

Chojnacka, Katarzyna J.

Article

The Polish model of a social economy with the financial aspects and profits at background: From the general theory to practice

e-Finanse: Financial Internet Quarterly

Provided in Cooperation with:

University of Information Technology and Management, Rzeszów

Suggested Citation: Chojnacka, Katarzyna J. (2019) : The Polish model of a social economy with the financial aspects and profits at background: From the general theory to practice, e-Finanse: Financial Internet Quarterly, ISSN 1734-039X, Sciendo, Warsaw, Vol. 15, Iss. 3, pp. 29-46,
<https://doi.org/10.2478/fiqf-2019-0018>

This Version is available at:

<https://hdl.handle.net/10419/266816>

Standard-Nutzungsbedingungen:

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

Terms of use:

Documents in EconStor may be saved and copied for your personal and scholarly purposes.

You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.

If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.



<https://creativecommons.org/licenses/by-nc-nd/3.0/>

THE POLISH MODEL OF A SOCIAL ECONOMY WITH THE FINANCIAL ASPECTS AND PROFITS AT BACKGROUND – FROM THE GENERAL THEORY TO PRACTICE

KATARZYNA J. CHOJNACKA¹

Abstract

This article contains main trends, assumptions and thesis about the social economy in Poland, which the author agree with. The main goal of it, is to bring together fundamental facts depicting the situation of the social economy in Poland (in theory and in practice) with the conditions that must be fulfilled in order for it to grow (also from the financial side). In the article, the aspect of profit in a social enterprise, was especially emphasized. To describe the topic the descriptive methods were used. The graphical analysis refers to the last three years, but to understand how the social economy operates in practice, author uses description of the data from 1999 to now, in this paper.

JEL classification: B55, G41, L31, L33

Keywords: social economy, social entities, profits, social enterprises

Received: 20.04.2019

Accepted: 26.08.2019

¹ The Jan Kochanowski University (JKU) in Kielce, e-mail: katarzyna.chojnacka@ujk.edu.pl, ORCID: 0000-0002-8135-0867.

INTRODUCTION

Motto: *“If it is to be an important element of the functioning of the socio-economic system, the social economy must first and foremost rely on its own resources and internal capabilities and on strong societal backing”* (Frączak & Wygnański, 2008, p. 27)

The article presents the social economy which is not a new phenomenon or a new category. The field of operations of social economy entities falls between two vectors:

- a) offering social services, and
- b) creating jobs for people from disadvantaged social groups.

The social economy develops within a specific area, defined by such parameters as the functioning of the market economy (the private sector) and the state (the public sector). With respect to relations between the social economy and the private sector, it appears that they may be shaped according to one of three rules: competitiveness, coexistence or complementarity.

The social economy entities are quite useful in regenerating and revitalizing local communities derives. They know what is local know-how and locally familiar technologies. In this way they cultivate the local heritage, which outside the local context may not have important economic value. According to Borzaga and Tortia (2007) opinion, from the theoretical side, this aspect displays various conceptions of competitiveness which highlight the importance of construction by new organizational forms, of a competitive advantage via the rooting and exploitation of localized knowledge.

The aim of this article is to show the main trends, assumptions and thesis about the social economy in Poland, which the author agree with. The main goal of it, is to bring together fundamental facts depicting the situation of the social economy in Poland (in theory and in practice) with the conditions that must be fulfilled in order for it to grow and developing in the future (also from the financial side).

The article is based on the documents related to the social economy, especially on actual law regulations and current data. This paper, apart from the introduction, is organized as follows: section 2 provides a brief of the relation, from the literature. Section 3 shows: the tasks, the social actors, the profit in social enterprises in general

viewpoint, selected information about finances and development and the examples with currently data and finances. Section 4 provides the social economy in Poland in a Nutshell with local partnerships and revenues in examples.

The final section is a conclusion. After that author attach references and appendix.

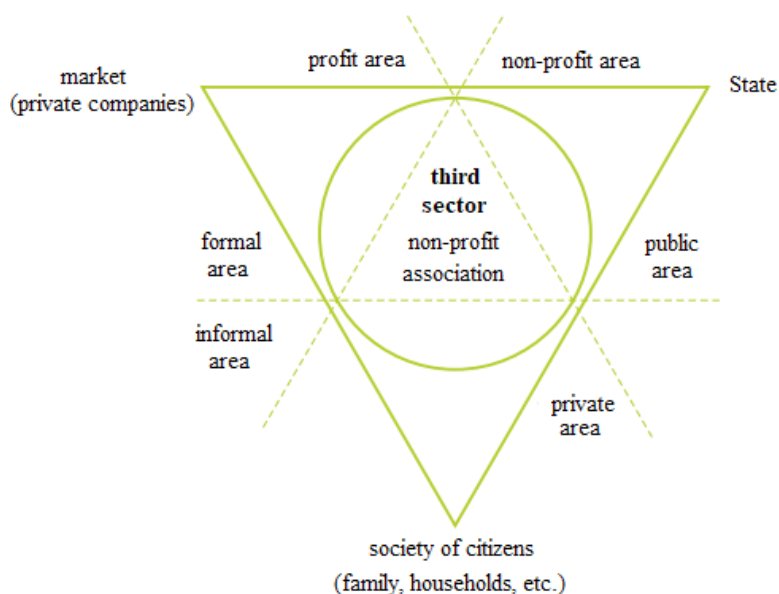
The motivation to undertake this research was the growing role of social economy in polish society, which has been observed since the beginning of 21st century. One of the topics under discussion is the question: whether making money is needed to third sector?

In 1999, the results of statistical surveys of the third sector in 15 EU countries were published by the International Center for Research and Information on State, Private and Cooperative Economy (CIRIEC-International). These studies shown, that the social economy sector covers about 8% of all European enterprises, produces about 10% of the “Gross European Product” and employs about 10% of the total employed in the Union Economy. In the last years of the 20th century, employment in the social economy grew significantly faster than in national economies. What is the current situation? The answer will be in the last part of this paper.

LITERATURE REVIEW: DEFINITIONS AND THE SCOPE

The social economy (*économie solidaire*) is a term which comes from the nineteenth century. It refers to the production of goods and services not only in the non-profit sector, but also in private companies whose shareholders agreed that the goals social will more important than economic ones (associations, cooperatives, mutual benefit societies, foundations) (see Chart 1).

Rogowska correctly said, that social economy was born from criticism of the mainstream intellectual economy. The opponents believed that A. Smith’s “invisible hand” does not protect the common good, it reduces the effectiveness of people and institutions and excludes the social policy of the state. The social economy representatives believe that the common good is not a side effect of selfishness, as A. Smith claimed, but can be implemented through collective actions, e.g. private organizations, associations and governmental organizations at the local level or countries, in the context of existing “market failures”, for example on issues such as health care for the elderly and

Chart 1: Market, the State and third sector (The social economy) in theory

Source: Abrahamson, 2001

the sick, i.e. "aware, visible and caring hand of people and institutions " (Rogowska, 2014, p. 185).

„The social economy is a social movement that should lead to a new vision for Poland’s development. The social economy is a way of involving the third sector in Poland’s economic development”. It means generation of alternative solutions, but not a systemic alternative. It is not conceived of as an idea for rejection of the market and the state and a route to that end, but as a path of systemic evolution. On one hand, it is practical way to solve social problems on a local scale (an economy of neighbourliness and solidarity, local public-benefit services). On the other hand, it is a mechanism for deeper system-wide changes, including changes affecting the market economy (corporate social responsibility) and the state (co-management, public-social-private partnership) (Giza-Poleszczuk & Hausner, 2008, p.15).

The essence of the social order proposed by the idea of the social economy is to harmonize development by reconciling the different rationalities attributed to the market (rationality of location), the government (distribution rationality) and society (rationality of solidarity).

Napieralski (2001, p. 9) says: *The social economy deals with the principles and regularities of the division of the part of the income which falls to the population. [...] draws attention to the organization which serves man, so it does not bother him. [...] in this sense he deals with the*

issue of social justice, he opposes human unhappiness.

