8 Social Enterprise in Poland

Institutional and Historical Context

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Introduction¹

The aim of this chapter is to investigate the main types of social enterprise (SE) in Poland against the background of their history and institutional setting. The content is divided into three parts.

The first part presents a short overview of the history of social enterprise in Poland, from the period preceding World War II to the turbulent period of the communist regime, and finally to the transition period, after 1989. This historical part is followed by an examination of the main types of social enterprise in Poland. Finally, the third section investigates the institutional trajectories of the SE types presented in the previous section. It describes the process of political recognition and institutionalisation of Polish social enterprise by discussing the main legal acts and drafts that regulate social enterprise, either in a direct way (legal frameworks specific to social enterprise) or indirectly (through the legal framework regulating the social economy).

1. History of Social Enterprise in Poland: Diversification and Development

It is a common opinion that the emergence of social enterprise in Poland is linked to Poland's accession to the EU, in May 2004. In fact, this is not true, and some types of organisations that are currently considered as social enterprises have long traditions, reaching back to the period before World War II.

Here, we analyse both the different types that may be considered, under certain conditions, as social enterprises (organisations with long traditions in the country and initiatives in the social-economy sector) and the legal types that became recognised with Poland's accession to the EU, and which are perceived as social enterprises *par excellence* (such as social cooperatives).

1.1. *Before World War II*

Non-profit organisations and cooperatives are among the organisations with a long history in Poland.

The main role of non-profit organisations, before World War II, was to provide support to disadvantaged groups, such as the young, the poor, the unemployed or the disabled. Due to the particular political situation of Poland at the time, some organisations also conducted pro-independence activities.

As for cooperatives, they experienced their golden time before World War II, in terms of both growth in numbers and expansion in new fields. Thanks to their significant economic potential, cooperatives contributed strongly to the economic development of the country (Leś 2004). It is estimated that one-fifth of adult Poles belonged to a cooperative at the time. In 1938, the annual cooperative share in Poland's overall retail turnover was 4–5%, and in the case of provision of agricultural products, it even reached 12% (Piechowski 2008).

1.2. *The Communist Period (1945–1989)*

The situation of non-profit organisations and cooperatives changed dramatically after World War II. Both legal types were strongly influenced by communist authorities, which utilised various kinds of tools to deprive them of their autonomy.

Non-profit organisations experienced their most difficult period in the late 1940s and in the 1950s, when communist authorities decided to formally eliminate foundations from the institutional landscape (in 1952) and took over their assets and properties. Associations, on the other hand, were integrated into state-sponsored mass organisations, fully controlled by the state. They could neither choose their officials nor set their goals without the state's permission. Over the following years, the situation of associations was unstable; it was dependent on the political situation, and seemed to improved once the communist system started to wobble, at the end of the 1970s. During this period, some civil-society groups and grassroots organisations emerged and started to join forces within the opposition camp. This was for example the case of the Workers' Defence Committee (*Komitet Obrony Robotników*), the Movement for the Defence of Human and Civil Rights (*Ruch Obrony Praw Człowieka i Obywatela*) and the Solidarity Movement (*Solidarność*, which later came to be considered as the movement that overthrew socialism). This societal movement did not stop, even when the martial law was imposed, in December 1981, although its development was strongly hindered at that time. In the 1980s, some grassroots initiatives and self-help groups whose aim was to provide mutual help and social services for the community emerged and continued their activities underground, very often

with strong support from the Catholic Church. Once the communist system started to break down, in the 1980s, and communist authorities were pinned down by the economic and political crisis, the first signals of a revival of the non-profit sector emerged. Among other signs of this revival were the fact that foundations were legally restored (in 1984) and the passing of a new law for associations (in 1989).

As far as the evolution of cooperatives after World War II is concerned, one can state that communist authorities exploited their potential through instruments, such as centralisation and staffing policy. Cooperatives were incorporated into the state economy, in accordance with the idea of collectivisation. As a result thereof, cooperatives were given a monopolistic position in some branches of the national economy (Leś 2004), such as agriculture, food supply, processing and the housing industry.

