between 11% and 30% of their budget, for three (14%) organizations SMEs contributed between 31% and 60% of their budget, and for one organization SMEs contributed with more than 60% of the budget. For the rest, either SMEs had no contribution, either the SMEs' contribution represented less than 10% of the organizations' budgets.

The extent to which SMEs are able or ready to contribute to youth organizations development and their activities will obviously depend on the capacity and willingness of the NGOs to involve SMEs as partners or even funders. In this sense, the number of small and medium companies that youth organizations try to engage in their day-to day activities differs a lot. On average, a large majority of the NGOs partner with less than three SMEs for a time period of one year (38%). Then, 29% of NGOs count on the help of three to ten SMEs

during one year, and the answers coming from only three organizations (9.5%) showed that such collaborations can take place with more than ten small and medium companies. Then, only one organization mentioned it partners with more than 20 SMEs/year, while one organization is not sure of the number of SMEs it works with. Yet, for some of the organizations the mere act of collaborating with SMEs is non-existent, since 14% of the respondents declared that organizations they come from do not involve at all SMEs in their activities during one year.

8. In average, how many small and medium companies do you involve in your activities, as funders or partners, during one year?

21 responses



Our research findings showed that more than half of the NGOs (52%) interact constantly with the SMEs during one year (between 3 and 10 times/year). In more details, 5% of the youth organizations say they do not have such close partnerships with SMEs, 38% of the youth organizations interact up to 3 times a year with one SME, 33% – 3 to 5 times a year, 19% – 5 to 10 times a year, and 5% – more than 10 times a year. Nonetheless, when interaction between NGOs and companies does take place, youth organization prefer to communicate or get in touch with the persons who either have a position in the marketing/PR department of the company or are responsible for the CSR of the SMEs. Owners of SMEs or general managers/executive directors of SMEs are also favored for developing and maintaining the collaborations with the companies.

According to the provided answers, NGOs mostly prefer to work with two distinct types of companies. The first type is the one of bigger companies, which have a designated person or department in charge with the collaboration with NGOs, charities or CSR activities (67%), while the second type is that of companies which have a specific CSR strategy or philanthropic strategy and clear objectives for their community involvement (57%). The next position in the prioritized list, established by the youth organizations' representatives, is occupied by small companies (38%), because the NGOs can have direct contact with the owner or the main decision maker in involving the company in community projects. Lastly, 33% of the organizations choose to interact with companies that do not have a specific philanthropic or CSR strategy, and are open to discuss and adapt their support in accordance with the organizations' proposed projects. In this respect, the preferences of the

organizations are rather clear, but that does not necessarily indicate that NGOs are inclined to collaborate only with big companies or the ones that rely on a straightforward and clear CSR strategy; they are also open to smaller companies or to companies that do not have yet clear objectives for their community involvement actions.

Broadly speaking, youth organizations assign or delegate the responsibility of developing and maintaining the relations with companies either to PR/marketing experts (38%) or to fundraisers (43%). In other cases, program directors are in charge of the interaction between SMEs and youth organizations (24%). Even so, the fact that in 67% of the cases the executive directors are responsible for this task is both interesting and thought provoking. This could be explained by the fact that most of these organizations are small organizations, with few staff or no staff; thus, the main responsibilities, like the one of fundraising, are usually taken by the organization's leadership, which is also more constant and more involved in the organization.