The social economy may thus be approached instrumentally as well as systemically, to perceive its practical advantages and its long-range consequences (Lloyd, 2007, pp. 61-90). The social economy differs from other types of economic activity (free market economy) in its relationships with moral and social values. To define the place of the social economy, it is also important to define the connections it has with the non-governmental sector. Social economists postulate that a purely economic motive (striving to the maximum of profit, usability), complete with extensive systematization convergent, divergent and non-economic factors in relation to basic purely economic factor. The Social economy combines such issues as: social justice, dignity, common good, democracy, solidarity and social cohesion, social responsibility, democracy, subsidiarity and others. All these categories have many meanings for economists and they are sometimes unclear. Furthermore, they find their explanation in other social sciences. In the social economy, the existence of contributory (co-operative) justice is accepted (Głąbicka, 2002, p. 199).

The results of the functioning of the social economy as a form of economic activity go far beyond traditional criteria of economic evaluation. They show “many positive externalities” that strengthen social cohesion and democracy, local development, development of social capital, which obtains the status of a side value, increasing

the efficiency of the system generates real, measurable economic profit.

In the microeconomic point of view, social economics is carried out by man in many dimensions. We can therefore conclude that he is socio-homo-o-economicus and he takes many actions. In addition, people often work together either for everyone's happiness or for mutual help. Therefore, they produce and sell goods or services, mainly those that neither the market nor the state offers. Social economy is therefore the result of social efficiency and economic calculation. This is evident in the pursuit of equality and social justice and socially desirable attitudes.

Roelants and Sanchez Bajo (2005) distinguish four developing areas of the social economy:

- a) social, democratic and participatory entrepreneurship;
- b) employment and social cohesion;
- c) local development;
- d) mutual social protection.

THE SOCIAL ECONOMY: THE TASKS, THE SOCIAL ACTORS AND THE PROFIT IN SOCIAL ENTERPRISES IN GENERAL VIEWPOINT

P. Sałutowicz (2006) presented five functions of the social economy as follows:

- 1) the social economy creates new jobs, particularly for the marginalized and disadvantaged; it is also expected to provide services involving job training and preparation for transfer to the "primary" labor market (analyzed area: employment policy and the labor market),
- 2) the social economy provides of social services for individuals and collectives or local communities, particularly where the public and private sectors are not able to meet growing social needs (analyzed area: social policy),
- 3) the social economy accumulates social capital (analyzed area: social integration),
- 4) the social economy is expected to draw individuals and social groups into the political decision-making process (analyzed area: the perspective of the democratization process),
- 5) the social economy creates an alternative economic and social system (analyzed area: the perspective

of social changes) (pp. 13 – 35).

If we agree with Hausner - polish politic and thinker, we should add that, the social economy clearly will not eliminate traditional social welfare. It is also not a solution that will bring about professional activation for all persons from disfavored groups. But, the task of social economy entities need not be exclusively to activate and integrate such people through employment. They make assist the disadvantaged in many ways by providing them various types of services, including caretaker services, each time bringing them within a kind of community.

As we can read in publications describing that type of economy, the social character of the social economy is not derived only from the mission of its economic activity (not for profit), but also from the way the activity is conducted (see Table 1).

Social enterprises, in order to more fully achieve the assumed social goals. They use several legal forms. They then act as a specific kind of consortia. This allows for comprehensive, more effective and efficient operation.

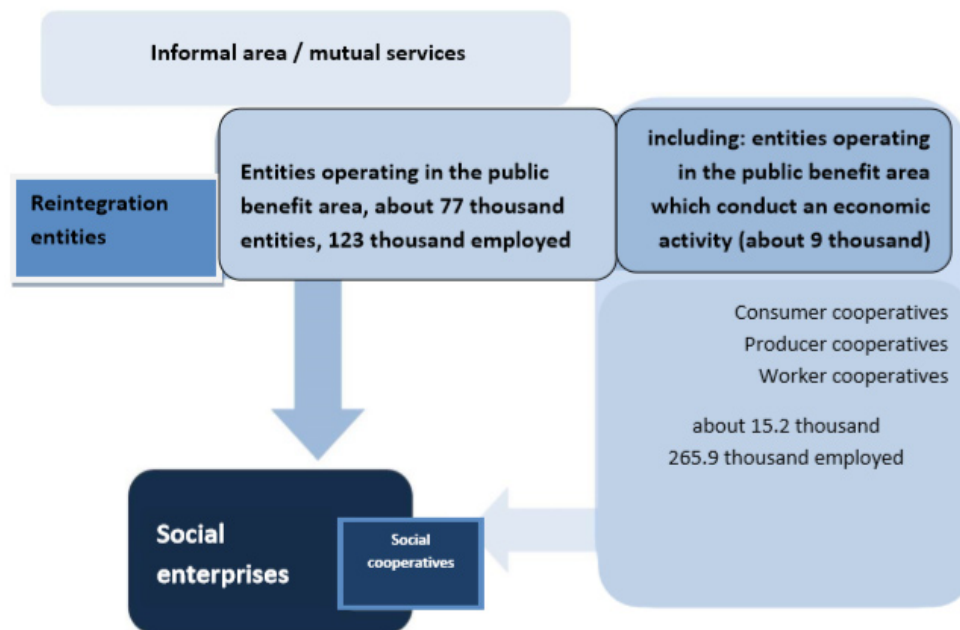
Among actors of social economy, the most important are local authorities (regional and local government), non-governmental organizations, and different types of social groups and market actors (with "regular" enterprises and consumers). What is very important, the enterprises of social economy need an initiator: a group or organizations that will take action toward establishing an institution (see Table 2).

The most important entities of the social economy in Poland are (data from 2011): Traditional non-government sector (Foundation & Association: about 16000 together), Social Cooperatives (12000), Social Integration Centers (CIS) how about 70, about 60 Vocational Training Centre (ZAZ) and only few Mutual Insurance Society (TUW) (See Chart 2).

In a social enterprise's profit should always be useful to the implementation of statutory goals, while maximizing profits can not refer to economic but social profits. Social profit in the case of social enterprises should always be more important that the economic one.

Social economy entities should act in a clear and clear manners. This goal can be achieved with very simple methods: by disclosing financial statements, conducting audits, providing accurate information on the manner and purpose of the activities carried out.

Chart 2: Social economy entities and social enterprises



Source: http://www.ekonomiaspoleczna.pl/files/ekonomiaspoleczna.pl/public/akty_prawne/National_Programme_for_Social_Economy_Development.pdf, [09.04.2019], p. 16

THE SOCIAL ECONOMY IN POLAND – SELECTED INFORMATION ABOUT FINANCES AND DEVELOPMENT

The financing of the third sector organizations in Poland is one of the most important topics discussed among those who create and function this zone. The main questions are:

- 1) Where can foundations and associations get money for their activities?
- 2) What are the sources of money?

Selected sources, which can be analyzed (in theory) are for example:

- 1) Subsidies (also called grants) - this is money that associations or foundations usually receive for the implementation of specific projects (public tasks) and can be spent only as intended (they can organizing courses for seniors or activating local communities)². They come from:

- a) *public funds* (from central and local government administration: city offices or various institutions),
- b) *European funds* (granted by the European Commission through various institutions),

² Money can also be used for institutional support of the organization, eg for the purchase of equipment, training for employees.

- c) *another non-governmental organization* (national or foreign foundation,
- d) *non-public entities* (companies, institutions, etc.).

What is important, each time the activities financed from the subsidy (grant) must fall within the statutory objectives of the organization requesting them. We can also analyze other detailed sources, like:

- 1) refunds from the Labor Fund
- 2) income earned from own activity (statutory activity)
- 3) own funds from raising money, donations or other sources.
- 4) PFRON funds
- 5) money from local government and other types.

Few years ago, Polish government dedicated, the programs for non-governmental organizations, under which projects were financed. We can call them: Civic Initiatives Fund (“FIO Program for the years 2014-2020”). The grant can be obtained for a social project. The Program was divided into four priorities:

- 1) Small projects - projects under this Priority, have a positive effect on the possibility of implementation.
- 2) Activity - projects in which you can gain access to knowledge about civil programs.

