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The Social Economy

in Poland

Social Enterprises and the Social Economy in Poland

Poland has progressed through a profound transformation of its social, political and economic structures since the fall of communism in 1989. The national economy has been growing at a remarkable pace: 6.5% GDP growth in 2007¹, average wages have been increasing and indicators of standard of living have been improving; however, national statistics do not reflect the challenges that many Poles continue to face in their daily lives. Although the unemployment rate declined from nearly 20%² in 2002 to 11.1% in 2008, it remains among the highest in the EU³. The decrease in the unemployment rate is attributed largely to mass migration of Poles to

1. Central Statistical Office (GUS).

2. Eurostat.

3. Central Statistical Office (GUS), March 2008.

“The social economy is not only the result of legal resolutions and acts. It is not only a question of social awareness, though public support is very significant. The social economy is a social movement that should lead to a new vision for Poland’s development.”

Jerzy Hausner, *former Minister of the Ministry of Labor and Social Policy and former deputy Prime Minister*

the Western European countries that opened their labor markets to citizens of new member states, rather than to systemic solutions or the growth in GDP. Moreover, in reality, unemployment varies greatly among regions: in the Northern and Southern most regions, it remains at rates of 18% (Warmińsko-Mazurskie Region) and 15% (Świętokrzyskie Region) respecti-

vely⁴. It is also significant that 21% of the population is at risk of falling into poverty, the highest rate in Europe alongside Lithuania⁵.

The low living standards result in a large part from the consequences of the structural changes that took place during the transition from a centralized to a market economy. Vulnerable social groups – such as former employees of collective farms, women over 50 years of age, social minorities, youth between the ages of 18-24 – have particularly limited opportunities on the quickly changing and highly competitive labor market. The physically and mentally disabled, for example, have a 20% employment rate, the lowest in the EU⁶. Such highly vulnerable social groups often lack the

4. Central Statistical Office (GUS), March 2008.

5. Eurostat, 2005 data.

6. Central Statistical Office (GUS).



flexibility, in terms of both mobility and professional skills, to adapt to changing labor market conditions, face considerable discrimination from potential employers, and as a result continue to rely on welfare support.

Poland's entrance into the European Union in May 2004 brought new opportunities for resolving the problems on the Polish labor market and improving the living standards of the population. The structural funding that was made available contributed to raising living standards not only in very tangible ways (ex. by improving and expanding communication, technology and administrative infrastructure), but also by investing in research and development of new systemic models and approaches to more effectively counteract social problems. A portion of the structural

funds was disbursed through the EQUAL Initiative program, which enabled cross-sectoral partnerships to explore new ways of supporting the most vulnerable social groups on the labor market through research, information exchanges, and study visits between EU member states. In this process, **the social economy was identified as an innovative and practical mechanism to counteract the problem of unemployment, foster local social and economic development, and strengthen civil society.**

The social economy includes institutions that devise creative approaches to maintain financial self-sufficiency while fulfilling a clearly defined social mission. The social economy sector is a stable economic force in local communities and facilitates social cohesion by offering employment to the most vulnerable social

"Today, Poland is in the European Union and has the financial means [to help the socially excluded]. Toward this end, cooperation between local governments, enterprises and non-government organizations should form throughout Poland...Such projects help to build civil society. This is why we should develop the social economy. Not as a market model for the country, but because we understand the fact that the open market does not solve all of society's problems."

Tadeusz Mazowiecki, *the first Prime Minister in democratic Poland.*

groups, promoting collaboration between people and institutions, and providing needed goods or services at a high quality and low cost. The social economy can also build social capital, a necessary ingredient for a



The Foundation **“BREAD OF LIFE”** was founded in 2003 in the village of Zochcin in Southern Poland by Sister Małgorzata Chmielewska, a powerful example of a social entrepreneur. The foundation’s goal is to support the unemployed and homeless and to promote local economic development. The Foundation runs carpentry, sewing and food processing workshops. The products – including furniture, dresses, bed linen, tablecloths, jam – are sold in shops throughout Poland as well as through the Internet. The foundation also works to benefit the community by, for example, providing educational scholarships to youth from the poorest families – to this day over 500 children have received scholarships.

