

Polish Social Economy ManifESto

Gdańsk Shipyard , 27 June 2008

The Conference on Social Economy in Gdańsk aims at bringing together Polish and international circles that have a common belief, namely that social economy can offer effective solutions to important social problems. Our meeting in Gdańsk sums up the process, lasting for several recent years, of searching for the best models of activity within the social economy idea. We already met twice, in Kraków and Warsaw, and the present conference is held in the Gdańsk Shipyard – the birthplace of the Solidarity movement of 1980s. It is here where historical processes were initiated that have changed the fate of Europe. It is from here that the idea of solidarity radiated throughout the whole Poland and also to other countries. Our meeting here is based on the belief that the activities undertaken within social economy recall the best tradition of the Solidarity movement, but also that today, after almost twenty years, the idea of social economy can make the tradition alive again. Thus, we believe that social economy can become solidarity economy.

1. Social economy must be rooted in the sphere of values and principles, such as – in addition to solidarity – entrepreneurship, engagement, responsibility and subsidiarity. But the most important thing is to ensure that appropriate mechanisms of empowerment and autonomy are created for persons, institutions and communities. Social economy in Poland can draw not only on the Solidarity movement tradition, but also on much longer genealogy of civil activity in Poland, dating back to the 19th century and the beginning of the 20th century when economic activity based on the principles of mutuality had played very important role in striving for political and social emancipation of Poles.
2. Social economy has no political affiliation, containing components that are important for different political options, both on the left and on the right wing of the spectrum, such as conservatists, liberals, social democrats, republicans, communitarians, as well as for Roman Catholic Church social teaching. Social economy is a place where many different ideologies can peacefully meet, which allows us to hope that it will not fall victim to any political struggles. Social economy does not require us to choose between freedom and solidarity – to the contrary, it shows that the true solidarity comes from liberty and cannot be arbitrarily imposed.
3. Social economy can be seen as a set of institutions that have in common the fact that they try to reach certain social objectives using market economy tools. The sector includes institutions originating from the so-called old social economy (in particular co-operatives), non-governmental organisations and some newly born types of initiatives (such as social co-operatives). In Europe, social economy is an important employer and a growing sector of national economies, especially when services, including social services, are concerned which cannot be “exported” abroad to countries with cheaper labour. In EU member states the social economy sector already consists of almost one million organisations that give approximately 11 million jobs and generate about 10 percent of GDP. In Poland, social economy covers over 90 000 institutions that create over half a million jobs.
4. Today, Poland enjoys quite dynamic economic growth. But at the same time, there are groups that (often for reasons that remain totally out of their control) miss the benefits of economic success. The unemployment rate falls, but the problem of joblessness remains equally, or even becomes more poignant, for those who encounter special difficulties in finding their place on the job market. The reasons are various: sometimes they are not sufficiently active in searching for jobs, but quite often they have simply less chances to find a job (because of their age, disability, social origins or unavailability of certain goods, markets and services). We have to remind the shameful fact that in Poland the employment rate among disabled people is the lowest in the EU. Social economy gives a chance to change the status quo, being one of the most effective ways to activate the long-term unemployed. And what is especially valuable is that social economy allows us to see such people as a reservoir of potential that can be usefully activated rather than as a “problem” that must be solved.
5. Social economy offers active rather than passive assistance, joint responsibility rather than dependence on external assistance, civil and social mobilisation rather than bureaucratic state structures. Thus, social economy can become a useful ally of the State in the process of social policy implementation. Social economy can substantially help in modernisation of the often outdated welfare state structures. This is the path chosen by most of the member states of European Union.
6. Social economy requires a horizontal approach – it should not be reduced to purely social issues, for it covers as well the themes of economy or regional development. The development of social economy requires co-operation between all institutions responsible for those areas in order to create and implement a consistent action programmes. That is why such comprehensive, horizontal approach should now be adopted at all levels of government: local, regional, national, and finally at the level of the EU institutions.
7. Social economy cannot be reduced to “sheltered” employment markets: as a mechanism based on reciprocal relations, creating higher level of trust between parties, it is equally valuable for the competitive market economy. In the market relations, normally based on anonymous transactions, reciprocity and trust can build a market advantage. We believe that the broad approach to the functions

