

# **Aid and support for the social economy in Poland. The case of social cooperatives**

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# \* Structure of the paper

- \* Introduction
- \* The Polish model of social economy
- \* The nature of social cooperatives under Polish law
- \* Aid and support for social cooperatives
- \* New forms of aid and support for social cooperatives
- \* Conclusion

# \* Aim of the paper

- \* Discussion about aid and support for social economy in Poland.
  - \* Firstly, is the provision of aid and support lawful (in relation to fair/ unfair competition)?
  - \* Secondly, is the aid and support provided in the same manner in each region of Poland?
  - \* If there are any differences, how do they impact social cooperatives?
  - \* Finally, is the aid and support delivered efficiently and, therefore, is the development of social cooperatives stimulated?

# \* Aid for social cooperatives

- \* **subsidies from the Labour Fund** (according to Art. 46 para 1 subpara 2 of the Act of April 20th, 2004 on Promotion of Employment and Labour Market Institutions)
- \* **reimbursement of premiums** due per each employed person for retirement, disability and health insurance and of a part of individual employer costs corresponding to premiums for retirement, disability and accident insurance (Art. 12 para 3a of the Act on social cooperatives )

# \* Aid for social cooperatives

- \* financing of a disabled person's contribution to the social cooperative from the State Fund for Rehabilitation of Persons with Disabilities (Państwowy Fundusz Rehabilitacji Osób Niepełnosprawnych, PRFON)
- \* other subsidies from the state budget or the budget of the local government unit (Art. 15 para 1 subpara 1 of the Act on social cooperatives)
- \* loans from the state budget or the budget of the local government unit (Art. 15 para 1 subpara 2 of the Act on social cooperatives)

# \* Aid for social cooperatives

Province	Number of social cooperatives entered in the National Court Register per year		Number of subsidies from the Labour Fund		Number of disabled person's contributions financed by PFRON		Reimbursement of insurance premiums		Unemployment rate (%)	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Dolnośląskie	5	24	4	13	0	2	yes	2	10,6	11,1
Kujawsko-pomorskie	4	10	24	10	2	22	yes	9	11,0	11,8
Lubelskie	6	19	5	0	0	0	0	0	10,3	10,5
Lubuskie	2	6	0	8	0	0	0	5	9,5	9,0
Łódzkie	13	12	0	3	0	0	0	65	9,3	11,0
Małopolskie	18	12	5	13	1	3	yes	45	9,4	10,4
Mazowieckie	11	18	8	18	0	0	0	11	7,9	8,0
Opolskie	5	2	2	5	0	0	yes	5	9,3	9,5
Podkarpackie	6	32	0	10	0	0	yes	12	12,4	13,2
Podlaskie	2	13	0	1	0	1	yes	13	9,2	9,3
Pomorskie	5	3	0	14	11	6	yes	38	8,5	9,6
Śląskie	8	14	4	0	0	0	yes	20	9,2	9,4
Świętokrzyskie	2	7	2	3	0	0	0	0	12,9	13,1
Warmińsko-mazurskie	7	8	14	14	1	6	yes	18	9,7	11,1
Wielkopolskie	18	16	3	18	1	1	yes	12	8,7	8,5
Zachodniopomorskie	12	4	4	6	0	3	0	0	11,8	11,0
<b>Total</b>	<b>124</b>	<b>200</b>	<b>75</b>	<b>136</b>	<b>16</b>	<b>44</b>	<b>118</b>	<b>255</b>	<b>9,6</b>	<b>10,1</b>

Source: Own study on the basis of information from the Ministry of Labour and Social Policy Department of Public Benefit, the Polish General Revisory Union for Social Cooperatives and the Central Statistical Office.

# \* Support for social cooperatives

- \* reimbursement of the cost of equipment or furnishings for an unemployed person (according to Art. 46 para 1 subpara 1 of the Act on Promotion of Employment and Labour Market Institutions)
- \* exemption from payment of the court fee in the National Court Register and the fee for publication in the Court and Economic Monitor (Art. 6 para 3 of the Act on social cooperatives)
- \* services of volunteers in the area of public benefit activity (Art. 14 of the Act on social cooperatives)

# \*Support for social cooperatives

- \* tax relief with respect to income tax for legal persons (Art. 17 para 1 subpara 43 of the Act of 15 February of 1991 on Corporate Income Tax)
- \* guarantys for ex-employees of social cooperatives, who join another social cooperative, undertake economic activity or are employed by another employer (Art. 15 para 1 subpara 3 and Art. 5a para 3 and 6 of the Act on social cooperatives)
- \* refunding costs of lustration (Art. 15 para 1 subpara 5 of the Act on social cooperatives)



# \* Support for social cooperatives

- \* advisory services on financial, accounting, economic, legal and marketing issues (Art. 15 para 1 subpara 4 of the Act on social cooperatives)
- \* support for social cooperatives within the framework of ESF system projects through social welfare units
- \* support for social cooperatives within the framework of ESF projects
- \* support provided by Social Cooperative Support Centres

# \*Summing up...

- \*It is clear that the aid and support provided in Poland do not distort or infringe the rules of competition law.
- \*As regards aid for social cooperatives, differences can be spotted across Poland.
- \*The available data on aid and support represent too short a period of time and are hard to compare, as well as there is a lack of credible data about evaluation of funding.

**Thank you for your  
attention !**