

From the issue editor

The following collection of texts on social economy shows the dynamics of this phenomenon in Poland in recent years. They are written in a very specific theoretical format, and that is the public policy format or paradigm. There is a research gap in the national literature to this extent and we would like to bridge that gap with the following papers.

The first two papers highlight the issue of the public policy complexity. It is shown here as a practice (real interventions/public measures) and as a discipline of knowledge/science that makes claims about certain regularities or irregularities visible in public measures. At the same time they also show the role of social economy entities (PES) in public policy. The presented data and phenomena point out that in some public policies this role is significant and is still growing.

The authors of the papers indicate that social economy entities bring important capacities to the systems of specific - sectoral or horizontal - public policies. Thus, they enhance their ability to participate in professional programming and implementation of public interventions or measures. This is because social economy entities contribute substantial resources - intellectual, organizational/logistic, executive [including e.g. financial], etc. - to these systems. The larger these resources are, the more gains the overall system of given policies in terms of efficiency and ability to satisfy needs of the citizens. This indicates that it remains in the interest of the State and general public to further strengthen the social economy entity sector.

Another paper is devoted to the activities of social economy entities in social policy, understood as sector policy related to the delivery of public/social services and addressing issues arising mainly from the threat of exclusion, satisfaction of basic necessities of life. The author describes the size of social economy entity activities in this area, as well as their role, inter alia, in programming and implementing this policy. He refers to the Polish CSO data indicating that about 6.6 thousand social economy entities (PES) operate in this area, which account for 7.5 per cent of all non-profit entities operating in Poland (2018). The author gives numerous examples of their activities, which have undoubtedly strengthened the social policy system, whereas the idea of inclusivity and social inclusion was reinforced in the minds of the Polish people.

An interesting addendum is the paper on solidarity capital. It shows the significance of solidarity (spelled with a small letter “s”) as a resource and as a space for interpersonal relations of moral nature. It is a resource that enables the accumulation or merging of various institutional and social capitals. As a result, it increases the chances that the set social goals will be attained effectively. Thanks to this resource, social economy entities operate and develop. For the State and society, they provide opportunities to satisfy the needs of the most disadvantaged groups, which is the requirement of solidarity. By “feeding” with solidarity capital, social economy entities make various types of communities (including social relations themselves) acquire a higher level of moral content, thereby contributing to an increase in mutual respect, loyalty, trust and respect for the common good.

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THE COMPLEXITY OF SOCIAL ECONOMY AS A SOCIO-ECONOMIC PHENOMENON

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Abstract: This paper presents the complexity of the contemporary social economy system – its definitions, points of reference, role played in socio-economic development. Furthermore the paper presents a review of selected approaches to social economy, including definitional approaches, e.g. those specific to Anglo-Saxon and continental traditions. It discusses the context in which it emerged and developed as a phenomenon in the public policy and economic areas. It analyses the dynamics of social economy development in Poland, including institutional environment and selected mechanisms of public management. It stresses that top-down initiatives – including those of the central government and the EU institutions – are a key element in making the social economy dynamic in developing the forms of activity (in view of the weakness of endogenous factors). The central and local governments place social economy at the heart of their strategies in many public policies.

Keywords: social economy, public management, public policy, socio-economic development

INTRODUCTION

One can speak of a considerable terminological pandemonium with regard to social economy (Grewiński, 2009). Various terms are used to designate the area specific to social economy: social entrepreneurship, civic entrepreneurship, social economy, solidarity economy, solidarity economy, non-profit economy, non-profit sector, alternative economy, civil economy.

However, with regard to defining social economy entities (PES), one may encounter the following terms: social enterprise¹, not for profit enterprise, solidarity economy entities, social entrepreneurs², non-profit corporations, public benefit entities. In addition, John W. Kingdon, an American scholar, introduced the concept of policy entrepreneurs in 1984. They perform the task of influencing the agenda of the particular public policy under which they operate (Kingdon, 2014).

The multiplicity of terms presented above make analysis difficult. It implies the need to adopt a particular optics for analysis.

The complexity of the social economy (social economy) phenomenon is also a consequence of the fact that it occurs in various contexts that affect its understanding. In the most neutral terms, it can be understood as a space where specifically legally constructed entities perform specific social and economic roles. They function in the space between the market (mechanisms of competitive exchange) and the State (activities of public institutions) and private life (e.g. family). They thus operate between the sphere of profit-oriented businesses trying to increase their share of market (SoM) and the sphere of public institutions, financed from the public budgets, and the individual sphere.