1.3. *The Transition Period (After 1989)*

The democratisation, decentralisation and transformation of the welfare state implemented in 1989 changed completely the conditions under which the legal forms currently corresponding to social enterprises in Poland were operating. Poland, similarly to other Central and Eastern European countries, witnessed an impressive explosion in the number of associations and foundations in the 1990s: the number of associations grew by 14 times and that of foundations increased by 20 times (Mansfeldová *et al.* 2004: 104). In 1995, there were 47,000 registered non-profit organisations (Piątek 2005), and politicians declared that non-profit organisations were the third pillar of the post-socialist welfare state. In fact, however, due to the adoption of a neoliberal approach that favoured private for-profit initiatives rather than the civic sector, associations and foundations existed only on the periphery of the socio-economic landscape. Their role was limited to offering those public services that were not provided by the public sector.

In the late 1990s, a slow stabilisation of the number of non-profit organisations took place. This period also witnessed the first local attempts aimed at regulating the mutual relations between municipalities and non-profit organisations. Moreover, new types of organisations, aiming at the social and vocational rehabilitation of disabled persons, emerged. Among these were vocational-activity establishments (*zakład aktywności zawodowej*, or ZAZ), which are now one of the types of social enterprise; they were officially recognised in 1997.

The 1990s and 2000s brought about many changes in the cooperative sector. Different internal dynamics resulted in a growth in the number of some types of cooperative and a decrease in others. Strong “traditional” cooperative branches emerged (such as dairy, banking and housing cooperatives), but “new-wave” cooperatives also developed: social cooperatives, agricultural manufacturing cooperatives and credit unions (Leś

2004). At the same time, cooperative banks merged into bigger structures, while large housing cooperatives split into smaller units. Altogether, cooperatives experienced a slow-down in comparison to other organisations (such as non-profits), resulting in job reductions and related social and economic losses.

A process of institutionalisation of social enterprise seemed to speed up at the time of Poland's accession to the EU. This was achieved through the adoption and adaptation, by the Polish administration and policymakers, of new terms and theoretical concepts originating from the EU level. Soon after, legal frameworks aimed at regulating social enterprises—either indirectly (through laws regulating the different legal types that social enterprises can adopt) or directly (through the Social-Cooperative Law)—were introduced.

The institutionalisation of social enterprise has not yet been fully achieved in Poland. Work aiming to design and implement a regulating framework for social enterprise (through the adoption of a widely accepted definition, the introduction of a specific legal framework for social enterprise, and the setting up of financial support for these entities) is still ongoing (for more information, see Section 3).

2. SE Models in Poland

Basing our analysis on the social, economic and governance-related indicators put forward in the EMES approach to social enterprise, we distinguish three types of social enterprise in Poland. The first type corresponds to cooperatives—both traditional and social cooperatives. The second type consists of entrepreneurial non-profit organisations, that is, foundations, associations and other social organisations, faith-based charities, and business and professional associations that carry out market activities. The third type refers to vocational-activity establishments (*zakład aktywności zawodowej*, or ZAZ).

2.1. Cooperatives

Within this first type of social enterprise, we distinguish between two sub-types of cooperatives: traditional cooperatives, on the one hand, and social cooperatives, on the other hand. The former have a long and complex organisational history in Poland (they have been present in the country for more than two centuries), and they have become a very heterogeneous group. They currently play a rather insignificant role in the SE landscape. By contrast, social cooperatives have appeared only recently in Poland; they have been developing since 2006 as a result of specific legal frameworks providing supportive policy measures for their set-up and operation. What we argue in this chapter is that, despite the long history of the traditional cooperative organisational field, of which we

provide an overview here, the legal form that currently corresponds to a key model of social enterprise in Poland is that of social cooperative.

