

THE DEVELOPMENT OF THE SOCIAL ENTREPRENEURSHIP IN POLAND

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Abstract (AJ)

The social entrepreneurship, also called the social economic, is defined in various ways and it appears in different forms of activity, and its core meaning is the use of the economic activity for achievement of the social goals (Schimanek, T., 2011).

The social economic operators share a characteristic feature of its activity, i.e. the incomes drawn from the economic activity must be socially given, stay within the capitals of those organizations and be dedicated to further investments that will be of benefit for the members.

INTRODUCTION

Moving from the centrally planned economy to the market one in Poland in 1989 caused withdrawal of the state from the employee role and limited the access to the social benefits and services. The social function of a company was also liquidated. The result of this action was mirrored by the high unemployment rate, poverty rise and a social gap in the social benefits and services system. This study aims at presentation of the operators that follow the “new” social economy and operate in Poland, together with the government activities and other non-government organizations supporting the development of the social economy in Poland.

1 THE SOCIAL ECONOMY OPERATORS

One can differentiate in Poland three stages of the social economy development (Herbst, 2013): the traditional social economy that had evolved till the II World War out-brake. It was constituted by the cooperatives, co-operative banks, comestible associates. The self-help organizations, loan and guarantee funds, institutions of the mutual insurance – not oriented at incomes, foundations and associations. The institutions of the “old” social economy were established in 1947-1989, where the monopolistic conception of the socialistic state was dominant in Poland in defining the administration and financing the shared needs, role of the social economy operators was greatly diminished. A compulsory merging of the organization, placing the cooperatives in the socialized sector and liquidation of the private cooperative ownership status for the collective cooperative property took place. After 1989, due to the intensified social problems and in accordance with the general European trend of active social politics implementation, the interest in the social economy increased in Poland, thanks to the new legal regulations and the resources financed by the European Union, the institutions of the “new” social economy started to be established as a means of rising social problems remedy.

2 THE „NEW” SOCIAL ECONOMY OPERATORS

The remedy for the increasing unemployment rate, poverty and social exclusion, most often some of the society, were to be the center and clubs of the social integration, social cooperatives and the professional activity plant, where the disabled people could be employed.

2.1 Centers and clubs of social integration

The beginning of the legal regulations related to the search of the new forms of elicitation of the unemployed people and those who are in danger of social exclusion in Poland, was highly related to the establishment of the 13th June 2003 law act on the social employment, which defined the notion of social exclusion, social employment, as the forms of participation in the Centers and Social Integration Clubs, and the so called support of the social employment, like e.g. one's own activity in the form of a cooperative. In 2012 in Poland the activity in the form of the social and Professional re-integration service was handled by 70 centers. The centers established by the local communities and the non-government organizations were financed by different sources (the community's budget, the county's budget, the Labour Fund, The State Fund for rehabilitation of the Disabled People, one's own activity and other sources like The European Social Fund). Its incomes in 2010 were amounted to 56 102,00 Polish zloty. The incomes from the European Social Fund were of 36,7%, the Labour Fund was of 26,3%, the incomes from one's own activity were of 12,1% (Institutions, 2011). The type of the activities offered by the center included: Professional trainings, practices and Professional probations, help offered when searching for a job, preparation to running one's own business activity or the social cooperative, the therapeutical and individual psychological advises and educational help at improvement of one's own professional qualifications. In 2012, out of 3 234 people, who graduated from the training at CSI, 844 are now economically independent. This year, about 300 Social Integration Clubs has been operating (Institutions, 2011). The club is a unit aiming at offering help to individual people and their families at re-imbucement and maintain of participation in the local community's life, coming back to fulfillment of the roles played in the society and improvement of the professional qualities as the value on the job market.

The SIC acts for the integration of people that face similar difficulties and life problems. It is a unit that helps people to organize themselves into groups, undertake joint initiatives and projects in the frame of the professional activation, including those that aim at creation of new job positions. The SIC can be established by the territory self-government or a non-governmental organization. The legislator saw an opportunity of professional activation of people who are in danger of the social exclusion that leave the Centers and Clubs of Social Integration through the establishment of the work cooperatives – not oriented at maximalisation of the incomes, social cooperative that was ascribed the crucial role in the job market politics and the system of the social protection.