Social entrepreneurship is therefore the opposite of private entrepreneurship (pursued for private profit),

although it is also part of the economy. Social economy entities (PES) engage in the manufacturing of products and services alongside production carried out by market players and alongside the manufacturing activities of public entities and the activities of individuals in the individual sphere (Borzaga et al., 2013).

In its broadest sense, the key component of the social economy appears to be the non-profit principle and a focus on the attainment of social objectives, i.e. those that are valuable from the perspective of the public interest of a certain community.

Historically speaking, the non-profit organisations have been seen as those that offer products and services that either market or public entities have not been able to provide in sufficient quality or size (Voids, 2014, p. 3). It is therefore related to the failure of both market mechanisms and the failure of the State (inability to fully discharge its tasks vis-à-vis citizens and to satisfy their needs). The crisis of the formula of the so-called welfare state is often indicated. However, it turned out that it is not able to meet some of the social needs that have emerged in recent decades, including those of people at risk of marginalisation (Sałustowicz, 2007).

The above conceptual distinctions are underlined by the public goods theory. It assumes that NGOs provide a particular type of public goods (Kingma, 2003). It is a good that the public sector is not able to provide because it offers goods that satisfy the statistical voter, nor market players because of the level of prices offered. "Thus, NGOs provide public goods to those society members who need them and to minorities". Also the categorical constraint theory formulated by J. Douglas indicates that NGOs develop their offer in democratic countries, where the State does not provide public services at an appropriate level. NGOs fill the gaps in the activities of public organisations (Bogacz-Wojtanowska, 2009).

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SOCIAL ECONOMY TRADITIONS

Analyses of the Social Economy (social economy) phenomenon have different conceptual structures³. In the Anglo-Saxon tradition, authors focus mainly on the phenomenon of social enterprises understood as non-profit entities (Defourny, Nyssens, 2010; Doherty, 2009) functioning within the third sector (it includes enterprises not belonging to the private business sector and the state-owned enterprise sector). According to the American tradition, it is stressed that it is a company operating in a typical competitive market, with the only feature being that the profits made are not shared among the shareholders and, moreover, such an entity enjoys various public privileges (e.g. tax exemptions) in exchange for community benefits.

According to a related British tradition, it is also stressed that social enterprise is first and foremost a business. This is well illustrated by a definition in a 2002 New Labour government document, as well as by the Social Enterprise Coalition. According to this, a social enterprise is a business that has an essentially social goals and its surpluses are – as a rule – reinvested for that purpose either within the business (enterprise) or in the community. It is therefore not driven by the need to maximise profit for shareholders and owners (DTI, 2002, p. 13). In other words, social enterprises undertake to solve specific collective problems, and to achieve this they take advantage of different business solutions (operational models of commercial organisations). In this way, they make the economy more inclusive and also more sustainable. Within the social enterprise sector, a distinction is made between local businesses, social enterprises, mutual organisations (cooperatives), large entities operating either nationally or internationally. What they have in common is a commitment to a double bottom line – meeting social needs and preserving financial stability. Recently, a third objective has been added – environmental protection. With the above formula, social enterprises gain well over a third of their income from market activity (DTI, 2002, p. 13). Some authors defining social economy point to a distinguishing factor that concerns ethical aspects (Doherty, 2009, p. 27).

On the other hand, in the continental tradition (of French origin), the authors rely on the concept of “social economy” understood as a structure or sub-system of the overall economy. In the French tradition, this sphere comprised – cooperatives, mutual societies, associations.

Several terminological approaches have emerged in the EU in recent years. The ideas developed within the EU research network EMES⁴, in operation since 1996, have been important. The concepts developed by the EU EMES research network since 1996 have been important. Researchers point to several criteria and characteristics of social economy enterprises. These are entities that – in terms of economic criteria – run continuous activities in the field of manufacturing of goods and/or sale of services, have a high degree of autonomy, operate with economic risk, give employment for a fee. They also meet social criteria, i.e. they

are an organisational form for interacting citizens, they have decision-making rules that are not derived from the ownership structure of capital, as a rule they use a participatory model of decision-making, the purpose of these entities is to create benefits for the community, and there is no profit sharing.