Source: www.chlebzycia.org.pl

strong civil society, which studies have shown is weak in Poland⁷.

Since the beginning of the EQUAL Initiative projects in 2005, concrete steps have been taken to develop the social economy in Poland by:

7. For example: Czapiński, J. and Panek, T. (eds.) (2007) „Diagnoza Społeczna: Warunki i jakość życia Polaków”. Available at: <http://www.diagnoza.com/>.

- Disseminating information about the social economy to the general public and decision-makers;
- Advising and offering financial support to emerging social economy institutions;
- Lobbying the government to use the social economy as a tool for addressing social challenges such as unemployment, economic develop-

ment, and strengthening civil society.

But Poland’s social economy sector has yet to develop its potential: it makes up 3.9% of the labor market in Poland, compared to 8.3% in France, 9% in Ireland, and 7.5% in Finland⁸.

8. CIREC Report, 2005.

Social Economy Institutions in Poland

Prior to the Second World War, the social economy in Poland comprised primarily cooperatives and mutual insurance companies. During the communist period, these institutions were exploited for propaganda purposes and, as a result, now arouse negative associations for some Poles⁹.

After the fall of communism, the social economy sector has evolved to include a variety of institutions, ranging from time banks (a unique institution that functions on the basis of exchange between members, where the value of services or goods is measured in units of time rather than money, making it an effective support mechanism for low-income people), to social

9. A Klon/Jawor Association study: "Kondycja sektora organizacji pozarządowych w Polsce 2006".

Slogans used by the Communist Party to promote the ideals of socialism can sound ironically similar to the ideas associated with the social economy:

- **All for you; You for all!**
- **The Polish worker is the creator of progress!**

enterprises (private sector companies, whose business it is to provide social benefits). Contemporary social economy institutions in Poland are involved in a wide range of activities, address different social problems, and often support specifically targeted social groups. All of them are characterized by the dual objective of maintaining financial independence and fulfilling a social mission.

The main types of social economy institutions currently functioning in Poland include:

- **Non-government organizations (NGO's):** 17% of a total of 63,000 NGO's (including foundations and associations) run an income-generating business activity, most frequently by engaging in publishing, organizing social/cultural events, and training and education activities¹⁰. They employ over 120,000 paid personnel and are considered to have the greatest potential for expanding the social economy sector in Poland.
- **Cooperatives:** an estimated 12,000 of these institutions currently function in Poland in a variety of domains ranging from housing (5,000) and agriculture (3,600) to banking (800).
- **Social cooperatives:** over 140 have been founded since the 2006 Act on

10. Ibid.



KEY CHARACTERISTICS OF SOCIAL ENTERPRISES

The EMES Network, a group of leading thinkers in the field of the social economy, developed a broadly accepted definition of the ideal institutional type, **the social enterprise**. They identified its distinguishing characteristics in two main dimensions of activity:

The economic dimension:

- Take an economic risk to start and maintain a business activity.
- Are financially stable and autonomous on the market.
- Employ paid staff.
- Are independent from public administration.
- Provide services and/or produce goods.

The social dimension:

- Explicitly define their social mission.
- Are grassroots-based.
- Make decisions democratically and have a minimally hierarchical management structure.
- Involve a range of stakeholders from their surrounding environment in their activity.
- Limit distribution of profits among stakeholders and filter it back into the mission-related activity.

Source: The EMES Network, www.emes.net

Social Cooperatives was adopted. They take on the form of worker cooperatives and support the labor market and social reintegration of their members, above all.

- **Mutual Organizations:** popular before World War II in Poland, they

nearly disappeared during the communist period. Mutual organizations are now re-emerging primarily as lending and savings institutions, of which there are around 900, but also as insurance companies, which are fewer in number but make a significant economic contribution (with

a turnover of nearly 50 million Euros in 2005¹¹).

¹¹ Ibid.



