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SOCIAL ECONOMY TO DEAL WITH SOCIAL EXCLUSION IN POLAND

Abstract: *Social exclusion is defined for the needs of social policy as “ a refusal to follow, or leaving a socially accepted way of life”. This leads often to the emergence of a significant number of social misfits who frequently get used to the condition of being passive, or to “acquired helplessness”, leaning on social welfare institutions, and at times becoming strongly dependent on them. Needless to say, this may lead to the vicious circle syndrome which is a real threat for many people in Poland. Withdrawal and giving up the attempts that might improve their condition resulting from their low self-esteem worsen the prospects of a person or a family. The paper presents the significance of the development of social economy to support the necessary social changes, primarily social integration and reintegration may be analyzed within three basic areas. Firstly, a proper social and economic context for those changes, secondly creating opportunities to find one’s own place, mainly, but not only on the labor market, and thirdly transformations in social attitudes and aspirations.*

Key words: social economy, civil society, social exclusion, marginalization, poverty, social integration,

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1. Introduction

To put it succinctly, we are talking here about democratic principles, civil society, and last but not least, about market economy. By definition, democracy assumes the existence of citizens’ rights, participation of eligible citizens in social and political life, participation in decision making process, etc. However, practically in all democratic societies we may find exclusions from the participation in democracy, which may translate into exclusion (or voluntary abstention) of individuals and communities from participating in certain

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relationships or processes, rationing of privileges, refusal to exercise citizens' duties, banning political opposition, etc.

Furthermore, a given society may note a seeming increase in democratic freedom measured by the growing number of procedures or democratic character institutions, or the "statutory" increase in extending the scope of those procedures to new areas of social life. However, it should be remarked that such an "increase" does not necessarily translate into the development of democracy, once we understand the latter category in terms of common access, as well as including in the process the excluded, frequently "invisible" societies.

In turn, the very concept of developing civil society finds root in the conviction that state institutions are not able to cope with the growing social problems, particularly in time of fast social transformation, and when the problems are specific, they relate to selected communities (eg ethnic minorities), or which require customized solutions within certain groups of society. A characteristic trait of civil society is the establishment and strengthening the network of relationships, creating opportunities for possibly largest participation in social life for all, including minorities and all kinds of "misfits".

The development of civil society is one of the significant processes in social development from the point of reaching important social objectives, eg a guarantee to participate in decision making, monitoring and criticizing the authorities, fostering the concept of "us".

Among important prerequisites for the emergence of civil society one should remember about the binding legal framework ensuring greater or lesser opportunities to participate in social life. The Constitution of the Polish Republic does not limit those opportunities; on the contrary, it stresses the principle of **equality** in this area. The interpretation of law and its enforcement may be a problem. There are different prerequisites for the ways of exercising power, and for the competencies and attitudes necessary for active participation in the social life.

Finally, we come to the market economy which has been founded on the premise that, by definition, free market does not discriminate against anyone. In real market-based economies both individuals, as well as whole social categories of people are excluded and/or pushed to the margin, since that is the imperative of some powerful entities on the market. Therefore, those people either remain on the fringe of market processes, or are wholly eliminated and

deprived of the opportunities of equal participation in production, trade, consumption which are enjoyed by the privileged groups. Economic development may proceed without the deprived ones, however exclusion prevents the implementation of social development.

2. Social economy – a better economy?

Building a system which may combine economic efficiency with fairness is by no means an easy task. That is conditioned by a specific type of social structure, the character of social relationships, and finally economic order.

The concept of social economy has been frequently raised, particularly over the past few years, in the talks on fostering desirable social changes aimed at forming a properly functioning society.

Social economy has been in the focus of interest of many countries, including Poland, even though that concept has not been sufficiently researched in our country. The very term “social economy”¹, despite its growing importance in the past few years, has not been defined in a clear way. Predominantly the characteristics of that sphere is focused on the values it cherishes, or the entities it embraces. The values which social economy has to conform to include solidarity and cohesion, dedication, democratic rules, activity and trust.

