

# STAKEHOLDERS OF SOCIAL ECONOMY. SOCIAL ENTERPRISES

JACEK PIOTR KWAŚNIEWSKI, M. Sc.

## Abstract

The article defines non-governmental organizations and describes their idea, specificity and dynamics of development. It shows the evolution of the non-governmental sector, changes in understanding the social economy principles, and changes in the structure of social organizations and their growing participation in taking over and implementing public tasks.

**Keywords:** social economy, social enterprise, NGO.

## Introduction

The goal of the article is to present the latest trends in social policy in Poland in an institutional approach. A sketchy diagnosis of this research area is the only thing that allows determining that already in the period of formulating classic and neoclassic economics, concepts were developed indicating that this economy could be located in the legal-scientific area. Today's research trends in economics or management sciences, as well as sociology can help to find a definition of the subject of research in the social economy. Understanding the phenomenon presented in this way may help to indicate its origins in traditional research trends, but also in modern ones.

## 1. Genesis of social economy

In recent years, social economy has become an object of interest for both scientists and practitioners who deal with social welfare support on a daily basis. Observation of international debates shows that scientific inquiries in this respect are at the initial stage of development only<sup>1</sup>. Therefore, social economy can be classified as one of those areas of knowledge that do not yet have precisely defined research boundaries. On the one hand, this type of economy is not a sufficiently understood field of science, on the other hand, it covers a wide range of practices that clearly indicate that it exists and is distinctive as well. It is a difficult task to explain the theoretical foundations of social economy and create a comprehensive vision that distinguishes it from other areas of research<sup>2</sup>.

The concept of social economy began to crystallize at the turn of the 19th and 20th centuries. At that time, organizations such as associations or cooperatives developed features that distinguished them among market economy entities. Proper goals of activity and organizational structure, as well as the rules for creating this type of organization, were established then<sup>3</sup>.

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<sup>1</sup> Hirsch P.M., Levin P.Z., Umbrella Constructs Versus Validity Police. A Life Cycle Model, „Organization Science” 1999, Nr 10(3), pp. 200-212.

<sup>2</sup> Nagel K., Theoretical and definitional approach to social economy, [in:] Contemporary economic problems. Selected theoretical issues and business practice, edited by K. Nagel, UE, Katowice 2013, p. 68.

<sup>3</sup> Ibidem, s. 70.

An interesting approach to social economy was expressed by F. La Playa (1806-1882), who believed that social economy should include the working class and its relations with other social groups. On the other hand, economists' goal should be to achieve social peace, not wealth or prosperity<sup>4</sup>. Other researchers, such as L. Walras<sup>5</sup> or J.S. Mill<sup>6</sup>, expressed a similar idea. They noticed that social economy can play a significant role in solving various social conflicts. According to A. Otto, economy should be subordinated to the principle that justice is of utmost importance, and work organizations should protect society and the individual, as well as equality and freedom. It is here where the platform for action for the social economy is created<sup>7</sup>.

To define the importance of social economy in the process of creating concepts based on general knowledge, the theory of economy presented by K. Polanyi is sometimes used. Polanyi<sup>8</sup> presented it with the help of various social relations that disappear as an enterprise develops. Economic entities impose their own rules and objectives of operation to the environment in which they are located, referring to its needs only to a minimal extent. The author emphasizes that this type of economy is distinguished from others by the fact that the way economic life is organized in social enterprises is multi-sided and works on the principle of mutuality, unlike in private or state entities<sup>9</sup>. This concept places social economy in alternative forms that allow reducing market imperfections and preserving subordinate concepts of the economic man (*homo oeconomicus*).

Additionally, different theories draw attention to values resulting from the social economy sector, for example, the social capital theory, according to J.S. Coleman and R. Putnam<sup>10</sup>, emphasizing civic commitment for the common benefit<sup>11</sup>, sees the value of social economy as a catalyst for social activity. Enterprises that emerge under the banner of social economy trigger social movements that internally unite people who take united action<sup>12</sup>.