- of social economy and social enterprises operating within it is the most appropriate one. In addition to the most obvious and usually mentioned tasks, in particular concerning work integration of excluded people, social economy has proven to be very effective in the provision of public services, and especially social services, reciprocal services, public goods, in the implementation of initiatives enhancing local community development, as well as in trade and production activities generating profits directed to social goals.
8. Their local, community nature forms a very important aspect of activities pursued within social economy. What is important is not only individual initiatives and institutions, but also the whole network of their interrelations which (including local social capital assets) depend on many circumstances, in particular historical and cultural ones. It happens that local communities are subject to a processes of exclusion. Social economy can help in overcoming such situation, but as always the assistance strategies offered must be accompanied by engagement and co-operation on the part of the local community concerned, and have to take into account not only the problem diagnosis, but also the resources available within the local community.
 9. The role of the free market as the main driver of economic growth cannot be questioned. However, the market is not a satisfactory answer to all the challenges of contemporary world. Its operation should be accompanied by thoughtful regulation from the State and complementary forms of activity on the part of the self-organising civil society, including social economy initiatives. Every economic activity should take into account its social and environmental implications which, if ignored, can lead to major crises, at both local and global levels. In the recent years, this fact has been more and more clearly realised (also in Poland). In this connection, we can reasonably require that economy as a whole (and not only social economy) reveal greater sense of responsibility. The existence of social economy with its main focus on social goals cannot be an excuse for other (commercial) enterprises for not being mindful enough to social and environmental implications of their activities.
 10. There is no reason for businesses to see social economy as a threat to their interests – on the contrary, social economy can complement their activities and be a partner in joint initiatives. The mainstream social economy is not against the market, if only for the simple reason that it itself uses market mechanisms as an important tool to foster its social aims. Social economy entities effectively use various business models, and sometimes can even be a source of inspiration for traditional businesses. The very notion of entrepreneurship cannot be seen as limited to commercial activity, because entrepreneurship means the ability to actively interact with the environment and the willingness to face new challenges using available resources rather than mere desire to make profit. The modern world is full of challenges of a social nature, and those who face them using entrepreneurial tools can be properly called social entrepreneurs.
 11. In comparison to other business entities, social enterprises should neither be discriminated against nor enjoy any special and unjustified privileges that are against the rules of fair competition. However, when enterprises (including social enterprises) implement public tasks, they should be allowed to receive public support. Any advantages given to social economy entities should be commensurate with the burden of public good provision they accept. A legislation is needed that would clearly define the concept of social entrepreneurship, its scope of activity, its limitations and any preferences it is entitled to.
 12. Non-governmental organisations have the right to pursue economic activity to generate their own income. Such activity should also be allowed for them within the scope of their statutory tasks. The income generated by non-governmental organisations will limit their dependence on public funds and donations. A reasonable degree of economic activity led by foundations and associations will help them to build their autonomy and operational viability, as well as to broaden the scope of their operations.
 13. At present, public administration is a major purchaser of goods and services on the market. However, the legitimate principle of maximising benefits and minimising costs should be used based on a proper understanding of both terms. The cost not always means simply price, and the benefit may include many different goals (including social goals serving local community), rather than only realisation of one particular task. Thus, prudent governance of public resources not always means the choice of the cheapest offer. In this respect, any positive changes, such as using the so-called social clauses in public procurement procedures, depend mainly on the practical attitudes of public administration officials, as well as on the improvement of the regulatory framework.
 14. Social enterprises should be seen as a possible investment opportunity rather than as a mere receiver of philanthropic donations. They should have access to financial resources on terms that take into account their specificity (e.g. guarantee fund dedicated to such entities and capable to evaluate their standing). A specific financial infrastructure is necessary that would be better fitted to the specific needs of social economy organisations and that would include some public support.
 15. As a result of persisting efforts of many groups, social economy have found its place in the Polish strategic documents and operational programmes for 2007-2013. We must ensure that this opportunity will be effectively used by social economy institutions. To this end, social economy representatives should build mutual understanding and co-operation with people that influence the distribution and monitoring of