A number of EU institutions highlight the significance of Social Economy and present their views to that extent. The European Parliament along with the EU Council in 2013 broadly define a social enterprise’ (‘social enterprise’) as one – irrespective of its legal status – that is established primarily to ‘achieve measurable positive social impact, rather than to generate profits for its owners, members and shareholders. Its further characteristics are:

(i) the delivery of services or the manufacturing of goods capable of delivering social benefits,

(ii) the application of a method for manufacturing of goods or services that is consistent with its social objective,

(iii) uses profits generated primarily to achieve its fundamental objective.

(iv) the distribution of profits among shareholders and owners does not adversely affect the fundamental objective,

(v) It is managed in an entrepreneurial, responsible and transparent manner, based in particular on the involvement of employees, customers and stakeholders.

Historically speaking, four categories of Social economy entities have been operational (Borzaga et al., 2014, p. 6):

- cooperative enterprises,
- mutual societies,
- associations,
- foundations⁵.

Traditional social economy entities financed their activities mainly by raising donations and grants. Over time, new social economy actors began to emerge and their special feature was that they started to become involved with market exchange (OECD, 2003, p. 40). According to Borzaga et al. (2013, p. 17) they “revitalised traditional social economy organisations and contributed to the emergence of innovative organisations (...)”. In his view, new social economy organisations can also be seen as an expression of citizens’ growing sense of responsibility for public affairs. He sees them as an “endogenous response” of citizens dissatisfied with market failures and flaws of the public policy [of the state – AZ].

The new market players emerging from the 1970s onwards were characterised by an entrepreneurial approach, seeking efficiency in generating support services. They did not rely solely – as mentioned above – on donations and public grants, but also on attracting volunteers and resources raised through participation in the market game (seeking various sources of funding and obtaining resources for operation). This forced them to develop a propensity for innovation in service delivery, adapting their offer of support. They started to focus on job creation, especially for long-term unemployed young people. They relied on local level activities and strong ties with the local community. In two consecutive decades, the scope of their cooper-

ation with authorities in various public policies, as well as the scope of their financing, were growing (OECD, 2003, p. 39).

Table 1. *Social economy – typology*

		Social Economy – opportunities and needs	
		response to social needs	response to new opportunities
Market approach	non-market-based social economy (social development)	Examples: shelters for homeless; day care centres; collective kitchens; reintegration of school dropouts	Examples: day care centres; prenatal centres; eco-museum
	market-based social economy (economic development)	Examples: training businesses; re-adaptation centres; social and solidarity finance (financial products); culture	Examples: worker cooperatives; recycling (environment); food (catering); culture

Source: Pearce, 2009, p. 181.

SOURCES OF THE PHENOMENON AND ITS DYNAMICS

The social economy sector was steadily increasing its share of the economy and public services since the end of the Second World War. In the US in 1960, the sector had a turnover equivalent to approximately 2.1% of GDP, in 1975 – 3.1%, and in 2000 – 4.2% of GDP (Young, 2010:45). In 1988 there were nearly one million non-profit (tax-exempt) organisations (Weisbrod, 1988, pp. vii–viii). In 2016 there were approximately \$ 1.5 million with revenues of \$2.6 trillion (revenues) (5.6 per cent of US GDP) and assets of \$5.99 trillion.

In contrast, there was little interest in the non-profit sector in the EU until the late 1970s. Later it grew due to the demand for its services and the need to create jobs in the context of a growing crisis of effectiveness of the previous welfare state model (OECD, 2003, p. 32). The sector employs 13.6 million Europeans who account for approximately 8 per cent of EU GDP. It provides many key social services, including employment opportunities for disadvantaged groups (European Commission, 2020, p. 5).

For a long time, the social economy was not seen as a driver of economic development, but rather as an

instrument to deal with the phenomena of social exclusion. This has been changing over time, with crises occurring in the mainstream economy becoming a catalyst (Galera, Salvatori, 2015, p. 1). In developed countries, there was a long-held view that the state and the market were responsible for balancing economic prosperity and social well-being. The same was true in developing countries, with the difference that there was a strong legacy of both market and state failure. Therefore, public policy efforts focused on market improvement to make it operate properly and to strengthen the state to make it more responsive to citizens' needs. Social enterprises have not been in the focus (Amin, 2009, p. 4).

