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**The Social Economy and its
Institutional Context:
The Case of Poland**

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Background (1)

Challenges:

- Registered unemployment rate - **high**
- Employment rate - **low**
- Poverty and social exclusion - **high**
- Social capital:
 - linking – **high**
 - bridging - **low**

Public actors:

- State - **big and weak**
- Market – **strengthening**
- Civil society – **visible**

B a c k g r o u n d (2)

The social economy target groups:

- (1) the **long-term unemployed** with poor education / formal qualifications who live **in urban areas**,
- (2) residents of **economically backward**, predominantly **rural or small town areas**,
- (3) **young people** whose **substandard education** impedes their entry into the job market

A n a l y s i s (1)

Thesis 1

There are two macro processes that shape Polish economy:

- **transformation from centrally planned economy to market economy**
- **adjustment to globalisation (usually unrealised)**

Thesis 2

Inadequacy of institutional order of social policy designed to counteract social costs of economical changes and to overcome new social problems

A n a l y s i s (2)

Sources of institutional inadequacy:

(1) The real socialist economic model followed in the People's Republic of Poland prior to 1989 **did not build up institutions capable of social economy development in the new reality**, even though the employment policies of socialist Poland **made considerable use of cooperatives.**

A n a l y s i s (3)

Sources of institutional inadequacy:

(2) The institutional solutions employed during the first wave of political and market reforms after 1989 likewise failed to encourage the social economy in that they **were subordinated to the overarching goal of nurturing the fledgling market institutions**, to progression from a centrally planned economy to a free market.

A n a l y s i s (4)

Sources of institutional inadequacy:

(3) It was only **after the second wave of reforms** executed in 1999, replete with further administrative decentralisation, and with **constant pressure by a new actor on Poland's political stage, the NGO sector**, that erection of an institutional framework for **the social economy** was commenced.

C o n c l u s i o n s (1)

Will the social economy become the core element of a third wave of reforms in Poland?

Steps already undertaken:

- Act on Public Benefit Activity and Volunteer Work (2003)
- Act on Promotion of Employment and Labour Market Institutions (2004)
- Act on Social Employment (2003)

C o n c l u s i o n s (2)

Will the social economy become the core element of a third wave of reforms in Poland?

Steps to be undertaken:

- Reform of social welfare system
 - reorientation of social services
- Community development
 - revival of Polish tradition
- Friendly legal and fiscal regulations