

SOCIAL ECONOMY ENTITIES AS ORGANIZATIONAL ELEMENTS OF ECONOMIC CIVIL SOCIETY IN POLAND

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Purpose: The article is intended to present the theoretical concept of the organisation of economic civil society shaped by social economy entities.

Design/methodology/approach: Critical analysis methods used in literature studies; analysis of secondary documents such as legal acts, and official institutional documents.

Findings: First, the article presents the theoretical concept of civic society, the conditions and reasons for its emergence, and describes its four forms. One of these forms consists of the emerging organisation of economic civil society. Such a society is based on the activity of social enterprises as social economy entities. We also stressed the need for cooperation between public administration units and social enterprises.

Originality/value: The novelty of this article consists in outlining the concept of economic civil society. We also point-ed out that examples of the activities of social economy entities that organise economic civil society delineate the object of interest of the social economy. It takes into account social, economic, and environmental interests. We emphasised that this is the direction towards which economics, as a scientific discipline, should head. It should be heterogeneous and holistic.

Keywords: civil society, economic civil society, social economy entities.

Category of the paper: Literature review.

1. Introduction

In 2013, we outlined the concept of civil society development, including its new form, the economic society (Kaczochoa, Sikora, 2013). Now, we present an improved theoretical project that we relate to all forms of civil society. However, we will only discuss economic civil society here.

For our theoretical and empirical considerations, we adopted the typology proposed by J. Raciborski, who formulated an understanding (but not a definition) of two “model types”: “Type A is a political civil society formed by citizens [...] to force the state to favourably allocate to them some goods that the state has at its disposal or that can only be produced at the state level or, conversely, to defend some of their freedoms or goods against the state. Type B is an autonomous civil society understood as a sphere of private, inherently selfish, conflicting and very broadly defined interests, including economic ones. Individuals voluntarily associate, co-operate in this sphere to effectively meet their needs in cooperation with others”. According to this author in a type B civil society, individuals “only exercise their civil (personal) rights”. Whereas in type A society, “besides civil rights” citizens also enjoy “in particular political rights, to influence the state and to enforce their claims [...]”. By discussing they co-create the law and “influence whether and how the law is applied” (Raciborski, 2010, pp. 8-9).

In a theoretical sense, the presented typology allows for describing the different forms of civil society whereas in an empirical sense, for defining the scopes of practical actions. Before we proceed to further considerations, we need to stress that the newly emerging form, i.e. economic civil society, needs to be classified under model B, with some similarities to type A in terms of political requests to influence national and regional policies, and with reference to the allocation of specific goods by the state.

Based on J. Raciborski's typology, we present our understanding of civil society and economic civil society. Civil society consists of free citizens who, sovereignly, without external coercion and out of their own will, organise its various forms, discuss and then adopt political, economic, cultural or other objectives. The adopted objectives can refer to all spheres of social life, both in the national and specific local space, as well as in relation to global political, social and cultural processes. The civil society operates under democratic law, but they are independent of the state and its institutions. Citizens' participation in its various forms makes it possible to achieve individual goals aligned with the group and societal goals that the members of a given civil society form have endorsed. Individuals implement their social subjectivity and freedoms assigned to them in a democracy: political freedom, economic freedom and cultural freedom (Kaczocho, 2015).

2. Objective and subjective conditions for the emergence of civil society

Five causal conditions are necessary for civil society to emerge. The first objective (political) condition is the existence of a political form of government, i.e. democracy with the law guaranteeing every citizen the (formal) possession and the (material) realisation of the three civil liberties. The second pre-condition, which can be described as socio-material, is the emergence of recognisable economic, political or cultural situations and processes that pose

specific impediments in people's lives (specific irrational state policies, unethical actions of economic entities in the free market, such as exclusion of the poor from social and economic life, lack of opportunities to participate in high culture, etc.). Citizens who recognise such socio-material situations, phenomena and processes, and who at the same time fulfil the three subjective conditions described below, use their sovereign will to decide on establishing a corresponding form of civil society.

