



**State of Play of the Social Entrepreneurship Sector
Report of the Podkarpackie Region**

October 2020

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List of Abbreviations

BDL GUS – Local Data Bank Polish Central Statistical Office
CIS - Social Integration Centre
CRZL - Human Resource Development Center
EFS - European Social Fund
ES – Social Economy
GUS – Central Statistical Office
JST - Local Government Unit
KGW – Circle of Rural Housewives
KIS - Social Integration Club
KKRES - National Committee for the Development of Social Economy
KPRES - National Program for the Development of Social Economy
LGD - Local Action Group
MPiPS – Ministry of Labour and Social Policy
MRPiPS - Ministry of Family, Labour and Social Policy
MŚP - Sector of small and medium-sized enterprises
NGO - Non-Governmental Organization
OPP - Public Benefit Organization
OPS - Social Assistance Centre
OWES - Social Economy Support Centre
PES - Social Economy Entity
PFRON - State Fund for the Rehabilitation of the Disabled
PKRES - Podkarpackie Committee for Social Economy Development
PO KL - Human Capital Operational Program
PO WER - Operational Program Knowledge Education Development
PROW - Rural Development Program
PS - Social Enterprise
PUP - Powiat Labour Office
PZP - Public Procurement Law
RIO - Regional Accounting Chamber
ROPS - Regional Center for Social Policy
RPDRES - Regional Action Plan for the Development of the Social Economy in the Podkarpackie Voivodeship for 2012-2020
RPO - Regional Operational Program
SS – Social Cooperative
WTZ - Occupational Therapy Workshops
WUP - Voivodship Labour Office
ZAZ - Professional Activity Establishment
ZIT - Integrated Territorial Investments

1. Introduction

The Podkarpackie Region (Podkarpackie Voivodship) is the most south-eastern region of Poland. It borders on Lesser Poland in the west, Świętokrzyskie in the northwest, and Lublin Province in the north.

Illustration 1: Geographical location of the Podkarpackie region



Source: wikipedia.org.

The region borders Ukraine in the east (Lviv Oblast and Zakarpattia Oblast) and the south Slovakia (the Prešov Region). Poland's eastern border is the longest section of the external border of the European Union.

The promotional slogan of the region is "Podkarpackie Open Space", which is largely a characterization of the strengths of the landscape, clean environment, closeness to nature, but also the region's openness to cross-border cooperation and its location on the Via Carpatia route, etc. Forests cover almost 40% of the area, including the famous Bieszczady Mountains, which are part of the Western Carpathians.

General information about the Podkarpackie Region (as of 31st July 2020):

- covers an area of 17,846 square kilometers (5.7% of the total area of the country);
- has a population of 2,127,164 inhabitants (5.5% of Poland's population);
- the population is concentrated in the largest urban centers and their peripheral areas. 41% of the region's population lives in cities. The region is one of the least urbanized voivodships in Poland. The population density is 119 people per square kilometer (7th largest in the country among voivodships);
- as a unit of the administrative division of Poland, the region was formed in 1999 from the former Rzeszow, Przemyśl, Krosno and (partially) Tarnów and Tarnobrzeg Voivodeships. This administrative change undoubtedly strengthened the position of Rzeszow, which became the fastest growing city in the south-east of the country. When Przemyśl, Krosno and Tarnobrzeg were no longer the administrative capitals of the respective former voivodships, the cities gradually slowed down their social and economic development, partly due to EU funds;
- at present, the region comprises 160 municipalities (gminas), including 16 urban, 35 urban-rural, and 109 rural ones. The municipalities are grouped into 25 counties (4 city counties (powiaty grodzkie) and 21 land counties (powiaty ziemskie). The capital of the region is Rzeszow (about 200 000 inhabitants), the larger urban centers include Przemyśl and Tarnobrzeg. Krosno, Sanok, Mielec, Dębica and Stalowa Wola;
- the region's current unemployment rate of 9% (national average 6.1%) has been growing since the third quarter of 2020, partly due to mass redundancies in large companies in the aviation industry, resulting from the negative impact of the COVID-19 pandemic on the industry;
- the average gross monthly salary is one of the lowest in Poland;

The region's assets:

- the region is the center of the largest aviation industry cluster in Poland - "Dolina Lotnicza" ("Aviation Valley"), which is characterized by a high concentration of aviation industry companies, scientific and research centers and well-developed educational and training facilities for the aviation industry. The second strategic specialization for the region is the IT industry with Asseco Poland - the largest IT company in Poland and in the region of Central and Eastern Europe. The third equally important development direction is investments in quality of life - based on sustainable development, eco-innovations, the use of renewable energy sources (OZE), ecotourism, care for the environment, use of the advantages of natural resources, etc.;
- "Rzeszów - the Capital of Innovation" is the idea of promoting the development of the region, the implementation of which is reflected in the orientation of the region towards modern technologies in the last decade (Podkarpackie Science and Technology Park) and the presence of a large number of companies using modern technologies (e.g. ASSECO, G2A), various start-up companies, etc;
- Rzeszow is an important academic center, represented by the Rzeszow University of Technology (courses related to aviation), and universities such as University of Rzeszow, University of Information Technology and Management, University of Law and Administration, University of Eastern Studies. The number of students per 1000 inhabitants is the highest in the country at 268;
- its cross-border location is one of the advantages of the region, which offers development opportunities (economic and socio-cultural) linked to the construction of the European transnational north-south motorway connecting Klaipeda in Lithuania with Thessaloniki in Greece (via Carpathia);
- the neighborhood with Slovakia and Ukraine enables the Podkarpackie region to engage in active cross-border cooperation. Such initiatives were already implemented before the accession to the EU (mainly within the framework of the program PHARE). Since 2004, the region has been participating on an equal footing with other EU members in the implementation of Interreg programs III Community Initiative.
- In addition, Podkarpackie participates in 2 cross-border programs: Poland-Belarus-Ukraine and Poland-Slovakia. In the current financial perspective 2014-2020, cross-border cooperation will continue under 3 types of European Territorial Cooperation (ETC) programs: cross-border, transnational and interregional programs. In the financial perspective 2014-2020, Poland-Slovakia Program supports projects in the field of protection and promotion of natural and cultural heritage. 155 million euros will be allocated for the implementation of projects from European Regional Development Fund (more than half of which is earmarked for the protection, promotion and development of environmental resources and cultural heritage).
- one of the thematic objectives in the Poland-Belarus-Ukraine 2014-2020 Program is SECURITY: Common challenges in the field of health and safety. It includes Priority: Support for the development of health care and social services, for which the output indicator is: Population using newly created or improved social services (27,960 people) and an outcome indicator: improved access to health care and social services (by 32%). This is an



area in which Social Economy Entities are involved (as a partner of Local Government Units in projects as a beneficiary or as a provider of services and tasks within projects). Unfortunately, the reports on the implementation of projects under the PBU 2014-2020 Program do not contain detailed information on the extent of Social Enterprises' involvement in the implementation of these projects. Currently, work is underway to prepare the future edition of the 2021-2027 Program¹.

- the border regions of Poland, Slovakia and Ukraine still have many characteristics of peripheral areas, and the cross-border situation has not yet proved to be a motor for the development of either of the regions. This is due to the insufficient activity of the private and public sectors in removing barriers leading to peripheralization, especially in the sub-regions close to the border with Ukraine. The geographical neighborhood of Podkarpackie, Eastern Slovakia, and Lviv Oblast has not been developed into other forms such as organizational or institutional neighborhood. An increase in the importance of progress factors is possible if the institutions responsible for the development of these border regions cooperate more closely, especially with a view to creating conditions for a more effective use of endogenous development factors in each of the border regions and opening regional economies to cooperation with their neighbors;
- the region has great potential in the field of social economy - proof of this is a large number of NGOs (a total of 6500 different foundations and associations) - 7th place in the country, and 33 organizations per 10,000 inhabitants - 5th place in the country (according to the research report Klon/Jawor 2019). In the context of cross-border cooperation, however, the development of social economy entities is currently of marginal importance. One of the reasons for this is the fact that, due to their low financial and organizational potential, they receive practically no support from the Interreg V-A Poland-Slovakia 2014-2020 program or the Czech Republic-Poland program (not even as partners of local government units). These are obstacles that arise mainly for the following reasons: insufficient use of the experience of cross-border regions from EU countries in supporting the Social Economy Sector and lack of inclusion of these solutions in regional strategic documents. An indirect proof of the marginal importance of the support of ES in the framework of cross-border cooperation is the lack of recognition of its importance in the "Voivodeship Development Strategy - Podkarpackie 2020", although the experiences of other border regions show that cross-border cooperation can be an important factor that dynamizes economic development (by combining potentials and using the synergy effect).
- in connection with the removal of obstacles to the implementation of good practices in the support of the social economy sector in the context of cross-border cooperation, the project Border Regions in Europe for Social Entrepreneurship - BRESE is being implemented. It aims to improve the existing strategic instruments of the region (such as its Regional Strategy, Regional Innovation Strategy, or Regional Operational Program of Podkarpackie Voivodeship for 2014-2020) with a view to the effective development of social economy enterprises.
- Within the framework of the BRESE project, one of the policy instruments is the Regional Operational Program of Podkarpackie Voivodeship 2014-2020, priority 8. Social integration. Under this priority, the policy instrument deals with the promotion of social

¹ Cross-border Cooperation Program Poland-Belarus-Ukraine, <https://www.pbu2020.eu/pl/pagesnews/458>

entrepreneurship and work integration in social enterprises and the social and solidarity economy to facilitate access to employment. The specific objective of the policy instrument is to strengthen the role of social enterprises in activating disadvantaged people and providing social services in the region. By 2020, the number of jobs created in social enterprises should increase from 377 (2013) to 1,079. At present, the main bottleneck in the implementation of policy initiatives at the regional level is a lack of coordination, which leads to measures being implemented only by municipalities, districts, or provinces, with no synergies being exploited. Improvements focus primarily not only on increasing the number of social enterprises that create jobs for people who have experienced social exclusion but also on strengthening their competitiveness in the market while fulfilling their social mission by 2020. Improvements are also needed in assessing the efficient allocation of resources.