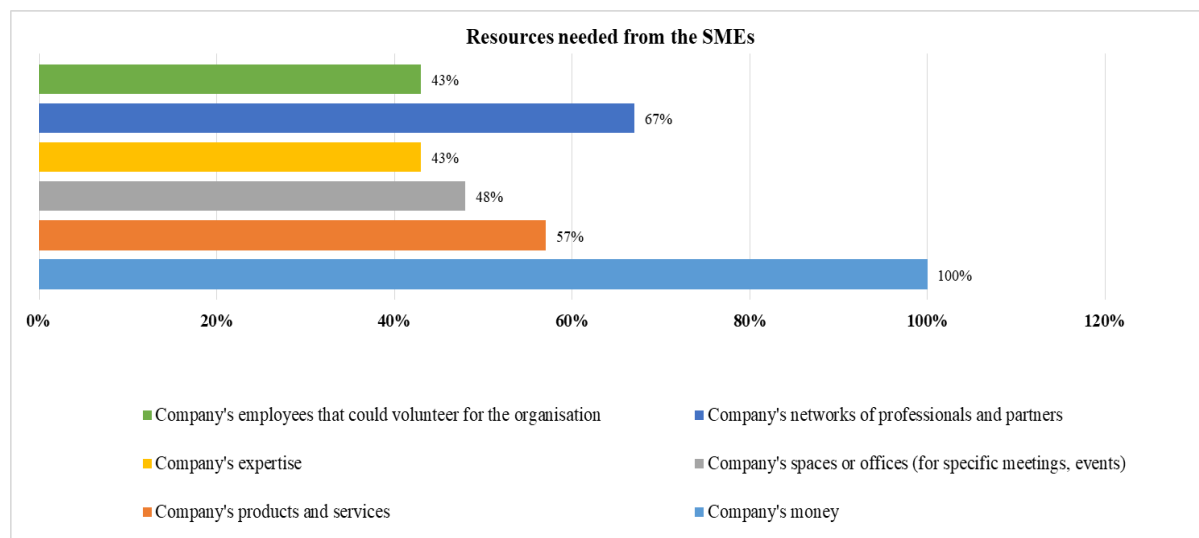
Most of the participants to the survey mentioned that the persons responsible for the interaction and communication with SMEs do not have a specific qualification. By default, a suitable candidate for the type of position mentioned above should have a university degree and good communication and negotiation skills. A respondent pointed out that "a mix of abilities, from clear communication and negotiation to passion and deep knowledge for their own field, is required. It is hard to ask for qualifications in this field as practical skills are more important than particular theoretical studies. One of the employees who in the past managed to attract some new companies on our side had studied marketing and had previous experience in working in a company and that, surely, helped to be on the same level and share the companies' perspective." (*NGO employees, 10*). The answers to this question show that NGOs do not have clear and standardized expectations and requirements in this respect. Even so, in order to give the employees the opportunity to develop the skills necessary for fundraising from SMEs, most organizations provide training courses themselves or send their employees to various learning programs on topics, such as communication skills and techniques, project management, public relations and fundraising.

Youth organizations' needs

For developing meaningful tools for youth organizations, in order to improve their cooperation with the SMEs sector, the CoOp national survey also inquired the interests of the youth organizations in starting or developing this cooperation. First, through the survey, we asked the youth organizations' representatives to think about the type of resources they would need from SMEs, in the following two years.

Most NGOs were able to clearly prioritize the type of resources they would need from SMEs for the next two years. The "money" resource was mentioned by 100% of the youth organizations. The company's network of professionals and partners was mentioned by 67% of the participants to the survey; for their activities, NGOs also need company's products and services - 57%. The company space/facilities/offices and the company's expertise are equally needed by 47% of the organizations, while about the same number of youth

organizations would need the company's employees to volunteer (43%). The fact that 100% of the youth organizations mentioned they need, for sure, money from the SMEs can be analyzed in relation with the low budgets the youth organizations manage, and the limited public funds available for youth organizations. Thus, the financial support is much needed together with all the other resources the companies could provide.



Perspectives of future collaborations between SMEs and youth organizations

The above-mentioned needs and the expectations directed towards the SMEs are reflected in the future plans and activities of the NGOs that participated in the research. Thus, we also asked the NGOs to mention concrete projects in which they would like to involve SMEs in the following years.

Youth organizations from Romania appear to be enthusiastic and ready to develop or continue projects in partnership with the business sector. According to their answers, all NGOs, with a couple of exceptions, have made plans to involve SMEs in specific projects in the following two years. Monetary and in-kind contributions were brought up by the majority of the respondents: "We would like to convince companies to co-finance our projects in order to gain a stability for the coming years and also to be able to pay at least 2 people for managing the current projects. We would also appreciate support with equipment, e.g. laptops or with space etc." (*NGO leader, no. 19*); "We would like to convince some local companies to give us money for the personal development workshops we provide to young people from 14 to 18 years old and to support with money our counseling and therapy center" (*NGO employee, no. 15*). But then again initiatives, such as involving the companies' employees in specific volunteering activities and free expert advice from companies, remain in the second place in the list of preferred contributions: "We would like to convince some local companies to support with money our environmental volunteering projects, while also encouraging their employees to take part as volunteers" (*NGO leader, no. 17*).