The institutions of the European Union have successively developed thinking about the role of the social economy. The 1993 White Paper of the European Commission pointed out the challenge of satisfying emerging needs related to transformations in lifestyles, values, etc. It was recognised that there would be an increasing demand for services related to caring for the environment, leisure utilisation, culture enjoyment and urban life⁶ organisation. At the same time the demand for new jobs was growing. It was recognised that there were development opportunities for social economy players (European Commission, 1993; European Commission, 1995).

The European Commission funded in-depth research on the social economy, starting in 1996–1999. A research network (“European Thematic Network”) was established – as mentioned above – with the abbreviated name EMES. It was inspired by the Italian social cooperatives. In 1991, the Italian Parliament passed a law that created a legal framework for them. Moreover, at approximately the same time, the European researchers were discovering similar phenomena in other countries (Defourny, 2014).

In recent years, successive EU institutions have become active. The European Parliament adopted the “Toia Report” on the social economy in 2009. It called on authorities at various levels to support it. The European Commission in 2008 and 2011 published 2 Communications identifying possible forms of support for social economy entities as one of the priority lines for the years to come (Chaves, Demoustier, 2013). Numerous social economy support centres have been developed at different levels and in many countries. At the European level, there is the Social Economy Europe platform highlighting the contribution of social economy to the European economy⁷ (Chaves, Demoustier, 2013).

During the discussions, held as early as in 1980s, the concept of a multi-sectoral or mixed economy of

Table 2. *The four sectors in the multi-sectoral welfare economy and its players*

Sector	Public	Commercial	Non-profit	Informal
Agents	<ul style="list-style-type: none"> Central and local governments Non-departmental public bodies Public service providers 	<ul style="list-style-type: none"> Commercial enterprises Commercial service providers 	<ul style="list-style-type: none"> Campaign groups Self-help groups Faith groups Charities Social enterprises NGOs Non-profit service providers 	<ul style="list-style-type: none"> Families / households Friends Neighbours Expanded social networks

Source: Brejning, 2012, p. 11.

welfare was born (Brejning, 2012, p. 11). This was the result of a perceived crisis in the previous welfare state model. For it was losing its ability to cope with all the social support. Meanwhile, people started to think about a new model of state activity, which begins to use market and community mechanisms to meet social needs. Hence, the multi-sectoral economy concept or model was born, which may include the activity of traditional business players acting to maximise value for private owners, but also actors who work to achieve common goals. In its structure, the players from the state, the market, the non-governmental sector and the informal sector can be distinguished (Powell, 2010).

SOCIAL ECONOMY IN POLAND. INSTITUTIONAL FRAMEWORK

In Poland, interest in the social economy was quite high already in the 1990s, although some researchers were of the opinion that in that period, the practice of policy programming ignored solutions that would boost the development of organisations and solutions strengthening the social economy. An example was the regression of the cooperative sector. According to M. Rymysza, in the climate of the time: “the social economy ‘smelled of socialism’ and was outside the mainstream of institutional change during the entire decade of 1990s” (Pacut, 2018, p. 11). Meanwhile in consecutive years, research and expert⁸ projects were executed, including but not limited to the project titled “In search of the Polish model of Social Economy⁹” (2006–2007). A relatively abundant literature was created.

Agnieszka Pacut separated periods of social entrepreneurship development: the 1989–2003 period (Pacut, 2018, p. 11) and the years beyond 2004. The first period saw the enactment of framework legal acts: the Act of 13 June 2003 on Social Employment, the Act of 24 April 2003 on Public Benefit Activity and Volunteerism, referred to as the “small constitution of the civic sector in Poland”.

The second period saw the definition of social economy in many government documents: National Development Strategy 2020, Long-term National Development Strategy Poland 2030. The Third Wave of Modernity, Social Capital Development Strategy, National Programme for Counteracting Poverty and Social Exclusion 2020, Strategy for Responsible Development until 2020 (with an outlook until 2030), National Programme for the Development of the Social Economy.

The incorporation of the social economy in the strategic documents stimulated its development. This was accompanied by the financing of the majority of undertakings in this area thanks to the programmes financed from EU funds. Global trends and economic situation, including the 2008 crisis, played also a significant role. It weakened the belief in the reliability of development based on typical mechanisms of free market competition of “for profit” entities.