Cooperatives are registered in Poland as private enterprises.² Although the academic and cooperative movement's discourses view them as an important element of civil society and the social economy, government documents and public opinion tend to downplay their role and presence. Moreover, many cooperatives are not included in official statistics as a part of civil society³ (*Strategia Wspierania* 2008, cited by Piechowski 2013). Cooperative-like activities have in fact traditionally been carried out in Poland under different legal forms and status. Indeed, the bottom-up activity of individuals takes various forms, such as those of association or cooperative; these activities have always been flexible, and they managed to adapt to changing institutional frameworks (Frączak 2011).⁴

As explained earlier, the first sub-type of cooperative refers to traditional cooperatives. Although the cooperative sector in Poland is very heterogeneous (there are 15 branches of cooperatives), the legal framework—namely the “Act on Cooperatives in Poland”—is the same for all cooperatives,⁵ including worker cooperatives. What distinguishes worker cooperatives from other traditional cooperatives is the fact that the employment of worker-members is based on a cooperative work contract, and that these cooperatives do not have a non-distribution constraint. The reason why we specifically mention worker cooperatives here is that they share the same main purpose (namely the creation of work places for cooperative members) as the other sub-type of cooperative—namely social cooperatives—but worker cooperatives cannot be treated as an exemplary model of the traditional cooperative model. They are only one among 15 cooperative branches, and their socio-economic role has been diminishing—as has that of other branches—since 1990s.

In the case of the social-cooperative sub-type, the legal framework—that is, the Social-Cooperative Law—was adopted in 2006 by the Polish Parliament. The aim of social cooperatives is the social and work integration of marginalised groups⁶ via the creation of jobs. They also pursue this goal through carrying on an economic activity, and they are expected to simultaneously run initiatives that serve the members of the local community. In Poland, the focus on the employment of workers from marginalised groups constitutes the main feature of the social-cooperative model. The Polish law on social cooperatives is similar to laws regulating social cooperatives in other countries, such as Italy.

As mentioned earlier, considering the institutional trajectory of social enterprises in Poland, social cooperatives constitute a relatively new phenomenon in the country's SE landscape. Therefore, many Polish social cooperatives are still in the first stages of their development, striving to secure adequate resources to ensure their economic sustainability and the achievement of their social mission.

Social cooperatives owe their growing popularity to the fact that they are entitled to significant financial support via regional grant opportunities

from the European Social Fund; their development has also been further supported by the need to efficiently distribute EU and domestic public funds to social enterprises by the end of the EU programming period 2007–2013. Many supportive measures have also been implemented, such as tax benefits and reductions on and exemptions from social-security contributions, as a result of the 2006 law on social cooperatives, which aimed at job creation among marginalised groups. In 2007, there were only 70 social cooperatives; in 2017, this number reached approximately 1,600, although only 900 among these social cooperatives can be considered as “active”⁷ (Informacja 2012; GUS 2018c, 2019). The social-cooperative model has grown dynamically in terms of numbers in the Polish SE landscape, and it has become institutionalised in the 2010s; it is also commonly referred to by practitioners and academics as an example of social enterprise.

As far as the economic activities of social cooperatives are concerned, one should stress that these organisations operate in many different branches. However, they are most active in accommodation and catering services, administrative and support services, human health and social work, and industrial processing activities: in 2017, 63.9% of social cooperatives were involved in these fields. Considering their public-benefit activities, the four most popular domains in which social cooperatives operated in 2017 were as follows: labour-market and professional activation (25% of entities declared conducting activities in this field); sports, tourism, recreation and hobbies (19.7%); culture and arts (15.4%); and local development (10.9%). Other fields of activity that were mentioned included education (cited by 6.7% of social cooperatives), supporting civic organisations and the social economy (5.3%), health care (1.9%) and human rights and law (1.3%) (GUS 2019: 8–9).

In 2017, the total annual income of all social cooperatives amounted to PLN300 million (about €70 million). Analysis of the sources of income revealed that 72.9% of this budget came from market revenues. Non-market revenues accounted for 25.2% of social cooperatives’ resource mix, while other revenues, including membership fees, did not exceed 2% (GUS 2019: 27).