The concrete projects mentioned by the youth organizations focused on the following areas:

- General activities for youth (youth centers, youth clubs in rural area, personal development workshops);
- Environmental projects (Ride2Work, Food Waster Combat, volunteering in the field);
- Internships, working opportunities for young people;
- Distance learning centers;
- Entrepreneurship education for young leaders and entrepreneurs;
- Student festivals (arts & culture);
- Integration of young migrants;
- Capacity building or administrative activities.

Also, most of the NGOs were able to offer some examples of successful collaboration with SMEs that had an impact on their community. There is an example of such a collaboration: "One example for us is consisting in the funds received for the second consecutive year, to sustain the activities of an after school project in a school in [city name], where about 25 children receive a warm meal assistance to pass the school year, they being in risk of school abandonment due to the poor school performances and the needy environment they come from. The objective here is the prevention of early school dropout, the costs for that being about EUR 16.000 for a school year, out of which this SME covers EUR 10.000 yearly" (*NGO leader, no. 12*).

Based on the cases described by the leaders and employees of the organizations, the collaborations that were regarded as successful mainly consisted in providing trainings and workshops on various topics to youth and youngsters, as the direct beneficiaries of the organization, as well as involving the companies in volunteering campaigns and activities. Shortly, the NGOs tried out and were successful in receiving SMEs' support in the following types of activities:

- Special events (galas, conferences, workshops, festivals)
- Corporate volunteering (social projects, trainings, workshops)
- Project based – grants for specific projects

The NGOs' representatives agree that in developing and carrying out successful joint projects with the business sector the partnerships between youth organizations and SMEs should be built on trust, flexibility, communication, transparency, shared values, long-term commitment and honesty: "The company should have a clear statement on its values, should understand our mission and its relevance and also should communicate well with us in order to have the best result for both of us." (*NGO leader, no. 19*).

Asked to describe the "perfect SME partner", the organizations expressed their expectations towards the business sector, and the following clusters, about how the companies should be, emerged from the organizations' answers:

- Receptive, communicative, responsive, open to collaboration;
- "In love" with the cause, the mission, the values of the NGO;
- Nonprofit/CSR oriented;
- Strategic, long-term oriented, searching for real impact;
- Flexible, adaptable, asking for less reports;
- Trustable, transparent, honest.

Main conclusions

In terms of the profile of the NGOs and youth organizations included in the study, the profile matches the general description of the NGO sector, and of the youth sector from Romania. However, the organizations, which responded to our survey, have bigger budgets than the average NGO, as described in FDSC (2017). Comparing the data from the survey with the information gathered through the literature review, about the financial aspects of the organizations, we could conclude that most of the NGOs working with youth and youth organizations have been lived stable financial times in the last years, increasing their budgets. However, their annual budgets are still low.

Referring to the income sources, we can conclude that the NGOs responding to our survey match the general trend described by FDSC report (2017) about the income sources for bigger youth organizations, which rely on European public funds, and sponsorship from companies. However, our study shows that SMEs are more often mentioned than the multinational companies as income sources – 62% of the respondents mentioned SMEs, in comparison with 48% – that mentioned large or multinational companies. At the same time, we need to keep in mind that 38% of the organizations have no funds from SMEs, while for the most of the organizations which did receive funds from SMEs (62%), these financial resources represent 11% to 30% of their annual budgets. However, it is also worth pointing out that only 14% of the youth organizations had no interaction, or collaboration with SMEs in the last year.

In regards to the responsible person in charge with fundraising activities, analyzing the information from the literature review and the survey responses, we can conclude that, in general, we talk about small organizations that depend a lot on volunteers work. In consequences, in most of the cases (67%), the executive director/the president takes the lead on the fundraising responsibilities, activities and on the interactions with the business sector.