- the above-mentioned activities mentioned in the area of Social Economy do not exhaust the possibilities of applying for funds from other investment priorities of the ROP WP 2014-2020 by social economy entities in Podkarpackie. They belong to the target groups of many projects, both infrastructure and soft-result projects. All projects are carried out following tender procedures, therefore, an own initiative of social economy entities is required to raise additional funds for operation, expansion, or other completely new initiatives.

2. Socioeconomic situation and characteristics of the social entrepreneurship sector of the Podkarpackie region

2.1. Socioeconomic situation

The table below contains the basic socio-economic data for the Podkarpackie Region. It is based on an analysis of the statistical data collected by Central Statistical Office (Local Data Bank primarily).

Table 1. General information, 2014-2019

Indicators	2014	2015	2016	2017	2018	2019
Size of territory (in thousand square kilometers)	17 846	as above	as above	as above	as above	17 846
Population (in millions)	2 129 187,0	2 127 657,0	2 127 656,0	2 129 138,0	2 129 015,0	2 127 164,0
Real GDP per capita (PLN)	31 700,0	33 100,0	34 120,0	36 08,08	38 872,0	51 776,0
Real GDP growth % change	3.3	3.8	3.1	4.9	5.1	5.8 ²
New business density	9 870,0 ³ 8 008,0 ⁴ 1 862,0 ⁵	11 846,0 9 739,0 2 101,0	13 402,0 11 149,0 2 253,0	14 719,0 12 329,0 2 390,	14 229,0 11 722,0 2 507,0	15 205,0 12 587,0 2 618,0
Unemployment rate (%)	14.4	12.9	11.5	9.6	8.7	9

² Forecast data

³ Total number of commercial companies by legal form

⁴ Number of commercial companies according to legal forms - capital companies

⁵ Number of commercial companies according to legal forms - partnerships

Youth unemployment % of labour force, under the age of 25	16.6	15.1	13.2	11.1	10.2	10.4
Long term unemployment % of labour force <i>Long-term unemployment is defined as that involving people out of work and looking for work for 12 months or more.</i>	3.4	3.21	3.04	2.97	2.14	2.41

Source: Central Statistical Office, Local Data Bank (<https://bdl.stat.gov.pl/BDL/dane/teryt/kategoria/9>)

Conclusions:

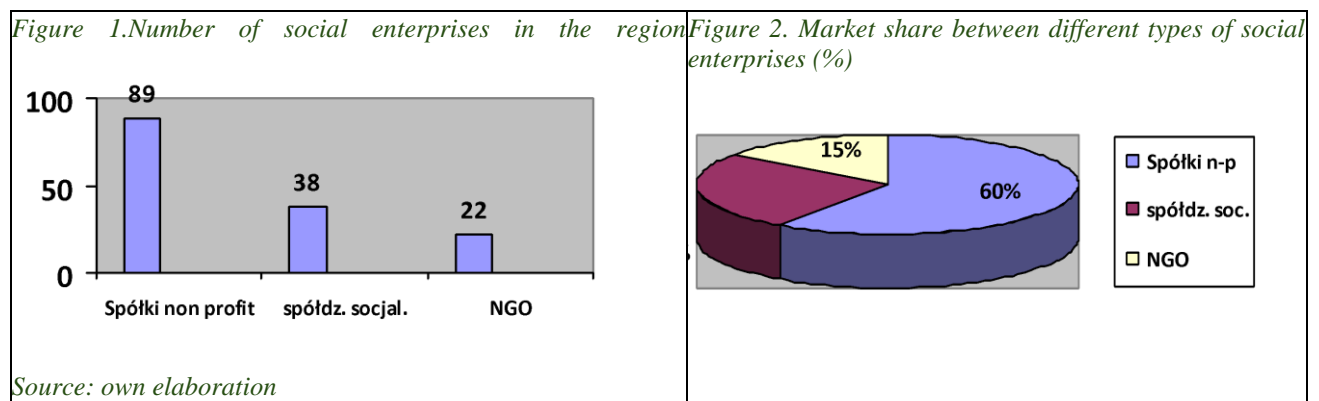
- the area of the region has not changed since 2014 and is less than 18000 square kilometers,
- the population of the region has been at a similar level since 2014 and has changed by less than two thousand people (an increase from 2,127,000 to 2,129,000);
- the region's GDP per capita is growing steadily - over 61% growth from 2014 to 2019, with the largest increase in 2019;
- the unemployment rate is falling steadily every year - by more than 5% since 2014. Nevertheless, the unemployment rate remains well above the national average and is one of the highest in Poland. It is much lower in large urban centers (Rzeszow - 5.1%, Krosno - 5.7%) than in rural-urban areas or cities with county status;
- Podkarpackie is one of the poorest regions in the EU According to Eurostat, three Polish regions belong to this group: Lublin Province (48% of average GDP per capita in the EU) Warmia-Masuria Province (49%) and Podkarpackie (49%); Until March 2020 the region experienced an economic boom, especially Rzeszów and the surrounding municipalities belonging to the ROF - Rzeszow Functional Area. Industries based on the latest technologies, such as aviation and aviation-related industries, the automotive industry and the armaments industry were the driving forces of the region's economy. The global crisis caused by the coronavirus pandemic hit these industries hard, which had direct negative impact on many companies from Podkarpackie. A decline in orders in the aviation industry or uncertainty in the market led to mass layoffs at the region's largest companies such as Pratt & Whitney, Goodrich Aerospace Poland, MTU Aero Engines, Goodyear. This not only leads to serious social problems for the dismissed workers, but also has negative consequences for the region - slowdown in development, significantly reduced funds for innovative solutions and research, etc. For obvious reasons, the coronavirus-related lockdown has also affected the tourism industry, which has always made an important contribution to the development of the region. According to preliminary data from GUS, the estimated 700 million turnover of the tourism industry in Podkarpackie decreased by almost 16% compared to 2019. The Regional Labor Office in Rzeszow continues to monitor the situation of employers and employees in Podkarpackie. Redundancies in Podkarpackie are certainly inevitable - it is estimated that the upcoming mass redundancies will affect a total of 5000 workers.

2.2. Social entrepreneurship sector

Podkarpackie Voivodship is the national leader in terms of the number of social enterprises. This is clearly shown by the "hard" data resulting from the analysis of the list carried out by the Ministry of Family, Labor and Social Policy - out of 1103 companies in the whole country, 149 operate in Podkarpackie, which is 13.5% of the total number. In terms of the number of enterprises Podkarpackie is ahead of economically strong regions such as wielkopolskie (122), śląskie (117), dolnośląskie (67) i mazowieckie (62).

The most important information on social entrepreneurship in the region (as of 31 December 2019):

- 149 social enterprises in total;
- the largest number of these are non-profit organizations with a total of 89 (60%), followed by 38 social cooperatives (25.5%), and 22 non-governmental organizations, including 11 foundations and 9 associations (15%).

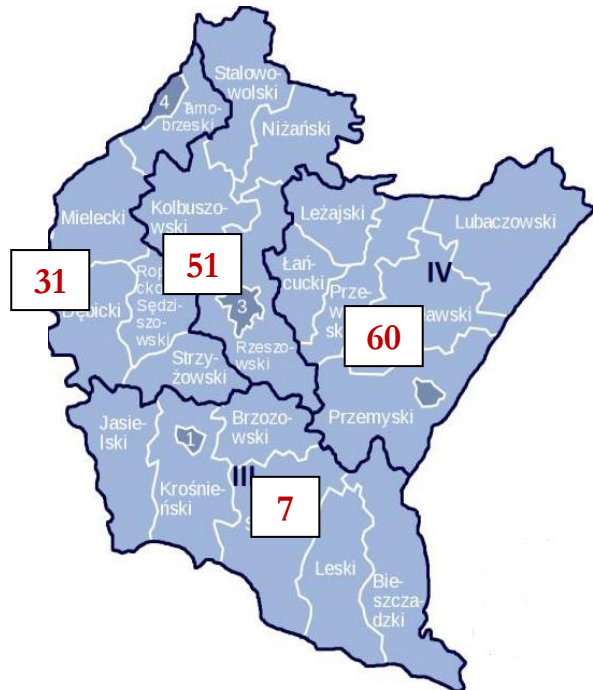


- the largest number of enterprises operates in the subregion IV, which include Przemysł and jarosławski, leżajski, lubaczowski, łańcucki, przemyski, przeworski counties (the eastern part of the province) with a total of 60 enterprises, accounting for 40% of all enterprises in the region. Slightly fewer (51) are active in subregion I: Rzeszow and the following poviats: kolbuszowski, niżański, rzeszowski, stalowowolski (central and northern parts of the region). Subregion II, which includes Tarnobrzeg and dębicki, mielecki, ropczycko-sędziszowski, tarnobrzeczki, strzyżowski counties (north-western part of the region) 38 social enterprises operate;
- the subregion III is by far the least developed in terms of social entrepreneurship (only 7 social enterprises): Krosno and bieszczadzki, brzozowski, jasielski, krośnieński, leski, sanocki counties (southern part of the region). There is only one social cooperative and 4 foundations out of 7 social enterprises, including Bieszczadzka Foundation.
- The largest number of municipalities (gminas) and entire counties where no social enterprise is active is located in the territory of the subregion III. In most cases, these are the least urbanised and least industrialised areas, with a population density below the average for the region, high long-term unemployment, and the lowest socio-economic development rates - not only in the Podkarpackie region but also in the EU as a whole. A significant part of this subregion is covered by Natura 2000 sites, including mountain areas (Bieszczady, Beskid



Niski). It is therefore an area where social entrepreneurship based on tourism services, catering, tourism for people with disabilities can develop,

Illustration 2. Number of social enterprises in subregions



Source: www.ekonomiaspoleczna.gov.pl/lista

The main activity of social enterprises in the Podkarpackie region takes place in the following industries:

- **gastronomy** (23%)⁶,
- cleaning services (and/or maintenance of green spaces) provided mainly for local authorities and public institutions (22%),
- education and culture (21%),
- trade and other services (21%).

