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# SOCIAL ALERT

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# Solidary-based economy as an opportunity for the times of the pandemic

The essence of solidarity-based economy should be care for the economic independence of persons, institutions and local communities. It is especially important when we are dealing with a social and economic crisis caused by an epidemic and a pandemic. Furthermore, we are in danger of a humanitarian collapse and an abandonment of the rules of law. If we do not want to live in chaos, we should start cooperating in various areas of social and economic life. Only in this way can we effectively counteract both the self-improvement and social impoverishment.

In Poland, the solidarity-based economy, more often called social economy, is perceived by many people (including politicians and local self-government activists) as employment supported by additional terms or money. Social enterprises are also a part of it. Sometimes it is identified with social enterprises that do not work for profit, and offer services for the homeless, the poor, people with existential problems (e.g. clinics, dormitories, canteens or common day rooms). It is rarely associated with institutions operating on a reciprocal basis (cooperatives or mutual insurance companies). We propose to treat the solidarity-based economy even in a broader sense: as a community-based activity with many ways in which individuals, institutions, businesses and communities can exert impact and control over their own destiny.

The following perspectives are important:

- individual – we should abandon the position of a customer, a person addicted to others;
- NGO – the ability to raise money for activities;
- local communities – the ability to individually formulate development strategies based on their own resources;
- companies – operating not only in terms of profits and costs, but in terms of resources and values.

A broad definition of the tasks of social economy is not new in Poland – it was formulated 12 years ago under the so-called Manifesto of Solidarity-Based Economy (announced at the Gdansk Shipyard). It was supposed to be a call for a “transformational correction”, the need for which was already clear at that time. Unfortunately, the document did not contribute to any change in the treatment of the social economy. Perhaps it will happen now, with a much more serious crisis than the one we experienced twelve years ago.

### **Community instead of charitable activities**

We are in danger of high unemployment and a real decrease in wages. Opinion polls show (there are no statistics yet) that salaries are already being reduced in many industries and many companies and institutions have made workers redundant. About one million people (one in 15 employees, regardless of agriculture) are expected to lose their jobs during the forthcoming quarter. Even now, the PMI, a business conditions indicator based on a survey carried among business logistics managers, is at the lowest level since 1998. It decreased from 42.4 points in March to 31.9 points in April, according to IHS Markit. Therefore, nobody knows how serious problem poverty will be in Poland.

Our offer:

1. Individual foundation (also in families, among friends, in homes or residential areas) of service exchange. Each of us can offer “a barter” in the form of our time, offering neighbours or friends the type of service we can perform. The community can also take advantage of exchange: clothing or household appliances. The common care for the mutual maintenance of the standard of living conditions among friends, neighbours, will allow to preserve dignity, without dividing into people in need and offering help. Involving those in need into the circle of exchange of goods and services will make them partners in building a cohesive society.
2. Reflecting on other forms of community: common shopping, concern for the common good understood as equipment or appliances, but also space and relationships.

## **Caring for social businesses**

During a pandemic, social businesses should be supported, protected and promoted. Their situation is difficult as is the situation of other companies. However, their recourse, and in the extreme variant, closure, will have multiplied social consequences. If a company employing people going through the homelessness crisis collapses, their workplace and place of refuge are falling apart at the same time. There are many more groups for which such enterprises are not only a place of work, but also a way of socialisation, a place where they strengthen their subjectivity.

## Our recommendations:

1. The government should accelerate the measures for social economy entities proposed in the anti-crisis solutions. One way of support should be the additional money currently managed by the Polish National Foundation. They should be passed to local self-authorities in order to be able to effectively support local social economy institutions.
2. Introduction of a 1% CIT tax exemption for the support of NGOs.
3. Local authorities can outsource some services to social economy entities (ES), which would help protecting the existing jobs (including maintaining jobs for the outermost groups in the labour market) and meeting the social needs identified during the pandemic. Additionally, as social entities benefit from certain kinds of exemptions, e.g. reimbursement of social security contributions, temporary support, and local self-governments are facing a decrease in revenues and problems in the provision of services to the inhabitants, the cooperation can bring additional benefits to both parties during the pandemic.
4. Adapting the advisory and legal services provided by social economy support centres to the current needs of ES entities. They need quick and effective support.
5. Changes in the way of work organisation, remuneration in education, social assistance, labour offices – we require innovation, flexibility, modernity and creating solutions; at the same time even those standards that are already implemented (e.g. the number of

persons in need per one social worker or failure to pay overtime to teachers in remote teaching) are not respected.

Social alerts are an initiative of the Open Eyes Economy think tank and the Faculty of Public Economy and Administration of the University of Economics in Krakow.

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