The survey of 2006 on non-governmental organisations reveals that the values that were ranked highest pertain to business, ie good organization, competence, efficiency and effectiveness. It should be noted that transparency or conformity to procedures are still ranked too low.

Social economy is launched by organisations and businesses that are independent from the state, that manufacture goods or provide commercial and non-commercial services aiming at the social benefit, that allow democratic participation of users that are both beneficiaries and employees, that set objectives based on solidarity and common interest, and that do not allow the

¹ There are many other terms such as “citizens’ economy”, “solidarity economy” or “local community economy” Some authors point to the fact that Polish term “social economy” covers both management of resources as well as this area as a science. English has separate terms, viz. economy and economics.

profits to be shared by the shareholders (REVES Charter – The Network of Cities and Regions of Social Economy)²

A crucial, foremost principle of social economy is the primacy of individual and social objectives over capital. What it really means is that activities supporting the members of groups and institutions, particularly those disadvantaged or threatened with social marginalization, should be implemented, even though such activity might not allow maximizing the profits. Hence, striving to harmonize development by reconciling various premises that lie at the foundation of the market, the state and the society are the crucial element of social order stipulated by social economy (see Table 1).

Table 1. The principles regulating various spheres of social life.

Sphere of social life Governing principle	Market	State	Society
Location rationality	X		
Distribution rationality		X	
Solidarity rationality			X

Source: [Kwaśnicki; 2005; 4]

Social economy organizations and institutions are economic and social entities actively participating in all sectors of economy. They are distinguished by their objectives and a special form of entrepreneurship. Social economy includes such organizations as co-operatives, mutual funds, societies and foundations. They take active part in social welfare, banking, insurance, farming production, organization of commercial activity, crafts, housing, local services, education, trainings within the area of culture, sports, and leisure activities (Leś; 2005).

Juxtaposing social economy with other spheres of market-based economic activity, or the state distorts the perception of the former, which is expected to complement other spheres of activity. Hence, the answer to the question put in the sub-title of this chapter is negative – social economy is not “better”, but simply based on other premises.

² Social Economy 2004, Kraków 27 – 29 October 2004, Conference materials

Crucial values of social economy (which have been mentioned above) are decisive in formulating its role in social local development. Realization of those values allows to make maximum use of various local resources, both material and human, social or cultural capital, as well as to guarantee proper co-operation of private and public sectors within that area. In addition, implementation of social economy principles helps to prevent social exclusion and facilitates elimination of its consequences, thus alleviating social strains.

By providing good working places it improves the quality of life and prevents social exclusion (Pieńkowska, 2005), hence it contributes, directly and indirectly, to social development, to the emergence of a properly functioning state, ie a highly integrated community based on common goals, sharing the responsibility and social solidarity. The cases of marginalization and social exclusion pose most serious threats to “proper functioning”, and they are the root of many disadvantageous processes such as the threat of social disorganization, increasing indifference, violation of social intercourse rules, deteriorating stability and security.

3. Cases of social exclusion in Poland as a social, economic and cultural problem.

Almost from its onset, the social world of *homo sapiens* kind has had an ordered hierarchy in which individuals, as well as whole groups, had clearly defined positions involving more or less explicit expectations, privileges and duties. Naturally, such a world has the better and the worse members of its community, the privileged and the deprived, those wielding power and those listening to orders. What is important is the fact that quite often such a type of social life organization has been perceived to be not just “natural”, but also “justified”. Frequently, those processes are attributed to excessive differentiation in satisfaction of needs, not only basic, but also those sophisticated ones. That leads to permanent exclusion of certain individuals, or whole groups beyond the main stream of social life.

Marginalization and social exclusion can be observed practically in every country, and they may affect various social groups and individuals of various status.³

Quite often marginalization and exclusion are perceived to be the symptoms of poverty contributing to the emergence and strengthening of social disparity. This is how degraded districts, downtown depressed areas, former collective, now dilapidated farms or suburban slums are created.