Very few social enterprises are active in the fields of care services, broadly understood assistance and social integration, etc. for the elderly, disabled, and groups at risk of social exclusion;

- almost half of the social enterprises in Podkarpackie were established in the last 2 or 3 years (up to 43% in 2018). This is mainly a positive result of animation, training, and counseling provided by Accredited Social Economy Support Centers. It is also a tangible result of the implementation of the support strategies of Social Economy, including National Programme for the Development of Social Economy until 2023 and the Podkarpackie Programme For The Development of the Social Economy 2016-2020, which is discussed in more detail in chapter 6. One in five social enterprises was created in 2014-2017, while the remaining 19% were created between 2007 and 2013 (the previous period of the European Fund Programs);
- the average lifespan of a social enterprise shows that only one in four social enterprises has a stable market position mainly thanks to years of operation and experience in the industry.

⁶ Report on the state of development of social entrepreneurship with monitoring PPRES for 2019”, ROPS, 2020



This trend can be quite clearly observed in the analysis of the period of activity of social cooperatives in Podkarpackie. There are 99 social cooperatives in the Podkarpackie region according to ngo.pl (www.bazy.ngo.pl), 97 according to the Polish National Audit Union of Social Cooperatives (www.ozrss.pl). According to National Catalog of Social Cooperatives (www.spoldzielniesocjalne.org) there are 93 social cooperatives. The WUP data show that, thanks to support from European funds (POKL) 77 cooperatives were established in the region. Meanwhile, the diagnosis carried out by the Rzeszow Social Economy Support Center (ROWES) indicates that nearly a third of the Subcarpathian cooperatives have been dissolved or are in liquidation⁷. 33 out of 98 cooperatives that are listed in the ROWES database currently do not operate. In this group there are 5 cooperatives which were formed between 2005 and 2007, but most of these are organizations that were registered with the National Audit Office (KRS) between 2012 and 2015. The reasons why more than one third of social cooperatives in Podkarpackie failed in the commercial services market are probably complex. However, some of the most common and universal reasons for the liquidation of cooperatives can be pinpointed, e.g.:

- insufficient knowledge of the formal and legal conditions for the operation of social cooperatives,
 - an unrealistic idea for a profitable business or a lack of one,
 - a lack of a strategic approach and a long-term business plan that can function over several years even in crisis situations, including changes in the cooperative's core industry or management,
 - the lack of continuity of contracts, partly due to the inability to bid for tenders,
 - inadequate qualifications, which often leads to poor quality services,
 - low business competence of the management,
 - not using business tools to attract and retain customers,
 - low participation of employees/members of cooperatives in the work,
 - treatment of cooperative property as private property;
- more than 70% of the social cooperatives surveyed employ staff⁸, most frequently 1 to 5 employees (44% of cooperatives). In about two thirds of the entities surveyed, the number of employees has not changed in the last year. One in five social cooperatives have admitted that the number of their employees increased in 2019, while 9% have reported a decrease. Currently there is no publicly available data on how the Covid-19 crisis has affected employment in social cooperatives in Podkarpackie. A nationwide survey by Klon / Jawor Association, conducted in May 2020, shows that some of the pandemic restrictions force social cooperatives to stop their activities - 33% stopped all activities and 27% stopped most activities. For more detailed information, see chapter 8.
 - the main recipients of services provided by social cooperatives are natural persons (49 public institutions including local government units (35%) %), private companies (26%) and non-governmental organizations (16%);
 - only one out of three social enterprises in the region has an annual turnover of over PLN 100,000 (an equivalent of over EUR 20,000), including 19% of social enterprises with a

⁷ "Strategy of the Rzeszow Social Economy Support Center for 2016-2020", RARR 2016.

⁸ "Report on the state of development of social entrepreneurship along with the PPRES monitoring for 2019", ROPS 2020



turnover of PLN 100,000 to 500,000, 5% PLN 500,000 to PLN 1,000,000, and 4% PLN 1,000,000 or more. A third of enterprises have a turnover of PLN 10,000 to PLN 100,000. By contrast, as many as 27% of companies have a turnover of less than PLN 10,000 (an equivalent of just over EUR 2,000).

- the main driver for the development of the social economy sector is Regional Operational Program the Podkarpackie Voivodship for 2014-2020. Under this program, support for social economy enterprises has been included in the priority axis of Social Integration, mainly under Measure 8.5: Support for the development of the social economy sector in the region (approx. PLN 110.5 million/ EUR 25 million) and under Measure 8.6: Coordination of the social economy sector in the region (PLN 3.6 million/ EUR 900,000). In the course of the program implementation, additional funds will be used, provided by the bodies implementing projects under special-purpose funds, including the State Fund for Rehabilitation of Disabled Persons (PLN 168 million/ EUR 39 million).
- At the end of 2015, three accredited Social Economy Support Centers (OWES), including Rzeszow Regional Development Agency - as Rzeszow Social Economy Support Centers, started their activities in Podkarpackie. The activities of OWES in the region aim in particular at the following objectives: development of infrastructure for activation, integration, and social and professional reintegration services for people and families at risk of social exclusion, support for cooperation between local authorities and social economy entities.

Conclusions:

- As for the number of social enterprises, Podkarpackie can be considered a leader in the country. However, a significant issue is their geographical location. Paradoxically, it can be concluded that in areas where social exclusion is the greatest (sub-region III), the number of social enterprises is the smallest and there are "white spots" covering even whole counties.
- The average number of social cooperatives in the total number of social enterprises in Podkarpackie is smaller than the average for the whole country (national average 46%) The share of foundations and associations is also below the national average of 29%. This means that the number of non-profit limited liability companies in the social enterprise sector is higher in the region (over-representation).
- Figures show that more than 70% of social enterprises are engaged in catering services, cleaning services, maintenance of green spaces and renovation and construction services. These are areas of services where there is a great amount of competition not only from commercial companies, but also from other social entities operating in the same local market. In the event of such internal competition, even the use of social clauses may not be effective for improving the financial health of social enterprises;
- The majority of social enterprises are not significant employers offering employment opportunities in the region. Their employees are mostly under-qualified, not only in the area of management, but also in the area of regular employees. Further activities should support development of human capital in social enterprises, especially in the context of one of the indicators of the findings of the National Program for the Development of the Social Economy until 2023 which calls for increasing the number of jobs in social economy entities.
- The revenues of the vast majority of social enterprises are below PLN 100,000 and every third less than PLN 10,000. Such a poor financial condition makes it practically impossible

to contract large services. Additionally, it practically prevents the use of aid funds because in order to receive a grant from the EU they must have a significantly larger turnover. The guidelines in this area state that „the applicant in the EFS project has a total turnover for the last approved financial year... equal to or higher than the total annual expenditure of the project assessed in the calendar year in which expenditure is highest”.

- In general, Social Economy Entities insufficiently cooperate with the business sector. As we wrote above, the main recipients of the services of Social Enterprises are natural persons and local and central government administration. It is preferable to create mechanisms of cooperation between SEs and commercial business, showing benefits and "good practices" (eg through study visits). Strengthening activities for cooperation with business, conducting business mentoring. It is primarily about increasing managerial competences in the social economy sector;
- At present, there is virtually no link between the activities of ES and sectors with a particular growth and innovation potential in the region, such as the aviation industry (including smart specializations of the region). SEs could become a valuable partner for technologically advanced companies and universities in the region. It is recommended to create SEs that are active in technologically innovative industries.⁹
- Social Economy is unlikely to become a cure for the barriers of the labor market in Podkarpackie, especially for the current unemployment rate. However, Social Economy gives many people a real chance to protect themselves from the effects of exclusion, or it creates a chance to return to an active social and professional life.¹⁰

Table 2. Social entrepreneurship (2014-2019)

Indicators	2014	2015	2016	2017	2018	2019
SME Total number	163.80	165.20	167.70	171.10	174.80	181.10
Social enterprises ¹¹ Total number	97	98	98	98	91	149
Growth of social enterprises including estimates, % change	0	1	0	0	-7%	61%
Support for social enterprises provided by the Operational Program (OP), Million EUR						

Source: labor market institutions - reports and information for the Podkarpackie region available at stat.gov.pl (Central Statistical Office)

Explanation: Support for social enterprises provided by the OP based on interviews with representatives of implementing and supporting institutions the value of funds allocated to the development of social enterprises, these amounts in the years 2014-2020 were as follows:

⁹ Report on the monitoring of the Podkarpackie Social Economy Development Program 2016-2020 (ROPS, 2019)”

¹⁰ Solecki, S. „The potential of the Podkarpackie social economy in the face of the imperfections of the regional labor market”, Przedsiębiorstwo – region 8/2016.

