

PARTNERSHIP FOR COMBATING SOCIAL EXCLUSION, ON THE EXAMPLE, THE SUBCARPATHIAN SOCIAL COOPERATIVE

INTRODUCTION

Social exclusion is associated with situations, in which an individual cannot normally participate in the activities of citizens in a given society. It is essential to note that such a restriction is not due to internal beliefs, but is beyond the control of that person. Societal exclusion is a multidimensional phenomenon, meaning, that a person cannot participate in political, economic and cultural life as a result of a lack of access to resources, goods and institutions, as well as restrictions of social rights or a deprivation of needs. The groups or social categories in which individuals are most vulnerable to exclusion are: the disabled, the mentally ill, addicts, the long-term unemployed, individuals with low professional skills, those released from correctional facilities, single mothers raising children, victims from pathological families, children and youth from neglected environments or raised outside of the family, the elderly, the homeless, immigrants, and members of ethnic minorities. The cause or effect of social exclusion is poverty. A combination of several of these noted problems increases the risk of experiencing exclusion.

In the field of social assistance, the problems which an individual and their family experience are the stimuli or task for action to be taken. J. Wygnański stated that, with respect to clients, they are: (...) *often those for which the existing instruments of social assistance or labour offices do not work. For many, it is not assistance, just control, and they do everything to dodge it. Some have limited their aspirations to the level of their existence, i.e. the necessity to earn money to purchase the cheapest alcohol. Can you reach such people with the tale of the fishing rod and fish? They are fixated on fish, not even salmon, but anything. They do not believe in a chance for independence, but they know how to navigate in the system of assistance offered by the state and non-governmental organizations, to receive something. Hence the need for new ideas for assistance – so that these people will be willing to help themselves. We are not the only one in Europe that has managed to create a welfare system perpetuated on passivity and exclusion, making it impossible*

for the welfare state to bear (Mateja 2008). The cited formulation indicates that long-term use of benefits generates the formation of a dependency on assistance. Effective social assistance should therefore be orientated towards activating, and cannot be deactivating and overwhelming.

In the context of the aforementioned social exclusion, social enterprises which perform different functions have important tasks to fulfill. Social economy or social entrepreneurship are terms referring to social economy, combining both social and economic objectives. Competences mentioned in the catalogue of social enterprise: social integration and activity in the labour market, provision of public services: social (educational, custodial care, in the field of healthcare) and technical (of a reciprocal nature, in the open labour market, the supply of public goods and the development of local communities, and business and production activities) (*Co to jest ekonomia społeczna?*; Szluz 2010: 257-273). A specific form of social enterprise is a social cooperative which is mainly made up of individuals at risk of social exclusion due to unemployment, a disability or mental illness, or having trouble finding work. Activity and work in social cooperatives gives them a chance of social and professional activation, integration, as well as upgrading their skills. Unlike other social economy entities, the social cooperative requires a high degree of independence and responsibility from its members. A collegial method of decision making applies. Members of the cooperative are entirely responsible for the cooperative's affairs, and learn independence and long-term planning. They care about the financial aspects, manage their own business, and set the direction of development.

The cited issues have become the impetus for undertaking analysis and considerations, whose aim is to demonstrate cooperation for combating social exclusion. The Subcarpathian social cooperatives have become very good examples, which arose as a result of actions taken within the scope of the partnership.

THE SOCIAL COOPERATIVE AS AN ENTITY OF SOCIAL ECONOMY

The social cooperative is a legal form of entity that combines the characteristics of an enterprise and NGOs. Its aim is to enable members, those particularly vulnerable to social exclusion, to return to social life and activity in the labour market. The entity operates business activities, although earning a profit is not in itself the goal, but a means of achieving statutory objectives. The cooperative can develop social and educational-cultural activities

for the benefit of its members and their local environment, as well as socially useful activity in the sphere of public duties, specified in the act on public benefit and volunteer activities (Act of 24 April 2003). In accordance with the provisions adopted in the legal regulations, social cooperative is working towards:

1. social reintegration for its members, which means taking initiatives with the aim of rebuilding and maintaining the skills for participating in local community life and performing social roles in the workplace, at home, or where one stays;
2. vocational reintegration of its members, which is connected with rebuilding and maintaining the ability to independently benefit from work in the labour market (Act of 27 April 2006: art. 2, pt. 2).

These actions listed by the legislator are not carried out within the course of social cooperative business activities.