The legal framework for various forms of activity now classified as social economy was gradually developed. Regulations on public benefit, voluntary work, social employment and social cooperatives have been

adopted. The existing regulations allow to classify social economy entities as¹⁰:

1. social enterprises – social cooperatives and other entities, with a specific employment structure (i.e. employing persons at risk of exclusion¹¹), enterprises where profit is not distributed but used to strengthen its potential, for professional and social reintegration or for public benefit activities;

2. reintegration entities – operating for the benefit of social and professional reintegration of persons threatened by social exclusion, e.g. Occupational Activity Centres (ZAZ), Occupational Therapy Workshops (WTZ), Centres for Social Integration (CIS), Social Integration Club (KIS);

3. entities operating in the public benefit sphere – e.g. associations, foundations;

4. entities of the economic sphere established for the purpose of achieving a social goal – non-profit companies and cooperatives targeted at employment, i.e. cooperatives for the unemployed, the disabled and the blind operating under the Cooperative Law).

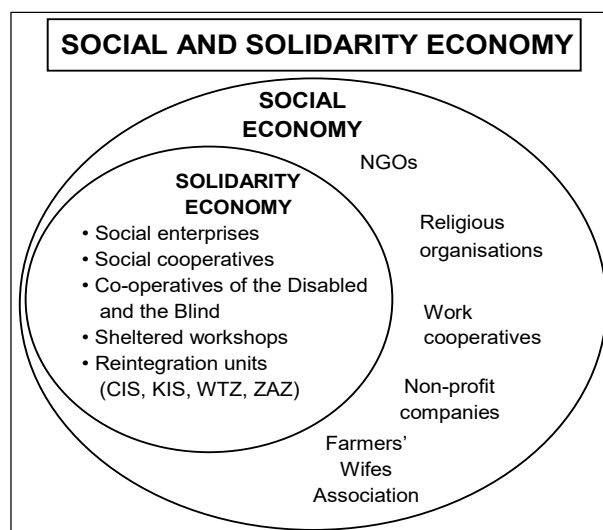
Meanwhile, according to the National Programme for the Social Economy (KPRES, 2019), the area of social economy should include, in particular:

- non-governmental organisations (NGOs) and entities referred to in Article 3, par. 3 of the Act of 24 April 2003 on public benefit activity and voluntary work;
- Farmers’ Wives Association;
- worker cooperatives;
- solidarity economy entities:

1. social enterprises (social economy entities that carry out economic or paid public benefit activity, professionally activate hardly employable persons, do not privatise profit or balance sheet surplus and are managed in a participatory way, may be granted the social enterprise status);

2. social cooperatives, cooperatives for the disabled and blind, sheltered workshops, reintegration units: Occupational Activity Centres (ZAZ), Occupational Therapy Workshops (WTZ), Centres for Social Integration (CIS), Social Integration Club (KIS).

Figure 1. Social economy entities



Source: Council of Ministers, 2019. The National Programme for the Development of the Social Economy, p. 11.

Meanwhile the Polish Central Statistical Office (CSO), uses the term non-profit sector and includes entities from outside the public and commercial sectors (associations and similar social organisations, voluntary fire brigades, hunting clubs, foundations, social religious entities, economic and professional self-government organisations, including agricultural circles, Roman Catholic Church organisations operating at parishes (excluding employers' organisations, trade unions and political parties).

THE PLACE OF SOCIAL ECONOMY IN THE PUBLIC POLICY OF THE CENTRAL AND LOCAL GOVERNMENTS

It is difficult to see the social economy at the top of the public agenda. Nevertheless, it is easy to see its place in the most important government strategic documents¹². It should be considered the main driver of social economy in the face of limitations related to the sphere of endogenous factors.

Governments have also adopted national programmes for the development of the social economy area. They indicate its key importance for the country's development. It is mentioned in the programme documents related to the use of EU funds¹³, in descriptions of the so-called operational programmes, and even in agreements concluded between the government and the European Commission, which define the objectives of spending EU subsidies, e.g. in the National Strategic Reference Framework (2007–2013), Partnership Agreements (2014–2020, 2021–2027). The latest Partnership Agreement refers to strengthening “the social economy sector, including through greater use of the potential of reintegration units and social enterprises”.

The latest government strategy (“Strategy for Responsible Development” (Strategy) of 2017 declares measures to “increase the scale of activity” of social economy entities. It points to the role of social economy in the points on improving the availability of services (including social and health services), supporting groups at risk of poverty and exclusion, including in terms of ensuring coherence of social inclusion activities.