In the next theory, called associative, the idea of bottom-up organization of individual social classes into voluntary associations is the foundation for creating innovative models of organization that arise to take over all social issues, as well as to cause decentralization of public authority. This is not about taking over power and authority but about integration as part of the democratic system<sup>13</sup>. M. Grabowska and T. Szawiel have a similar opinion, claiming that the existence of social economy can be found in

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<sup>4</sup> Quote: F. Moolaert, O. Ailenei, *Social Economy, Third Sector and Solidarity Relations*, „Urban Studies” Vol. 42, Nr. 11, pp. 2039-2040.

<sup>5</sup> L. Walras, *Etudes' economie politique appliquee*, Eds. Rouge-Pichon, Lausanne-Paris 1898.

<sup>6</sup> Mill J.S., *Principles of political economy and some of its applications to social philosophy*, PWN, Warszawa 1966, vol. II, pp. 519-544.

<sup>7</sup> Quote: Kaźmierczak T., *Understanding social economy*, [in:] *Social capital*, ed. Kaźmierczak T., M. Rymsza, ISP, Warszawa 2007, pp. 93-95.

<sup>8</sup> Polanyi K., *The Great Transformation: the Political and Economic Origins of our Time*, Beacon Press, Boston 2001, pp. 48-49.

<sup>9</sup> Leś E., *Social economy and social enterprise*, [in:] *Economy and social enterprise*, ed. E. Leś, UW, Warszawa 2008, pp. 36-38.

<sup>10</sup> Putnam R., Leonardi R., Nanetti R.Y., *Democracy in action, civic traditions*, Znak, Warszawa 1995, p. 258.

<sup>11</sup> Quote: Rymsza A., *Classic concepts of social capital*, [in:] *Social capital*, ed. T. Kaźmierczak, M. Rymsza ..., op. cit., pp. 28-34.

<sup>12</sup> Kisilowski M., *The law of the non-governmental sector*, Lexis Nexis, Warszawa 2009, pp. 118-120.

<sup>13</sup> Sekuła P., *Political culture and consolidation of democracy*, KTE, Kraków 2009, pp. 30-31.

deliberative democracy theories. According to this theory, all issues pointing to a given community must be solved in the public discourse on equal rights of all members of a given community<sup>14</sup>.

H. Desroche and C. Vienney identified social economy with specific organizational and legal forms of economic entities, among which they distinguished associations, cooperatives and the so-called mutual societies, and the characteristic relationships that exist between these entities began to appear in other enterprises that had not been equated with social economy before<sup>15</sup>. For this reason, H. Desroche introduced the so-called uncertain characteristics for organizations such as municipal companies, trade unions and public organizations supervised by democratic institutions<sup>16</sup>. This type of definition of social economy is called institutional. In the European Union, this social economy is represented by the Social Economy Europe<sup>17</sup>.

Social economy entities needed to be recorded, therefore the National Program for the Development of Social Economy was established in Poland. For the first time in the European Union, social economy was explicitly mentioned in 1997 during the European Summit in Luxembourg<sup>18</sup>. From then on, social economy became part of the European Social Fund initiative. In 2003, it was recognized by the Organization for Economic Cooperation and Development and the International Labour Organization. In 2011, a project concerning social economy became the subject of discussions at the government level in the System Solutions Team in Poland. As a result, the team prepared the current version of the National Program for the Development of Social Economy in April 2012. In 2014, the Council of Ministers finally adopted a document called the National Program for the Development of Social Economy, in force from 2014 to 2023<sup>19</sup>, which assumed that it would cover the following environments: reintegration entities; social enterprises; entities operating in the spheres of public benefit; informal initiatives forming a kind of basis for activities related to social economy<sup>20</sup>.

On this basis, social economy entities can be defined as social economic entities or companies that, in certain circumstances, may become social enterprises and entities that cannot become a social organization due to the legal form in which they are located, as well as various entities surrounded by social economy, with the potential to become a social organization, depending on the economic, political or social situation<sup>21</sup>. By narrowing the scope of considerations, it is possible to indicate the subjective scope of the analysed concept as a social economic entity or a company that can transform into such an entity or entity belonging to the social economy environment.