2.2 Social cooperative

The law act on the social cooperatives was established on the 27th of April 2006 pointing to its main aim as bringing back to the market the joint entrepreneurship, people in danger of the social exclusion, people of low chances for employment and enabling the unemployed people the professional activation. The founders of the social cooperatives may be the physical workers, their number cannot be smaller than 5 and not higher than 50 people. The physical

workers allowed to create the social cooperatives are: unemployed people, people addicted to alcohol, drugs and other abuses that are after the treatment, homeless who realise an individual programme of overcoming the homeless, ex-prisoners that have difficulties with integration with the environment, mentally ill, refugees having problems with the integration; the disabled who have a full capability of performing the legal actions; and other people not mentioned, on the condition that their number does not exceed the 50% of the general number of the founders. After the novelisation of the Act, since 2009 the social cooperative can be established by at least two legal operators belonging to the following: non-government organisations, units of the territory self-government or the ecclesiastical legal operator. After the establishment of the social cooperatives, the legal operators are obliged to employ at least 5 physical workers out of the mentioned above, within 6 months since day of registration of the social cooperative in the National Court Register. After 12 months of the continuous employment on the cooperative, the employed physical workers can become its rightful members.

People who establish the social cooperative are allowed by the law to apply for the disposable subsidiaries from the Job Fund resource for undertaking of the business activity, dismissal of the court charges expected while establishment of the social cooperatives, refund of the shares paid for the social insurance, tax allowances, running the simplified accounting in the cooperative, voluntary support, possibility to obtain the public task and social clause in the public orders. The activity of the social cooperative can also be supported with the funds from the budget of the territory self-government units: subsidiaries, loans, services or the counseling in the financial, accounting, economical, legal and marketing extent and reimbursement of the scrutiny costs.

The first action taken for the social cooperatives by the Ministry of Labour and Social Policy was establishing in 2005 the Regional Funds of the Social Economy. As a result of the open contest one chose than a few organizations that were granted the financial funds of 1 million of Polish zlotys (Information, 2012). The tasks of the operators was granting the financial support in the form of the grants given to the founding groups and running the educational-and-promotional campaigns. As a result of the taken actions there were 30 social cooperatives established. Another stage of the infrastructure creation was the support started in 2006 departmental programme „Support of the Social Cooperatives Development”, thanks to which one was able to set a more or less stable net of operators running the Centers of the Social Cooperatives Support. What is more, in 2011 one proposed a new form of social cooperatives support i.e. the Operational Programme of the Citizen Initiative Fund in the form of the extracted regional component that was to e.g. support the social cooperatives. Another element of the local development of the entrepreneurship in Poland, including the social cooperatives, is the Operational Programme of the Citizen Initiative Fund 2009-2013, where the IV Priority of the local entrepreneurship development was extracted, and among the support areas one can name e.g. promotion and dissemination of the social entrepreneurship idea and good practices within this area and promotion of the new forms of management and creation of new workplaces, including the form of the social cooperative.

The projects co-financed from the Operational Programme of the Human Capital are oriented at undertaking of the action aiming at e.g. offering the possibilities of establishment and running of the social cooperatives. On the virtue of the revised in 2012 act on the social cooperatives, the government is obliged to send the information on the functioning of the social cooperatives once for two years. The first deadline of the report was set to the 30th June of 2012, and includes the information for the period of 2010 and 2011, next will be presented