Comparing to the literature on the sector, our study provides additional information about the interactions between NGOs working with young people/youth organizations and SMEs, such as the number of SMEs the organizations work with during one year, the company profile the NGOs would like to work with, the needs they have and they would like to cover with the help of the SMEs, the plans for future collaborations, and some examples of fruitful joint-projects/actions.

Report on focus group and interviews with Romanian SMEs

For the third and last part of the research, Fundatia Danis has conducted focus group and interviews with ten representatives of small and medium enterprises from Romania. The purpose of the face-to-face interactions with the owners or the employees of SMEs was to identify to what extent SMEs tend to follow a pattern or have a particular interest while cooperating and establishing partnerships with nonprofit organizations that activate in their communities. Besides the aspects related to cooperation practices between SMEs and youth organizations, the qualitative research also tackled the question of motivation when it comes to SMEs involvement in community development. Also, the research intended to build on the issue of successful collaborations that were made possible with the support of the SMEs, altogether having a positive and significant social impact on youth and their communities.

The following report presents the data collected from the Romanian SMEs included in the CoOp study – seven SMEs participated in the focus group, and other three SMEs were interviewed individually.

Profile of the SMEs involved in the focus group & interviews

The participants to the focus group and interviews were either co-owners or employees holding top management positions of local businesses from Cluj-Napoca. Some of the businesses were established more than a decade ago and are already well known both among clients and other competitors from Cluj-Napoca and nationwide, while other enterprises were smaller in size or relatively recently launched. Several enterprises are family businesses or have been started by young entrepreneurs that managed in just a couple of years to gain visibility on the local market. The participants to the focus group and interviews echoed the voices of people activating and working in a range of businesses, representing industries in fields, such as advertising and printing, retail, accounting services, travel services and cars selling, medical dental services, catering and engineering and installation services. Hence, the diversity of perceptions and opinions proved the fact that the focus group and the interviews provided relevant information and data from which relevant conclusions about SMEs collaboration with NGOs have been drawn.

SMEs' Corporate Social Responsibility activities

All participants to the focus group were able to give examples and describe the type of CSR or community support activities their enterprise is either involved at the current moment or was involved in the last couple of years.

When it comes to the kind of projects or causes the SMEs contribute to, the instances vary a lot depending on the size of the SMEs and their annual revenues. A case in point is an enterprise that has sponsored more than 300 community initiatives and project ideas

coming from NGOs working with children and youth, or from those which address local development issues through cultural events and music festivals. Although the case mentioned above is impressive, it obviously constitutes an exception to the rule, as other enterprises revealed that on average they sponsor or participate in up to 3-5 community projects, annually. Even more so, in some cases due to previous successful and rewarding collaborations SMEs developed long-term partnerships with small NGOs from Cluj-Napoca and even depicted a certain level of commitment towards those nonprofit organizations in supporting their mission and causes. This tendency surfaced especially in relation to initiatives that involved children and young people that needed support in starting or continuing their tertiary education studies. In this sense, one of the entrepreneurs explained why his involvement in education is more significant than in other cases, especially the humanitarian ones:

“As an individual and as an entrepreneur, the thing that I value the most is performance. That’s why I try to help students and young people who are open-minded and enthusiastic about their education and future. My company gets involved and makes money donations for organizations and projects that encourage young people to become better at what they are doing in college and then in life, from a professional and personal point of view. As long as I am convinced that my support gets long-term results, I will continue to be a sponsor for such endeavors.”
(Interview, participant no. 9)

As such, it appears that the enterprises do not have explicit preferences when they choose to support a particular cause. At least they seem not to be aware of any preference or do not think of themselves as following a particular direction for community involvement. From this point of view, the initiatives and projects that benefit from the support of the SMEs range from the most commonly known practices, i.e. the humanitarian ones, consisting in activities, such as attending to the immediate needs of children, individuals or families affected by illness, marginalization or poverty, to other causes, such as cultural projects, festivals, environmental projects or civic initiatives in matters related to urban development and urban planning.