The social cooperative can be established by a minimum of five individuals, who fulfill certain conditions, and being entirely capable of having full legal capacity and simultaneously falling under at least one of these categories: unemployed individuals within the meaning of the act on promoting employment and labour market institutions (Act of 20 April 2004: art. 1) and individuals, who are referred to in the act on social employment (Act of 13 June 2003: art. 1, pt. 2), among which is included:

3. the homeless who implement an individual plan for exiting homelessness, as defined in the regulations on social assistance;
4. those addicted to alcohol, after completing a psychotherapy program in a substance abuse treatment facility;
5. those addicted to narcotics or other drugs, after completing a therapy program at a healthcare facility;
6. the mentally sick, as defined in the regulations on mental health protection;
7. the long-term unemployed as defined in the regulations on promoting employment and labour market institutions;
8. those released from correctional facilities, and having trouble integrating into society, as defined in the regulations on social assistance;
9. refugees who implement an individual integration program, as defined in the regulations on social assistance;
10. disabled individuals, as defined in the regulations on occupational and social rehabilitation and the employment of disabled individuals, who are subject to social exclusion and, as a result of their life situation, are not able to fulfill their own basic living needs and find themselves in a situation which results in poverty and prevents or limits participation in vocational, social, and family life.

Other categories of individuals that are able to form a membership base are also identified: private citizens authorized to establish a social cooperative with limited legal capacity; other individuals who possess specific qualifications (if their number does not exceed 50% of the total number of members of the social cooperative); non-governmental organisations; religious juridical person; local government entities; individuals employed for twelve months by juridical persons – founders of the cooperative (Act of 20 April 2004: art. 2, sect. 1, pt. 2). The founders of the cooperative may: receive a one-time grant from the Labour Fund for the creation of cooperatives, enjoy benefits from the State Fund for the Rehabilitation of Disabled Persons, the European Social Fund, as well as apply to the County Authority for a refund of contributions for social insurance (in the context of a formula for supported employment). Social cooperatives also benefit from tax and court fee exemptions. The most important organ of the cooperative is the general assembly which appoints the Board, approves the annual report, and grants acknowledgement of the fulfillment of duties of the said board. The resolutions of the General Assembly shall be adopted by way of a vote. If the entity gathers more than 15 people, it must appoint a supervisory board, which will serve as a control mechanism. The cooperative may create foundations, companies, as well as join a corporate and worker's cooperative and cooperative associations. It has the ability, as a supporting member, to join NGO trade associations (federation). Social cooperatives may operate public benefit activities while at the same time benefit from public funds. They cannot however, obtain public benefit organisation status and take advantage of the 1% tax, donated by taxpayers. The assets of the cooperative remain the property of the cooperative members. The act explicitly indicates, for what purposes the allocated balance sheet surplus may be intended (increasing current reserves – at least 40%; objectives of social and vocational reintegration of the cooperative members, social and educational-cultural activities as well as socially useful activities – at least 40 %; and the remaining funds – for an investment fund) (Act of 27 April 2006). It cannot be distributed among the members of a social cooperative; it cannot be used to increase an equity fund or allocated on the interest from shares.

A legal basis was introduced in Poland, which enabled the creation and functioning of social enterprise; it provided the basis, which resulted in the dynamic development of these entities. In 2012, 447 cooperatives were registered in the country, which were mainly set up by unemployed individuals (83%), as well as the disabled (38%). Authorised people, representatives of i.e. former prisoners, addicts, and refugees were not among them. There were predominately small cooperatives, numbering from five to nine members,

and only 10% of the entities had more members. Services such as cleaning activities, home and garden maintenance, construction and repair services, and catering dominated in their activities. Cooperatives had problems securing orders from both private, as well as public entities; as well as experienced both a lack of support from local self-government authorities, and financial problems (*Prawie 500 spółdzielni socjalnych. Jak sobie radzą?* 2012). Data regarding the number of social cooperatives was based on the 2009 National Court Register catalogue, and therefore cannot unequivocally state whether the stated parties were still operating, as some could, within the context of difficulties that emerged, terminate their functioning. Therefore, it seems important, to portray examples of good practice in the creation and continuation of cooperative activities, meaning their survival in the market.