till the 30th June of 2014. Monitoring of the social cooperatives was ordered by the Ministry of Labour and Social Policy, and was conducted by the Nationwide Audit Union of the Social Cooperatives. The survey was sent to 287 cooperatives registered in the end of 2010, but was answered by 112 operators (Information, 2012). The aims of the study dealt with the issues of the internal organisation of the social cooperatives, areas of their activity, financial condition, the range and the form of support of their activity and the evaluation of the legal regulations applying to the activity of the social cooperatives. The conclusions of the study (Information, 2012) are as follows: among the studied cooperatives the major part was player by the cooperatives of 5 to 9 members. Only 10% of the cooperatives had 10 and more members. Among the surveyed founding members, the majority was constituted by 83%, there was no people released from the penitentiaries, addicted to drugs, refugees and the ecclesiastical legal operators. The prevailing area of the activity of the surveyed cooperatives was the provision of the services within house and garden (43%), architecture (33,3 %) and catering business (27,9%). The prevailing receiver of the products and services offered by the social cooperatives in Poland in 2010 were the physical workers (37%), private companies (23%) and the institutions of the public administration (22%). In 2012 25% of the surveyed cooperatives did not show any incomes, 50% of the surveyed operators had the incomes not higher than 20 161 of Polish zloties. At least 25% of the cooperatives of the highest financial incomes noted the Total revenue for 2010 of almost 100 thousands of zloties or even higher. Over half of the surveyed (56%) believes that the currently valid system of the legal regulation fosters the development of the social cooperatives in Poland. Among the most important internal problems of the social cooperatives, the surveyed most often pointed to: unequal activity of the members of the cooperatives (30%), lack of the knowledge of the available facilitations that the social cooperatives may use (19,4 %) and the internal conflicts (16,5%). The most commonly pointed to external problems related to the functioning of the social cooperatives, the surveyed included: lack of understanding and interest in the social cooperatives among the representatives of the self-government authorities (generally 37,8%), difficulties related to the acquisition of the orders on the commercial market and the tasks ordered by the public administration (20,5%) and the problems related to acquisition of the financial funds (15,9%) (Information, 2012). Under the patronage of the National Cooperatives Council, on the 22 June of 2007, the representatives of the 19 social cooperatives from Poland established the Polish General Revisory Union for Social Cooperatives residing in Warsaw. The aim of the union is the promotion and support of the idea of the social cooperative, acting for the sake of the widely understood social and professional reintegration, assurance of the associated social cooperatives help in their statutory activity. In the Union's portal one can find the catalogue of the social cooperatives which accordingly to the register in the National Court Register that on the 22 of November 2013, included 809 registers. In the division into the states: dolnośląskie (67), kujawsko-pomorskie (44), lubelskie (43), lubuskie (26), łódzkie (72), małopolskie (60), mazowieckie (79), opolskie (18), podkarpackie (66), podlaskie (31), pomorskie (30), śląskie (63), świętokrzyskie (24), warmińsko-mazurskie (50), wielkopolskie (93), zachodnio-pomorskie (44). The data differs from the information included in the portal of the non-governmental organisations ngo.pl where the database of the social cooperatives states only 430 operators.

2.3 Plants of the Professional activity

The plants of the Professional activity can be established by a community, a county, a chantry, an association or other social organization that the statutory task it to improve the professional and social situation of the disabled people. Those plants are one of the most important operators of the social and professional integration of the disabled people, it is one

of the forms of running the social business. For few years in the environment of the disabled people and in the environment related to the social economy takes place a discussion on the changes that contributed to the development of the plants, and to increase in the efficiency and effectiveness of their activity. In the database of the professional activity of the plants established in the name of the project entitled “Center for the Social Economy Support”, realized by the FISE, registered 68 plants.

3 INSTITUTIONS SUPPORTING THE DEVELOPMENT OF THE SOCIAL ECONOMY IN POLAND

3.1 The fund of the socio-economic initiatives

FISE Since 2005 operates in the sector of the social economy, Since this years is manager by the Internet portal ekonomiaspoleczna.pl. which is the biggest Polish compendium of knowledge on the issue of the social entrepreneurship in the country and worldwide. The fund gives the entrepreneurs the quality certificate Sign ES, it is also an organiser of the Contest for the Best Social Entrepreneurship of the Year. Since 2009, FISE is managed by the Center of the Social Economy Support, which serves as an educator for the beginning entrepreneurs and incubation of the social entrepreneurships. It is a publisher of many publications dedicated to the social economy, available on-line on its portal. The fund is the member and at the same time it manages the office of the Permanent Conference of the Social Economy, the oldest Polish institution associating the organizations dealing with the social economy (established in 2004).

3.2 The Permanent Conference of the Social Economy

During the II European Conference of the Social Economy (Cracow, October, 2004) the representatives of the group of the institutions of the social economy gathered at the meeting presented the need to establish the joint area of actions of various social economy operators acting in Poland. For this purpose they established the Permanent Conference of the Social Economy in Poland (PCSC), that is the place of meetings and discussions, and agreeing on the positions in the key issues for the social economy environment. PCSC acts on the basis of the Agreement, multilateral contract signed by the members of the PCSC. The first agreement made by the members of the PCSC was signed on the 29 of September of 2006 in Cracow during the First Nationwide Meetings for the Social Economy. The new content of the agreement accepted on the 14th of February 2012. PCSC is an organiser of the annual Nationwide Meetings for the Social Economy that take place in different cities in Poland. At the end of 2011 the Permanent Conference of the Social Economy decided on renewal of work on the covenant for the social economy. The covenant in the assumption is the mutual commitment of the social and public parties in the area of the social economy and the civil activity aiming at solutions that will serve for the public benefit. The first version of the covenant was established in 2009, however, it has still not been signed by the government.