In terms of the average value one company gives to an organization or a project, only one company mentioned the amount – and they said the average support is around EUR 1,000, but they also mentioned that they make sure that, at the end of the year, they use all the sponsorship resources allowed by the national legislation (20% of the taxes they pay for the profit they make, in the limit of 0.5% of their annual turnover).

For the time being, it is yet unclear if the CSR and community involvement activities developed by the enterprises in Cluj-Napoca (and in Romania, most probably, as well) could be described as fitting a pattern or a model of private companies’ behavior as partners and sponsors of NGOs’ activity. Nonetheless, it could be said that an emerging trend is the one in which some companies gradually abandon or drift away from older or overly exploited CSR practices and start to embrace the newer ones. These ultimately enable them to assess the medium and long-term social impact of their donations or support, and to get a clearer sense of how they can contribute to the overall wellbeing of their communities:

“Recently our own focus has changed a little. We are inclined to connect our involvement with our personal and organizational values. There are some things that we highly appraise and for that reason our involvement has to leave a mark on the beneficiaries of our deeds, and be visible for others in the community”. (*Focus group, participant no. 1*)

Cooperation between SMEs & youth organizations

In most of the cases it is apparent that SMEs are inclined to support (and even fond of) projects that involve students, particularly, and young people, in general, and have educational/training/hands-on learning purposes. Though this interest is not clearly defined, it stems from a set of values and beliefs that both the SMEs owners and their employees have and share.

On average, most of the interviewees mentioned they sponsor or participate in up to 3-5 community projects, annually. Even more so, in some cases due to previous successful and rewarding collaborations SMEs developed long-term partnerships with small NGOs from Cluj-Napoca and even depicted a certain level of commitment towards those nonprofit organizations in supporting their mission and causes.

As for the duration of partnerships between NGOs and SMEs, the findings show that in reality the collaborations do not follow a pattern in the sense that some of them are one-time encounters and the cooperation is finished when the enterprise makes the donation and, on its turn, the recipient organization implements the activity with the provided support. But in other cases that have been fondly described and detailed by the participants, the initial cooperation is consolidated and harnessed, mainly at the initiative of the NGO, and in time it helps to pave the way for successful and long-term partnerships. Thus, the commitment proves to be paramount for maintaining fruitful partnerships with the SMEs and for attracting more support from SMEs for their future projects.

Regarding the type of support the SMEs offer to the NGOs they work with, the research findings highlighted four categories of support practices: (1) monetary contributions only, (2) mostly in-kind support and occasional monetary contributions provided that the SME is assured about the transparency and accountability in spending funds, (3) in-kind contributions only and (4) support offered as professional expertise to NGOs. The type of industry to which the enterprise belongs might determine the type of support is given. For instance, the products or services one SMEs delivers could be more or less useful for NGOs' projects; so, the SMEs might give only money, because its services/products cannot be useful in specific community actions it wants to support. Also, as one respondent said it, the type of support depends on the “demand” from the NGOs. As most of the SMEs do not have a strategy for directing their support, they are more reactive and they respond to the needs and the demands of the NGOs asking for their support.

In the Romanian context, the focus group and the interviews indicated that local businesses in Cluj-Napoca reach out to the NGOs by delivering them mostly in-kind support consisting of products, services, expertise, and even the involvement of employees in various

community projects and initiatives on a voluntarily basis. In-kind support or volunteering is favored by the majority of the respondents because in most cases it is ready to be delivered and guarantees the immediate satisfaction of a particular need.

It is not habitual for the SMEs to rely on a community involvement strategy or to take into consideration a pre-defined set of criteria. Usually, as one respondent said it, it is a one-way direction for collaboration, meaning that NGOs are reaching the companies and ask for support, while the companies are not going out to search for NGOs or to develop a community involvement strategy. Moreover, there are not explicit procedures, processes, rules in how the companies get involved, each decision is made one by one, and the rules and criteria may differ from one decision to another, depending on the relation that exists with the NGO, depending on the cause or project, or depending on the general context in which the company is at the moment of asking (in regards to the funding available and the time resource available for such actions).