Still, one could find many other circumstances breeding, figuratively speaking, a “marginalizing power”. Here one may mention illnesses, particularly those frightening ones, eg AIDS, psychic disorders or disabilities. Marginalization may affect “aliens” to certain cultures, refugees, illegal immigrants, temporary workers operating in the grey zones of economy. It may also be the result of social disapproval towards persons infringing cultural models of behavior, sexual minorities, as well as people propagating socially unacceptable ideas or condoning extreme ideologies. It is worth noting that similar factors conducive to marginalization of individuals or social groups prevail in diverse societies. Women, senior citizens and sexual minorities are more frequently becoming marginalized.

The operating definition adopted for the needs of National Strategy of Social Integration in Poland describes social exclusion as “ a refusal to follow, or leaving a socially accepted way of life” (National Strategy of Social Integration). This definition highlights the importance of social and cultural context in the processes of expulsion from social life. In the first place, a socially accepted way of life has a different cultural and social context for various social groups and individuals in a society.

Secondly, the possibility to follow such a way of life is strongly determined by the network of relationships, the method of operating of institutions, and finally the existing cultural models applied to social life practices. In some societies the margin of acceptance of behaviors that do not comply with the accepted norms of “desirable” or “best” models is quite wide, in others surprisingly narrow. The smaller the margin of acceptance of disparity, the greater the chance of marginalization and exclusion.

³ Even a proper background or belonging to an elite do not provide effective protection against marginalization or exclusion. Within certain periods the intellectuals, land owners and petty bourgeoisie were subjected to state directed marginalization and exclusion in Cuba or the Soviet Union.

This leads to the emergence of a significant number of social misfits who frequently get used to the condition of being passive, or to “acquired helplessness”, leaning on social welfare institutions, and at times becoming strongly dependent on them. From the perspective of those institutions, at least in some cases, it is easier to give financial support to people in need rather than launch special programs facilitating their social reintegration. This is particularly apparent in cases of social exclusion due to poverty. Quite often it is difficult to break away from the “poverty circle”, even in the developed countries. This is due to the lasting character of social differences, also to be observed in Poland.

The processes of inherited poverty and helplessness aggravate unequal opportunities in successful competition for high social and professional positions, as well as lower motivation for social mobility within certain social categories.

The assessment of the magnitude of those processes is by no means easy. While some surveys indicate that 11 per cent of population fall within poverty bracket (assuming that their low income makes those people eligible to social benefits), others quote 50 per cent (once we assume that people living on minimum wage level belong to that group). It is particularly significant that impoverished people frequently treat their condition as a predicament beyond their control. Needless to say, this may lead to the vicious circle syndrome. Withdrawal and giving up the attempts that might improve their condition resulting from their low self-esteem worsen the prospects of a person or a family.

This, in turn, makes it easier for such people to call themselves “inferior”, at times even “victims”, aggravating their frustration and shifting the blame on others. Factors that increase the feeling of marginalization and exclusion include unemployment, supporting many children, living in “stagnant” areas (small villages, former collective farms, areas lacking infrastructure that are not attractive to investors)

Additionally, having defined their standard of living as „incompatible with their expectations“⁴ they do not take any action to change it. That premise is quite significant for the considerations of marginalization.

⁴ „Social Diagnosis 2007“ survey indicates that in March 2007 the households included in the survey declared that with their income they could make ends meet with some difficulty (33.9%), with difficulty (22.2%), and with a great difficulty (21%).

The results of "Social Diagnosis 2007" survey indicate that a significant part of households (over 32 %) have incomes which do not allow (in their opinion) to meet all their needs. Theoretically speaking, there are various strategies to cope with such problems. There are defensive strategies (to defend or resign from the present standard), and offensive ones. Here people are trying to offset the problems. The most popular strategy calls for reducing the needs, then taking loans or credit. The needs that are reduced first are those which are above the necessities of life, ie participation in cultural events, recreation, social life.

Sociologists are worried by the relative increase in poverty of the youngest generation, and especially by inheriting poverty after their parents. Currently in Poland families with many children are in a much worse economic position than families of retired people, and single mothers with one child are better off than full families with many children.