3) Active citizens - projects under this Priority should be undertaken in social life.

4) Strong organizations - projects of the organization in the form of the community of the organizations.

“FIO Program” was based on Resolution No. 209/2013 of the Council of Ministers of 27 November 2013 in the Civic Initiatives Fund Program for 2014-2020 and Resolution No. 213/2017 changing the resolution on the Civic Initiatives Fund Program for 2014-2020.

In February 2019 the *National Program for the Development of Social Economy* in Poland was changed³. The new program changed not only the name of the first one. Actually we have in Poland: *National Program for the Development of Social Economy until 2023*. Economics of Social Solidarity. This is a new document that mainly presents plans and actions implemented by governmental administration at the national level and a comprehensive structure of the social economy is a support system at the regional level, taking into account the role of other representatives of the government administration sector as well as local government units and the social and solidarity economics sector.

The area, which was described by government, in main definition, included: non-governmental organizations

³ No. 214, Resolution nr 11, the Council of Ministers dated: 31 January 2019

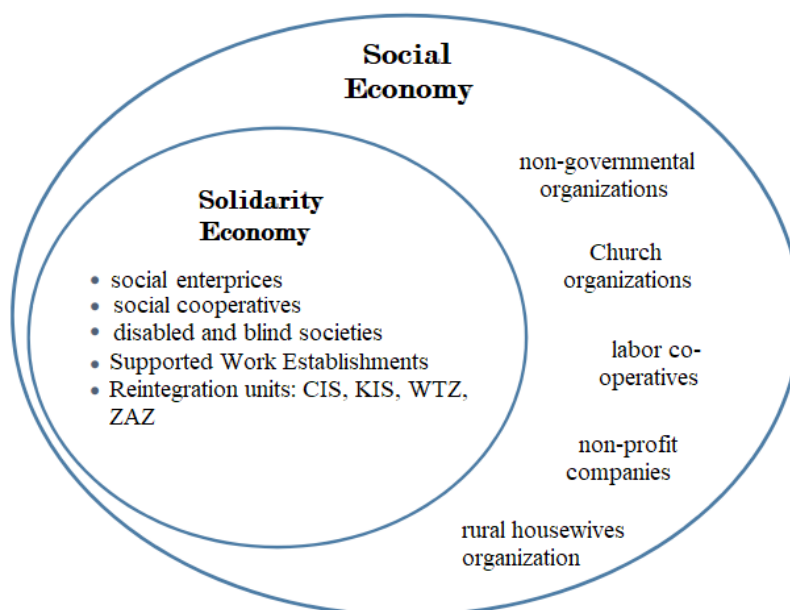
and entities, labor co-operatives, entities of solidarity economics and rural housewives organization (see Chart 3).

The government assumptions indicate that, the social and solidarity economy will not have a significant impact on the economy, from the participation in GDP and employment sides. The sources of financing of non-governmental organizations are not diversified. Most non-governmental organizations has unpaid activity - 70%. Only 30% from organizations provide paid business. This situation is quite stable since 2010. The vast majority of non-profit organizations have relatively low amounts of revenues. Only 39% from them have annual revenues near 10,000 PLN and 100,000 PLN have 37% of organizations. Only 5% of organizations have revenues over 1 million PLN. The number of people and social co-operatives applying for funds for establishing and financing wages from the Labor Fund and PFRON is systematically falling.

The government give us a forecast in which we can read that:

1) In 2023, territorial self-government units shall allocate at least 2% of the budget for commissioning social services of general interest and public tasks in the field of local development to entities of the social and solidarity economy.

Chart 3: Social and Solidarity Economy in National Program for the Development of Social Economy until 2023



Source: No. 214, Resolution nr 11, the Council of Ministers, dated 31 January 2019, <http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WMP20190000214/O/M20190214.pdf>, p. 11

2) By 2023, 35 thousand will be created new, high quality work places in social enterprises for people at risk of social exclusion.

3) By 2023, the number of social and solidarity economic entities conducting economic activity or paid public benefit activities will increase by at least 5,000.

4) Until 2023, the membership of young people (16-34 years) in social and solidarity-related entities will increase to 28%.

THE SOCIAL ECONOMY IN POLAND – THE EXAMPLES WITH IMPORTANT DATA

In Poland, in December 2017, about 23,000 foundations and 111,000 associations were registered (Map 1). It is worth to say that only about 100,000 associations and foundations are active in Poland. The number of registered associations and foundations is depending on the region of Poland. Over 10,000 organizations are registered in Wielkopolska Voivodship, Małopolska Voivodship, Śląsk and Dolny Śląsk. By far the least organization is in the Opolskie, Lubuskie, Podlasie and Świętokrzyskie Voivodships (about 3-4 thousand each). We can also

add, that there are about 50,000 other entities in Poland. They can be included in the broadly understood social sphere. These include hunting clubs, trade unions, social cooperatives, employers organizations, rural housewives circles, farm circles, craft guilds, church institutions and political parties.

Almost half (45%) of Polish organizations are based on social work. Others use paid work in various forms:

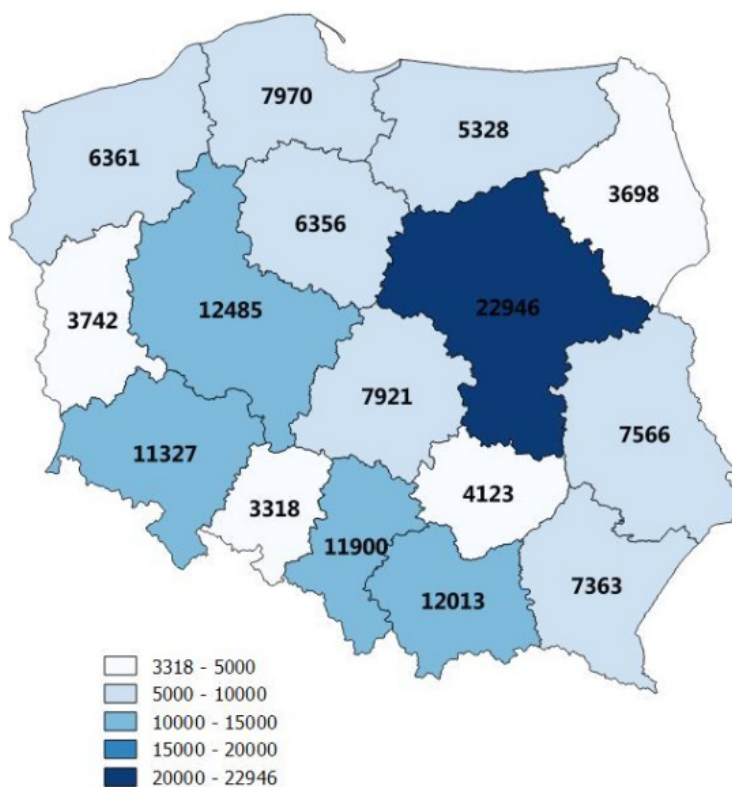
1) 20% employ full-time employees (full-time or part-time),

2) 15% cooperate with people who do not have signed employment contracts, but regularly, at least once a month, work for a fee on behalf of the organization based on other civil-legal contracts,

3) 20% do not have any permanent associates, but irregularly, from time to time, they commission work for a fee (<https://fakty.ngo.pl/fakt/ludzie-i-praca-w-ngo>).