Social cooperatives demonstrate a strong employment-generating potential: it is estimated that they employ a total of 5,500 workers on the basis of cooperative or regular contracts,⁸ and 3,200 workers on the basis of civil-law contracts (GUS 2019: 20, 25). As for their membership, social cooperatives have 4,100 members, 3,300 of whom are natural persons and 800 are legal persons (GUS 2019: 18).

2.2. Entrepreneurial Non-Profit Organisations

The second type of Polish social enterprise consists of entrepreneurial non-profit organisations (ENPOs); by definition, this group includes foundations, associations and similar social organisations, business and

professional organisations, and faith-based organisations carrying out market activities. It should be stressed that the form of entrepreneurial non-profit organisation is not a distinct legal form in Poland; this SE type is thus only an analytical concept. Polish legal frameworks allow non-profit organisations to carry out economic activities aimed at generating market income under two forms: as standard economic activity⁹ or as a paid mission-related activity.¹⁰ The possibility for an NPO to carry out a paid mission-related activity was introduced in 2003; this form of activity is very often regarded as a “softer” and thus more common form of market activity carried out by non-profit organisations. Some consider that the paid mission-related activity may constitute an intermediary step towards the organisation undertaking a “real” economic activity.

Social enterprises belonging to this second type constitute the largest group among the three types of Polish social enterprises described in this chapter. According to data from research conducted on non-profit organisations by the Central Statistical Office of Poland (*Główny Urząd Statystyczny*, or GUS) (GUS 2018a) every second year (in the framework of the so-called “SOF-1” and “SOF-4” surveys), in 2016, about 27,600 Polish non-profit organisations carried out market activities (under one or both of the possible forms), and could thus be classified as entrepreneurial non-profit organisations. They represented 30.1% of the whole non-profit sector in Poland.¹¹ Most of the ENPOs offered the goods and services they sold in the form of paid mission-related activity (21.1% of all NPOs), some under the form of an economic activity (5.8%), and only a few (3.2%) combined both forms.

In terms of legal forms, in 2016, 56.1% of business and professional associations carried out market activities and could thus be classified as ENPOs; this was also the case of 48.3% of faith-based charities and 45% of foundations. Overall, these forms of organisations are thus much more entrepreneurial than associations and similar social organisations, among which only 25.8% could be considered as ENPOs. In the period between 2010 and 2016, the share of Polish non-profit organisations carrying out market activities did not change significantly; in all the years surveyed by the GUS, the number of ENPOs represented about one-third of the whole non-profit sector; it only raised very slightly (by 2.2 percentage points) between 2010 and 2016 (GUS 2018a). In other words, in 2016, seven out of ten registered non-profit organisations conducted only unpaid mission-related activities; the number of non-profits declaring no market activities exceeded 64,000 (GUS 2018a: 20). Polish non-profit organisations seem not to be very interested in undertaking and carrying out market activities; this might be accounted for by the fact that this kind of activity is perceived by the non-profit sector as generating a high level of risk, and as resulting in too strict formal rules that must be abided by.

Entrepreneurial non-profit organisations are eligible to obtain the status of public-benefit organisations, which entitles them to various benefits, including tax exemptions and privileges, and makes them eligible

for the 1%-of-personal-income-tax funding system.¹² According to data provided by the GUS, in 2016, 13% of ENPOs had obtained the status of public-benefit organisation (GUS 2018a).

Analysis of ENPOs' main field of activity (defined as the type of activity that represents the largest part of their budget) reveals that the four most popular fields of activity in 2016 were: sports, tourism, recreation and hobbies (identified as the main field of activity by 26.4% of ENPOs); education and research (15.4%); culture and arts (13.9%); and social services and public-safety and health services addressing different emergencies (11.6%) (GUS 2018a). These results are similar to those obtained when carrying out a similar analysis for the whole non-profit sector. The importance of sports and tourism can be accounted for, to a large extent, by historical factors: indeed, these organisations—unlike those active in other areas—already existed under the communist regime.