INTERSECTORAL PARTNERSHIP FOR THE ESTABLISHMENT AND FUNCTIONING OF A SOCIAL COOPERATIVE BASED ON THE SUBCARPATHIAN EXAMPLE

In 2009, the Social Economy Centre in the Rzeszow Regional Development Agency was opened, whose main task is to support and promote social economy entities in the territory of the Subcarpathian voivodeship. The 'Subcarpathian social cooperatives' project was implemented within the scope of the said agency, and whose goal was to provide financial support, training and consulting for individuals who intended to establish a social cooperative and support already functioning existing entities¹. The beneficiaries of the project were 200 individuals, including 120 individuals who were experiencing social exclusion, 60% were women (93 individuals received a financial support in the form of a one-time grant in the amount of 20 thousand zloty, as well as comprehensive consultative-training support; individuals receiving grants benefitted from interim aid of 1300 zloty per month for the first 6 months of the operation of the cooperative, which could be extended for a further six months in justified cases) (Rzeszow Regional Development

¹ The Operational Human Capital Programme (OHCP), co-financed by the European Social Fund (contract number: UDA-POKL.07.02.02-18-040/10-00), under Priority VII: *Promoting social integration – the number and name of the activity: 7.2. Combating exclusion and strengthening the social economy sector*, the number and name of the sub-activity: 7.2.2 *Supporting the social economy – the implemented project Subcarpathian social cooperative*. The application was filed at the Voivodeship Labour Office in Rzeszów (competition number 10/POKL/7.2.2/2010). The term of the project is scheduled for the period 1.03.2011 to 31.12.2013. The area of the project was the Subcarpathian Voivodeship, with the designer being the Rzeszow Regional Development Agency S.A.

Agency). The support received accounted for the impetus and allowed for taking up activity to create and develop within the social cooperative.

Many activities at several levels were undertaken with the aim of carrying out promotional-informational campaigns, among them: media promotion on regional media (television and radio); designed posters and leaflets, which were distributed in cooperation with, for example, the county labor office, the city social assistance centre, the community social assistance centre, etc.; promotion of this project was carried out on public and inter-city transportation; 15 information sessions were organised to address private citizens in the Subcarpathian Voivodeship with the participation of representatives from: the three aforementioned entities and the local self-government authority, non-governmental organizations, the county family assistance centre, and the correctional facility. Conferences at which beneficiaries also attended were held in connection with the start and end of the project. As part of the project, external training workshops (6 days) were held concerning the establishment and operation of cooperatives, during which the following took place: integrative-motivation workshops; training on the topic of social economy specifics, within the context of social cooperatives, and involving the aspect of the creation and operation of co-operatives; training which included the practical aspects for the functioning of these entities and associated barriers and risks; as well as creating proposals, which are the basis for applying for financial support, financial management and the basics regarding management and marketing. Groups and individuals who are establishing an entity had the opportunity to benefit from advice aimed at acquiring knowledge, which is necessary when establishing and implementing such a venture. The financial support provided became the basis for the creation of 15 new cooperatives, which received: interim aid of 1300 zloty per person for 75 members, who received the grant (contribution to the cooperative); guardian/mentor support for 1 month before establishing the entity and 6 months after establishment; training-advisory support: individual advice and counseling, workshops, practical training for the management team; as well as an extension of interim aid for 57 individuals (Rzeszow Regional Development Agency). 22 cooperatives took part in the project, besides those established, 7 existing entities took on new members. The partnership between the entities, for example the Rzeszow Regional Development Agency and cooperatives allowed for the appointment, as well as support during the establishment and functioning of the social enterprise. The idea behind the creation of social cooperatives was to create jobs, and activating individuals, instead of supporting them, as for example, with welfare.

In 2013, surveys were conducted in 15 up and running social cooperatives in the Subcarpathian territory, meaning interviewing respondents directly on the premises, also using a survey technique which diagnosed the condition of cooperatives, as well as a survey among the “leaders.” It can be certainly said that an important aspect is the mission of the analysed entities. Thus, in Table 1 the principles are illustrated, and the direction each of the social enterprises are taking.

Table 1. The mission of social cooperatives (15) formed as part of the “Subcarpathian social cooperative” project

No.	The mission of the social cooperative
1	assisting the elderly, lonely, abandoned, and disabled; concentrating on services that ensure maximum professionalism
2	making a good brand name for itself, professional catering services
3	assisting individuals who are facing social exclusion, mainly those with a moderate level of disability
4	assisting with exiting unemployment, a difficult financial situation
5	the mission of our cooperative is based on employment, we would like to expand, to assist the unemployed
6	assist unemployed individuals, those at the risk of social exclusion
7	“our dreams do not come true, it is we who fulfill our dreams”
8	assist chronically unemployed individuals, assist those wishing to establish a social cooperative
9	assist unemployed individuals
10	Restoration of agricultural lands, developing them
11	Make everyone feel valued, useful for what they do
12	Hold a job
13	Hold a job
14	Set a goal for oneself, to have a place of work, to better one’s financial situation
15	Ensure an economic minimum for members of the social cooperative, assist those individuals who are at risk for social exclusion

Source: Barwińska-Małałowicz 2013: p. 31.