- spending of the European Funds, both at national and regional levels.
16. The Structural Funds may become an important source of support for social economy development and the basis for its future potential. But to this end, the adaptation of the funds to the needs and capabilities of social economy entities, as well as further enhancement of their availability to them is urgently needed. Public funds should be granted adequately to the results achieved by their receivers, and the results in question should be of permanent rather than temporary nature. Social economy tries to offer solutions for groups that are in an utmost need, but for the very reason its organisations have often to pursue very complex activities that usually are more risky and long-term in nature, but give a chance to achieve real and sustainable results. The system of granting public funds must be changed (including definition of criteria of access and preferential areas) so that it is accessible for institutions that achieve sustainable results rather than those that are simply opportunistic and apply for any funds that are available; otherwise we may end up with most of the funds being spent for pretended or incidental activities, while the people in need will remain “professional beneficiaries”, and the problems will be perpetuated rather than solved.
 17. The social economy circles need deeper integration. This document, prepared by persons close to the Standing Conference on Social Economy, can serve as a good reference point for the process. Regular and open conferences on social economy should continue to be organised, serving as a platform for mutual contacts and integration between different strands within social economy sector. This is the only path to further integration, strengthening mutual support, developing of common standards for social economy as a whole, and creating its joint representation. Social economy entities should develop their own support mechanisms tailored to their specific needs, but at the same time they should also have access to the existing infrastructure – in particular the one that is meant to serve small- and medium-size enterprises and the non-governmental sector.
 18. Social economy is different from the both other sectors, the State and the market. It borrows some characteristics from both of them. Each sector has its unique functions and is needed to perform them. The prevalence of any sector, especially at the cost of any other, is dangerous. The sectors need each other, and they should support each other. In particular, we should give up the antagonistic idea on the mutual relations between the State and the civil society. In Poland, the problem today is that both of them are relatively weak rather than that any of them is too strong. They need to support one another. But this cannot mean that social economy will substitute the State in performing social tasks or provide services on behalf of it. The notion of public-social partnership should recover its proper, original sense as a basis for the modern philosophy of good governance. The role of social economy is not only to provide services, but also to participate in their definition. It is absolutely necessary to build truly partner-like relations between the State and the social economy where both the independence of the parties and the reciprocity of their duties will be guaranteed. It is not in the interest of the State to make the social economy sector dependent on it – on the contrary, the State should support its position as a partner in joint initiatives.
 19. In the recent couple of years, many efforts have been made to support the development of social economy in Poland: legal framework for functioning of social co-operatives was created, and preparation of further legal acts enhancing the growth of social economy is under way. Many pilot activities have been financed from public funds, in particular thanks to the Community Initiative EQUAL. In this way, numerous valuable results have been obtained that deserve to be used and spread. The recent years have witnessed the creation of a whole network of social economy initiatives, endowed with a significant organisational and intellectual potential that should be effectively used in the coming years.
 20. It is necessary to build a permanent communication and dialogue mechanism between the decision-makers (both from legislative and executive bodies) and the social economy sector. The mechanism would allow to create in Poland, like in other countries, a long-term strategy for the development of social economy as a part of broader efforts to support the growth of civil society. The strategy should be developed in co-operation between interministerial government committee and the representation of social economy sector. Social economy sector is well prepared to take part in such dialogue.
 21. The recent couple of years witnessed an intense co-operation between social economy sectors from different European countries. We have learnt a lot from our colleagues in other countries. We believe that it will be possible to work out some institutional mechanisms for transnational co-operation, and that it can extend beyond the European Union. Our deepest wish is that our Polish experience can become an inspiration for others.

This document has been developed as a proposal for a common stance of different social economy groups. It is based mainly on the recommendations worked out under the Partnership “In search of the Polish model of social economy” and by the participants of the Standing Conference on Social Economy in Poland. This document was presented for the first time at the Conference „Solidarity Economy during the meeting in Gdańsk Shipyard.