

## SUMMARY

This study examines the institutions that govern Romanian land commons (*obști* and *composesorate*) within the wider organisational environment and shows that these traditional but recently reconstituted community-based institutions can be understood as social enterprises. To do so, the author draws on two conceptual perspectives - the common-pool resource literature and concepts on the one side and the concepts of social economy and social enterprise on the other. Specifically, the research analyses from a social economy perspective the Romanian community-based institutions that govern common-pool resources - namely forests and pastures in mountainous areas, which are owned collectively by groups of rightsholders, and governed in a participatory manner - based on two sets of case studies regarding the *obști* in Vâlcea County and the *composesorate* in Covasna County.

*Research questions.* Three main research questions were outlined considering the theoretical framework, the review of the extensive literature already published and the empirical observations made during the first stages of the study:

1. What is the influence of the historical path of the commons' governing institutions in Romania on their process of re-institutionalisation and current organisational conduct?
2. To what extent do the commons' governing institutions in Romania fit in the conceptual framework of the social enterprises?
3. What are the implications of approaching the commons governing institutions in Romania from a social economy and social enterprise perspective, for their future development in the current socio-political context?

The first question targeted the influence of the historical path of the commons' governing institutions in Romania on their process of re-institutionalisation and current organisational conduct. To this end, several sub-questions were defined and aimed to explore: a) how the commons' institutions' path was shaped by the political decisions of the past and the present; b) the institutional factors that influenced

their organisational structure and identity; c) the actors' role in their processes of change and re-institutionalisation and d) the similarities and differences identified in these respects between the two sets of case studies selected – the *obști* in Vâlcea and the *composesorate* in Covasna.

The second question aimed to understand the Romanian commons' institutions as part of the social economy sector and explored the extent to which the *obști* and *composesorate* in Romania fit in the conceptual framework of social enterprises, as defined in the relevant literature. In doing so, the research explored the profile of the contemporary commons' governing institutions in the two Romanian counties studied, concerning aspects of organisation and functioning such as ownership and restitution of property rights, membership and governance, economic activity and benefits. Following this contemporary profile, commonalities and differences were identified between the organisation and functioning principles of social enterprises and those of the commons' governing institutions in Romania. Asking this question represents a novel focus in the study of the commons and is one of the main innovative contributions that this work brings to the field.

The third and final research question aimed to open up the space for a more general reflection on the implications of approaching the commons' governing institutions in Romania from a social economy and social enterprise perspective, for their future development in the current socio-political context.

*Theoretical framework.* The research was theoretically grounded on the new institutional theories combined with recent developments pertaining to post-institutionalism. Historical institutionalism and its concepts of path dependency and critical junctures (Thelen, 1999; Pierson, 2000; Skocpol & Pierson, 2002) formed the core theoretical approach. This choice was motivated by the major influence that historical events and social changes had, on the one side, in the becoming of the commons' governing institutions in Romania (especially in regard to their deinstitutionalisation during the communist regime and their contemporary re-institutionalisation) and on the other, for the development the social economy sector in general and social enterprises in particular.

In addition to this core perspective, each of the other new institutional theories had its own contribution to the framework of this study: the rational-choice institutionalist perspective (Ostrom, 1990, 1992; Oakerson, 1992) provided the framework for the theory of the institutions for governing common-pool resources and sociological institutionalism provided the framework for researching

the Romanian commons' institutions as organisations affected by regulative, normative and cultural-cognitive institutional influences. Finally, the concept of institutional change through institutional bricolage (Cleaver, 2001; De Koning, 2011) offered the instruments to observe the processes through which the contemporary Romanian commons' governing institutions were re-institutionalised after the fall of the communist regime in a social and political context of transition.

*Methodology.* The empirical research included the analysis of commons' institutions found in two distinct geographical areas in Romania. Firstly, the analysis comprised 27 commons institutions from Vâlcea County (named *obște* (sg.) or *obști* (pl.)), found in the historical region of Wallachia, on the southern slopes of the Southern Carpathians, in Central-South Romania. Secondly, the analysis targeted 49 commons' institutions from Covasna County (named *composesorat* (sg.) or *composesorate* (pl.) and in Hungarian *közbirtokosság*), found in the historical region of Transylvania, in the central-eastern part of Romania. Each of these clusters of case studies presents traits and characteristics with particular relevance for the topic. Data were collected by conducting extensive structured interviews in each of the communities with commons institutions' representatives, as a national-wide survey implemented during the Romanian Mountain Commons Project.