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<sup>14</sup> Grabowska M., Szawiel T., *Building democracy*, PWN, Warszawa 2001, pp. 131-134.

<sup>15</sup> Nagel K., *Theoretical and definitional approach to social economy...*, op. cit., pp. 76-77.

<sup>16</sup> Desroche H., *Pour un traité d'économie sociale*, CIEM, Paris 1983, p. 205.

<sup>17</sup> Mozon J.L., Chaves R., *The European Social Economy. Concept and Dimensions of the Third Sector*, *Annals of Public Cooperative Economics* 2008, Vol. 79, p. 557.

<sup>18</sup> *Second European Social Economy Conference*, Warszawa 2005, Ministry of Social Policy, Kraków 2004.

<sup>19</sup> *National Program for the Development of Social Economy for 2014-2023*, MRPiPS, Warszawa 2018.

<sup>20</sup> *Resolution of the Council of Ministers of 12 August 2014 on adoption of the program called "National Program for the Development of Social Economy"* (MP, No. 164, item 811).

<sup>21</sup> Małecka-Łyszczek M., *The subjective scope and classification of the term "social economy entity"*, EU, Kraków 2018, p. 208.

Each social company is based on the following principles: voluntary and open membership; recognition of superiority of social goal over property; control exercised by members on a democratic basis; application of principles of solidarity and responsibility; combining self-interest with general interest; using financial surplus to support sustainable development and the needs of community organization members and other people in need of support; independence of the state and self-governments<sup>22</sup>.

## 2. The essence of a social company

The definition of a Community Interest Company (CIC) is still underspecified<sup>23</sup>. According to J. Hausner, N. Laurisz, a social company is a certain conceptual structure used in relation to economic entities in the field of social economy that operate on the market, performing ordinary economic activities associated with a specific risk<sup>24</sup>. According to these authors, the core of a social company is to maintain a proper balance between social functions and economic efficiency. Such an entity may take various legal forms but the guiding principle should be to use commercial experience to perform social tasks<sup>25</sup>. This means that the market form of providing goods and services should be supplemented with a solution that meets social goals<sup>26</sup>.

The most important criteria that distinguish a social company from an ordinary company are: functioning for the common good, blocking of assets, and increased supervision over the social company's activities<sup>27</sup>. The control of the activity of a given entity to check if it acts for the common good takes place in the initial phase of its operation - during the company's registration. Then, an obligation arises to submit a declaration about the company's objective, which must be the public good. The possibility to block assets ensures that the company is created for the common good and that its assets can only be used for that purpose. This condition means that the assets and profits will be kept and used only for the social benefit, for the so-called reinvestments, or transferred to another organization bound by this condition. CIC type companies are required to submit annual reports on the scope and amount of generated social benefits to the registering institution (to the Registry Court). The report should contain information about people from the management board, about the ways of involving shareholders in the company's activities and about all financial information.

The concept of "social economy entity" is broader than that of "social enterprise". Each economic entity is a social economy entity, but not every entity following the social economy ideas can be a social company, it can only be one that bears economic risk and performs important social functions. This

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<sup>22</sup> Małecka-Lyszczek M., Cooperation of public administration with social economy entities, Wolters Kluwer, Warszawa 2017, pp. 15-19.

<sup>23</sup> Schimanek T., Financing social companies, „Social Economy” 2015, No. 2, p. 8.

<sup>24</sup> Hausner J., Laurisz N., Critical Factors of Creating Social Companies, [in:] Social Companies in Poland, ed. J. Hausner, Kraków 2008, p. 14.

<sup>25</sup> Pacut A., Development of social entrepreneurship, „Social economy” 2015, No. 1, p. 9.

<sup>26</sup> Sześciło D., Co-production and social economy, „Social economy” 2015, No. 1, p. 83.