THE ASSOCIATION „DISABLED PERSONS FOR THE ENVIRONMENT – EKON” was established in 2003 with the dual objective of:

- Creating employment opportunities for the physically and mentally disabled;
- Promoting ecologically-friendly living by collecting and segregating recyclable waste.

The Association partnered with private sector firms and Local Employment Offices to recruit and train their employees to collect and sort recyclable waste. Since 2004, the impact of EKON’s activity has been profound:

- The association hires 600 people.
- 60,000 flats in Warsaw benefit from EKON services. EKON

also has 16 local branches in four other voivodships.

- Information about the benefits of recycling is disseminated among EKON clients who learn about ecologically-friendly living.

Source: www.ekon.org.pl



Two other types of institutional forms can play a significant role in supporting the development of the social economy sector. They can be established by NGO’s, welfare cent-

ers and local government institutions and offer transitional employment programs for the most marginalized social groups. In some cases, these institutions are able to develop their

economic activity to such a degree as to be considered social economy institutions:



THE HOTEL "AT MR. COGITO'S", was founded in 2003 in Cracow with the goal of employing patients suffering from psychological illness. The Hotel employees complete training as assistants in the kitchen, in hotel reception, cleaning services, catering services, and in computer literacy. The Hotel's profit is used to benefit the employees through, among other things, rehabilitation programs, an Employment Activation Unit (ZAZ), purchase of medicines, and additional training programs.

The impact of working in the Hotel is best described in the words of one employee: "Since I have been hired I have gained respect at home. I had become a scruffy grumbling woman after two years of being sick. Here, I regained a good figure; I am back on my feet again".

Source: www.pcgito.pl



- **Social Integration Centers (CIS):**

Over 50 CIS have been established since they were introduced by the 2003 Act on Social Employment. CIS provide vocational training programs

and employment for people from socially marginalized groups (especially the long-term unemployed, the homeless, formerly incarcerated individuals, and refugees).

- **Employment Activation Units (ZAZ):**

around 40 ZAZ offer social and employment reintegration programs specifically to the physically and mentally disabled.

Hotel "At Mr. Cogito's"



The Social Economy in Polish Law

Legislative recognition of the social economy sector legitimates its activities and helps to promote the idea among a broad audience of potential partners and supporters, ranging from the general public to specific interest groups such as private sector institutions. A collaborative effort between NGO's and the Polish government, with the support of international institutions including the European Union, has laid the legal foundation for the Polish social economy sector. Toward this end, old laws were reformed (ex. the Act on Social Services (2004) and the Act on the Promotion of Employment and Labor Market Institutions (2005)), and new laws were created. The most recently introduced legislation specifically focused on the social economy includes:

"Regulations and funding will not create the social economy; we need grass-roots activity to do that, but I believe that legislative acts can motivate people to take on certain initiatives".

Cezary Miżejewski, *advisor in the Ministry of Regional Development*

- **The Act on Social Benefits Activity and Volunteerism** (24 April 2003) introduced four changes specifically oriented toward the third sector, but which ultimately supported the development of the social economy as well. The act:
 - 1) allowed NGO's to engage in income-generating activity in order to cover the costs of selected services or goods production;

2) created the possibility for tax-payers to designate 1% of their income tax to a chosen NGO with the status of a Social Benefit Organization;

3) established the Public Benefit Work Council, a permanent opinionating and advisory committee on third sector institutions to the Ministry of Labor and Social Policy;

4) institutionalized volunteerism by creating incentives for those who donate their time to social causes.

- **The Act on Social Employment** (13 June 2003) created two new types of institutions:

1) The Social Integration Club (KIS) is organized by welfare centers, NGO's or local government and engages community members in activities aiming to foster a sense of initiative, responsibility and civic engagement. KIS can take the form of support circles or interest groups and can

engage community members in local development projects.

2) The Social Integration Center (CIS) is established by welfare centers, NGO's or local government as an independent institution that offers work-integration programs consisting of psychological support and vocational training (in skills such as carpentry, steel-works, sewing) for people from the most vulnerable social groups (the homeless, unemployed, formerly incarcerated individuals, people with substance abuse problems, refugees, and the mentally and physically disabled). Earning a small income from the work that CIS beneficiaries complete is a key element in the integration process. CIS can offer goods and services on the open market but has extensive financial support of public administration.