3.3 The Public Affairs Institute

The Foundation of the Public Affairs Institute (PAI) is an independent center of study and analysis, one of the Polish think-tanks. The PAI was established in 1995. It conducted the study on the basic issues of the public life. The results of the study projects are presented

publicly, and in the form of books, reports are widespread among the decision-makers. The Institute of the Public Affairs together with its partners realises the 1.19 system project entitled “The Integrated System of Social Economy Support” as a part of the action „System support of the help and social integration institutions” – the key priority of the I Operational Programme of the Human Capital. The key aim of the project is the increase and the development of the social economy in Poland, through establishment of the shared system of support that is adapted to the needs and specificity of the social economy operators. On the project activities is creation of the infrastructure of support for the operators of the social economy, preparation and implementation of the programmes of education and training within the social economy range.

3.4 Malopolska School of the Public Administration

The Malopolska School of the Public Administration of the Economic University in Cracow (MSPA) is one of the most dynamically developing educational and advisory institutions in Poland. It specialises in the public affairs. It was established in 1997 on the force of the Senate of the Economic University in Cracow. The aim of the MSPA is acting on the socio-economic development of Malopolska, state and regions of the Europe through the improvement of the public policy and functioning of the public administration and rising the competitiveness and innovation of the local and regional economics. The strategic areas of the MSPA activity are as follows: social economy, innovations and technology transfer, management systems in the public administration, designing and evaluation of the public policy. MSPA runs a research, advisory, educational and publishing activity. It is a editor of many publications dedicated to the social economy, and since 2012 it is a publisher of a periodical on the social economy as a part of realization of the project “The integrated system of the social economy support” co-financed from the funds of the European Social Fund. Every issue of the periodical is also available in the electronic version on www.ekonomiaspoleczna.msap.pl.

3.5 The team dedicated to SE system solutions

The team dedicated to the system solutions in the field of the social economy was established in the force of the ordinance of the Prime Minister no 141 from the 15th of December 2008. The team is of inter-sector and inter-departmental character. The team was faced with the tasks like preparation of the project of the strategy of the social economy development, propositions for the legal-institutional and financial solutions, and also preparation of the assumption of the education system in the field of the social economy and promotion and monitoring of the proposed solutions. The inaugural meeting of the team took place on the 13th of March 2009. In order to realize the tasks of the team, one established four permanent theme groups of the team: the group dedicated to preparation of the project of the social economy strategy, the group for preparation of the project of the act regulating the social entrepreneurship, the group for the analysis and creation of the financial frames for the functioning of the social economy, the group dedicated to preparation of the project of the assumption of the education system for the social economy. In order to improve the effectiveness of the team work the Prime Minister Donald Tusk on the 6th of September 2012 signed the decree that changes the principles of functioning of the team to the issues of the system solutions in the field of the social economy and it widens its number of members. The decree gave higher importance to the president of the team, who became the minister

appropriate for the issues of work and social security; the quickest preparation of the project of the act regulating the social entrepreneurship was advised, one imposed a duty to monitor and advisory support through setting the solutions and giving the opinions on the projects of the governmental documents, projects of strategies and state programmes and propositions on the union regulations applying to the social economy. The decree stretches the number of the team members to the representatives of the culture, administration and farming center; it also increases the part player by the representatives of the social economy sector; two representatives are nominated by the Permanent Conference of the Social Economy, The Auditing Association of the Social Cooperatives, Public Benefit Works Council, Auditing Union of Co-operatives, National Council of Cooperatives, National Federation of Non-Governmental Organizations, Association of Employers of Social Enterprises. The new decree obliges the team to an immediate publication of the protocol from the meeting and presentation to the public attention the report on their work. On the 17th of July 2013, another meeting of the team took place, where the prepared by the strategic group the document entitled the National Programme of the Social Economy Development that aims at pointing to the most important directions of the states intervention in order to obtain the bigger growth of the social economy, was adopted. The team also accepted the project of the act on the social entrepreneurship that in its newest version changed its name into the Act on the social entrepreneurship and support of the social economy. On the meeting of the team one presented also the project of the pact for the name of the social economy prepared by the Permanent Conference of the Social Economy.

ZÁVER

The presented development of the social economy in Poland, the development that last for almost fifteen years, suggest that it has not yet achieved a significant position in the socio-economic development of the country that is not an instrument which could be used by the government in the development politics. The social economy in Poland is still a beneficiary of the resources (mainly the European ones). The Operational Programme Knowledge, Education, Development that is planned for the future years, and that is to use the EFS funds for support at the central level, the activities aiming at the development of the social economy, hope for the change of this state. The old social economy was formed as the bottom-down initiative, where, the development of the “new” social economy is initiated and supported by the government.

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