<sup>27</sup> Quote: Hausner J. (ed.), Social economy and development, EU, Kraków 2008, pp. 20-22.

economic risk is materialized by the type of economic activity run within the meaning of the Act on the freedom of economic activity<sup>28</sup>.

There are two subgroups in the group of social companies<sup>29</sup>:

- 1) Entities that can transform into social companies:
  - entities that have not managed to balance economic activity with social activity, with predominance of economic activity (shortage of social factors),
  - entities that have not managed to balance social activity with economic activity, with predominance of social activity (shortage of social factors),
- 2) Social economy entities that cannot move to a social group due to specific legal norms.

Enterprises that did not manage to balance economic activity with social activity, where there is a shortage of social factors, are public benefit organizations whose business profile does not fit into one of the types of social company, for example, cooperatives that do not sufficiently take into account the social factor or non-profit companies<sup>30</sup>.

On the other hand, entities with a shortage of economic factors are those that do not conduct economic activity, for example, organizations that conduct paid public benefit activities or a free non-governmental organization. The subgroup that concerns social economy entities for which it is not possible to transform into a social company is mainly occupational activity establishments or occupational therapy workshops, as well as social integration centres or clubs<sup>31</sup>.

These entities differ in the legal meaning of the founding institution, namely, for this type of organization, the Act allows for the so-called dualism of founding entities, which may be public and non-public entities<sup>32</sup>. In the case of non-public entities<sup>33</sup>, it should be stated that they meet the conditions for being located in the area of social economy entities, which do not have to be social enterprises at the same time (professional and social integration, manufacturing, trade or service activities which are not economic activities). However, in the case of territorial self-government, the situation is different because the social company cannot be dependent on public authorities. In this situation, self-government organizational units should be included among entities constituting the surroundings of social economy<sup>34</sup>.

When summing up the considerations on the essence of social economy, it should be stated that public policy in the field of reintegration, social services and local development may meet the needs of social economy entities, which are the starting point for activities for the benefit of reintegrated communities, for which, in fact, social economy exists.

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<sup>28</sup> The Act of 2 July 2004 on the freedom of economic activity (Journal Of Laws of 2015, item 584, as amended).

<sup>29</sup> Małecka-Lyszczek M., Subject scope and classification..., o. cit., p. 213.

<sup>30</sup> Act of 16 September 1982, Cooperative Law (Journal of Laws of 2020, item 275, as amended) and the Act of 24 April 2003 on public benefit activities and volunteering (Journal Of Laws of 2020, item 1057, as amended).

<sup>31</sup> Małecka-Lyszczek M., Subject scope and classification ..., o. cit., p. 215.

<sup>32</sup> Grzywna P., Lustig J., Mitrega M., Stępień-Lampa N., Zasepa B., Social politics. Considerations on theory and practice, UŚ, Katowice 2017, pp. 257-258.

<sup>33</sup> Art. 3, sec. 3, items 1 and 3 of the Act on Public Benefit and Volunteering.

<sup>34</sup> Małecka-Lyszczek M., Subject scope and classification ..., op. cit., pp. 263-268.

### 3. The term and functions of the third sector of NGOs

Non-governmental organizations (3rd sector, NGOs) are various formal entities, demonstrating activities for the benefit of society<sup>35</sup>. The activity of non-governmental organizations is guaranteed by the Constitution of the Republic of Poland<sup>36</sup>, which provides freedom of activity of trade unions, as well as social and professional organizations, civic movements, associations and other foundations. The term non-governmental organization has been defined in the Act on Vocational and Social Rehabilitation and Employment of Disabled Persons as national associations, chambers, unions and organizations of employees and employers, in particular, ones that work for the benefit of the disabled<sup>37</sup>. This definition has evolved and now reads as follows: non-governmental organizations can be defined as entities that are not units of the public finance sector and do not operate for profit. These will be legal persons or entities without a legal personality, such as foundations and associations, as well as federations, organizations, circles<sup>38</sup>.