Although KIS are not a social economy institution and few CIS manage to generate significant profit from their

activities, both institutions foster entrepreneurial attitudes and social cohesion which is the basis for the development of the social economy sector.

- **The Act on Social Cooperatives** (27 April 2006) was inspired by Italian Type-B social cooperatives and defined Polish social cooperatives as enterprises established by people from especially vulnerable social groups (the homeless, long-term unemployed, formerly incarcerated individuals, people with substance abuse, refugees, and the mentally and physically disabled). Their primary objective must be to support the social and economic re-integration of their members. Experiences from the first social cooperatives have prompted a call to reform the act by easing membership requirements and by expanding the available financial and institutional support in order

to facilitate their sustainability on the open market. An amendment of the Act is currently being discussed in Parliament.

The newest legislation proposed in Poland is an **act on social enterprises**, which it is currently being discussed among NGO's, social leaders and various government actors. Several other countries, including Italy and Finland, have already legally defined the social enterprise.



THE SOCIAL INTEGRATION CENTER IN PIĄTKOWO was created in 2006 as a branch of the larger CIS in the neighboring city of Poznań. Piątkowo is a residential town in the Eastern region of Poland, inhabited predominantly by low-income people who often do not have the resources to make timely rent payments. The local residential authorities requested that the CIS in Poznań help them reclaim unpaid rent – of 5 million PLN – by helping the residents to earn a stable income. The Poznań CIS created a local branch in Piątkowo which offers:

- Courses and workshops to develop social and vocational skills;
- Advising and employment mediation services;
- Psychological support.

The CIS in Piątkowo has since become independent of its mother institution in Poznań and continues to make a tangible impact on the community in Piątkowo by:

- Employing 7 people and offering support services to 20 beneficiaries;
- Fostering a network of cooperation between local institutions, including NGO's, the welfare center and the local government;
- In 2007, 5 beneficiaries of the gardening workshop founded their own social cooperative.

Source: Atlas Dobrych Praktyk, FISE, 2007.



The Social Economy and Local Development in Poland

The social economy is a powerful source of creative and practical solutions that can have an impact not only on the economic, but also the social development of people and their communities. It engages people in local initiatives, promotes an entrepreneurial spirit, develops networks of cooperation between institutions from different sectors, and provides stable employment.

Moreover, the social economy is competent in many fields that traditionally belonged to the welfare state, but has the additional advantage of being locally embedded and thus adaptable to changing local needs. Although the existing welfare state system has proved ineffective in limiting social exclusion and helping those with

difficulties in re-entering an active social and economic life, much of the Polish population remains convinced that the state should provide employment to anyone who wants it¹². With time, social economy institutions can flourish and make a lasting contribution in the following areas, many of which were traditionally a domain of welfare institutions' activity:

- **Labor market integration:** Social economy institutions can support the social and labor market integration of people who find themselves in a difficult economic situation, such as young people, people over 50 years of age, and those transitioning to new employment. The social economy can support such social groups in adjusting to changing labor market conditions through training programs

that develop new and relevant skills. Social economy institutions can also be established for the unique purpose of employing people who have a permanently delicate situation on the labor market, such as the physically and mentally disabled. People from such social groups require long-term, often individualized, assistance programs encompassing not only vocational training but also psychological support. Social economy institutions' competitive advantage is in fact their ability to offer consistent and specialized support to the most vulnerable social groups.