The SMEs' representatives say that they make decisions about granting support usually after a consultation with other employees/owners of the company within brief and ad-hoc meetings or the owner decides where the money should be given – the personal contacts and personal relations, recommendations given by friends or partners are very important in the decision making process. When the SMEs need to prioritize, choose among different projects, causes, NGOs, SMEs tend to evaluate concisely the impact of their potential partnerships, paying attention to the estimated numbers of individuals who will benefit from their contributions, weighing the multiplied effects of their support, trying to learn about the NGO's well intentions and about the collaboration, if this is founded on straightforward and clear objectives and expectations.

SMEs' needs and motivation in regards to CSR

The main factors that determine and influence community support of the SMEs are the specific needs of the organization/individual who is asking for support. Besides being needs oriented, the SMEs prescribe a higher chance of giving support to those organizations/individuals who can clearly communicate and convey their message (about themselves, about their mission and initiative, about the beneficiaries of the support etc.). The more visible (in the community, overall) and trustworthy an organization is, the more likely that the requested support will be granted and that the NGO will be able to establish a long-term collaboration with the enterprise and make it a permanent sponsor.

When they make donations and support community projects, the businesses are also preoccupied about their clients or consumers' perceptions. On account of that, the SMEs are to some extent inclined to support the type of activities or events that help them gain community recognition and appreciation, and networking with potential business clients.

Some SMEs representatives have emphasized the fact that sometimes they tend to favor the organizations that work with similar target groups as their clients (for advertising purposes).

Nonetheless, this aspect is rarely the main criterion in deciding whether or not the support will be directed towards a particular cause.

Also, it seems that businesses from Cluj-Napoca support local and small or medium-sized youth organizations or NGOs. Geographical proximity and being located in the same city, i.e. the same community or neighborhood, are two important elements that can easily tilt the balance in favor of the local NGOs when both local and national organizations are requesting funding and resources for their activities.

When giving explanations about their preferences in making donations and contributions, the SMEs' representatives emphasized that in-kind support is sometimes preferred to donating money since previous experiences have shown that money are frequently used for other purposes than those initially expressed and do not reach their rightful recipients. In addition to that, in-kind support is favored by the majority of the businesses because in most cases it is ready to be delivered and guarantees the immediate satisfaction of a particular need (e.g., food, equipment, materials).

Deriving from that, it could be said that although there is a clear tendency to support projects that have an immediate and palpable impact, as previously mentioned, on the long run, SMEs avoid projects or ideas in which their involvement as sponsors is difficult to assess or capitalize:

"Money donations are always helpful and we constantly donate money. But what I am really looking for are hands on experiences and events that have a clear scope and are sustainable. I would rather not get involved into events without an echo." (*Focus group participant no. 6*)

Talking about their motivation for giving, some of the SMEs mentioned the importance of giving back to the community, the nice feeling of being satisfied that your money was spent on something valuable, with clear results, and the interest in expanding their business network and in gaining visibility in the community.

Previous community involvement experiences of SMEs

Businesses from Cluj-Napoca we interviewed, so far, supported local and small or medium-sized youth organizations or NGOs. On average, most of the interviewees mentioned they sponsor or participate in up to 3-5 community projects, annually. Even more so, in some cases due to previous successful and rewarding collaborations SMEs developed long-term partnerships with small NGOs from Cluj-Napoca and even depicted a certain level of commitment towards those nonprofit organizations in supporting their mission and causes.

However, these were roughly estimations, and the SMEs could not provide an exact number of projects or organizations that benefit annually from their support. Thus, it is difficult to establish what are the extent and the frequency of the collaborations that take place between the SMEs and youth organizations and NGOs. To complicate matters, during the focus group or interviews it became clear that some of the SMEs' representatives do not

even regard some of their actions or deeds as accurate community involvement. One such example is the case of an entrepreneur who repeatedly made money donations to a social enterprise out of his own pocket to avoid the cumbersome bureaucracy that often applies when businesses make donations to the non-profit organizations.

As such, it appears that the enterprises do not have explicit preferences when they choose to support a particular cause. The initiatives and projects that benefit from the support of the SMEs range from the most commonly known practices, i.e. the humanitarian ones, consisting in activities, such as attending to the immediate needs of children, individuals or families affected by illness, marginalization or poverty, to education for children or young people or young adults, but also to other causes, such as cultural events, festivals, environmental projects or civic initiatives, in matters related to urban development and urban planning. In most of the cases, it is apparent that SMEs are inclined to support projects that involve students and young people and that have educational/training/hands-on learning purposes.