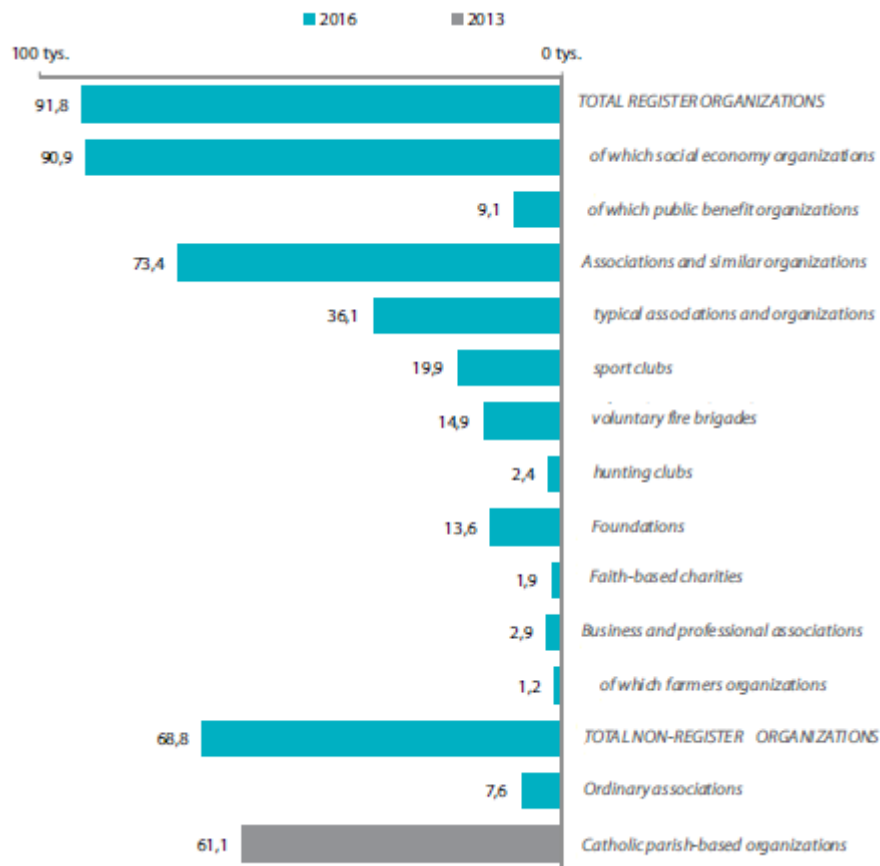
As we can see (Chart 4), permanent and paid personnel are quite often used by foundations and associations from Warsaw and other large cities with more than 200,000 inhabitants. On the other hand, only community associations use the foundations that operate in the countryside.

Map 1: The number of associations and foundations in Poland (31.12.2017)



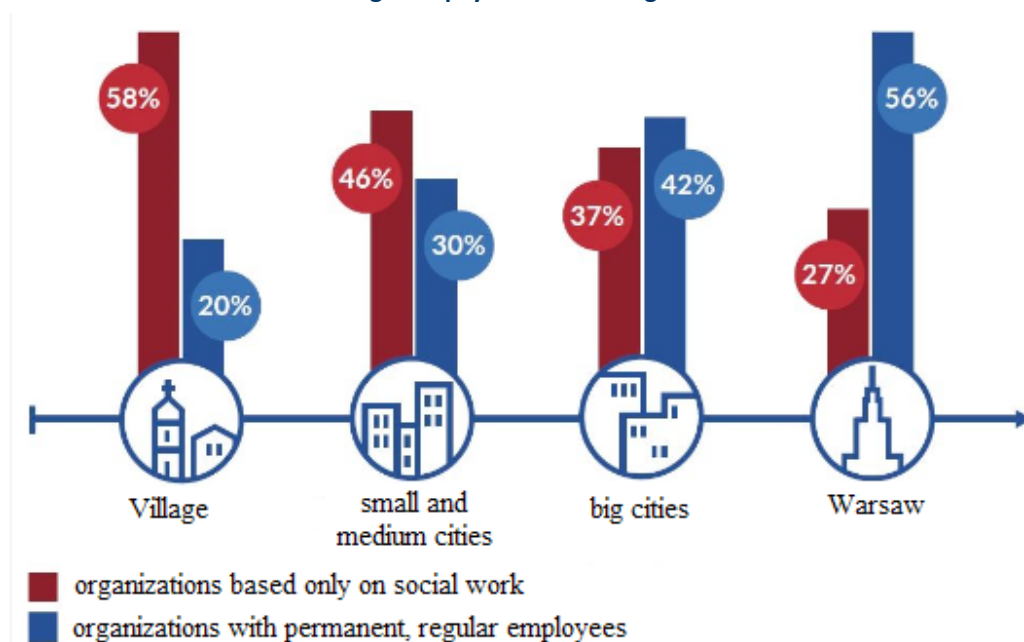
Source: <https://fakty.ngo.pl/fakt/liczba-ngo-w-polsce> [08.03.2019]

Chart 4: Number of non-profit organizations by type in 2016



Source: Based on: “The non-profit sector in 2016, Associations, foundations, faith-based charities, business and professional associations”, Statistics Poland, Statistical Office in Krakow, Warsaw, Krakow, 2018, p. 24

Chart 5: Working with payment to the organization in Poland



Source: <https://fakty.ngo.pl/fakt/ludzie-i-praca-w-ngo> [08.03.2019]

According to the research, the non-governmental sector in Poland is based on social work of volunteers, social activists and activists (see Chart 5). The selected list of Foundations and Associations working on Poland we see in Table 3.

The full-hours employment in non-governmental organizations is still a rarity. This model of the organization's functioning, in which most of the activities are based on social work, corresponds to the social expectations. Over half (54%) of Poles think that associations and foundations should avoid employing paid employees (<https://fakty.pl/fakt/ludzie-i-praca-w-ngo>).

THE SOCIAL ECONOMY IN POLAND IN A NUTSHELL

The protagonists of the problems of the social economy in Poland in the 19th century were two thinkers: Skarbek and Supiński. They introduced the term: “science about social household”. They showed they were not only sensitive to social issues, but they also represented the activity as a great social workers.

At the turn of the 19th and 20th centuries, in many scientific centers, economists became interested in the issues of the social economy. For example, at the University of Jan Kazimierz in Lviv, research in this field was conducted by Professors as follows: Biliński, Głębiński, Pilat and Grabski, and also Styś (Wójcik, 2002, p. 8).

In the middle of 20th century, in Cracow, professor Daszyńska – Golińska published many works in the field of economics and social policy. She was a propagator of the cooperative movements. She considered cooperatives as organizations enabling the workers to gain meaning and independence.

What is important, in the “Krakow school”, created by theoreticians and practitioners at the Cracow Economic Society and scientists of the Jagiellonian University, the social economy did not have such a high appreciation. On the other hand, in Poznan, in the interwar period, professor Brzeski and Taylor, were the first who in Poland created a scientific discipline from cooperative movement.

As can we see, the social economy has a long tradition. Due to long years of occupation in Poland from the country by Prussia, Russia, and the Austro-Hungarian Empire, in Poland existed a specific system of institutions.

After first world war, the Polish territory was

destroyed. Similarly, the traditional system of existence. Perhaps due to these issues the social economy in Poland during the interwar period created an important sector of the national economy. But changes during last years to a great extent squandered this achievement. The entities of the “traditional” social economy, which survived (e.g. cooperatives) usually lost its social character in the process.

In nineteenth century, in Poland Stefczyk' cash started to exist. In the interwar period, the Polish cooperative movement was one of the most dynamic in Europe. At that time, two forms developed and developed, to this day considered as classical mechanisms of the social economy: cooperatives and mutual insurance societies.

The communist period is the time of disappearance or caricature of the cooperative movement, although on the wave of liberalization after 1956, hybrid solutions were created. They were called “associations”, “cooperatives” or “unions”. Their activities have often proved very useful. However, due to the dependence on the state, these organizations cannot be included in the social economy sector.

After 1989, the conditions for reactivating activities in the field of the social economy were restored. During next years, the social economy sector has grown considerably.

SUCCESSFUL POLISH SOCIAL ECONOMY – LOCAL PARTNERSHIPS AND REVENUES IN EXAMPLES

Partnership may be looked at as a certain formalized task-based structure. In this part of article is shown how some entities realized their tasks of its economic activity.