What is an important aspect of this condition is that civic associations intend to eliminate the negative phenomena and processes, design their institutions and activities that rationalise policies in the economy, and culture, in selected social relations, create social entrepreneurship, i.e. social economy entities. These initiatives are most often directed against negative local phenomena dealt with by various associations as part of a “bottom-up” form of civil society (other authors often write about ‘bottom-up’ civil society).

In its subjective sense, the third condition is the individual awareness of the possession and possibility of exercising the three above-mentioned freedoms. Citizens who are not aware of their freedoms do not participate in politics at all, nor do they organize any forms of civil society, unless forced by material deprivation they decide on some form of collective action and then, as if secondarily, slowly develop an awareness of their freedoms. If it is an economic reason (poverty, desire to find a job, etc.), then by forming an economic association, these entities get the conviction that they have the freedom to act economically. In a way it is a stage of spontaneous interaction, which then develops into a stage of rational and long-term cooperation, as social economy entities.

The fourth subjective condition for the emergence of civil society is that citizens need to have some knowledge of the actions and effects of civil society, be it contemporary or past. This subjective awareness of the positive outcomes is, as the members of the societies believe, important for the creators and members of any form of such a society who wish to achieve some updated social goals. It is all the more important that it is precisely in a subjective way motivation to create various forms of civil society is strengthened (Grabowska, Szawiel, 2001).

Finally, the fifth, subjective condition for the emergence and further existence of civil society is that citizens have at least a minimum of organisational experience. The ‘old’ A. Tocqueville’s view needs to be quoted that the participation of citizens in all the social association activities is the ‘great free school’ of learning the principles of social interaction (de Tocqueville, 2019).

Within the presented framework of the theoretical civil society concept (explaining the pre-conditions for its emergence, two models describing the scopes and goals of action, and an elaborate understanding of such a society), its four forms need to be distinguished. They include political civil society; civil society in the sphere of culture; ‘bottom-up’ society, which is a local society aiming to achieve some goals within the village, municipality, city, and finally, economic civil society (Kaczocha, 2015).

Depending on the pursued objectives, these four forms can be placed within certain activity spheres: sometimes within model A, and at other times, when the objectives are changed or modified, within model B. Without any doubt, political civil society belongs to model A and this is because associations or political parties seek the allocation of certain state-owned goods or act in defence of a certain range of freedoms that either the state or corporations restrict (for example, the latter restrict the economic freedom of small market players). In this form, members of associations or parties seek to co-legislate either through their elected parliamentary representatives or within local government.

However, if certain material goods or cultural values are scarce and restricted, a civic association in model B may conclude that the standard of living of many people is deteriorating. Under such circumstances, the association's objectives are of general social significance (and thus fall under model A). This phenomenon is confirmed by the activities of the *Obywatele Kultury [Citizens of Culture]* association founded in Warsaw at the end of 2010. During the 2011 Congress of Culture, a Pact for Culture was adopted, which postulated, among other things, an amendment to the tax law regarding the deduction of 1% of CIT for the support of culture and the public-social-private partnership law in financing cultural institutions. As stipulated by the Pact, people's participation in high culture and training of cultural competencies are subjective, important factors in supporting civilisation development, including the development of the economy. Such a transition in the activities of a civic association from model B to model A should be perceived as a trend towards the universalisation of civil society objectives. A similar transition can be observed in the activities of economic civil society, as we will outline in the following section of this paper.

To conclude this section we will discuss a view according to which the activities of all forms of civil society strengthen the group character of social capital within each association in terms of mutual trust among members as joint activities boost cooperation skills, form an ethical conviction about the importance of common goals uniting people in the local environment (Pietrzyk-Reeves, 2004).

3. Understanding the concept of economic civil society – a reference to social economy actors

The social economy as a sphere of socio-economic life is related to the individual and group entrepreneurship sector and non-governmental organisations. It is a tool for social and professional reintegration, pursuing professional objectives and supporting local and regional development in the broader sense in local government entities. Support for local and regional development is now particularly important in the face of growing demand for social services mostly linked to demographic change in Poland.