The Strategy indicates that social economy entities and non-governmental organisations: can play “a key role in supporting social inclusion. Their activities are to cover areas considered “ineffective in terms of commercial activity (including the area of social services of general interest). Their activities are to be “an important link between social objectives and economic activity”. The Strategy also points to energy cooperatives, which can “locally ensure self-sufficiency and thus energy security” (Council of Ministers, 2017, p. 321).

The Strategy assumes support “for social and solidarity (cooperative) economy entities – preparation of legal solutions facilitating their current activity, as well as awarding these forms of activity in the case of implementation of services commissioned by the government and self-government administration. A mechanism of tax incentives for their development and increasing the scale of their activities will be developed” (Council of Ministers, 2017, p. 109).

Social economy is also incorporated into the strategies of regional and local authorities. According to Polish CSO research, more than half of the local governments that had a current development strategy in 2017 included in their strategies the intention to develop social economy (53.1%). All provincial marshal offices had a development strategy in which at the same time the topic of social economy development was addressed. More than 3/4 of towns with county rights included the issues related to social economy in their development strategies. Less frequently, cities and municipalities and counties had strategies (84.8% and 83.9% of all these local governments, respectively) Polish (CSO, 2018).

Local self-governments in their local development strategies more often addressed issues of population activation (86.9% of all local government units), cooperation with non-government organisations (82.4%), and less often issues of socially responsible public procurement (20.7%). At the same time, local governments much less frequently prepare separate programmes for the development of the social economy. In 2017, 3.3% of local governments had them in place. They are developed mainly at the level of provincial regional governments (regional social economy development programmes).

The situation is slightly better in local governments is with social economy practices, viz. 18.7% of local governments established social economy entities (at the end of 2017), out of which 66.7% were town halls of the towns with county rights, 12.5% – marshal offices, 26.6% – county offices, 16.4% – city and municipal offices (including 39% of urban municipalities).

According to the Polish CSO, local governments most often established reintegration units (14.1%), including social integration clubs (6.9%) and occupational therapy workshops (5.4%). 6.9% of local authorities have established at least one social cooperative. Only single ones decided to set up a non-profit company (0.4%). At the end of 2017, local governments operated approximately 0.7 thousand social economy entities (out of which 15.8% were established in 2017).

Numerous local governments have social economy support infrastructure, and it is also established at the central level. The EU programmes have planned to spend funds to support the development of the social economy. In the 2007–2013 EU budgeting perspective, 4,362 non-governmental entities executed 13,357 projects, which accounted for approximately 13% of all projects financed with structural funds worth PLN 9.5 billion (Polish CSO. 2018:9).

As part of the 2014–2020 budgeting perspective, the Operational Programme Knowledge Education Development comprised Action 2.9 called Social Economy Development. Social economy entities could apply for funds to strengthen their programme and financial capacity (including soft loans)¹⁴. A network of publicly funded¹⁵ social economy support centres (OWES) was also established. In 2017, 2.7 thousand entities (2.9% of all non-profit organisations) benefited from OWES support (CSO, 2019, p. 3). Training (67.8% of entities), counselling (48.5% of entities) were used

most often. In turn, 13% of organisations benefited from financial support, i.e. received grants for creating jobs or bridging support.

The vast majority of entities benefiting from OWES support positively assessed the quality of this type of services, 53.3% – as very good, 43.7% – as rather good. 28.2% of local governments cooperated with OWES (including all Marshal Offices and 74.6% of town halls with county competencies, in the case of offices of urban municipalities – 24.5%).

SIZE OF THE SOCIAL ECONOMY SECTOR IN POLAND

There are various sources of data that can be used to estimate the size of the social economy sector (in terms of the number of registered/operating entities). Data are provided by the Ministry of Family, Labour and Social Policy (now transformed), Polish CSO, and the Klon/Jawor Association¹⁶. Differences in the data available are due to different criteria of social economy entity membership.

According to the assessment of the Ministry of Family, Labour and Social Policy (2017), there are approximately 100 thousand entities operating in the area of social economy, including 85 thousand non-governmental organisations, 1500 social cooperatives, 1200 reintegration units (MRPPS, 2017).