- **Services provision:** Institutions in the social economy sector can thrive by selling a wide range of services focused on a specific target group (ex. services that complement core hospital staff, employment counseling, or vocational training), or that satisfy a general public need (ex. nur-

12. A Klon/Jawor Association study: "Kondycja sektora organizacji pozarządowych w Polsce 2006".



THE SOCIAL READJUSTMENT CENTER ECO "SCHOOL OF LIFE" was established in 1989 in the Northern town of Wandzin to support the social reintegration of people with drug abuse problems, infected with HIV/AIDS and the homeless through work, training programs, therapy, and treatment. To fulfill this mission, the organization:

- Runs a healthcare centre that offers addiction treatment, care and hospitalization for people with drug abuse problems.
- Engages its beneficiaries in programs aiming to protect rare animal and plant species.
- Develops its beneficiaries' knowledge and skills in food processing, mushroom and fruit drying, gardening, fruit farming, animal breeding, handicraft, renovation and construction work, and carpentry.
- Runs a post-rehabilitation program that encompasses vocational training, computer courses, basic social skills development, and psychological classes to supplement therapy programs.
- Offers pregnant women and women with children, who are infected with HIV or are suffering from AIDS, with support in childcare and reintegration through employment.

The Center has received numerous awards for its work, provides consistent and holistic support to highly vulnerable social groups, and makes a significant contribution to environmental protection efforts.

Source: www.ekosz.republika.pl



series, care services for the elderly, or shelters for the homeless). Because of their local focus, small to medium size, and social mission, social econo-

my institutions can provide such specialized services at a high quality and a low cost and still thrive on the open market. The social enterprise sector

can also be successful in offering public services such as urban greening, maintenance, and transportation. Some social economy institutions



Social Readjustment Center ECO „School of Life”





(most commonly cooperatives or NGO's) compete outright with other private firms in providing catering, hotel and tourism services, but simultaneously employ people from the most vulnerable social groups.

- **Goods production:** Social economy institutions can engage in a broad range of goods production; they can produce goods from start to finish or provide specialized parts for larger products prepared by other firms. Since most social economy institu-

tions engaging in goods production employ people from the most vulnerable social groups on the labor market, they tend to flourish in the production of labor-intensive, specialized, hand-made products such as carpentry, sewing, and furniture-



The **„OPPORTUNITY AND SUPPORT” SOCIAL COOPERATIVE** was created in 2005 to confront one of the largest problems of the Polish labor market: limited professional activity of people over 50 years of age (only 1 in 4 persons of this age is employed in Poland). The cooperative collaborated with a local hospital in the Southern city of Katowice to run a training program for 11 unemployed women over 50 years of age who would be hired as medical orderlies. The responsibilities of the women who completed the training include caring for patients' hygiene, helping patients with daily tasks, supporting the nursing staff (ex. taking patients' blood pressure), and transporting patients and materials for medical exams.

Thanks to the social cooperative:

- The cooperative members earn an income and feel socially productive.
- The nurses in the local hospital have much needed support.
- The cooperative has developed a support program for patients suffering from Parkinson's disease.

Source: Atlas Dobrych Praktyk, FISE, 2007, www.szansaiwsparcie.free.ngo.pl



In 2002 a group of 120 local leaders and interested residents in the Southern municipality of Bałtów registered the **ASSOCIATION FOR THE DEVELOPMENT OF BAŁTÓW "BAŁT"**. The residents faced many problems after the fall of communism:

- large, state-owned farms were broken up after 1989, but low soil quality limited the development of agriculture;
- a 30% unemployment rate after the collapse of the Ostrowiec Metallurgical Plant left 13,000 people without work;
- a lack of basic infrastructure such as sewage systems and water supply

networks, as well as social infrastructure such as culture centers.

The Association's mission is to revive Bałtów's economy, reduce unemployment and improve living conditions by developing agro-tourism and local crafts. It organizes social and cultural events, such as rafting trips along the Kamienna River, a local "Jurassic Park" that promotes the traces of dinosaurs that were found in Bałtów, a ski slope, and a horse-riding school.

The work of the Association has had a strong positive impact:

- reduced the unemployment rate in Bałtów to a minimum,
- attracts over 150 000 tourists yearly,
- actively involves the residents in social and economic activity that supports their sense of local pride and improves their economic situation,

The Association's impact has also spread beyond the Bałtów Region through the "Krzemienny Krąg Partnership" Foundation, which supports the development of 9 neighbouring municipalities.