The indications of the respondents were primarily directed at assisting individuals experiencing, and at risk of, social exclusion, for example the unemployed, the disabled, the elderly, the lonely (the unemployed and the disabled prevailed among the members of the surveyed cooperatives). Members therefore perceived their own problems, as well as other individuals, and

in the activities of the cooperative they saw the opportunity to resolve them and create their own personal development.

Members of the Subcarpathian cooperative pledged to cooperate with external entities, their indications are presented in Table 2.

Table 2. Cooperation of the cooperative with external entities in the local and regional environment

External entity	1. no	2. yes	3. How many?*
Local enterprises (community/county)	10	5	3 (4) 1 (1)
Enterprises outside of the community and county, where the cooperative is located, and whose main headquarters are found in Subcarpathian voivodeship territory	11	4	5 (2) 10 (1) 4 (1)
Entities outside of the Subcarpathian voivodeship	13	2	7 (1) 2 (1)
Non-governmental non-profit organisations	12	3	1 (1) 2 (1) 5 (1)
Social cooperative	8	7	2 (2) 3 (1) 1 (3) 10 (1)
Local self-government authority	13	2	1 (2)
other (which?)	0	0	0

Explanation: * The numbers in the third column in the parentheses indicate – how many times cooperation with a given number of entities was declared?

Source: J. Piegza 2013: p. 110.

The data collected in Table 2 shows that the majority of entities cooperated with other social cooperatives (7), which allowed for the exchange of experience and the dissemination of good practice. There was also cooperation with the local enterprises functioning in the territory of the community or county, as well as other companies located in the Subcarpathian Voivodeship (4). One cooperative worked with 10 companies, and 7 declared cooperation, having a business type, with a minimum of 3 enterprises. Cooperatives were far less likely to cooperate with companies located outside of the community and county in which the cooperative is located, however having its main offices in the Subcarpathian voivodeship; and even more far less

likely to cooperate with enterprises located outside of the voivodeship. Only two cooperatives declared that there was cooperation with territorial local government authorities, in general ¼ of the total number of companies surveyed did not experience manifestations of a lack of goodwill on the part of local government. In the role of client, were also NGOs and local government. The partnership was based on, among other things, recommending and sharing information. Therefore the activity of the institutions supporting social economy in the field of creating social cooperatives was recognised, as well as the inspiring influence of the local community elite.

SUMMARY

The beginning of 2014 formally ended the period of implementation of the EU financial perspective for 2007-2013, within which many social economy entities received the resources to conduct business. There was an inability to satisfactorily shape the entire system in a manner which would allow for its operation after the end of financing from public coffers, which also included European funding. It was assumed that the new seven-year financial perspective (2014-2020) would create the basis for future social enterprise sector activities. The project partnership agreement (Portal Funduszy Europejskich), between the Polish government and the European Commission will allow the prediction that a greater pool of funds than which exists today will be disbursed by the various governments at the regional level. It is recognized that there is the need to prepare specialists in the field of social entrepreneurship who, through internships, will be orientated in the creation of activities in this field, and also stimulate the development of social economy entities, specifically at the level of individual regions, on the basis of the underlined cooperation.

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Summary

A specific form of social enterprise is a social cooperative, which is mainly made up of individuals at risk of social exclusion due to unemployment, a disability or mental illness, or having trouble finding work. Activity and work in social cooperatives gives them a chance of social and professional activation, integration, as well as upgrading their skills. Unlike other social economy entities, the social cooperative requires a high degree of independence and responsibility from its members. A collegial method of decision making applies. Members of the cooperative are entirely responsible for the cooperative's affairs, and learn independence and long-term planning. They care about the financial aspects, manage their own business, and set the direction of development. The cited issues have become the impetus for undertaking analysis and considerations, whose aim is to demonstrate cooperation for combating social exclusion. The Subcarpathian social cooperatives have become very good examples, which arose as a result of actions taken within the scope of the partnership.

Key words: social cooperative, partnership, social exclusion