¹¹ <https://www.ekonomiaspoleczna.gov.pl/Listaprzedsiębiorstw,społecznych,4069.html>



- a) Under the agreement signed on 25 April 2016 by BGK (Bank Gospodarstwa Krajowego) and the Minister of Family, Labor and Social Policy (MRPiPS), BGK acts as manager of the National Social Entrepreneurship Fund under the Operational Programme Knowledge Education Development, Action 2.9 Development of the Social Economy (Project). The Project includes preferential loans offered to social economy entities, and over the course of 2017, the scope of support was extended to include guarantees and re-guarantees. The project aims to increase the number of social economy entities using repayable forms of financing, e.g. loans. MRPiPS allocated a total of approximately PLN 143 million (EUR 33 million) for this purpose.
- b) Regional Operational Program of the Podkarpackie Voivodeship - EUR 2.1 billion. As part of the projects co-financed from EFS funds implemented by the end of 2014 in the Podkarpackie region, over PLN 20 million was spent on the creation of 77 social cooperatives, and for the creation and operation of 2 Social Integration Centers, 8 Social Integration Clubs and 4 Professional Activity Establishment over PLN 12 million was allocated (EUR 3 million) [\[1\]](#).
- c) Expenditure of funds by OWES in the Podkarpackie region was as follows: ROWES in subregion I as of March 31, 2019 - PLN 22,818,554.00 (EUR 5 million), subregion II - 17,706,701.56 (EUR 4 million), subregion III - 18,613,654.81 (EUR 4 million), and the area of PROWES - 23,562,424.51 (EUR 5 million). Total from the above-mentioned areas - PLN 82,701,333 (EUR 20 million).

3. Development of social entrepreneurship and the nature of cross-border cooperation of the region

3.1. Legal status and concept of social enterprise

The social economy (also referred to as the social economy or social entrepreneurship) combines social and economic goals in economic activity. The European research network EMES (The Emergence of Social Enterprise) describes as social enterprises: "*companies that operate mainly with social goals and not for profit maximization, and the profits generated are assumed to be reinvested in these goals or the community, and they do not serve to increase the individual income of shareholders or owners*".

EMES defines the social and economic criteria for initiatives that fit into the social economy as follows:

1. economic criteria: conducting relatively continuous and regular activities based on economic tools; independence, the sovereignty of institutions relating to public institutions; bearing the economic risk; the existence of even a few paid personnel.

2. social criteria: clear orientation towards the socially useful goal of the project; the grassroots, civic nature of the initiative; a specific, possibly democratic management system; possibly Community character of the action; limited profit distribution.

It is generally recognized that the above criteria together constitute a definition of a social enterprise. Entities of this sector, as a rule, do not meet all the criteria but should, according to EMES, meet most of the above criteria. On the national basis, the definition of the social economy is introduced

by the National Program for the Development of the Social Economy, adopted by the Resolution of the Council of Ministers of August 12, 2014, formulating it as follows:

"The social economy is a sphere of civic activity, which through economic and public benefit activities serves: professional and social integration of people at risk of social marginalization, job creation, providing social services of general interest (for the general interest) and local development"

National Program for the Development of the Social Economy introduces four main groups of social economy entities:

- 1. social enterprises**, which are the foundation of the social economy;
- 2. reintegration entities** serving the social and professional reintegration of people at risk of social exclusion, i.e., Professional Activity Establishment, Occupational Therapy Workshops, Social Integration Centers, and Clubs. These forms will by no means be social enterprises but may prepare for a job in a social enterprise or be run as a service to the local community by social enterprises;
- 3. entities operating in the field of public benefit**, which conduct economic activity and employ workers, although their activity is not based on economic risk. These are non-governmental organizations conducting paid and unpaid public benefit activities; these entities can become social enterprises if they undertake a certain economic activity, also assuming statutory obligations regarding profit distribution;
- 4. entities of the economic sphere**, which were created with the implementation of a social goal or for which a social goal of common interest is the *raison d'être* of commercial activity. These are entities that do not have all the features of a social enterprise.

This group can be divided into four subgroups:

- a) non-governmental organizations conducting economic activity, the profits of which support the implementation of statutory objectives;
- b) Professional Activity Establishment;
- c) cooperatives aimed at employment;
- d) other cooperatives of a consumer and mutual nature¹².

Social enterprise — the legal basis

- Act of April 27, 2006 — on social cooperatives — defines the principles of operation and establishment of social cooperatives;
- Act of April 24, 2003 — on public benefit organizations and volunteering — defining the rules cooperation between public administration bodies and non-governmental organizations;
- Act of June 13, 2003 — on social employment — principles of operation of Social Integration Centers and Social Integration Clubs;
- Cooperative Law of September 16, 1982;
- Act of April 20, 2004, on employment promotion and labor market institutions on vocational and social rehabilitation and employment of disabled people;
- Act of August 27, 1997, on vocational and social rehabilitation and employment of disabled people;

¹² National Program for the Development of the Social Economy until 2023,
<https://www.ekonomiaspoleczna.gov.pl/Krajowy,Program,Rozwoju,Ekonomii,Spolecznej,do,2023,roku>



- Act of June 28, 2012, amending the act on vocational and social rehabilitation and the employment of disabled people and certain other acts;
- The Law on Associations of April 7, 1989;
- Act on foundations of April 6, 1984;
- Code of Commercial Companies.

3.2. Development of social enterprises

Factors for the development of social entrepreneurship in the Podkarpackie region

Assuming that the legal regulations for Poland's social economy will not change soon (and no other important circumstances in the external environment will occur), the development of social economy enterprises will be determined by internal factors resulting from their strengths and weaknesses.

In this context, the factors that have a positive impact on the current situation and the potential development of social economy entities in the region include:

- networking of social economy entities in the region, including the development of a joint PES promotion strategy and its implementation, effective joint lobbying for PES;
- support from accredited Social Economy Support Centers — PES use of assistance in training, consulting, marketing, organizational, legal, financial, etc.;
- support from the Regional Center for Social Policy in Rzeszow under the project "Coordination of the social economy sector in the Podkarpackie Voivodeship" co-financed by the European Union under the Regional Operational Program of the Podkarpackie Voivodeship for 2014-2020;
- professionalization of PES, finding "niches" in products or services in which PES will specialize, and this will be the basis for their financial stabilization;
- using European funds to animate and strengthen the potential of PES from the current perspective and the next programming period;
- PES's effective promotion as a brand (quality mark) through, among others, Podkarpacki sales portal www.wspierajiwybieraj.pl, "Pro-social purchase" certification, "Podkarpackie Leader of Social Economy" competition, etc.
- an increase in consumer awareness accompanying effective promotion and, consequently, increased demand for PES products and services.

The Podkarpackie Voivodeship remains the leader in terms of the number of social enterprises entered into the list kept by the Ministry of Family, Labor, and Social Policy (MRPiPS). Despite its relatively low development position, the region has enormous development potential. The most important factors of development should be considered¹³:

1. Increasing processes of sociocultural modernization¹⁴.

¹³ http://rot.podkarpackie.pl/attachments/article/452/1_Rola%20przedsi%C4%99biorczo%C5%9Bci%20-%20konferencja%20ostat..pdf (access 05.10.2020)

¹⁴ https://bip.podkarpackie.pl/attachments/article/5084/komunikat_marzec_2020.pdf (access 05.10.2020)



2. The accelerated inflow of foreign direct investment after 2004, the increase in employment in the service sectors, and the dynamic development of higher education, which were the announcement of the civilization "leap" in Podkarpacie¹⁵.
3. A growing number of business entities every year. Compared to the end of 2015, there were 1.6% more entities (1.3% more in Poland). This result was one of the best in the country¹⁶.
4. High nationwide share of financing own research and development centers by the private sector. The share of R&D expenditure in the enterprise sector relating to GDP in 2014 amounted to 1.06% (the average value for Poland was 0.44%). It is the first result in Poland.
5. Development of the industry of high-chance sectors, i.e., the aviation and space industry, automotive, and ICT.

All the above factors indirectly also influence the development of the broadly understood social economy and social entrepreneurship.

The main problems slowing down the development of entrepreneurship: including social entrepreneurship:

Unfortunately, the region is also struggling with certain problems that may delay the development of its entrepreneurship. Belong to them:

1. The structure of the economy inherited from the period of real socialism;
2. The situation on the labor market resulting from the coronavirus pandemic;¹⁷
3. Persistently high unemployment;¹⁸
4. A little level of knowledge about the idea of the social economy;
5. Administrative burdens, legal regulations, and complicated processes;
6. Migration outside the region;¹⁹
7. Waves of economic migration of relatively young and well-educated inhabitants of the region;²⁰
8. Forceful intra-regional differentiation: north and west — south and east.

Ways of eliminating outlined problems²¹:

- a) supporting accredited support centers as well as incubators for social enterprises and other entities of the social economy sector;
- b) creating informal connections between social economy entities, taking the form of partnerships and cooperation networks;

¹⁵ https://bip.podkarpackie.pl/attachments/article/5084/komunikat_marzec_2020.pdf (access 05.10.2020)

¹⁶ http://rot.podkarpackie.pl/attachments/article/452/1_Rola%20przedsi%C4%99biorczo%C5%9Bci%20-%20konferencja%20ostat..pdf (access 05.10.2020)

¹⁷ Broader <https://bip.podkarpackie.pl/index.php/sytuacja-spoeczno-gospodarcza/5084-komunikat-o-sytuacji-spoeczno-gospodarczej-powiatow-województwa-podkarpackiego-za-marzec-2020-r> (access 05.10.2020)

¹⁸ S. Solecki, The potential of the Podkarpacie social economy in the face of the imperfections of the regional labor market, „Przedsiębiorstwo i Rynek”, No 8, 2016.