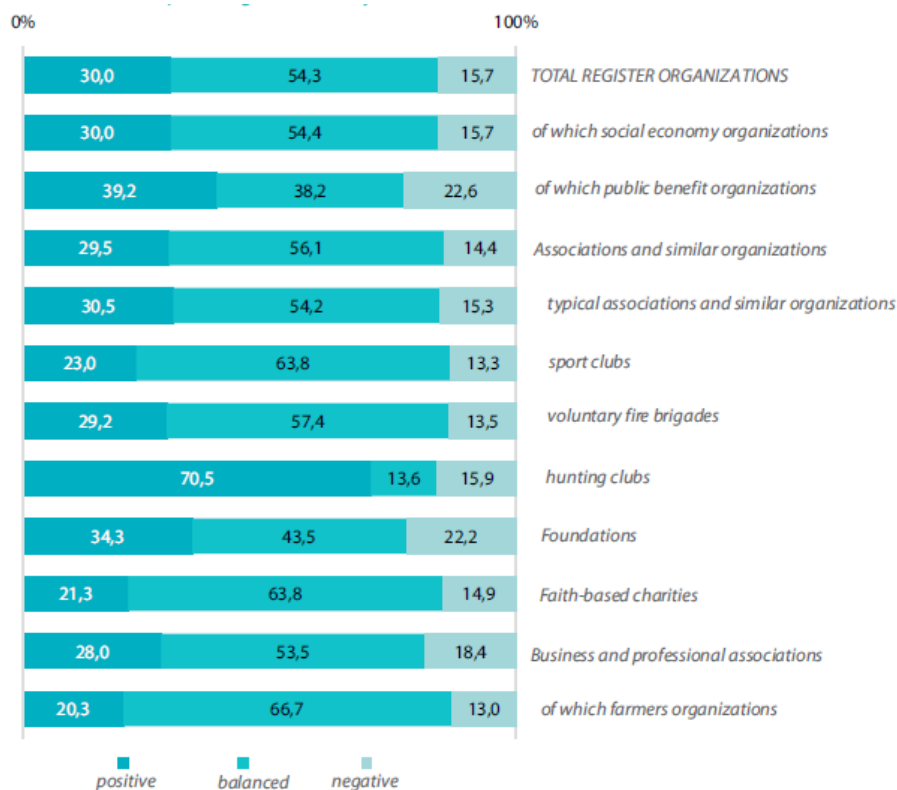
At the end of 2016, over half of the surveyed non-profit organizations achieved a balanced financial result (54.3%). The surplus of revenues over costs was reported by 30.0% of entities, and a negative result 15.7% of all organizations surveyed.

As can we see (Chart 6 and Chart 7), the highest percentage of entities allocating surpluses financials for running the business activity have appeared among sports associations (91.3%). The lowest existed in the collective of economic and professional self-government (65.3%). Representing entities the last of these groups more often than others decided to create a capital (7.4%) and alternative surplus spending (13.8%). Almost 20% of the

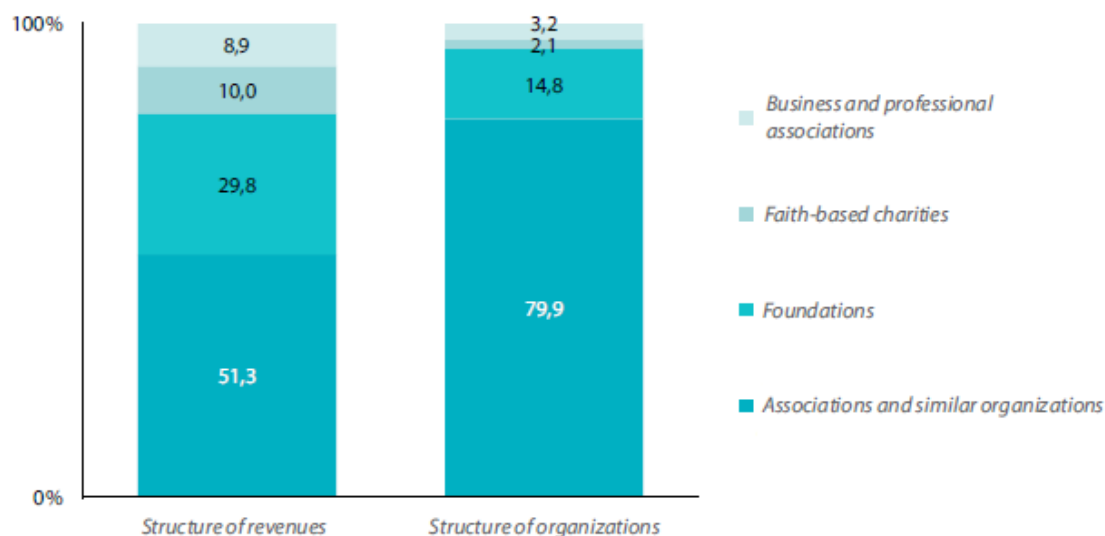
Table 4: The Social Economy Atlas of Good Practices for Poland – examples

Name of the idea	Short presentation
„U Pana Cogito” Guesthouse	- a vocational training centre (Zakład Aktywności Zawodowej or ZAZ) and the group therapy workshops (Warsztaty Terapii Zajęciowej or WTZ) dedicated for handicapped people - in 2000, two social enterprises – Mental Health Families Association and the Association for Psychiatry and Environmental Care Development from Krakow joined forces to create a guesthouse which would hire mentally handicapped individuals
Grudziądz Caritas Centre	- formed in 1998, delivering cheap meals to workers and laborers, while also offering different sorts of aid to the unemployed (it serves 150-200 meals daily for companies, institutions and agencies ordered individually; it also serves various events (conferences, seminars, trainings) - the manager: Father Borzyszkowski said: „even a charity organization can be entrepreneurial, it just has to be brave enough”
Bałtów-JuraPark	- in 2002 two social economy organizations and foundations by two years organized: Baltavian Jurassic Park, rafting tours, horse riding centre, ski slope, agro-tourism farms, trainings and advice programs - the locals citizens of Bałtów were able to create much needed economic stimulus for the area (they promote touristic and economic development of the local region)
Social Enterprise „Być Razem”	- The idea of Social Enterprise Development “Być Razem” (using economic activity) was created in 2007 - The association engaged in working with homeless and unemployed people in Cieszyn - The social enterprise comprises of two basic sectors: The workshops sector (consisting of: laundry, tailor, joinery, locksmith, construction work section, kitchen/catering) and The education and social work sector (which conducts: education, trainings, social work)
Mutual help association „Flandria”	- „Flandria” was created in Inowrocław in 1997, as an alternative to the often-lacking public health service by increasing accessibility to scarce specialized medical services through the help of medical professionals and voluntary help

Source: Own elaboration based on ekonomiaspoleczna.pl

Chart 6: Structure of the non-profit organizations by the financial result in 2016

Source: The non-profit sector in 2016: Associations, foundations, faith-based charities, business and professional associations, Statistical Office in Kraków, Warszawa, Kraków 2018, p. 91

Chart 7: Structure of the revenue and the non-profit organizations by the type of organization in 2016

Source: *The non-profit sector in 2016: Associations, foundations, faith-based charities, business and professional associations*, Statistical Office in Kraków, Warszawa, Kraków 2018, p. 85

hunting clubs were created of them, financial reserves, and among sports associations it was decided by 6.4% of entities.

CONCLUSIONS

Poland has a long tradition in developing enterprises that are now called “social”, as we said. In many publications and studies from the first half of the twentieth century, the social economy was strictly related to traditional political economy, in which attempts were made to define basic research problems and possible instruments to be used. At the same time, the use of the term social economy was an expression of greater interest in social issues on the part of some economists.

Social economy emphasized the role of social values in economic life. An expression of this are the publications of Abramowski, Grabski, Daszyńska-Golińska entirely devoted to this issue. Also the chapters found in Biliński or Głębiński's books about economics or economic policy, were important to its evolution.

The social economy idea assumes that persons and social institutions should support those who are need help. Wherefore, in the social economy we can find few types of entities:

1) traditional social economy enterprises (particularly including various types of cooperatives),

2) the sector of non-governmental organizations, which, while being careful to maintain proper proportions, may exploit the process of commercialization as an opportunity to free themselves at least partially from dependence on the public administration,

3) new entities of the social economy, which must seek a balance between support on the part of the state and the skill to find their own place under conditions of market competition.