A foundation is a social organization that manages the property of the founder who has set strictly defined goals. Nobody can be a member of the foundation, there can only be owners<sup>39</sup>. The association was defined in the Law on Associations as self-governing, voluntary, permanent, and non-profit-making<sup>40</sup>. Associations can be ordinary or registered<sup>41</sup>. The third sector, understood as circles of associated citizens, are the pillars on which every democratic state is supported. According to K. Teresiak, small social groups in which people organized themselves voluntarily are the core of democracy<sup>42</sup>. The author claims that non-governmental organizations are an entity the activity of which should be based on meeting community needs, and on solving cases and problems that other sectors (state, business) do not want or cannot solve.

P. Gliński defined non-governmental organizations as contemporary types of social self-organization that are characterized by a mature social identity and a specific degree of organization, voluntary participation and non-profitability. There is usually a significant share of volunteering<sup>43</sup>.

Therefore, the third sector is a key element of civil society that operates independently of the public or market sectors. It includes organizations that perceive citizens' needs and strive to meet them. As social economy developed, non-governmental organizations began to apply for financial and material

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<sup>35</sup> Dąbrowska M., Non-governmental organizations in the face of new challenges of regional development, Mazowsze, Studia Regionalne 2019, No. 29, p. 97.

<sup>36</sup> Constitution of the Republic of Poland of 2 April 1997 (Journal of Laws of 78, item 483, as amended), Art. 12.

<sup>37</sup> Act of 27 August 1997 on vocational and social rehabilitation and employment of the disabled (Journal of Laws of 2020, item 426, as amended), Art. 2, sec. 3.

<sup>38</sup> Art. 3.2 Act on Public Benefit and Volunteering.

<sup>39</sup> Ogonowski A., Gibalska A., Foundations and associations, "Forum of Tax Advisors" 2014, p. 10.

<sup>40</sup> The Act of 7 April 1989, Law on Associations (Journal of Laws of 2020, item 2261), Art. 2.1.

<sup>41</sup> Staśkiewicz U., The role of non-governmental organizations in meeting social needs, *Obronność* 2017, Research Papers No. 3 (23), p. 166.

<sup>42</sup> Teresiak K., Non-governmental organizations in a democratic state safety, [in:] Participation of non-governmental organizations in the implementation of the mission and goals of Poland's national defence, ed. A. Skrabacz, K. Teresiak, AON, Warszawa 2005, p. 26.

<sup>43</sup> Gliński P., Styles of activities of non-governmental organizations, IFiS PAN, Warszawa 2006, p. 178.

resources from many sources, acquiring them effectively<sup>44</sup>. The activities of this economic sector are most often carried out in the following areas: education and upbringing, sport, tourism, recreation and hobbies, culture and arts, social services and social assistance, health protection and local development<sup>45</sup>.

Among the functions performed by the third sector, the following are most often mentioned<sup>46</sup>:

- providing a platform for undertaking joint social activities,
- implementation of social initiatives,
- articulating beliefs, interests and values in public debates,
- undertaking actions to change public policy,
- providing public goods and services,
- creating communities and social capital,
- philanthropic and charity activities.

Organizations that form the third sector engage in public services more and more often, thus replacing local administration or its agendas. They also focus on economic activity or its varieties, such as the social economy paradigm. Thus, the boundaries between the non-governmental sector and the remaining ones are blurring. Along with this process, the configuration of the functions performed by the third sector changes. Functions such as advocacy of interests, creation of community, formation of social capital turn out to be less significant, while service functions come to the fore<sup>47</sup>.

#### **4. Key stakeholders of social policy in Poland**

The main goal of social policy of each state, including self-governments, is to provide its citizens with a sense of safety, primarily economic, by creating and maintaining a network of guaranteed obligations that are often implemented by the state<sup>48</sup>. Social policy can be defined as the activity of three entities: the state, self-governments and non-governmental organizations. Their main goal is to equalize the life chances of the weakest social groups. These goals come in the form of the following two classes<sup>49</sup>:

- elimination of social evil (fight against poverty),
- creating social good (implementation of social justice and optimization of distribution of generated goods).