¹⁹ http://rot.podkarpackie.pl/attachments/article/452/1_Rola%20przedsi%C4%99biorczo%C5%9Bci%20-%20konferencja%20ostat..pdf (access 05.10.2020)

²⁰ http://rot.podkarpackie.pl/attachments/article/452/1_Rola%20przedsi%C4%99biorczo%C5%9Bci%20-%20konferencja%20ostat..pdf (access 05.10.2020)

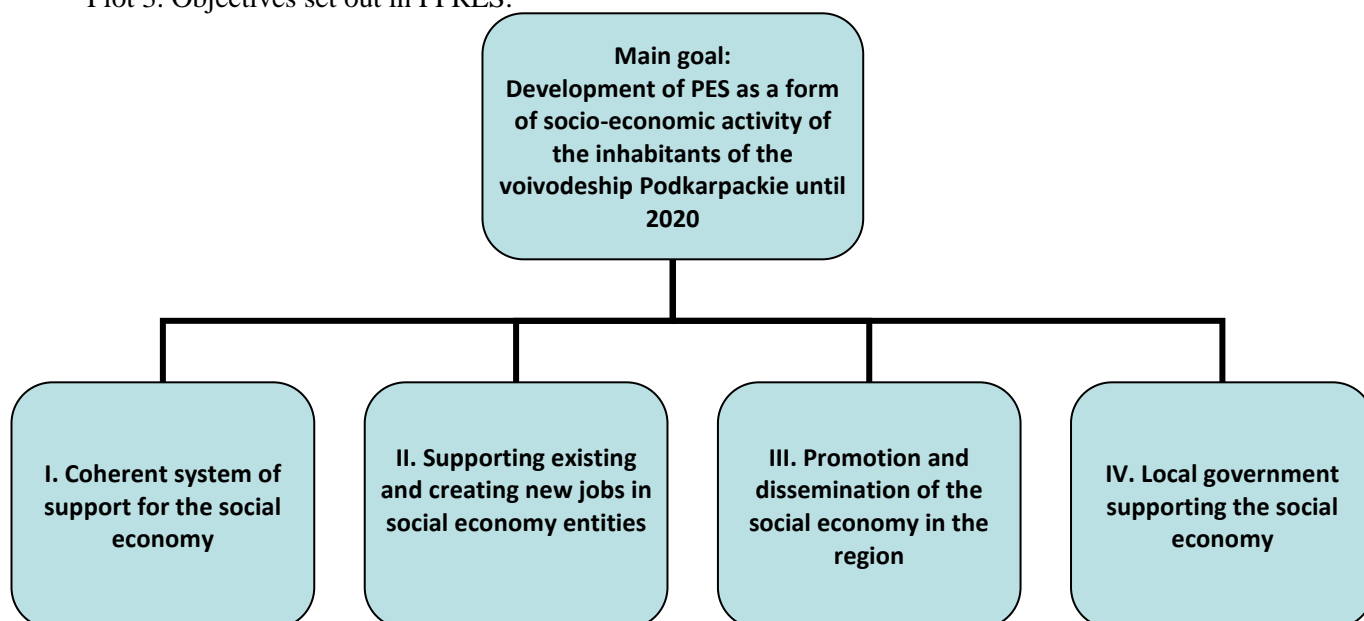
²¹ S. Solecki, The potential of the Podkarpacie social economy in the face of the imperfections of the regional labor market, „Przedsiębiorstwo i Rynek”, No 8, 2016.

- c) creating cluster agreements between social economy entities and entities from other sectors, such as local government units, entrepreneurs, media, scientific institutions, universities, etc.;
- d) creating institutional forms and mechanisms that support financial support for social economy entities in the form of guarantee and loan funds;
- e) disseminating the principles of social franchise and ideas in the activities of social enterprises;
- f) evaluation and monitoring as well as periodic studies of the social economy sector;
- g) creating new jobs and strengthening the existing ones in PES through professional training of employees, granting subsidies, improving the qualifications of the management staff;
- h) promotion and support of the social economy in various environments in the form of sales portals, information campaigns, fairs, certification systems for products and services of entities;
- i) promoting knowledge about the social economy in the local government environment (e.g., regarding the use of social clauses in public procurement, financing social economy projects, commissioning PES public services, etc.)

The most important sectors of social entrepreneurship in Podkarpacie

The directions of activities regarding the development of social entrepreneurship have been indicated mainly in: **1/ Podkarpackie Social Economy Development Program 2016-2020 (PPRES):**

Plot 3. Objectives set out in PPRES:



Details of planned activities and indicators under the goals mentioned above are presented in Table 3.

Table 3. Directions for the development of social entrepreneurship in the Regional Development Plan ES

Detailed goal	Science, research, and higher education	Implementation indicators:
I. Coherent system of support for the social economy	1. Ensuring the functioning of the regional (voivodeship) social economy development committee.	1. Number of functioning regional (voivodeship) committees for developing the social economy — 1.



	<ol style="list-style-type: none"> 2. Activities aimed at coordinating the social economy sector in the Podkarpackie Voivodeship. 3. Functioning in the region accredited by the Minister of Family, Labor, and Social Policy OWES. 4. Creating formal and informal links between entities within the social economy sector and links between the social economy sector and other sectors (e.g., business, local government, media, science, etc.) in the form of networks/partnerships/clusters. 5. Functioning of entities providing support to PES and initiative groups outside the accredited OWES. 6. Launching financial mechanisms to support ES (including loan funds, delivery funds). 7. Development of social franchise in the region. 8. Improvement and training of staff supporting ES in the voivodeship. 9. Conducting monitoring, evaluation, and annual surveys of the social economy sector condition in the Podkarpackie Voivodeship. 	<ol style="list-style-type: none"> 2. Number of projects aimed at coordinating the social economy sector in the Podkarpackie Voivodeship — 1. 3. Number of the Region's Social Economy Support Centers with MRPIPS accreditation — 4. 4. Number of functioning networks of cooperation and collaboration of social economy entities — 5. 5. Percentage of clusters operating in the Podkarpackie Province with at least one social economy entity — 10%. 6. Number of financial mechanisms operating in the Podkarpackie Voivodeship — 1. 7. Number of research reports on the condition of the social economy sector in the region — 6. 8. Number of social economy entities associated with social franchise systems — 4
<p>II. Supporting existing and creating new jobs in social economy entities</p>	<ol style="list-style-type: none"> 1. Provision of services enabling the acquisition/improvement of knowledge and development of skills necessary to establish and/or work in social economy entities. 2. Provision of services consisting of providing and developing competencies and professional qualifications needed to work in social enterprises. 3. Implementation of financial support (subsidies) for creating jobs for people at risk of poverty or social exclusion. 4. Providing bridging support in the form of financial and in the form of personalized services aimed at developing the knowledge and skills of the members of the social enterprises. 5. Implementation of animation activities in the field of social economy in the region. <p>Indicators of the implementation of Specific Objective II and their target value:</p>	<ol style="list-style-type: none"> 1. Number of jobs created in social entities, including social enterprises — 1179 2. Number of people at risk of poverty or social exclusion working after the implementation of the measures (together with the self-employed) — 9.2% 3. Number of social economy entities covered by support — 1380 4. Number of people at risk of poverty or social exclusion covered by support — 3463.
<p>III. Promotion and dissemination of the social economy in the region</p>	<ol style="list-style-type: none"> 1. Carrying out information and promotion actions/activities on the subject of the social economy. 2. Actions aimed at increasing social economy visibility in the region (PES sales portal for products and services, social economy fairs, and fairs). 3. Conducting the certification of social economy entities with the quality mark "Pro-social purchase". 4. Granting the "Q" quality label to social economy entities. 	<ol style="list-style-type: none"> 1. Number of information and promotion actions/activities for the social economy — 100 2. Number of operating sales portals in the voivodeship — 1 3. Number of fair events in the voivodeship — 10 4. Number of PES certified with the promotional sign "Pro-social Purchase" — 10

	<p>5. Conducting competitions dedicated to the social economy sector.</p> <p>6. Activities aimed at developing cooperation between the social economy sector and the media.</p> <p>7. Popularization of the subject of social economy at universities in the province. Subcarpathian.</p> <p>8. Carrying out activities related to the promotion of cooperation between PES — NGO — local government units.</p>	<p>5. Number of editions of competitions dedicated to the social economy sector — 5</p> <p>6. Number of agreements signed between universities and stakeholders — 1/3 of universities in the Podkarpackie Voivodeship</p> <p>7. Number of cyclical media programs/publications on the social economy — 2.</p>
IV. Local government supporting the social economy	<p>1. Conducting information and promotion activities to increase knowledge in local government units about the idea of the social economy.</p> <p>2. Include the development of the social economy in acts of local law, strategies, and local governments' programs.</p> <p>3. Implementation of the participatory method in creating local strategic documents.</p> <p>4. Educational activities in Local Government Units on financial and non-financial forms of support for the social economy and benefits from the development of the social economy in the region (social clauses, commissioning PES with public services). Indicators of the implementation of the Specific Objective IV and their target value:</p>	<p>1. The percentage of local government units in Podkarpacie in which employees responsible for conducting public procurement procedures were trained in the use of social clauses and socially responsible public procurement — 30%</p> <p>2. The percentage of local government units in Podkarpacie that apply social clauses in public procurement — 15%</p> <p>3. Number of strategic documents created with the participatory method in the Podkarpackie Province — 50</p> <p>4. Number of local government units in Podkarpacie which considered the development of the social economy in their strategic and program documents — 100%</p>

Source: own study based on <http://es.rops.rzeszow.pl/wp-content/uploads/2016/07/program.pdf>

Based on the table's information, it is possible to indicate development directions and key industries that will play an important role in the next programming period. The data shows that the specific goal is to support entities operating in the social economy and indicate how much impact they have on shaping the Voivodeship development strategy.