The Polish CSO¹⁷ data for 2018 indicated that there were 87.3 thousand active social economy entities (from the NGO sphere). On the other hand, together with economic and professional self-government organisations, there were 88.1 thousand registered social economy entities. The most numerous group were associations and similar social organisations (69.1 thousand; 78.4%), followed by foundations (14.5 thousand; 16.5%). Every 10th organisation had the status of a public benefit organisation (9.3 thousand). The data

shows that the number of active organisations has increased by 10.0% in recent years – from 80.1 thousand in 2010 to 88.1 thousand in 2018. The whole sector created 141.4 thousand full-time jobs (accounting for 1.3% of average employment in the economy)¹⁸.

Meanwhile, according to the data acquired under the National Programme for the Development of the Social Economy, there are approximately 94 thousand entities¹⁹ operating in this sector of economy. They employ nearly 345 thousand workers, which account approximately for 2.3% of total headcount in the overall Polish economy (the document additionally indicates approximately 26 thousand of Farmers' Wives Associations also included in the social economy sector).

Full-time employees were employed by 14.4% of organisations, mainly by religious entities (81.0%). 57% of organisations, which carried out both paid statutory activity and economic activity, also had full-time employees.

In total, organisations received in 2017 27.7 billion in revenue. 91.2% of organisations reported earning them in 2017. More than half of the funds collected were obtained by associations and similar social organisations (the most numerous group of non-profit organisations). The intensity of economic activity in the sector varies greatly, as does the economic condition. The average organisation collected in 2017 PLN 301.4 thousand, but the income of half of the surveyed organisations did not exceed PLN 19.9 thousand. The average income is inflated by foundations and religious entities (CSO, 2019, p. 16).

The data indicates that relatively few social economy entities run their activity in a monetised form (when there is money flow). In this sense, 5.7% of organisations conducted economic activity, and 21.3% conducted paid statutory activity. On the other hand, almost 70 per cent of entities were involved in unpaid

Table 4. *Social economy entities by foundation motivation and profile of founders*

Entity type	Distinguishing features	Activity rationale, scope of activities
Corporate foundations	Established by large companies/corporations	Demonstrating Corporate Social Responsibility (CSR). Funding of social activities, including educational, environmental ones, etc.
Professional (occupations, trades)	Established by professional groups, e.g. accountants, consultants, workers in particular industries	Development and dissemination of standards relevant to the professional group, further training
Local	Established at places of residence	Supporting local development, in the sense of developing entrepreneurship, improving the quality of life,
Group/environmental (e.g. people affected by specific illnesses, disabilities)	Established to cope with health, social problems by groups with similar characteristics	Organisations of support groups, therapy, hotlines
Intervention and watchdog	Established to control the activities of the authorities	Enhancement of transparency level in the democratic and public system
Ideological and worldview	Established for the dissemination of particular views, doctrines	Persuading to support certain ideological, political and religious groups
Charity	Established to perform fundraising to support the disadvantaged groups	Providing assistance to the disadvantaged, poverty – stricken groups
Sectoral – e.g. environmental care, education	Established to develop specific areas of socio-economic life	Emphasizing the significance of specific social goals, priorities, aspirations
Coordination/umbrella	Established to support the non-governmental sector,	Providing assistance with financial resources, knowledge, skills

Source: own analysis.

statutory activity only (they produce products, however, without money flow from their transfer to recipients).

The organisations received income from business activities, which accounted for 15.4% of the total funds collected, and from paid statutory activities – 16.4%. On the other hand, 0.5% of revenues were generated in 2017 from tenders and contracts for an amount below EUR 30 thousand (public procurement). The main source of revenue for most of the surveyed groups of non-profit organisations was non-market funding. The most significant were grants awarded by public administration bodies (from 19.6% to 48.7% of total revenues depending on the type of organisation (Polish CSO, 2019, p. 19).

CLOSING REMARKS

The level of development of the social economy is certainly not satisfactory to those who see it as an important tool to address social and economic issues. A question arises about its future. It should be noted that among the major political parties none of them questions its significance. Therefore, a question remains about determining the time for generating a greater capacity of the State and society to engage adequate resources in social economy, to inspire volunteering activities, to raise the quality of public leaders, a higher sensitivity to the fate of fellow citizens who require support in satisfaction of their needs.

Historical and cultural factors, which are often shown as limiting the dynamics of social economy development, were not analysed above. In further analyses, such factors should be taken into account – the experience of the past, the level of trust and cooperation in the non-personal sphere, the level of ability to produce objective analysis, to translate knowledge into action, the ability to generate adequate development ideas, the level of ability to satisfy needs in a bottom-up manner etc.