The examples provided by the representatives of the business sector about previous collaboration with the NGOs depict a clear tendency of the SMES to partner with small or medium-sized NGOs that benefit from high visibility and prestige in the local community. The projects regarded as successful were not necessarily long in duration or complex as content and did not require large amounts of money. Moreover, it clearly appears that the keys to a successful collaboration are good communication, transparency and trust among the partners involved in the community projects.

When choosing that type or how much support will be given to a particular project/organization, it is not habitual for the SMEs to rely on a strategy or to take into consideration a pre-defined set of criteria. On the contrary, the decisions about granting support are usually made after a consultation with other employees/owners of the company within brief and ad-hoc meetings, or the decisions are made by the owner himself/herself. Hence, none of the SMEs have mentioned that a member of their staff is assigned to coordinate the collaboration with NGOs. Even if the decision to grant support rarely relies on objective criteria, when SMEs have to make a choice or are constrained to prioritize the requests to support community projects, they tend to evaluate concisely the impact of their potential partnerships. In such cases, SMEs pay attention to the cause itself/the project or the event, the estimated numbers of individuals who will benefit from their contributions, make attempts to weigh the multiplied effects of their support, try to establish if the NGO is well-intentioned and if the overall collaboration is founded on straightforward and clear objectives and expectations.

The SMEs do not necessarily measure the impact of their involvement in the community, and they say that most of the time they do not get any report from the NGOs on how their support was used and what impact it generated. If they are interested in the results of a specific event or project, they will ask or go online and search about these.

Recommendations for youth organizations

Businesses value organizations that communicate promptly and on a constant basis, are transparent and accountable for their actions, and have a strong positive reputation in the community. Besides that, a recurrent recommendation coming from the entrepreneurs, aimed at ensuring better partnerships between NGOs and the business sector referred to the aspect of trust:

“It is crucial to create a circle of trust between the organizations that are asking for money or for support and the company on whose help they are counting on. In this field, things happen or get done mainly because *somebody knows somebody else*. And if you make a recommendation or vouch for someone, you have to trust that person or organization.” (Interview, participant no. 8)

Other recommendations for NGOs coming from the SMEs are to address directly the company, explain clearly, transparently and professionally the cause, the project or the event, express clearly what kind of support is needed and what expectations are there from the SMEs in terms of involvement, be clear about the expected results and also about the benefits for the company/the sponsor.

Main conclusions

Comparing the results of the interviews & focus group with the literature review findings, we can observe the followings:

- The SMEs involved in our study follow the general trend in which the majority of the Romanian companies support up to 5 community project per year (ARC, 2016);
- However, SMEs involved in our research prefer to give in-kind support instead of money, contradicting the general trend observed by ARC study (2016), in which the majority of the companies say they prefer to give money to the projects they support, and only 34% prefer the in-kind support, and 14% – volunteering;
- The SMEs involved in our project do not have a clear preference in terms of causes they choose, but they tend to favor projects targeting children or young people, and educational projects. Education is one of the favorite sector of the Romanian companies (ARC, 2016; CSR Media and Ernst & Young, 2016);
- The SMEs we interviewed do not have a CSR strategy, although, 76% of Romanian companies have such a strategy, according to the CSR Media and Ernst & Young study (2016);
- Our SMEs are part of the majority of the companies that do not have a dedicated person or dedicated personnel or committees for making CSR/community involvement decisions. According to ARC (2016), only 1% of the companies have a person assigned to manage these activities;
- Finally, our SMEs get involved in community projects mainly when they can see an immediately and palpable impact, clear objectives; and also if they can better connect with their clients. The moral duty, the emotional reactions to some

humanitarian cases or the impact over their employees, all mentioned as main reasons of giving in the relevant literature, did not appear in the discussions we had with the SMEs. However, interests towards clients, visibility in the community, clear impact, mentioned by our SMEs, were also mentioned in the previous studies (CSR Media and Ernst & Young, 2016).