3.3 The nature of cross-border cooperation

The idea of regional and cross-border cooperation appeared in Western Europe in the 1960s²². One of the basic tasks of the European Union's cohesion policy is to eliminate the backwardness in the social and economic development of border areas. It applies to areas located both at the Member States' administrative borders and at the external borders of the Union²³.

As part of cross-border cooperation, operational programs (OP) are implemented under the European Territorial Cooperation, which is the 3rd objective of the European Union cohesion policy.

²² M. Lechwar, The genesis of the European institutionalization of cooperation between border regions, <https://www.google.pl/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwi0gMeI-4bPAhVKOBQKHVnEBjAQFggeMAA&url=https%3A%2F%2Fwww.ur.edu.pl%2Ffile%2F6535%2F02-Lechwar.pdf&usg=AFQjCNf14nqCkD249zmt5CEHqK3jaHvW2g> [access: 5.09.2016], p. 24.

²³ K. Gałuszka, European grouping of territorial cooperation as a form of cross-border cooperation, „Zeszyty Naukowe Uniwersytetu Szczecińskiego” 2010, nr 620: Ekonomiczne problemy usług, No 61, p. 107.

Directions of cross-border cooperation in Podkarpackie Region result from the developed regional development policy. Their goal is economic activation and reducing the distance to the EU, and obtaining aid funds. South-eastern Poland, including the Voivodeship Podkarpackie, is within the support area of the INTERREG VA cross-border cooperation program 2014-2020: Poland-Slovakia and Poland-Belarus-Ukraine. The area of cooperation includes, among others, the Krośnięsko-Przemysł subregion, as well as the so-called adjacent region of Rzeszów-Tarnobrzeg. In Ukraine, among others, the Lviv region. Potential beneficiaries of cross-border cooperation programs are local government units, their organizational units, chambers of commerce, trade, and crafts; colleges; institutions conducting research activity; cultural institutions; and non-governmental organizations (or more broadly PES). A special form of cross-border cooperation is Euroregional cooperation. Euroregion, which on the Polish side covers the area of Podkarpackie, was established on February 14, 1993, the Carpathian Euroregion with foreign partners: Slovakia, Ukraine, Hungary, and Romania. Currently, the area of the Euroregion covers approximately 154,000 km². Over 15 million people inhabit it. Part of the Carpathian Euroregion is located on Poland's eastern border, which is the external border of the European Union. On the Polish side, the Euroregion includes communes of the Podkarpackie Voivodeship and the area of member self-governments²⁴.

Illustration 3. Carpathian Euroregion



Source: <https://krosno24.pl>

A common feature of each of the three border regions (Podkarpackie Voivodeship, Eastern Slovakia, Lviv Oblast) is a much lower GDP indicator than the average in each of these countries. The difference is around 30%, so it can be concluded that these are peripheral regions in their respective countries. Based on the analysis of the economic development indicators of Podkarpacie and the neighboring regions of Slovakia and Ukraine, it can be concluded that the border location

²⁴ M. Lechwar, „Institutional dimension of cross-border cooperation in the Podkarpackie region”. www.old.ur.edu.pl (access 05.10.2020)

should be treated mainly as a factor that deepens the periphery of the subregions located near the border with Ukraine.

It is poor economic ties between border regions, resulting largely from insufficiently developed relations building organizational closeness (cooperation within sectors of the economy and human capital) and institutional closeness (cooperation between public sector institutions and private entities)²⁵.

For example, only 25 projects were implemented under the Poland-Belarus-Ukraine 2007-2013 Program. The vast majority of project promoters were the Podkarpackie local government units. Only two projects were implemented by the applicant from Ukraine (in which the leader represented the Lviv region), and the project partners were from Podkarpackie.

The Poland-Slovakia program enjoyed much greater interest from contributors. In the 2007-2013 financial perspective, over 1,900 partners from Poland and Slovakia implemented 109 projects, under which, among others, over 1,700 km of tourist routes have been marked out and marked, approx. 140 km of bicycle paths have been created, and 250 tourist products have been prepared. Beneficiaries from the Podkarpackie Province participated in 36 of the projects mentioned above, i.e., every third.

Main tools used²⁶

- comprehensive assistance in finding social and economic partners in the Carpathian Mountains,
- assistance in the preparation of territorial projects in the Carpathian Mountains,
- investor service, in particular matching business partners,
- leading project teams and preparing ready-made strategies and planning documents,
- intermediation in contacts with public authorities and business-related institutions in the Carpathian Mountains,
- conducting media campaigns.

In the Podkarpackie Voivodeship, the goals and tasks set out in the *Strategy for the Social and Economic Development of Eastern Poland until 2020* are also of great importance²⁷. It highlights the combined needs of the Lubelskie, Podkarpackie, Podlaskie, Świętokrzyskie and Warmińsko-Mazurskie voivodeships: the need to improve cross-border connections of the national power system; strengthening the potential of the science and research sector — improving the participation of research centers from Eastern Poland in international cooperation networks; removing the barriers to conducting innovative activity by enterprises in Eastern Poland and acquiring direct foreign investments; to improve transport accessibility of voivodeship cities.

Effective, and efficient implementation of the adopted measures is possible, however, based on principles, good cooperation practices, which include: subsidiarity, vertical and horizontal partnership, equal rights and equality of the parties making up the Euroregion, preserving the national, state, regional and local by cooperating territorial units and local communities, the solidarity of cross-border areas, good neighborhood of borderland residents, voluntary participation in the Euroregion and various forms of cooperation²⁸. The cross-border and interregional partnership

²⁵ B. Błachut, ” Cross-border areas of Poland, Slovakia and Ukraine - factors of progression and periphery”, GUS, Uniwersytet Rzeszowski, 2015

²⁶ <https://investincarpathians.eu/podstrona/o-stowarzyszeniu.html> (access 05.10.2020)

²⁷ *Strategy for the social and economic development of Eastern Poland until 2020. Aktualizacja*, MRR, Warszawa 2013.

²⁸ Broader on it in: T. Borys, Z. Panasiewicz, *Panorama Euroregionów*, Jelenia Góra 1997, pp. 30–32.

is an important tool for promoting cooperation and stimulating less developed regions. Establishing transnational contacts, enabling the flow and exchange of experience, good practices, and knowledge contributes to increasing socio-economic cohesion in all European Economic Area regions and extends the cooperation scope.

Thanks to building mutual international partnerships, and thus a wide range of additional possibilities (good practices), cross-border cooperation is not only possible but even necessary for development and broadening the horizons of specific regions. In terms of social entrepreneurship and cross-border cooperation, it is worth including in the process of implementing international partnership projects, networks of support institutions, eg OWES. The main goal of this network of institutions is to support and animate the process of building partnerships, as well as to prepare and assist in the implementation of partnership and cross-border projects. The involvement of Centers in cross-border programs may bring benefits. Firstly, the sustainability and stability of partnerships and projects can be ensured through bottom-up activities and the way of creating them from the bottom up, and it can make it possible to use the potential and experience of institutions and people who have been prepared to play an animating role for several years within the network. These people have tools and ways of working in local environments related to the matching and support of partnerships, also of a cross-border nature (e.g. partnership forums / fairs, matchmaking). Thirdly, the implementation of activities in the field by the Centers which, thanks to their experience, local setting and knowledge of the local specificity, are able to work effectively in these environments. Currently, international partnership projects (including those involving social enterprises) are implemented to a small extent, which initiate and integrate local cross-border communities in order to develop and expand the scope of implementation of subsequent initiatives.

4. The most important stakeholders from the Podkarpackie region.

Stakeholders can be classified according to various criteria, such as the degree of relationship with a social enterprise, strength of influence, nature of the relationship, etc. The most basic division is internal and external stakeholders.

Table 4. Internal and external stakeholders of social enterprises

Internal	External
<ul style="list-style-type: none"> — founders/members of a social cooperative; — members of non-governmental organizations; — boards of non-governmental organizations / social cooperatives; — shareholders of the Companies; — employees of social enterprises; — local leaders, potentially interested in starting a PS. 	<ul style="list-style-type: none"> — customers of PS services/products; — potential recipients of products/services; — competition; — suppliers/cooperators of social enterprises; — other PS, including those associated in networks, clusters, etc. — employees of local government units, including: responsible for public procurement (social clauses), for cooperation with social economy entities (contracting services), planning and management (including PS in strategic documents of local government); — voivodeship marshals/ voivods/ presidents/ mayors of cities/commune heads (decisions favoring the support and development of the PS); — city / communal councilors (as above); — families of excluded people working in PS (improve the situation in these families);

- media, including social media (promotion of the idea of Social Economy and specific social enterprises);
- institutions and entities operating in the social welfare and integration sector (social welfare centers, poviats family assistance centers, poviats labor offices, etc.);
- institutions supporting the development of the social economy at the local level (ROPS, OWES);
- institutions and agencies at the central level (MRPiPS, National Institute of Freedom, PFRON);
- institutions financing Bank Gospodarstwa Krajowego (Krajowy Fundusz Przedsiębiorczości Społecznej).