The specific objectives of Polish social policy are<sup>50</sup>:

- removing social inequalities,
- equalizing living conditions by satisfying population's needs,

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<sup>44</sup> Seiler B., Social organizations in the modern world, [in:] Functioning of non-profit institutions to the forms and positions of the European Union, ed. M. Fic, Wyd. Maria, Zielona Góra 2002, p. 2003.

<sup>45</sup> Report: The condition of non-governmental organizations 2018, 2019, „Stowarzyszenie Klon/Jawor”, Warszawa 2020.

<sup>46</sup> Makowski G., Development of the NGO sector, Collegium Civitas, Warszawa 2016, pp. 57-85.

<sup>47</sup> Badora B., Social activity of Polish people, CBOS, Warszawa 2014, pp. 39-47.

<sup>48</sup> Supińska J., Debates on social policy, ASPRA, Warszawa 2013, pp. 14-15.

<sup>49</sup> Ibidem, p. 17.

<sup>50</sup> Auleytner J., Social Policy in Poland and the World, Elipsa, Warszawa 2011, pp. 132-135.

- creating equal access to the exercise of civil rights,
- protecting against threats.

The listed social policy entities in the form of key stakeholder characteristics can be classified according to the functions they perform as follows<sup>51</sup>:

- entities that pursue social policy goals (ministries, provincial offices, schools, universities, self-governments),
- Law-making entities (parliament, president, senate, council of ministers, ministers),
- public and private workplaces,
- non-governmental entities: trade unions, associations, foundations.

The activities of these social policy stakeholders are based on cooperation. The cooperation mechanism integrates the above-mentioned entities of social policy<sup>52</sup>. The so-called subsidiarity principle applies, i.e. larger groups should not take over the responsibilities of smaller groups which pursue more detailed goals, and larger groups should only perform tasks that smaller groups cannot cope with on their own - by definition, larger groups must support smaller ones<sup>53</sup>.

Social policy stakeholders focus on both the subject and the object. The subject of social policy decides about its content and general principles of operation. This could be the author, rule maker or legislator. The object of social policy may be direct, which determines for whom the social policy is applied, and indirect, as the environment of direct recipients of social policy<sup>54</sup>.

These organizations can be governmental, public, self-governmental, private, mixed governmental and self-governmental, public benefit (federations, networks), economic, mixed (public-private). Apart from these internal stakeholders of social policy, there are also the so-called external stakeholders, most often in the role of contractors of public projects, in the absence of authorization to approve them.

In these roles, entrepreneurs act as employers and operators (contractors) of public services who perform social tasks on a commercial basis. This can be called corporate social responsibility. Commercial organizations often implement the concept of voluntary inclusion of social interests and environmental protection in their business strategies, and at the same time relations with specific groups of stakeholders (Corporate Social Responsibility)<sup>55</sup> - drawing 1.

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<sup>51</sup> Ibidem, pp. 137-138.

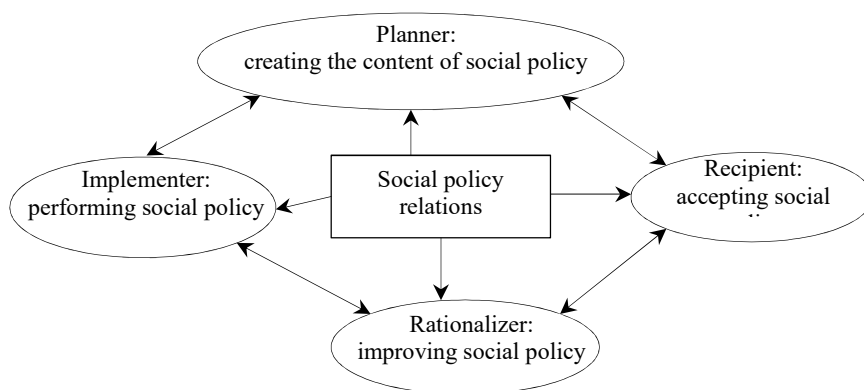
<sup>52</sup> Kurzynowski A., Social policy, SGH, Warszawa 2001, pp.16-17.