According to the results of the SOF-1 and SOF-4 surveys, when it comes to the income structure of ENPOs, market revenues constitute the largest source of revenue: in 2016, they represented 55.5% of the overall budget of ENPOs. They came from both types of economic activities (50.9% of ENPOs' overall budget), public procurements (no more than 4%), and—for a very small share (less than 1%)—from interest and dividends. ENPOs also received non-market revenues, which amounted to 40.9% of their overall budget. This kind of revenues came mostly from public funds (including funds from local governments, the Polish government and the EU, and the 1%-of-personal-income-tax system); private funds only generated a small share of their budget (9.4%). Membership dues amounted to 0.8% of the overall budget of ENPOs, while other sources represented together 2.8% (GUS 2018a).

Unlike what is the case for non-profit organisations that declare no market activities, employment generation seems to be one of the most important functions for ENPOs. In 2016, only about one-third of ENPOs (31.9%) declared hiring no paid staff, while this share raised to 59.6% in the whole non-profit sector and to 71.5% among those NPOs that declared no market activities. Moreover, 32.5% of ENPOs employed personnel on the basis of employment contracts, which are the most stable contracts; a similar share (35.5%) hired their workers on the basis of the less stable civil-law contracts. Most of the workers (88.7%) hired on the basis of an employment contract declared that the ENPO was their main employer. As of December 31, 2016, it was estimated that ENPOs permanently employed 114,800 persons, while the number of workers hired on the basis of civil-law contract was estimated at 303,700 (GUS 2018a).

2.3. Vocational-Activity Establishments

The third SE type identified and described in this chapter is that of vocational-activity establishments (*zakłady aktywności zawodowej*, or

ZAZs). This legal form was created in 1997 by the Act on the Social and Vocational Rehabilitation and Employment of Disabled Persons. ZAZs provide social and professional rehabilitation for the disabled, which leads to a stronger participation of this group in the labour market. In their employment structure, ZAZs are obliged to include at least 70% of disabled workers (with different degrees of disability). Moreover, these organisations' surpluses must be reinvested in their members' rehabilitation process. Regarding the number of organisations, a slow but steady increase in the number of ZAZs can be highlighted: in 2006, there were 40 ZAZs (Nałęcz and Pawlak 2008), while in 2017, this figure reached 116 (GUS 2018b).

Most of the ZAZs are run by non-profit organisations (64.2%) or local authorities (33.9%); only a few (1.8%) are operated by social cooperatives. The State Fund for the Rehabilitation of the Disabled (*Państwowy Fundusz Rehabilitacji Osób Niepełnosprawnych*, or PFRON) is a major funder of ZAZs; it covers about 82% of their expenses. Consequently, ZAZs may not be considered as obviously meeting the indicator about economic risk taking. However, they do sell goods and provide services within a competitive market. By the end of 2017, they employed 6,663 people, 76% of whom had the disability status (GUS 2018b).

3. Institutional Trajectories of the Main SE Models

In Poland, the process of comprehensive institutionalisation of social enterprise has not been fully completed yet. No legal definition of social enterprise has been adopted so far, despite the fact that some steps towards introducing such a definition have been taken for more than a decade. Consequently, no specific legal framework exists for social enterprise, and the different types of Polish social enterprise are thus regulated by the legal frameworks specific to each legal form.

As far as the legislative path of institutionalisation of Polish social enterprises is concerned, the most likely scenario for their enhancement today would be the introduction of a specific "SE status", which would cover the different current legal types of social enterprise, regardless of their organisational form, provided they meet a particular set of criteria. Such a scenario is based, among other documents, on the National Programme for Social-Economy Development (*Krajowy Program Rozwoju Ekonomii Społecznej*, or KPRES). The KPRES was adopted by the Polish government in 2014 (MRPiPS 2014); this governmental project, which determined the key directions of public support for the social economy until 2019, defined a social enterprise as an organisation fulfilling pro-employment tasks for groups threatened by social exclusion, operating with limits on the distribution of profits, and demonstrating democratic governance. The KPRES, in its 2014 version, declared social enterprises to be basic pillars of the social-economy sector, and identified particular