Additionally, the more children in a family, the higher the threat of persistent poverty. Such families are mostly in the area of acute poverty. At this point, it is worth mentioning that the whole set of adverse socio-demographic traits, and also personality traits (fatalism) is most common with families having many children (Golinowska and others, 1996, p. 26 and following)

Researchers looking for solutions counteracting exclusion and marginalization, or at least minimizing their impact, should mark the significance of cultural models and convictions related to the perception of poverty. In the countries with Protestant tradition poverty is often considered a "committed failure", which leads to blaming the poor for their inferior status. Also in the contemporary Poland young, well educated people who found themselves at home in the new economic reality started to perceive poverty as the result of laziness, irresponsibility or idleness. Those opinions are confirmed when the better-off members of the society notice that the disadvantaged are quite industrious in exercising their rights to social welfare.

Individuals, or even whole families move without much restraint to the receiving end, and in the long term such a stance is becoming a standard. What they get allows them to eke a living, yet it does not let them take part in the "normal" world where one should earn money, make choices, go shopping, spend.

3. Social economy in Poland within social integration and reintegration processes

The significance of the development of social economy to support the necessary social changes, primarily social integration and reintegration may be analyzed within three basic areas. Firstly, a proper social and economic context for those changes, secondly creating opportunities to find one's own place, mainly, but not only on the labor market, and thirdly transformations in social attitudes and aspirations.

However, the implementation of such tasks involves an appropriate "driving force" of economic entities, which is still a problem in Polish conditions. A draft of National Development Plan for 2007 – 2013 stipulated giving support to the development of social economy sector both in conformity to the adopted axiology, as well as owing to the fact that the authors of the Plan perceived social economy as an important constituent in the development work. The values included in the Plan comprised the right of an individual to autonomy and self-fulfillment, as well as to social activity.

The values relating to intermediate structures included giving equal opportunity rights to all communities and social groups, strengthening cultural identity on local and regional level, elimination of the causes and consequences of discrimination, and work towards social integration. Finally, on the macro-social level, most important values of the Plan are oriented at improving the quality of life of present and future generations and respecting natural and cultural resources. (National Development Plan Axiology; 2005, pp. 36-37)

The provisions of NDP pose a real challenge to the development of social economy sector that is weaker (both in terms of HR as well as the staff) than its Western European counterpart. Hence, it may become marginalized or used instrumentally by the politicians. What is more, another weakness of social economy is the lack of proven and efficient models of co-operation with other entities, particularly with the state administration. Finally, one should note the threat of an excessive commercialization. (Grosse; 2005, p.5)

The possibility of co-operation among various entities operating on the market should be considered when searching for an appropriate context. This is especially important due to the fact that the functions of social economy comprise representation of various groups and communities, including those

that for various reasons (a small number, insufficient social acceptance of variety, inability to join in the social dialogue) do not remain in the focus of an “ordinary” market.

Quite frequently social enterprises make up for the deficiencies of social welfare system providing goods and services that are better suited to the needs. Also, particularly in the past few years, they have been extending their activity to new areas eg recycling, revitalization, sustainable technologies (Theory and Practice, ... 2006, p.5). Those areas are in great need of an appropriate “social surround”, citizens’ attitudes, the will and feasibility of social participation.⁵ It should be noted that searching for new ways of social enterprise activity is crucial for forming a social and economic context for social enterprises.

Within their framework we see both staff on the payroll, as well as voluntary workers, consumers of services, customers, various supporting organizations and local public institutions (Defourny; 2005; p.47). In this way new models or enterprises, more flexible, more open and better suited to local conditions are being formed. Kwaśnicki notes that, in Polish conditions, the social and economic context needs much to catch up with the developed western countries.

Approximately 0.8 per cent of total workforce are employed in social economy in Poland. In Holland that percentage reaches 14.4%. Even more striking differences can be found in the numbers of voluntary workers employed by the third sector. There are 20% of them in Poland, 37% in Holland, and staggering 57% in Sweden. (Kwaśnicki; 2005; p.29)

Social enterprises are expected to meet the needs of the “weak” (excluded, poor, disabled). Therefore, they should contribute to alleviating the symptoms of social disorder and other undesirable traits of social life. Hence, we may expect suggestions for new ways of solving social and economic problems, especially on the local level.