In the literature on the social economy and its actors, we only found two authors mentioning that the social economy fosters the realisation of the 'idea of citizenship' assuming the subjective participation of citizens in economic activity (Hausner, 2008). J. Orczyk states that the social economy is "linked to specific social policy doctrines or models [...]" that recognises "its significance in forming civil society" (Orczyk, 2012, p. 184). In the previously outlined theoretical conception of civil society, we presented a novel view according to which its fourth form includes economic civil society, which falls under the model B because it enjoys civil autonomy understood as independence from the state and other forms of civic action, it relates to people's private economic interests, and its founding members make a sovereign decision to establish such an association and to set up certain economic institutions, referred to as social economy actors, which include social enterprises.

The following entities are eligible for the status of a social enterprise: social cooperatives, non-governmental organisations (except those established by political parties and rural housewives' circles), work cooperatives, disabled and blind cooperatives, agricultural production cooperatives and entities which run social integration centres and clubs, occupational therapy workshops, and vocational activity establishments. Social enterprises aim to reintegrate people at risk of social exclusion and to provide social services to the local community. This translates into two operational levels.

The first includes activities addressed both to people at risk of social exclusion (such as the long-term unemployed, addicts and homeless), activities in social integration centres and clubs and those taking the form of occupational therapy workshops for people with disabilities.

The second level comprises various forms of reintegration in which support recipients are at the same time employees. For example, with regard to people with disabilities, such measures take the form of occupational workshops and sheltered workshops. People whose difficult life situation results from being unemployed or for other reasons can receive support through employment in social cooperatives.

For a social enterprise to operate it needs to employ at least three persons under an employment contract or a cooperative employment contract (at least half FTE). If a social enterprise operating has social and professional reintegration of persons at risk of exclusion as its major goal, at least 30% of the total number of employees must be at risk of social exclusion and performing work based on an employment contract or a cooperative employment contract.

Let us emphasise that a social enterprise cannot distribute profit or surplus to its members, employees or shareholders. The generated profit needs to be used for the social and professional reintegration of the employees at risk of social exclusion, the realisation of social objectives or the strengthening of the enterprise's potential. It's also worth stressing that the material profit value is endorsed by social economy actors in a "weaker" sense. This means that profit is not the supreme norm and the objective of the enterprise's activities, because these activities are targeted at social objectives such as education and employment for the jobless on one hand and, on the other hand, the services or goods produced are intended to satisfy the needs of the local

communities and they are not economically viable for the remaining free market actors. In other words, social economy entities are not geared toward profit maximisation and its distribution among its founding members and employees and providing bonuses to the board members. The fact that profit generation is not given priority means that this very profit is desirable for the material development of the enterprise, for covering the costs of vocational training for employees, and for providing social assistance to them when they find themselves in a difficult situation.

Employees can be involved in the decision-making processes, which means that a social enterprise is managed democratically or using a consultative and advisory model with the participation of employees and other stakeholders. Members of these economic entities discuss its objectives in line with approved axiology, and its accepted values. In particular, they recognise work as a value not only in the material sense of the sustenance basis but this value is also treated in its ethical sense as the basis for shaping a sense of personal dignity as individuals acquire a sense of professional worth exactly through their work.

As social economy entities social enterprises may apply for various forms of support, such as one-off subsidies for the creation of workplaces for persons referred by local labour offices, refunds for social insurance premiums for employees at risk of exclusion, exemption from CIT on profits used for social and professional reintegration activities, application of solutions facilitating their participation in public procurement procedures (Act..., 2022).

In addition, social economy entities can apply for funding for their activities under ministerial or official programmes supporting the social economy. In their turn, local and regional government units can support social enterprises by commissioning social services under negotiation and public-social partnership modes.

According to the Ministry of Family and Social Policy, approximately 100,000 social economy entities are operating in Poland. NGOs are by far the largest group (97%), with the remainder made up of cooperatives (around 1.5%) and reintegration units (around 1.5%). In 2019, social economy entities employed approximately 210,000 people accounting for 1.8% of the employed in the Polish economy (Rekrutacja..., 2022).

The entities responsible for the coordination of social economy measures include the minister responsible for social security, at the national level, and the voivodeship self-government at the local level. The National Committee for the Development of the Social Economy provides advisory services to the Minister. Voivodeship governments, in their turn, are supported by Regional Committees for the Development of the Social Economy (Act..., 2022).