NOTES

- ¹ In English we also encounter such terms as social entrepreneurial ventures, social purpose venture, community wealth venture, non-profit enterprise, venture philanthropy, caring capitalism.
- ² There is also a term: impact entrepreneurs, applicable both to the providers operating on a commercial and social bases.
- ³ Many definitions of social economy entities are summarized by Mike GORDON.2015. A Typology of Social Enterprise “Traditions”. ICSEM Working Papers, no. 18. EMES Network; <https://www.iap-socent.be/sites/default/files/Theory%20-%20Gordon.pdf>; https://emes.net/content/uploads/publications/the-development-and-application-of-a-typology-of-social-enterprise-traditions/gordon_ecsp-1g13-03_01.pdf.
- ⁴ Abbreviation of the French term “L’EMergence de l’Entreprise Sociale en Europe” (The emergence of social enterprises in Europe), <https://emes.net/>.
- ⁵ At the same time, the above entities sometimes organize ventures that take mixed forms. For instance, associations establish foundations, cooperatives, or commercial companies. In recent years, new additional forms and types of social economy entities have developed, including social enterprises (Borzaga et al., 2013).
- ⁶ Everyday services–domestic services, childcare, new information and communication technologies, help for young people in difficulty, and integration; *Quality of life services* –housing

security, local public transport, rehabilitation of urban public areas, local shops, energy; *Cultural and leisure services* – tourism, audio-visual, cultural heritage, local cultural development, sport; *Environmental services* –waste management, water management, protection and maintenance of natural areas, regulation and control of pollution, and associated installations (European Commission,1995).

- ⁷ <https://www.socialeconomy.eu.org/>.
- ⁸ In the period 2014–2020, projects were implemented under the Operational Program Knowledge Education Development 2.9.
- ⁹ Partners: Institute for the Development of Social Services, Bank for Social and Economic Initiatives, Ministry of Labour and Social Policy, Association for the Forum on Non-Governmental Initiatives, UNDP Poland, SPLIT, Malopolska School of Public Administration at the Krakow Academy of Economics, KLON/JAWOR Association, Civil Society Development Foundation, Foundation for Social and Economic Initiatives.
- ¹⁰ [https://www.gov.pl/web/rodzina/czym-jest-ekonomia-spoeczna-i-solidarna#:~:text=Ekonomia%20spo%C5%82eczna%20to%20sfera%20aktyw%C5%9Bci,publicznej%20\(na%20rzecz%20interesu%20og%C3%B3lnej\).](https://www.gov.pl/web/rodzina/czym-jest-ekonomia-spoeczna-i-solidarna#:~:text=Ekonomia%20spo%C5%82eczna%20to%20sfera%20aktyw%C5%9Bci,publicznej%20(na%20rzecz%20interesu%20og%C3%B3lnej).)
- ¹¹ Employ at least 50% of people from groups at risk of social exclusion (including disabled, unemployed) or 30% of people with moderate or severe disabilities.
- ¹² E.g. Social Capital Development Strategy, Innovation and Efficiency Strategy “Dynamic Poland 2020”, Efficient State Strategy.
- ¹³ National Development Strategy 2020 (adopted by the Council of Ministers on 22 November 2012).
- ¹⁴ <https://www.ekonomiaspoleczna.gov.pl/Projekty,PO,WER,2.9,4043.html>.
- ¹⁵ <https://www.ekonomiaspoleczna.gov.pl/Standardy,OWES,4113.html>.
- ¹⁶ According to the Klon/Jawor Association’s study, 117,000 26,000 associations (including 17,000 volunteer fire departments) and 26,000 associations were registered in 2018 (Charycka et al., 2019).
- ¹⁷ <https://stat.gov.pl/obszary-tematyczne/gospodarka-spoeczna-wolontariat/gospodarka-spoeczna-trzeci-sektor/dzialalnosc-stowarzyszen-i-podobnych-organizacji-spoecznych-fundacji-spoecznych-podmiotow-wyznaniowych-oraz-samorzadu-gospodarczego-i-zawodowego-w-2018-r-wyniki-wstepne,3,8.html>.
- ¹⁸ Moreover the Social Economy Entities’ sector associated 8.9 million members.
- ¹⁹ Among others, associations and similar social organizations – 73.4 thousand, foundations – 13.6, social religious entities – 1.9.

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