Social enterprises provide new, quite special workplaces. First of all they are varied, which is partly dictated by the provisions of social economy oriented to meet social objectives, especially reintegration. Then they adapt to local conditions and the expectations of the community.

⁵ Polish and foreign experiences demonstrate how important that is for revitalization. Revitalization of post-industrial areas or degraded urban space needs the support of local social capital and entrepreneurship (Karwińska; Lenartowicz; 2007)

It is also important to allow participation in the market without possession of capital assets by supporting social co-operatives, sole traders (eg in the area of tourism, small scale manufacturing, restoration of old crafts). The latter have become a part of the tourist offer, particularly for a more discriminating tourist. It is important for the local authorities to perceive the role of that sector in complementing the activity of other economic entities, and to assist in providing good and stable employment opportunities. Within 2004-2006, the activities oriented on supporting social employment contributed to establishing 100 Integration Clubs, and 36 Social Integration Centers. This activity should be sustained in the years to come and receive the support of local authorities. (Domestic program of social security...; 2006; p.27).

The implementation of such programs may result in increasing professional and social activity of people deprived of a strong position on the labor market due to their insufficient skills and competencies, people with low employability opportunities and frequently, due to their low esteem, lacking belief in their own potential. Such situation leading to marginalization and, in the long run, to professional and social exclusion, creates growing challenges for non-governmental organizations, educational institutions, the media. It is crucial for those people to change mental orientation, attitudes, ways of perceiving themselves and the world that surrounds them. What could be the role of social economy in those transformations?

On the one hand, it is important to create a “friendly” environment, to induce the feeling of security and acceptance. On the other hand, it is equally important to propagate entrepreneurship, to restore (or induce) the feeling of being a performer rather than a recipient. Social economy stipulates precedence of social objectives over generating profit, hence a social enterprises have a special mission to ensure the feeling of security and acceptance. On the other hand, if they are entities competing on the market, they must build their competitive advantage not only by upholding important social values (solidarity, social integration, trust, psychological comfort, the feeling of acceptance and the sense of belonging), but also by offering goods and services that are in demand on the market.

Hence, they must bear a certain risk, as well as demand performance of their employees, enforce certain norms and procedures. Even if social enterprises may function due to support of the state, relying on social enterprise development funds and benefiting from lifting certain competition standards, it is necessary to sustain that growth and development by encouraging the

budding entrepreneurs and teaching them how to cope with anxieties, competition or risk. In practical terms that means integration (or reintegration) not only with the society, but also with the market,

It is quite worrying that the implementation of social reintegration programs necessitates (according to Friskie) intervention into the mechanisms of allocation of goods by the state or other institutions, and providing a sheltering umbrella over the beneficiaries of such programs.

4. Conclusion

The development of social economy is determined by the existence of certain level of civil society and democratic social order. On the other hand the functioning of social economy institutions helps to built social solidarity, social cohesion and, in turn strengthens social capital and , by the same token the development of civil society. Considering social economy institutions as a part of national economy one must, however, point out that there is a certain ambiguity in assessing the role of so called social enterprises. They might be seen as a since the development of social economy may lead to the emergence (or strengthening) of the whole areas of economy to which the mechanisms of competition, efficiency and rationalizing would not apply. However, assuming another approach, Frieskie's "umbrella" may be considered either a transitory strategy, or the one implemented to a limited extent with a view to form certain attitudes and behaviors. (Friskie; 2004; p.12). Regrettably, social economy does not provide universal solutions to social problems emerging as a consequence of growing disparities, embedding poverty and helplessness in some communities, as well as passivity and demanding attitudes.

Perhaps it should be treated as a complementary sphere to other areas of economy, giving real opportunities for supporting at least some people, if not whole communities threatened with a permanent exclusion. The significance of social economy lies in showing alternative ways to "become an entrepreneur" or to "become an employee", viz assuming proactive attitudes in searching for solutions instead of waiting for help. This calls for, as discussed above, the co-operation of proper level authorities, particularly on the local level with the "third sector", proper legal regulations, and strengthening the role of social enterprises as a partner in economic relationships.

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