Using the example of the Obywatele Kultury association, we have previously mentioned the emerging tendency to universalise objectives and thus transitioning from model B to model A. Suggestions or concrete political requests to the state and local authorities are then formulated. At the end of the 20th century, small social enterprises, social cooperatives, had been established in Wielkopolska and created jobs for many unemployed as a result of

an initiative of a dozen of individuals and a few socially active organisations, including, in the first place, the Barka Foundation. It can be perceived as the starting point in the organisation of economic civil society in the Wielkopolskie Voivodeship. Objectives started to get universalised in 2010 when the Barka Foundation organised a Social Entrepreneurship Fair in Poznań (attended by more than a thousand people), during which it showcased practical achievements in developing the social economy (also known as 'solidarity economy'). (Sadowski, 2012). The authors of this economy concept and its implementers refer to the constitutional principle (Constitution of the Republic of Poland, chap. 20) of 'social market economy'. Then, the Wielkopolska Memorandum of Understanding on the establishment of the Wielkopolska Social Economy Centre has been made. The authors of the Memorandum of Understanding and the Centre founders refer to the Wielkopolska traditions of cooperative-based and self-governing economic activity, developed in the mid-19th century by the protopositivists and their 20th-century followers. Among other things, the Centres role includes educational and information activities to enhance further development of social economy entities in Wielkopolska. Please note that the activities of social economy entities and organisers are constantly supported by local and regional authorities, as well as the provincial governor, and this is how the principle of state subsidiarity gets implemented through the regional economic policy. Concerning the drafted Social Economy Development Programme, we need to mention that the second phase of 'strictly' rationalised activity, where the social economy is co-shaped at the regional/voivodship level, has been initiated. We might thus accept the view that such a form of civil society, starting with the second stage of activities, becomes a subject of economic regional policy. Following the initiative of the founders and activists of economic civil society, voivodship governments create Regional Social Policy Centres entrusted with the task of drawing up a multiannual development programme for the economic civil society and its actors. That is, they create Regional Social Economy Development Programmes. The structure of such a programme should primarily include topics such as Introduction; Mission of the Regional Social Economy Development Programme (co-creators, implementers, stakeholders); Vision of the development of the social economy in the voivodeship from the perspective of EU, national and regional social policy; Objectives of the Regional Social Economy Development Programme and the rationale behind them; Structure of the Regional Social Economy Development Programme; Programme management; Implementation of programme monitoring; Funding sources. Annex (social economy entities in the region (Frątczak-Müller, Kwiatkowski, 2020).

Increasingly often, the social economy gets in the focus of public administration organisations, especially at all levels of local government. These entities are dealing with such issues as poverty reduction and social exclusion. Employees of local governments, local leaders, and animators of grassroots initiatives are all supporters of social economy and contribute to the emergence and proper functioning of social economy entities and the dynamic development of economic civil society.

4. Summary

Organisers and activists of economically organised civil society vividly debate the foundations and theoretical assumptions that are formulated in the context of practical action (Niesporek, 2019). In this context, it is conceivable that discussions among practitioners, with very modest input from economic theorists, would result in the emergence of a well-developed concept of social economics which will be a strong theory with strong social ethical and economic bases rather than a strictly economic one. There are broad axiological underpinnings accepted by all the actors contributing to this form of civil society to support this view. We thus need to emphasise that the social economy must constitute a holistic and comprehensive consideration of the individual organisational elements of the complex economic civil society system. A holistic take on social economy ensures reconciliation of social, economic, technological and environmental interests. This idea corresponds to the concept of ‘clinical economics’ formulated by Jeffer Sachs (Sachs, 2006). “As Mączyńska emphasises, ‘clinical economics’ is exactly this holistic approach to solving socio-economic problems, combining economic and social aspects. This approach is modelled on holistic medicine” (Mączyńska, 2011, p. 46). This means that economic knowledge cannot be separated from social knowledge, as economics is a social science after all and draws on the achievements of other scientific disciplines such as sociology, psychology, pedagogy, and anthropology. This is what gives birth to the need for a holistic and interdisciplinary, yet heterogeneous, approach to economics (Rethinking..., 2018), including the subject of social economics.

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