<sup>53</sup> Millon-Delsol Ch., The principle of subsidiarity, Znak, Kraków 1995, pp. 13-34.

<sup>54</sup> Solarz P., Political and social conditions of the citizen's subjectivity in civil society, AEH, Warszawa 2019, p. 77.

<sup>55</sup> Schiff M., Lewin A.Y., The impact of people on budgets, The Accounting Review 1970, Vol. 45, pp. 259-268.





Drawing 1. The quadrangle of subjectivity - types of social policy stakeholders

Source: P. Solarz, Political and social conditions of the citizen's subjectivity in civil society, AEH, Warszawa 2019, pp. 76-79

In the context of the conducted considerations, it can be concluded that citizens, volunteers, employees, governmental and non-governmental organizations, self-governmental organizations, associations, foundations, cooperatives, non-profit companies, as well as economic entities can be the key stakeholders of social policy in Poland – table 1.

Table 1. Subjectivity in social policy - stakeholders of social policy

Type of relation	The content and meaning of the relation
Planner => implementer	The planner designs social policy with a view to ensuring that the implementer implements it as planned
Implementer => planner	In practice, the implementer encounters problems with the implementation of the planned policy and signals these problems to the planner
Implementer => recipient	The implementer's task is to influence the recipient's behaviour with what the planner has equipped him with and other resources
Recipient => implementer	The recipient experiences the effects of implementers and signals them which of the effects causes problems, the recipient expresses expectations regarding implementers' activities
Planner => recipient	The planner imagines recipients' possible reactions to the policy he has designed, he designs a policy taking into account recipients' needs and reactions
Recipient => planner	The recipient expresses expectations concerning the content of social policy, indicates what desired own and other people's behaviours are made more difficult, what own or other people's behaviour is an obstacle or harm to the recipient
Implementer => rationalizer	The implementer signals problems with the performance of tasks to rationalizers
Rationalizer => implementer	The rationalizer recommends implementers what they should change to reduce problems with task performance
Planner => rationalizer	The planner signals social policy design problems to rationalizers

Rationalizer => planner	The rationalizer recommends to planners what they should change to reduce the problems they encounter in policy design
Recipient => rationalizer	The recipient signals problems with accepting implementers' tasks to the rationalizer
Rationalizer => recipient	The rationalizer recommends to recipients what they should change to reduce the problems they encounter in accepting the activities of policy implementers

Source: Szarfenberg R., Theory of social policy, UW, Warszawa 2020, p. 13

## 5. Conclusions

The latest trends in social policy in Poland concern social roles that are being taken over from government and self-government institutions on democratic principles. For this purpose, legal and natural persons associate voluntarily. The key actors of social economy are government and self-government institutions, foundations, associations, cooperatives, and many other entities that meet social economy assumptions. Public policy in the field of reintegration, social services and local development may meet the needs of social economy entities, which are the starting point for activities for the benefit of reintegrated communities, for which, in fact, social economy exists.

In the presented manuscript, attention was paid to the so-called civil society, which is closely related to and associated with non-governmental organizations. By exerting a strong influence on social awareness, the third sector engages in creating a legal order that is to facilitate the activities of non-governmental organizations and make their cooperation with the public sectors contribute to strengthening the feeling of "citizenship".

The main goal of companies operating on market principles is to achieve profits, whereas a social company, apart from profit, also sets itself social goals. These companies play an important role in state's social policy, because they adapt the mission to the formulation and maintenance of social values, they serve this mission and engage in the processes of continuous innovation. Their most important motivation is to take actions mainly for the benefit of the local community.

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**Note about Author:**

Jacek Piotr Kwaśniewski, M.Sc., University of Economy Bydgoszcz, Doctoral School, jacek.piotr.kwasniewski@wp.pl.