This information was complemented by the analysis of already-existent public datasets, either openly available or provided by national authorities or other third parties during the project. These included sources such as the National Register of Non-Patrimonial Legal Entities (the NGO Register), the Statistical Register (REGIS) of the National Institute of Statistics, the Territorial Inspectorates of Forestry and Hunting (ITRSV) and the Agencies for Payments and Intervention in Agriculture (APIA) at the county level. In order to shed light on specific legal and institutional issues regarding the commons' governing institutions in Romania, several documents were also consulted and analysed, namely official texts of law in force at particular times and both old and new bylaws of commons' institutions included in the survey.

*Main findings and arguments.* The contemporary *obști* and *composesorate* were re-institutionalised at the intersection of different organisational fields, showing traits of non-profit, community organisations, but nonetheless having a sustained economic activity - such as forest logging, commercial livestock grazing, or, in several cases tourism activities - that generate substantial incomes. Therefore, they cannot be easily categorised as

belonging to one sector or the other. Their trajectory, presented and analysed throughout this volume, resembles to a great extent the historical path of the social enterprises, based on the more traditional third sector or social economy entities, but showing mechanisms and practices that allow them to adapt and fit within complex political and economic contemporary realities.

The *obști* and *composesorate* all over Romania, in their re-established organisational form of association, display many of the basic values and principles of the broader sector of social economy, being faithful in their organisational practices to such virtues as self-help, self-responsibility, democracy, equality, equity and solidarity. The findings also revealed that the *composesorate* and the *obști* share much of the characteristics of the social enterprises conceptualized by the EMES (EMergence des Entreprises Sociales en Europe) network (Defourny, 2001; Defourny & Nyssens, 2012), however keeping in mind the specific challenges brought about by their historical legacy, especially regarding the membership inheritance system and the distribution of benefits at rightsholders' levels.

Following the international typology of social enterprises defined by Defourny and Nyssens (2017), the Romanian contemporary commons' governing institutions, the *obști* and *composesorate*, emerge as a borderline form of social economy organisations interpreted as social enterprises, placed in between the *entrepreneurial non-profit (ENP)* and the *social business (SB)*. The *obști* and *composesorate* function as *entrepreneurial community organisations (ECOs)*, in which the social aim pursued targets both the rightsholders and the community as a whole and whose income is generated through economic activities conducted mostly on the free market.

The Romanian commons' governing institutions, *obști* and *composesorate*, can be regarded as an important part of the structure of the social economy sector, as emerging social enterprises, but are often poorly understood by public authorities and often overlooked as stakeholders from public policy consultations and decisions. Given their significant role in the development of the local communities where they function, demonstrated by the rich empirical examples presented in this work, the *obști* and *composesorate* have a major influence on the lives of their rightsholders and other local inhabitants, and thus would benefit greatly from the attention of the policymakers and funding schemes dedicated generally to the social economy organisations or specifically to the social enterprises.

## Chapter 1

### INTRODUCTION

This study aims to examine the institutions that govern Romanian land commons (*obști* and *composesorate*) within the wider organisational environment and to show that these traditional but recently reconstituted community-based institutions can be understood as social enterprises. The study is theoretically grounded on the new institutional theories combined with recent developments pertaining to post-institutionalism. From an empirical point of view, the argument is based on two sets of case studies of the commons' governing institutions in two Romanian counties - Vâlcea and Covasna, each of them presenting traits and characteristics with particular relevance for the topic. This first chapter aims to make a brief introduction on the subject. Firstly, a brief review of the background of the study will be presented, focusing on the commons' governing institutions and the social economy and social enterprises' sector in general. Secondly, some information will be provided on the study's motivation, objectives and methods used. The chapter ends with the outline of the work to guide the reader in navigating the content of the various sections.

#### **1.1. Background of the Study**

##### **1.1.1. The Commons' Governing Institutions**

Common goods, common-pool resources and common property resources make the subject of a very vast and diverse literature, in various scientific disciplines like economics, sociology or organisational studies, exploring their characteristics, issues and challenges, modes of governing and management. The study of the commons' governing institutions worldwide has Elinor Ostrom as a central figure. Her and her collaborators' approach was built on critiquing Garret Hardin's (1968) concept, "the tragedy of the commons" by arguing that local communities are capable of managing in an equitable, non-destructive manner the natural resources they have on hand through various institutions of collective action (Olson, 1965), which do not belong neither to the state

institutions, nor are privately-managed (Ostrom, 1990, 1992; Becker & Ostrom, 1995; Bromley, 1992; Oakerson, 1992). From this point, a wealth of studies was focused on collecting and analysing empirical data on these institutional forms, which vary greatly across the globe, but have one major aspect in common, as Ostrom (1990, p. 13) put it: “getting the institutions right” is a difficult, time-consuming, conflict-invoking process”.