All of these entities should, to a greater degree than they do now, accent not only their individuality but also the community character of their operations. Unfortunately, the social capital in Poland is often a deficit good which presents a barrier to develop the social economy. The social economy is primarily a specific approach to social reality (on the part of particular persons and institutions). This concerns both the attitude toward one's own problems (action rather than demands), the way to solve them (collective rather than individual), and the goals that are set (the common good rather than narrow group interests).

In the traditional non-profit sector, profit is either non-existent. It must not be distributed among members and owners of organization (for the Third Sector organizations, a separate issue is their ownership). It is the fundamental criterion for the whole non-profit idea. Thus, what is prohibited in non-profit institutions forms the main driving force for activity within the old social economy. The issue

of wages in non-profit organizations is often mentioned, especially when their internal system of remuneration can be seen as, in fact, a kind of “sharing profits”. In addition, for associations difference between activities beneficial for the public good and for the good of their members, where the mere participation in organizations’ operations is geared to the good of its members may be seen as a kind of profit-taking. In the case of foundations, their goals serving public good is often discretionarily made by persons or institutions being their founders (Wygnański, 2007, p. 17).

Currently, we can find numerous examples of effective social enterprises in all Europe, not only in Poland. Their goal is to maximize social benefits, e.g by providing good quality public services, acting for local development or restoring dignity and economic independence to socially excluded people.

According to Gus analysis, In 2016, 7 out of 10 register non-profit organizations conducted only unpaid mission-related activity. Almost 1/3 of the entities offered additionally, paid goods and services, of which 21,1% only under paid mission-related activity, and 5,8% only under economic activity. Only small group of organizations conducted simultaneously paid mission-related activity and economic activity (3,2%). In the period of 2010-2016, there was no significant change in the structure of non-profit organizations by types of activity. In all of the surveyed years the majority were the entities, which conducted only unpaid mission-related activity.

The subject described in the article is still important. Europe is constantly looking for new ways to socialize the markets. The participants of the XI Social Economy Meeting in Poland, which took place on October 15, 2018, noticed this fact. It was emphasized that it is worth appreciating those social economy entities which summarize economic goals with social ones. Existing the 8 edition of Competition for the Best Social Enterprise of Jacek Kuroń name in 2018, also improves the meaning of the subject.

The National Program for Social Economy Development, which describes planned actions which public authorities should undertake, using public resources, to strengthen this sector, describes the situation as follows:

In 2020, the social economy is an important growth factor of employment, social cohesion and the development of social capital (...). By 2020, social economy entities will become an important element of activation of vulnerable

people on the labor market and a provider of services of general interest which operate in self-government communities.

The National Program for the Development of Social Economy until 2023 in Poland, has a additional definition: solidarity economy. As can we read: this is important because it deals with key issues from the perspective of public policy in the area of social economy, such as social and professional reintegration of people at risk of social exclusion and creating high-quality jobs for them in social economy entities. This group includes, for example, long-term unemployed, disabled people or seniors.

We have also four areas of cooperation, between entities of the social economy and business and public administration, described in this program. These are: *a solidarity local community* (cooperation between social economy entities and public administration, in particular local government), *a solidarity labor market* (activities related to social and professional reintegration carried out by various social economy entities have been collected i.e. CIS, KIS, WTZ, ZAZ social enterprises), *a competitive social entrepreneurship* (in this area entities will be able to compete more effectively with other entrepreneurs and strengthen their independence. As a result, jobs created in these entities will be more stable) and *Solidarity society* (In this area there are educational activities and promoting social economy. They will be addressed in particular to young people. In addition, it is also planned to disseminate knowledge about the social economy among representatives of public authorities).

Finally, we will use a quote that shows the meaning of social economy: *The social economy is an important segment of social integration, expressing the principle of solidarity instead of exploitation and voluntary, not restrictive and “primitive workfare state* (Miżejewski, 2006). The author hopes that in the next step she will successfully finished empirical researches in the indicated scope and their results she will presented in others articles.

REFERENCES

ARTICLES IN JOURNALS, MAGAZINES, AND NEWSPAPERS

- Miżejewski, C. (2006). Partnerstwo publiczno-społeczne w polityce społecznej Polski. *Problemy Polityki Społecznej*, nr 9.
- Rogowska, B. (2014). Racjonalność a ekonomia społeczna. In: *Studia Ekonomiczne*, nr 180, *Dokonania współczesnej myśli ekonomicznej: racjonalność - efektywność - etyka. Cz. 1, Problemy teoretyczne*. Katowice: Uniwersytet Ekonomiczny w Katowicach.

BOOKS

- Abrahamson, P. (2001). *Conceptualising Welfare Pluralism and Welfare Mix*. After: Morawski, W, *Socjologia ekonomiczna*. Warszawa: PWN.
- Borzaga, C., Tortia, E. (2007). *Social Economy Organizations in the Theory of the Firm*. In A. Noya, E. Clarence (Ed.), *The Social Economy: Building Inclusive Economies*. Paris: OECD.
- Frączak, P., Wygnański, J.J. (2008). *The Polish Model of the Social Economy: Recommendations for Growth*, Warsaw.
- Giza-Poleszczuk, A., Hausner, J. (2008). Introduction – The Social Economy and Growth. In Giza-Poleszczuk, A., Hausner, J. (Eds.), *The Social Economy in Poland. Achievements, Barriers to Growth and Potential in Light of Research Results*. Warsaw: Foundation for Social and Economic Initiatives..
- Głąbicka, K. (2009). *Ekonomia społeczna – podmioty i instrument*. Warszawa: MCPS.
- Lloyd, P. (2007). *The Social Economy in the New Political Economic Context*. In A. Noya, E. Clarence (eds.), *The Social Economy: Building Inclusive Economies*. Paris: OECD.
- Napierski, Z. (2011). *Ekonomia społeczna*. Toruń: Wyd. Adam Marszałek.
- National Programme for Social Economy Development, Warszawa, 2014.
- Roelants, B., Bajo, C.S. (2005). Rozszerzenie ekonomii społecznej, Dokument przygotowawczy do konferencji „Ekonomia społeczna”, Praga, 24 - 25 października 2002. In W. Kwaśnicki (Ed.), *Gospodarka społeczna z perspektywy ekonomii liberalnej*, Trzeci sektor nr 2, GBPiZS.
- Sałustowicz, P. (2006). *Koncepcje i funkcje ekonomii społecznej ('Conceptions and Functions of the Social Economy')*. In P. Sałustowicz, H. Guzowska (eds.), *Ekonomia społeczna a bezradność społeczna – perspektywy i bariery ('The Social Economy and Social Helplessness: Perspectives and Barriers')*. Warszawa: Ombudsman's Office (BRPO).
- The non-profit sector in 2016, Associations, foundations, faith-based charities, business and professional associations (2018). *Statistics Poland, Statistical Office in Krakow*, Warsaw, Krakow.
- Wójcik, S. (2002). *Zapomniana polska ekonomia społeczna XX w.* Lublin: Towarzystwo Naukowe Katolickiego Uniwersytetu Lubelskiego.
- Wygnański, K. (2007). *Social Economy in Poland: Definitions, Application, Expectations and Uncertainties*. *Social Economy Texts*.

ELECTRONIC WORKS

- http://www.ekonomiaspoleczna.pl/files/ekonomiaspoleczna.pl/public/akty_prawne/National_Programme_for_Social_Economy_Development.pdf [09.04.2019]
- <https://fakty.ngo.pl/fakt/ludzie-i-praca-w-ngo> [15.03.2019]
- <https://ekonomiaspoleczna.pl> [20.03.2019]
- <https://pozytek.gov.pl/programy-wspierania-rozwoju-spoleczenstwa-obywatelskiego/fundusz-inicjatyw-obywatelskich/> [20.07.2019]

ACTS

- Uchwała nr 209/2013 Rady Ministrów z 27 listopada 2013 r. w sprawie przyjęcia programu fundusz inicjatyw obywatelskich

na lata 2014-2020.