These are "universal" stakeholders, i.e., those supporting social enterprises regardless of the region in which they operate, but each region, however, has its specificity. For example, despite the same "statutory" tasks of ROPS, the approach to supporting the social economy differs in individual voivodeships. Each ROPS has its program/strategy in this regard, which may differ significantly at the regional level. It is similar for voivodeship authorities and individual units of local self-government (each is a "steward" in his region because this is what local self-government is about). Therefore, in this report, we present stakeholders for the Podkarpackie Province.

Table 5. List of stakeholders in the Podkarpackie region:

Organization:	Scope of interest/contact details:
Regional Center for Social Policy (ROPS) in Rzeszów	<p>ROPS is implementing the Podkarpackie Social Economy Development Program for 2016-2020, under which specific goals have been planned:</p> <ol style="list-style-type: none"> 1. Supporting the existing and creating new jobs in PES — ultimately 1179 new jobs in PS; 2. Promotion and dissemination of ES in the region — incl. launch of a sales portal, certification of products and services Pro-social purchase, 3. Local government supporting ES — incl. Ultimately, 100% include PES support in their development strategies. <p>Address : , ul. Hetmańska 9, 35-045 Rzeszów; http://www.rops.rzeszow.pl/</p>
Social Economy Support Centers (OWES) which received accreditation for the area of the Podkarpackie region	<p>OWESs work for the development of the existing and the creation of new Social Enterprises in the region by:</p> <ol style="list-style-type: none"> 1 / animation activities in communes, 2 / training (general and specialized) 3 / consulting (legal, business, marketing, management, design, financial, etc.), 4 / non-returnable financial support (subsidies for the creation of SE and bridge support). <p>There are 3 OWESs operating in the region, which supports the entire region:</p> <p>1. Social Economy Support Center Leader: Podkarpacka Agencja Konsultingowo Doradcza Sp. z o.o. Partners: Tarnobrzaska Agencja Rozwoju Regionalnego S.A. Fundacja im. Hetmana Jana Tarnowskiego</p>

	<p> ul. Kadyiego 12, 38-200 Jasło Tel.: 13 446 75 62 e-mail: biuro@pakd.pl www: www.powes.pakd.pl </p> <p> 2. Podkarpackie Social Economy Support Center Leader: Caritas Archidiecezji Przemyskiej Partner: Podkarpacka Akademia Przedsiębiorczości Katarzyna Podraza ul. Piotra Skargi 6, 37-700 Przemysł Tel.: 17 331 31 12 e-mail: przemysl@caritas.pl www: www.prowes.com.pl </p> <p> 3. Rzeszow Social Economy Support Center Rzeszowska Agencja Rozwoju Regionalnego S.A. ul. Szopena 51, 35-959 Rzeszów room 216, 311 Tel.: 17 867 62 35, 17 867 62 36 e-mail: rowes@rarr.rzeszow.pl www: www.wsparcie.es </p>
<p> Local government units (LGUs) in the region, including: voivodeship self-government — 1 urban, urban-rural and rural communes — 164 in total poviats — 21 </p>	<p> According to the Act on the Commune Self-Government, the commune's tasks include meeting the collective needs of the community, in particular in the field of social assistance, supporting the family and foster care system; health protection, education, culture, creating conditions for operation and development of auxiliary units and implementation of programs stimulating civic activity; cooperation with regional communities of other countries. People excluded and at risk of social and professional exclusion (i.e., potential PES members) are priority groups supported by local government units. </p> <p> One of the clauses' aspects is the obligation to involve PES for the performance of the subject of the contract. Inclusion of clauses in procurement as provided for in the Efficient State 2020 Strategy, the Social Capital Development Strategy, and the National Program for the Development of the Social Economy. In Podkarpackie, a special provision on the need to apply social clauses is included in the Regional Operational Program of the Voivodeship. Despite the provisions in the Public Procurement Law and EU recommendations, still too few contracts are carried out on the basis of the requirements of applying social clauses. The state of cooperation between local government units and the social economy sector indicates only 3%. Therefore, there is still a long way to go in this respect. </p>
<p> Organizational units of local government units, including: — communal / city Social Assistance Centre (OPS) — 164 — County Family Assistance Centers (PCPR) — 25 </p>	<p> These are institutions that are mainly responsible for the implementation of social policy at the commune level. They are usually the institutions of "first contact" with people in difficult life situations. That is why they are directly interested in establishing PES, including the social enterprises, because they have a common social interest — limiting the social exclusion of a given commune's inhabitants. OPS and PCPR are most often coordinators of commune / poviat strategies for solving social problems. OPS and PCPR are looking for social partners (including projects financed from EU funds) who will help them increase the effectiveness of «system» support. In this context, PES can better reach excluded groups, activate such groups, motivate, etc. </p> <p> We do not provide the addresses of individual OPS and PCPR due to their large number. Address details are available at the link: https://rzeszow.uw.gov.pl/wp-content/uploads/2020/09/wykaz-OPS.xls </p>

<p>Regional networks of social economy entities, Clusters</p>	<p>One of the results of the implementation by ROPS of the EU project entitled "Coordination of the social economy sector in the Podkarpackie Voivodeship" is creating a PS cooperation network. Four cooperation networks were established: 1 / PES of a reintegration nature — associating Centers for Social Integration and Clubs for Social Integration; 2 / network of Occupational Therapy Workshops; 3 / a network of Professional Activity Establishment 4 / network of Social Economy Support Centers (OWES) The network's task is, among others, mutual substantive support and exchange of PES experiences in the region, but also between networks in other regions. They have periodic training sessions, study visits, and meet network representatives from other regions. More information about network members: http://es.rops.rzeszow.pl/podkarpackie-sieci-kooperacji-podmiotow-ekonomii-spoecznej-w-wojewodztwie-podkarpackim-2/</p> <p>Clusters: — Regional Cluster of Social Economy and Innovation, three-sector cluster partnership for joint economic and social initiatives, the local labor market, in particular, the development of the social economy, entrepreneurship and corporate social responsibility in the following poviats: Jarosław, Lubaczów, Przemyśl and Przeworsk and the City of Przemyśl; — Social economy cluster "Along with the San to development"; — Carpathian Cluster of Social Economy; — Podkarpackie Cluster of Social Economy "Locomotive".</p>
<p>Media</p>	<p><u>On TVP 3</u> — series of programs entitled What's up in the Social Economy. Currently, 11 episodes have been produced. — Social Podkarpackie — presenting the achievements of social enterprises operating in the voivodeship. <u>Radio Rzeszow:</u> — a series of broadcasts "Omnipresent social economy". As part of this program, it will present social economy entities in Podkarpackie that change their employees' lives. Employees of foundations, associations, establishments of professional activity, and social cooperatives will tell you how big this change is. <u>Social media:</u> YouTube — Changed Podkarpackie. The premiere is on 12/11/2020. A documentary film about Podkarpackie — Podkarpackie is YOU. The phenomenon of the place. The phenomenon of people.</p>

Source: own study

5. SWOT analysis on the development/situation of social entrepreneurship in the region.

Table 6. SWOT analysis.

Internal factors	
Strengths	Weaknesses



<ul style="list-style-type: none"> + higher number of PES / PS in the region compared to the national average, + possibility of choosing a legal form tailored to the needs of PES, + good practices of the social economy in the region, + large number of non-governmental organizations registered in the region, + there are experienced supporting entities (including accredited OWES), + creating new jobs in the social economy sector, + growing number of people trained and activated, + existing networks of social economy entities (ZAZ and WTZ networks), + experience in establishing social cooperatives of legal persons, + experience in creating PES, + increase in knowledge and social competences as a result of activity in PES, + the possibility of PES operating in niche services, less profitable for business; 	<ul style="list-style-type: none"> — weakness of non-governmental organizations and social economy entities in terms of organization and technology, personnel and content; — insufficient property status (assets) of PES; — making activities by PES dependent to a large extent on public funds (orders from administration), with a simultaneous low level of application of social clauses by local government units; — limited sectors of current activity (mostly non-specialized services, simple products); — non-innovative areas of PS activity; — low competitiveness against business in the scope of its activities (e.g., catering); — low business flexibility; — PES rivalry with each other at the local level (e.g., of one commune); — frequent lack of diversification of PES financing sources, including dependence on one recipient of services/products; — insufficient level of employee and social competences of people who are part of or make up the SE; — the phenomenon of a demanding attitude of people who are part of or make up PES; — ineffective marketing activities (improper or lack of use of marketing tools and tools); — little readiness to create and join three-sector partnerships; — insufficient ability to obtain external funds for the creation and development of social enterprises; — problems with maintaining financial liquidity; — stereotypic perception of people involved in PES activities (excluded, marginalized) and the associated lower level of trust as business partners, service providers, etc.; — stereotypes about PES themselves (poor quality of services, financial instability, etc.); — few new PES leaders; -burning out / demotivation of the existing PS leaders; — poor motivation of PES employees; resulting, among others, from a demanding attitude, lack of faith in one's abilities, long-term unemployment, lack of social skills; — staff limitations (transfer of good management from PES to business, local government, administration, etc.);
External factors	
Opportunities	Threats