All over Europe, one can identify and study a rich variety of common pool resources and their governing institutions, with different property regimes and governed through various institutional arrangements. Despite this diversity, they share a common goal: the sustainable management of the resources for obtaining benefits for the community of users or owners (Stevenson, 1991; Sulek, 2006; Kluvánková-Oravská, 2011; Beltrán Tapia, 2015; Iriarte Goni, 2002). In general terms, Central and Eastern Europe is characterized by an abundance of forests and a forestry tradition that dates back to the seventeenth century (Kluvánková-Oravská, 2011; Vasile, 2018). Especially in Eastern European countries, the dynamic evolution of land ownership was continuously felt, culminating with the significant impact of the communist regime, followed by the nationalization of all properties (Kluvánková-Oravská, 2011; Vasile, 2018). During those times, the management of forests and pastures was centralized and taken over by the state, while local governing institutions were abolished. After the fall of communism, forests and other properties were returned to their rightful owners, sometimes through complex and conflicting processes and former owners had the opportunity to revive and re-establish the former governing institutions (Kluvánková-Oravská, 2011; Vasile, 2018, 2019c). In the regions of Western Europe where commons survived, the commons more or less followed a continual evolution without the gap of decades of abolishment, but were not avoided by different processes of institutional change (Bonan, 2016; Gils, Siegl & Bennett, 2014; Stevenson, 1991).

Several examples of institutions for governing the commons can be found in Slovakia, Slovenia, Austria (the Tyrol region), northern Italy and Switzerland (Sulek, 2006; Kluvánková-Oravská, 2011; Siegl, 2014; Gils, Siegl & Bennett, 2014; Bonan, 2016; Bassi, 2012; Zimmerman, 1994). The Romanian commons’ governing institutions, that make the subject of this study, named *obști* or *composesorate*, function as fully-fledged community organisations, with a strong historical legacy, managing the joint-property of their rightsholders in a democratic and participatory manner. The commons’ institutions in Romania carry out sustained economic activities, mainly in

forestry, which generate important incomes and whose surpluses are distributed in the benefit of their rightsholders and in the development of the community.

In Romania, the study of jointly owned property (*devălmășie*) and the institutions devised for governing the common properties (*obști* or *composesorate*) was of great interest for social scientists, historians, sociologists and anthropologist alike, during the different socio-political periods. The most prominent figure in the study of the Romanian commons and their governing institutions before and during the communist regime is Henri H. Stahl (1958, 1959, 1966), who gave very detailed monographic accounts of the Romanian villages historical path and the joint-ownership system found in their social structure. Other Romanian authors studied various instances of the historical commons' governing institutions in the country. For example, Dumitru Brezulescu (1905) approached from a legal perspective the subject of joint-ownership or common property of the mountains (*devălmășie*) by free peasants (*moșneni*), without specifically referring to the institutions governing the commons - the *obști*, since this denomination was not yet in use (Vasile, 2007a). Vasile V. Caramelea (1944, 1945, 2015) focused his attention to the *composesorate* belonging to former serfs in the Olt Country and the *obște* in his native village Berevoiești, Muscel in Argeș region, under the guidance and mentorship of Henry H. Stahl. Imreh Istvan (1982), a historian and sociologist of Hungarian ethnicity thoroughly analysed the common property regime in the Transylvanian Szeklers' villages and the conflicts between nobles and peasants.

During the communist regime and immediately after its fall, roughly before the first wave of restitution of ownership rights, the subject of common property and commons governing institutions faced some decrease in interest, possibly due to the nationalisations of all property and thus the disappearance of the object of study. The year 2000 marked in Romania the start of the process of restitution of those properties previously passed into state's ownership at the installation of the communist regime. These legal provisions opened up the context for the former commons' governing institutions, both the *obști* and the *composesorate*, to be reconstituted and after a few years they captured again the interest of social scientists. Following Henri H. Stahl's legacy of researching the *obști* and the common property regime in Vrancea region, Monica Vasile coordinated some of the first field studies of the newly re-established commons institutions in Vrancea's villages (Vasile, 2006, 2007b, 2007a, 2008, 2015, 2017, 2018, 2019c, 2019a).