Uchwała nr 213/2017 Rady Ministrów z dnia 29 grudnia 2017 r. zmieniająca uchwałę w sprawie przyjęcia programu fundusz inicjatyw obywatelskich na lata 2014-2020.

Ustawa budżetowa na rok 2019 z dnia 16 stycznia 2019 roku - podpisana przez Prezydenta RP 30 stycznia 2019 r. (Dz. U. z 2019 r. poz. 198)

Resolution nr 11, the Council of Ministers No. 214,, dated 31 January 2019, <http://prawo.sejm.gov.pl/isap.nsf/download.xsp/WMP20190000214/O/M20190214.pdf>, p. 11

APPENDIX

Table 1: Social goals for various types of social enterprises – assumptions and definitions

The name of social enterprises with definition of it	The short description of the social enterprises
Foundation - defined as the capital earmarked for a specific purpose	Socially or economically useful goals, in particular such as: health protection, development of economy and science, education and upbringing, culture and arts, care and social assistance, environmental protection and care of monuments
Association - is a voluntary, self-governing, permanent association with non-profit goals	He independently defines his goals in the statute, but these goals can not be profitable
Social cooperative - is a specific form of a labor co-operative that runs a joint enterprise based on the personal work of its members for social and professional reintegration of its members	Social and professional reintegration of its members, through running a business. Independently social and educational-cultural activities for their members and their local environment, as well as socially useful activities in the sphere of public tasks
Labor co-operative - The cooperative is a voluntary association of an unlimited number of people with a variable composition and a variable share fund, which in the interest of its members carries out joint business activities	It conducts joint economic activities in the interests of its members. A labor cooperative can also conduct social and educational-cultural activities for its members and their environment. In the case of disabled co-operatives and blind co-operatives, the social goal is to professionally and socially rehabilitate invalids and blind by working in a joint venture
Non-profit company - a relatively least known form of activities for social purposes (it is not a form defined in Polish law). Pursuant to the Code of Commercial Companies, it may have goals other than making a profit, i.e. social goals	He independently defines his goals in the statute, but these goals can not be profitable
Social Integration Center (pol. CIS) - an institution that is of an educational nature (one of the elements of education may be the work of participants as part of a commercial, service or manufacturing activity). It addresses its activities to persons at risk of social exclusion, whereby a group of these people is not strictly defined in the regulations	Social and professional reintegration of people excluded or at risk of social exclusion
Department of Vocational Activity (pol. ZAZ) - it works for the purposes of professional and social rehabilitation of disabled people, but it is not an independent legal form	Vocational and social rehabilitation of disabled people
Non-public Health Care Center (pol. NZOZ) - organizationally separate team of people and assets created to provide health services and health promotion	Providing health services and health promotion

Source: Own elaboration based on *ekonomiaspoleczna.pl*

Table 2: Legal conditions for social enterprises and legal restrictions about the profit uses

The name of social enterprises	Legal business conditions	Legal restrictions about the profit uses
Foundation	It runs a business activity for social purposes	Completely forbidden distribution of profit to funders. The income of the foundation does not have to be entirely spent on statutory activities
Association	No legal restrictions	Completely forbidden distribution of profit, including the prohibition of income distribution among members. In addition, there is a legal obligation to allocate all income on statutory goals
Social cooperative	A joint activity is based on the members' personal work. As part of the business activity, social and professional reintegration of members is going on	Prohibited distribution of profit between members. Profit (balance surplus) can only be transferred to increase the resource fund - at least 40%, social and professional reintegration goals of cooperative members, social and educational-cultural goals, socially useful activities - at least 40%, investment fund)
Labor co-operative	A joint activity is based on the members' personal work	The law does not introduce restrictions. Profit may be divided among members on the terms set out in the statute
Non-profit company	No legal restrictions	The law does not introduce restrictions. They appear if they are foreseen in the founding act
Social Intergration Center (pol. CIS)	It does not run any business	Does not apply
Department of Vocational Activity (pol. ZAZ)	These plants may not manufacture many products such as tobacco, spirits, wine, brewing as well as other alcoholic products with an alcohol content of more than 1.5% and precious metal products with or without these metals	The revenues must be allocated entirely to the company's activity fund
Non-Public Health Care Center (pol. NZOZ)	No legal restrictions	It depends on the legal form of the leading entity

Source: Own elaboration based on *ekonomiaspoleczna.pl*

Table 3: The list of selected Foundations and Associations in Poland

The original name and start place	Main informations and website
„Na Styku” Association Gdańsk	The history of the association dates back to 2003 (a group of people involved in various social, civic and pro-ecological initiatives decided to set up a new association). Its main goal was to be educational activities. In this way, the “Drabina” Development Education Association was founded, based in Gdańsk, which on February 11, 2010 changed its name. Currently, the Association “Na Styku” is a partner in the international project “GET UP AND GOALS! Time of global education: an international network of teaching and active schools for the purposes of Sustainable Development”. It is financed by the European Union. The organization does not run a business. The organization does not carry out paid activities. http://nastyku.org/
“Mimo wszystko” Anna Dymna’s Foundation Kraków	Foundation was established in 2003. It supports nearly 400 disabled and seriously ill people in Poland. During the 11 years of existence, it provided help to nearly 20,000 people. The Foundation maintains the Therapeutic-Rehabilitation Center for the intellectually disabled people, the “Valley of the Sun” in Radwanowice near Krakow. In November 2014, Foundation opened the Occupational Therapy Workshop in the Baltic Sea of Lubiaków. In addition, the foundation co-finances treatment, rehabilitation stays, purchase of medicines, nutrients, hygienic materials, rehabilitation equipment, and also provides care to the beneficiaries received from the donors. http://www.mimowszystko.org

<p>„Zielone wzgórze” Foundation Łódź</p>	<p>The Foundation works to strengthen family ties, promote mental health through contact with nature and art, through creativity and therapy to propagate knowledge and the latest standards in the fields of parenting, adoption and foster care. The foundation was founded in 2012. The organization runs a paid business. The organization does not run a business. http://fundacjazielonewzgorze.org</p>
<p>„FILMFORUM” Association Warszawa- Śródmieście</p>	<p>“FILMFORUM”: is a polish organization that since 2003 has been engaged in the production and organization of trainings, workshops, festivals, mass events, outdoor shows, conferences and promotional campaigns. “FILMFORUM” develops the largest projects - festivals in Warsaw, Radom and Olsztyn strengthen their recognition in Poland and abroad. He runs a paid activity. https://www.filmforum.pl/pl/</p>
<p>„KOSMOPOLIS Instytute” Foundation Olsztyn</p>	<p>The main goal of the “KOSMOPOLIS” Institute - the Foundation for Science, Culture and Education is to create valuable projects, develop innovative forms of scientific, cultural and educational activities, and create social activity in this area. The Institute was established in 2013. It implements scientific and research projects, prepares educational programs, specialized workshops and trainings; organizes conferences, discussion panels, festivals and reviews trains managers and employees of the creative sector; prepares publishing houses, expertises and opinions; cooperates with non-governmental organizations, state institutions and schools; supports local cultural and educational initiatives, especially in regions threatened with social and cultural exclusion, and works for universal access to culture and education. The organization runs a paid business. The organization runs a business or is entered into the Register of Entrepreneurs.</p>
<p>„KARTA” Foundation Warszawa</p>	<p>The Foundation has been officially operating since 1990 (in the “underground” since 1982). It runs archival and largest social archives in Poland (photographs, documents, correspondence, diaries, audio and video recordings, as well as memorabilia and exhibits). They publish source texts and source editions in the historical quarterly “Karta” and in books and albums. They run a scientific reading room. They make sources available on the Internet for free (they created one of the largest digital libraries in Poland, 60,000 readers a year). The foundation organizes photographic exhibitions and leads. It integrates, promotes and strengthens more than 450 organizations in Poland that deal with independent, grassroots archival. It provides archivists with free tools and knowledge (e.g. databases for archiving collections). The organization runs a paid business. The organization does not run a business. https://karta.org.pl</p>
<p>„Pracownia Dialogu” Foundation Józefów</p>	<p>The Foundation is a non-public psychological assistance center operating since 2005. In addition to psychotherapy, it also deals with psycho-education and cooperates with other foundations and associations (which are close to issues related to psycho-physical and spiritual well-being and human development). All persons working in the center comply with the rules of the Code of Ethics and Professional Psychologist of the Polish Psychological Association. The organization does not carry out paid activities. The organization does not run a business. https://pracowniadialogu.pl</p>
<p>„Graceland” Foundation Siemianowice Śląskie</p>	<p>Graceland exists since 2016. It is a non-profit and non-governmental organization aiming at intercultural and intergenerational integration. The core values of their organization include respecting everyone and protecting individual rights to freedom and choice, working actively against discrimination and social exclusion, and respecting ethnic and cultural origins of people and places. Graceland provides a welcoming environment for everyone, regardless of their nationality, age, gender, sexual orientation and individual characteristics. The activity include a wide range of educational and social programs intended to enhance innovation, creativity and entrepreneurship, promote art and cultural activities, integrate foreign nationals into society. They think globally, but act locally, involving in our projects and events local communities and local authorities. They also promote volunteer work as an added value to the society. Graceland is member/supporter of UNITED for Intercultural Action - European Network against nationalism, racism, fascism and in support of migrants and refugees. Organizacja nie prowadzi działalności odpłatnej. Organizacja nie prowadzi działalności gospodarczej. http://www.graceland.org.pl</p>