Source: Atlas Dobrych Praktyk, FISE, 2007, www.baltow.info





Association for the Development of Bałtów "Bałt"



making. Many social economy institutions also work in the production of goods that reflect the particular character or asset of the local community, such as local food specialties and souvenirs.

- **Community development:** The social economy can also engage in activities that foster social cohesion and a sense of community by building on a community that already exists (ex. a village food cooperative or a local historical/cultural society), or creating communities where there were none before (ex. among consumers with common interests, such as environmental protection, or needs, like organic produce). Social economy institutions can thus protect the natural environment (ex. parks, ecologically-friendly living, and biodiversity), or uphold and strengthen a common heritage or local culture (ex. theaters, museums and libraries). Such social

enterprises can sustain themselves on the market by simultaneously encouraging and capitalizing upon a sense of community.

The Challenges Facing the Social Economy in Poland

The fruits of the efforts to develop the social economy can be seen in the increasing number of social economy institutions, a changing legal environment, and the growing optimism and enthusiasm about the social economy among the public. The social economy has been recognized as a source of opportunities for:

- individuals to gain employment and a stable income,
- institutions to gain inspiration for their work and maintain financial independence for their activities,

- communities to strengthen social ties and activate community members,
- the state, which identifies social economy institutions as valuable partners in decreasing unemployment, strengthening civil society, and modernizing the existing ineffective welfare system.

Yet, more work needs to be done to develop the social economy in Poland. The key challenges facing this sector can also be understood as the main goals for its future:

- **Modernizing the cooperative sector:** Cooperatives in Poland are sometimes negatively associated with the communist period, and the sector comprises institutions that do not have a clear social agenda: in a recent survey, only 10% of cooperatives cited improvement of their community or society as their



The **SERVICE-TRADE-PRODUCTION SOCIAL COOPERATIVE** in the Southeastern town of Byczyna was established in 2005 through a joint effort between the local government, the social services center and the Social Integration Center-CIS. The goal of the social cooperative was to:

- help the long-term unemployed, people with substance abuse and people wanting to leave the agriculture sector become active on the local labor market;
- reduce the number of people relying on welfare support;
- promote Byczyna as an attractive place for tourism.

The cooperative's most recent project fulfills all of these goals: the cooperative offers training in highly specialized construction skills to people who are long-term unemployed or exiting the agricultural sector. Those who complete the training will be prepared to work on the construction site of what will become Byczyna's main tourist attraction: a village settlement from the Middle Ages, which will hold a 600-person audience and become the location of the annual Medieval Festival in Byczyna.

Source: Atlas Dobrych Praktyk, FISE, 2007, www.spoldzielnia.byczyna.pl.



objective¹³. The cooperative sector must be better understood by the Polish public and should evolve

13. A Klon/Jawor Association study: "Kondycja sektora organizacji pozarządowych w Polsce 2006".

to include larger cooperatives that provide goods and services to the wider public. Moreover, more social cooperatives should be established to provide employment for the most vulnerable social groups. To this end

the Act on Social Cooperatives should be amended to relax the membership requirements, and to provide improved start-up funding schemes and institutional support for new social cooperatives.



- **Economizing the NGO sector:**

Based on a recent survey, among social economy institutions, NGO's are the least likely to take on the risk of starting a business activity¹⁴. The widely held belief that economic activity is incompatible with social mission further inhibits economic development of the NGO sector. On the other hand, NGO's face tremendous competition over limited funding opportunities and the economic weight of the sector remains small: in 2005, 50% of NGO's in Poland processed less than 10,000PLN; only 1 in 5 NGO's employ paid personnel; and only 6.9% of those that run an income-generating activity earned at least 20% of their total financial turnover. An economically powerful NGO sector in Poland can become a source of stable employment on the

labour market and a stronger partner for the public sector in implementing effective social policy. In order to become stronger economically, however, there should be a concerted effort to promote entrepreneurial behaviour among NGO leaders and NGO's should capitalize on the possibility to engage in income-generating activities.