groups of entities as social enterprises—notably social cooperatives (considered as a model example of social enterprise), entrepreneurial non-profit organisations (only those, among ENPOs, that carry standard economic activity but not paid mission-related activity) and ZAZs. The KPRES (again in its 2014 version) also announced the adoption of the Act on Social Enterprise and Support to Social-Economy Entities (*Ustawa o przedsiębiorstwie społecznym i wspieraniu ekonomii społecznej*). This Act was to introduce the SE status in Polish law, but despite a seven-year-long preparatory work, it never became anything more than a draft, and in 2015, work on this draft was suspended, on a proposal from third-sector and SE representatives.

On February 28, 2019, the Polish government extended the KPRES for four more years. In its new version, called the “National Programme for Social-Economy Development until 2023. Social Solidarity Economy” (*Krajowy Program Rozwoju Ekonomii Społecznej do 2023 roku. Ekonomia Solidarności Społecznej*) (RM 2019), social enterprise—similarly to what was the case in the 2014 version of the KPRES—is conflated with the concept of work-integration social enterprise (WISE), although this term has not been formally acknowledged in Poland so far. The new KPRES does not make any reference to the adoption of a specific legal framework for social enterprise, despite the fact that, in 2017, a draft Act on the Social and Solidarity Economy (*Ustawa o ekonomii społecznej i solidarnej*), introducing an SE status and regulating social enterprise, was launched by the Ministry of Family, Labour and Social Policy (*Ministerstwo Rodziny, Pracy i Polityki Społecznej*, or MRPiPS) and submitted for public consultation. This draft, if approved in the future, would represent an important step towards a stronger institutionalisation of entrepreneurial non-profit organisations as a type of social enterprise. Indeed, it would broaden the definition of social enterprise, in that it would include in such definition not only NPOs carrying out standard activity (as the 2014 version of the KPRES did) but also NPOs with paid mission-related activity. Nevertheless, having in mind what happened with the previous draft act regulating social enterprise, one may expect a lack of political will to complete the law approval process, whatever the ruling party. It is thus highly probable that the draft Act on the Social and Solidarity Economy, similarly to its predecessor, will be blocked at some point along the legislative path.

In the 2014–2020 period, due to the lack of a formally acknowledged definition, Polish social enterprises were defined according to the “Document regulating social-inclusion activities supported by European funds, i.e. the European Social Fund and the European Regional Development Fund” (MliR 2019). Since detailed implementation is defined at the regional level, by each of the sixteen voivodships, the Document may be treated as a kind of legislative “crutch”, but not as a real and stable regulation for social enterprises. Beyond regional differences, the Document

aligns with the mainstream general understanding of social enterprise in Poland: a social enterprise should carry out an economic activity; it should focus on (re)integration activity (at least 30% of workers should be hired among the unemployed or other specified groups threatened by social exclusion); it should provide public services; the distribution of profits should be limited; and the enterprise should be governed in a democratic way.

The SE status has not been formally or legally recognised, but it has been introduced in practice. Indeed, in 2018, Social Economy Support Centres (*Ośrodki Wsparcia Ekonomii Społecznej*, or OWES), which are organisations with different legal types (including associations and foundations) providing—with the support of European funds—various tailored services (i.e. financial, legal, fiscal . . . services) to social enterprises and social-economy organisations, were authorised by the Ministry of Family, Labour and Social Policy to grant the SE status to organisations operating under various legal forms but meeting particular criteria. So far, however, this status simply remains a kind of “prestige reward” rather than a real confirmation of the fact that an organisation is a social enterprise. As of July 31, 2019, according to the list of social enterprises published by MRPiPS, about 1,102 organisations, operating under different legal forms, had been granted the SE status. Most of them were social cooperatives and entrepreneurial non-profit organisations (foundations and associations carrying out economic activities), but there were also some non-profit limited companies and a few church-related legal entities and associations’ alliances.