<p>„Fly” Foundation Gdynia</p>	<p>The Foundation was established in June 2012. The first group for which the Foundation operates are people who finished their professional activity. The second group, are youth coming from poor families. The foundation helps them in learning, regular tutoring, organizes extracurricular activities and club-care as part of the Youth Club. It funds for its operation thanks to the Charity Shop and the events organized by the Charity Club of Y’s Men’s Club Gdynia.</p> <p>The foundation’s activity is based on volunteering. The organization conducts paid activities in few areas:</p> <ol style="list-style-type: none"> 1. It supports people at risk of social exclusion and people with disabilities in order to equalize opportunities. 2. It helps in development of citizens by carrying out activities in the field of education, education, upbringing, culture, art, sport and recreation. 3. It provides activities for the integration and reintegration of the professional and social people excluded, at risk of social exclusion and the disabled. 4. It promotes all forms of tourism and sightseeing. 5. It organizes rest facilities for children and adolescents. <p>http://fundacjafly.pl</p>
<p>„Jeden Uniwersytet” Foundation Poznań</p>	<p>Foundation works for the Integration of the Environment of the Academic City of Poznan since 2014. It is a non-governmental center of inspiration for activities in the area of higher education of the City of Poznań. The main goal of the activity of the One University Foundation is to strive for cooperation between the University and their surroundings in the field of culture, animation and integration, with particular emphasis on student and academic culture.</p> <p>Through joint projects it creates a common academic identity.</p> <p>The organization does not carry out paid activities.</p> <p>The organization runs a business or] is entered into the Register of Entrepreneurs.</p> <p>http://www.1uniwersytet.pl</p>
<p>„Szczęśliwej drogi” Foundation Kamionka</p>	<p>From 2015, the Foundation runs the “Happy Roads Gym”, an innovative place where young people from orphanages and foster families receive comprehensive support.</p> <p>It strengthens the feeling of their own worth, arouses proactive attitude and positive thinking, equips with competences helpful in starting an adult, independent life. The Foundation prepares an individual development plan and they help to implement it. The Foundation looks after young mothers who have to become adults, independent and responsible very quickly and be able to take care not only of themselves, but also of their child. Systematic meetings and workshops for mothers and children are held.</p> <p>In 2018, the Foundation received:</p> <p>Award for the Capital City of Warsaw and the Prize of the Foundation of PKO Bank Polski</p> <p>http://szczesliwejdrogi.org</p>
<p>„Nasza Szczecińska Ziemia” Association Szczytno</p>	<p>The association exists from March 22, 2016 and has many areas of activity. It supports the development of communities and local communities; upholds and disseminates national tradition, initiates agreements between generations; works for the development of tourism and sightseeing. It supports educational activities, shapes patriotic and civic attitudes among children, youth and adults, provides free civic counseling; he educates the public in the field of functioning of civil society and volunteering, the idea of sustainable development, civic awareness and patriotism, and focuses on activities for veterans and repressed persons.</p> <p>Its purpose is also protecting the natural environment, promoting pro-ecological attitudes and protecting animals.</p> <p>In general, The Association is responsible for the development of culture, art, protection of cultural goods and national heritage as well as the regional language. It operates in the field of health protection and promotion. It provides charity and promotion and organization of volunteering; focuses on activities for people of retirement age;</p> <p>activities for the benefit of family, motherhood, parenthood, dissemination and protection of children’s rights. It deals with the promotion of Poland abroad and provides assistance to the Poles from abroad.</p> <p>The organization does not carry out paid activities.</p> <p>The organization does not run a business.</p> <p>http://www.facebook.com/nsz.mazury</p>

<p>„Pomocy Telefonicznej” Association (pol.:OSPT) Olsztyn</p>	<p>Association has been functioning since 1995. The aim of the Association is to provide help to people who are in a situation of mental crisis. It conducts an annual recruitment of candidates on the Olsztyn Telephone Helpline (OTH) on call and organizes training for them. It organizes monthly trainings for the OTH on duty with 40-50 candidates. It plans organizing a training conference for the OTH delegates and delegates from other telephone outlets - domestic and foreign for 80 participants. It maintains contacts with the Polish Telephone Aid Society and telephone helpline centers in Poland and abroad.</p> <p>The organization does not carry out paid activities. The organization does not run a business.</p>
<p>„SLALOM” Association Brodnica</p>	<p>The association has been operating since 2017. The “Association of active people” has many different purposes. These are: deepening social ties in local communities, popularizing European culture and the achievements of science and developing direct contacts - for partnerships of different environments; promotion of socio-cultural activities in the area of Brodnica, Kujawsko-Pomorskie Voivodeship and the whole country. It organizes meetings, trainings, seminars, exhibitions, concerts, presentations of educational programs and other forms of expanding knowledge. The association conducts socio-cultural campaigns, actions for the development of culture, supports cultural initiatives, promotes culture and cultural achievements. It activates youth communities in the area of development and popularization of culture, animating, supporting and integrating local activities of small social groups. It promotes various fields of artistic activity - theater, dance, film, music, circus, art, alternative arts. It organizes help for those who need this help (by organizing i.e. concerts and charity performances).</p> <p>The organization runs a paid business. The organization does not run a business.</p>
<p>„Stolica-dzielnica-ulica” Association Warszawa</p>	<p>Since 2011, the Association of Social and Cultural Initiatives has been working for the development of social life, including public debate. Its goals include: counteracting discrimination and social exclusion and inequalities, in particular by supporting women’s rights and workers’ rights; promoting ideas and actions for common goods and social justice, promoting environmental protection and ecology, promoting the idea of sustainable development, supporting the development of the social economy, socially responsible new technologies and solidarity and global justice.</p> <p>The organization runs a paid business. The organization runs a business or is entered into the Register of Entrepreneurs. https://stowarzyszeniestolnica.wordpress.com/</p>
<p>„Rodzina Kolpinga” Association Kramarzyny</p>	<p>The association was founded in 2011. It belongs to the Diocesan Association of the Kolping Work of the Pelplin Diocese and the Central Association of the Kolping Work in Poland, which is part of the International Work founded and shaped by the blessed priest Adolph Kolping more than 150 years ago. Until 1939, in the Chełmno Diocese, it was known as the Society of Catholic Apprentices. Today, they are self-help parish organizations organized as Catholic, with family and life communities of education and action.</p> <p>The organization does not carry out paid activities. The organization does not run a business. http://kramarzyny.kolping.org.pl</p>

Source: Own elaboration based on bibliography