- **More social enterprises:** New institutional forms in the social economy, such as Social Integration Centres-CIS and Employment Activation Units-ZAZ, are still few and far between. More should be established and they should function as an integrated network rather than as isolated institutions in order to strengthen their position on the labour market in relation to public administration. By working as an integrated network, they will also increase their capacity to make a meaningful impact on their

targeted social groups. Moreover, there should be productive debate to finalize the anticipated act on social enterprises. Legally defining a social enterprise will undoubtedly give new momentum to the growth of the social economy sector and help broadly promote the idea of entrepreneurial activity.

- **Capitalizing on the social economy for local development:** The national government has already distinguished the social economy as a priority for its support in the National Development Strategy for the years 2007-2013. However, the social economy should be included in long-term development strategies, with reference to the information and experience gained through the EQUAL Initiative projects. In contrast, local governments often do not recognize the role that the sector can play in developing democracy, civil society and local economic growth. The

14. Ibid.

social economy should be promoted as a tool for community development, both economic and social, and local decision-makers should incorporate the social economy in local development strategies – a good example

of mobilizing regional leaders across sectors to capitalize on the social economy as a mechanism of local development is the 2008 Social Economy Pact in the Małopolska region in the South of Poland.

- **Better use of different financing mechanisms:** The social economy should capitalize on a variety of income sources. Funding mechanisms such as the European Union structural funds are important in

POLISH SOCIAL ECONOMY MEETINGS (OSES)

Annual OSES conferences are organized for representatives of social economy institutions, academic experts, strategic partner institutions from other sectors, and decision-makers. The several-day event offers participants the opportunity to network, reflect on the current condition of the sector, and consider its future perspectives. Special events, such as a social economy market, are also organized to engage the general public.

As a precursor to the OSES meetings, the Permanent Social Economy Conference (SKES) organized a meeting for European-wide practitioners, academics and policy-makers in 2004 in Krakow. The first OSES meeting was held in 2006 also in Krakow and made a powerful statement about the dynamic potential of the developing social economy sector. The second meeting took place in Warsaw in 2007 and focused on the role of the social economy as an instrument in regional and local socio-economic development with particular emphasis on the public-private partnership.

The 2008 meeting is scheduled to take place in late June in the famous sea-port city of Gdańsk and will make significant reference to the legacy of the Solidarity movement and its relationship to the current efforts to develop the social economy.

The OSES meetings are important not only because they provide a space for social economy stakeholders to meet and discuss, but because they portray the image of a cohesive, integrated social economy sector to the broader public.

developing institutional capacity: between 2007-2013, around 8 million Euros will be disbursed by regional governments in Poland each year through the Human Capital Operational Program to support the social economy sector. The Polish government can also offer a range of incentives to facilitate activity in the social economy, such as tax deductions, employment subsidies, and start-up capital schemes. Introducing social criteria in public procurement policies would also encourage the development of social economy institutions in the domain of service provision. These income sources, however, should not replace profit-generating activities internal to social economy institutions, but serve to stimulate them and help maximize their capacity to independently sustain themselves on the open market.

- **Enrooting the social economy in society:** Although the social economy has a long history in Poland, it is often perceived as a foreign concept. Moreover, studies have shown that there is a remarkably low level of social capital among Poles, which makes developing the social economy simultaneously a challenge (because it is built on a foundation of strong social networks) and a necessity (because it fosters a spirit of partnership and civic engagement). Thus, decision-makers and the public (particularly as consumers) should be educated about the benefits of the social economy sector. Awareness raising campaigns should also be organized among potential beneficiaries of social economy initiatives, who are often weary of taking on the risk that enterprising activity involves. In order to promote the social economy sector, platforms such as the Permanent Social Economy Conference (SKES: www.sk.es.pl) should be developed,

which will strengthen lobbying efforts and promote a unified image of the sector. SKES has already presented government representatives with recommendations for the development of the social economy in Poland and is awaiting a response.

For more information about the social economy sector in Poland and the key institutions working to develop it, we invite you to browse the following websites:

www.ekonomiaspoleczna.pl

www.skcs.pl

www.bezrobocie.org.pl

For more information, we invite you to contact:

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