Conclusion

This chapter has expanded on the current discussion on social enterprise in Poland by proposing a typology including three SE types: cooperatives (within which two sub-types can be distinguished, namely traditional cooperatives and social cooperatives), entrepreneurial non-profit organisations, and vocational-activity establishments. Polish social enterprises are rather heterogeneous in terms of legal forms, dynamics, real opportunities for development and political interest they raise; the different SE types have also followed different institutional trajectories since their beginnings.

The process of institutionalisation of social enterprise has not been fully completed yet, although some initial steps towards the legal recognition of social enterprise were undertaken between 2014 and 2019. Generally speaking, it is highly likely that these steps, in the near future, will lead to the legal introduction of an SE status, which should cover different legal and organisational forms meeting a particular set of criteria.

Acknowledgements

Sections 1 and 2.2 are based on research financed by the National Science Centre Poland, within the framework of the project titled “Co-production of welfare services: Education and social assistance policy in Poland after 1989” (No. 2015/19/D/HS5/00514).

Notes

1. This chapter provides an update of the analysis conducted within the framework of the ICSEM Project and presented in an ICSEM Working Paper (Ciepielewska-Kowalik *et al.* 2015). This chapter, compared to the working paper, includes more detailed and direct data regarding the first and second types of social enterprise (social cooperatives and entrepreneurial non-profit organisations). Moreover, the third model such as it is described in the present chapter only includes vocational-activity establishments. Other legal types that were presented as belonging to this category in the working paper (including social-integration centres and clubs, occupational-therapy workshops and supported-employment enterprises) are no longer considered as social enterprises (even though they are still recognised as being part of the social-economy sector).
2. This means that they are entities of the national economy, recorded in the National Official Business Register (REGON). REGON registers legal persons, organisational entities that do not possess legal-entity status and natural persons running an economic activity.
3. For example, the strategic document of the Polish government on civil-society development refers to cooperatives only five times, when talking about social cooperatives and housing cooperatives (Piechowski 2013: 34). Only recently, in the strategic documents discussing the development of the social economy as a whole (MRPiPS 2014), have social cooperatives began to be referred to regularly in the context of the social economy (Piechowski 2013).
4. The first signs of legislation related to social cooperatives appeared in 2003, in legal acts that defined issues of social exclusion and social employment in social-integration centres and clubs. The concept of social cooperative first appeared in the Act on the Promotion of Employment and Institutions on the Labour Market of April 20, 2004. This act significantly modified the 1982 Act on Cooperatives, by defining social cooperatives as a special type of worker cooperatives that were not profit-oriented.
5. Act on Cooperatives, amended on September 16, 1982 (*Journal of Laws*, No. 30, item 210).
6. Regulations clearly define what the marginalised groups are (namely individuals in danger of social exclusion, the unemployed, people with low employability prospects, the physically or mentally disabled and other marginalised groups, such as the homeless, alcohol or drug addicts, ex-prisoners and refugees). Members from marginalised groups must represent at least 30% of all the cooperative's members. The cooperative may also provide educational and cultural activities for its members and for the local community.
7. Because many social cooperatives are formally registered but are not active as organisations or enterprises, the GUS runs regular checks of their activity status; on this basis, it awards them—or not—the label of “active” organisation.
8. Cooperative contracts are specific contracts for the employment of social-cooperative members.

9. Regulated by the Act of April 7, 1989, on Associations (article 34), the Act of April 6, 1984, on Foundations (article 5.1, paragraph 5) and the Act of July 2, 2004, on Freedom of Economic Activity.
10. Regulated by the Act of April 24, 2003, on Public Benefit and Voluntary Work.
11. In Poland, in 2016, according to public statistics, there were around 91,800 registered and active non-profit organisations—13,600 foundations, 73,400 associations and similar social organisations, 2,900 businesses and professional organisations and 1,900 faith-based charities.
12. Polish citizens are allowed to allocate 1% of their annual income tax (in the form of donation) to a public-benefit organisation of their choice.

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