<ul style="list-style-type: none"> + including ES in the country's long-term development strategy, + popularization of ES both in the region and in the country, + increased interest of academic circles in ES issues in research and education (educational programs in the field of ES are being created), + availability of differentiated ES good practices that can be applied (implemented) in the region, + activating social policy (changing the model of social policy), + increased awareness of ES among public entities, + availability of funds to support ES, + increase in the popularity of products and services based on local resources, + increasing the organizational and absorption potential of entities and institutions supporting ES, + implementation of PES networking projects (PES networking); + increasing awareness and social activity of people at risk of social exclusion and socially excluded, + growing consumer awareness (PS product as a quality mark that has a real impact on the choice of product and/or service) + long-term cooperation with local government units — permanent commissioning of public services for PES; + increasing the scope of services commissioned to PES (also other types of activities than previously associated with ES); + common use of social clauses (as an obligatory condition); + friendly PES local community, the favor of local authorities; + development of a joint PES promotion strategy and its implementation, effective joint lobbying for PES; + changing the approach to assessing the effectiveness of SE — not only financial indicators but considering the assessment of social impact, development of social capital; 	<ul style="list-style-type: none"> — low quality of social capital and social trust, — insufficient support of the public and private sector for NGOs and PES, — low level of cooperation between PES, — little public knowledge about ES — negative perception of ES and PES, — stereotypical perception of the quality of PES services and products, — insufficient support for the development of skills and knowledge of ES leaders, — formal and legal barriers and bureaucracy in establishing and operating PES, — using too strict accessibility criteria for financial engineering tools supporting PES, — exclusion of ES issues in local strategic documents, — maladjustment of social clauses in public contracts to the possibility of their application, — fear of applying social clauses, and if they are, they are applied to a small extent; — personnel changes in local authorities and the resulting lack of continuity/coherence of actions taken, — insufficient level of promotion and education on ES, — instability and inconsistency of the legal environment for the functioning of the ES, — greater care of the state (the so-called social), which paradoxically does not serve self-help, self-organization, or taking up professional activity; — deteriorating PR around PES (publicizing negative cases, ignoring the systematic, daily positive activity of the vast majority of PES); — the "systemic" financing rules of PES, unchanged from 2008; — poor promotion of PES at the national level (it is better in the regions); — creating many new PESs as part of EU funded projects (indicators) and leaving them to themselves after the completion of the projects;
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6. Policy analysis in the context of social entrepreneurship from the perspective of cross-border cooperation

6.1. Legal framework

In point 3.1 of this report presents the basic legal acts related to the social economy. The role played by the social economy is evidenced by the recognition of strengthening this sphere as one of the priorities of social policy, in which it becomes a significant tool to counteract professional and social exclusion²⁹ both by state and regional authorities. The specificity of the social economy model implemented in Poland results from the dominant practice of its financing. The source of the capital necessary to develop social entrepreneurship is the public authority, and more specifically, the state budget and EU structural funds³⁰. The scale and variety of activities undertaken in Podkarpacie until 2014 resulted in the commencement of works on a document setting out a long-term perspective of its development. The Regional Action Plan for the Development of the Social Economy for 2012–2020 was adopted by the Resolution of the Podkarpackie Voivodeship Assembly of March 26, 2012. It set out strategic directions for activities aimed at building a strong social economy sector as a tool of voivodeship development. The plan also defined the areas and environments to which the support should be directed. The most important are non-governmental organizations operating in the field of social economy, social cooperatives, labor cooperatives, disabled cooperatives, entities of social reintegration, i.e., CIS, KIS, ZAZ, WTZ, and sheltered workshops.

The Plan's enactment was also aimed at coordinating the regional policy towards the social economy financed from structural funds, state budget funds, and local governments. According to the Plan's provisions, the development of the social economy sector included not only supporting PES. It also provided for the creation of institutional support in the form of a network of Social Economy Support Centers, and in the long term, the inclusion in this process of public administration, Local Action Groups (LAGs) and cluster agreements constituting networks of cooperation and cooperation of social economy entities, as well as multi-sector agreements with the participation of NGOs, LGUs and socially responsible business (CSR)³¹.

From the financial perspective until 2020, ES is in line with the main strategic documents of the Podkarpackie Voivodeship, promoting social inclusion as a priority for its development³². Certainly, it has a special role in the weakest environments from the point of view of the logic of the free market, property, and capital resources. The introduction to the regional social policy of provisions promoting the construction of the community economy and inclusive local labor markets improves the activation of the weakest categories and those at risk of social and professional marginalization. Thus, ES plays a special role in overcoming problems resulting from long-term unemployment and social inactivity, and it also becomes a way of increasing the social and territorial

²⁹ Rymsza M., 2007, The second wave of the social economy in Poland and the concept of active social policy [in:] *Kapitał społeczny. Ekonomia społeczna*, ed. T. Kaźmierczak, M. Rymsza, ISP, Warszawa 2007, pp.186-189.

³⁰ Hausner J., *Przedmowa do wydania polskiego* [in:] M. Yunus, *Przedsiębiorstwo społeczne. Kapitalizm dla ludzi*, Wyd. ConCorda. Warszawa 2011, pp.16-17.

³¹ Regional Action Plan for the Development of the Social Economy in the Podkarpackie Voivodeship for the years 2012–2020., pp.15–23

³² Development Strategy of the Podkarpackie Region for 2007-2020, p.49

cohesion of the region³³. The main driving force behind the development of the social economy sector is the Regional Operational Program of the Podkarpackie Voivodeship (RPO WP) for 2014–2020, adopted by the European Commission on February 12, 2015. The issues of the social economy under the RPO WP 2014–2020 have been included in priority axis 8 Social Integration, devoted to institutional solutions increasing employability and the elimination of barriers limiting the activity of individuals and groups particularly distant from the labor market.

The need for further coordination and integration of the activities mentioned above at the regional level led to the Podkarpackie Committee for Social Economy Development (PKRES) by the Resolution of the Board of the Podkarpackie Province of February 23, 2016. The Committee's work focuses on setting the vision and directions for the development of the social economy, identifying development barriers, and above all, they are aimed at creating a long-term program for the development of the social economy in the Voivodeship. PKRES assumes the creation of a coherent system of ES support throughout the region through, among others, operation of accredited support centers; creating informal links between social economy entities in the form of partnerships and cooperation networks; creating institutional forms and mechanisms enabling financial support for social economy entities in the form of loan funds; disseminating the idea and principles of social franchise in the activities of social enterprises; conducting monitoring and evaluation and periodic research of the social economy sector; strengthening existing and creating new jobs in social economy entities by granting subsidies, vocational training of employees, improving the qualifications of management staff; promoting the social economy in various environments in the form of information campaigns, sales portals, fairs, certification systems for the entity's products and services; disseminating knowledge about the social economy in the local government environment (e.g., regarding financing of ES projects, the use of social clauses in public procurement, commissioning PES public services, etc.).

The social economy will probably not become an antidote to any imperfections of the Podkarpackie labor market, especially unemployment or foreign labor migrations, which are still attractive despite the noticeable tightening of migration and social policies in individual countries that make up the EU labor market. However, many people give a real chance to protect themselves from the effects of exclusion or create a chance to return to active social and professional life.

Social economy entities become the most effective and efficient in regaining their participants' life independence when they are well integrated into comprehensive activities carried out in cooperation with the public, social and private entities. Providing high-quality public services and niche services that are less profitable for business may become an opportunity for the social economy. It is important because of PES's economic success, which ensures a stable financial situation, enables a complete social goals implementation. By functioning in the space between the free market and the social welfare system, the PES is a good filler of the existing gap, contributing to improving the lives of disadvantaged individuals and groups and entire local communities.

Paying attention to Smart Specializations (IS) of the Podkarpackie region, they result from a choice based primarily on regional strengths and endogenous resources, including current and future research and entrepreneurship. In the discussed region, the following specializations were identified:

- leading smart specializations: aviation and astronautics, automotive, quality of life;
- intelligent supporting specialization: information and telecommunications.

³³ National Strategy of Regional Development 2010–2020 Regions, Cities, Rural Areas...p.122.

The aviation and space industry's choice as an intelligent specialization of the Podkarpackie Voivodeship is justified, as indicated in point 1 of this study. Smart specialization leading the quality of life is a complex of interrelated areas of activity and solutions aimed at creating a new, sustainable model of the functioning of society and the ecosystem, as well as solutions guaranteeing intelligent development of the entire region, following the new economic and social paradigm of the European Union. Intelligent specialization quality of life in a synthetic approach includes mobility — multimodal transport, climate and energy, food of the highest biological and health quality, energy-efficient construction, sustainable tourism, information and communication technologies ICT. The area of this IS can be related to the development of social enterprises. It is worth adding that in the voivodeship, there are social enterprises that fit into IS, i.e., automotive: car repair shops (e.g., in Mielec), or even IS — the quality of life.

Table 7. List of planning documents.

National level
National Strategy for Regional Development 2010–2020, Regions, Cities, Rural Areas, Ministry of Development, http://www.mr.gov.pl/stroony/zadania/polityka-rozwoju-kraju/zarzadzanie-rozwojem-kraju/krajowa-strategia-rozwoju-regionalnego
Long-term National Development Strategy (until 2030), Medium-term National Development Strategy (until 2020).
National Program for the Development of the Social Economy until 2023. Resolution adopted the economy of social solidarity (updated KPRES) No. 11 of the Council of Ministers on January 31, 2019, amending the resolution on adopting the program called "National Program for the Development of the Social Economy." National Program for the Development of the Social Economy until 2023. The economy of Social Solidarity https://www.ekonomiaspoleczna.gov.pl/download/files/EKONOMIA_SPOLECZNA/KPRES_2019.pdf
Regional level
Development strategy of the Podkarpackie Voivodeship for the years 2007–2020. Update for 2013–2020. Website of the Marshal's Office of the Podkarpackie Voivodeship http://www.podkarpackie.pl/index.php/strategia/2466-zaradz-przyjal-aktualizacje-strategii-rozwoju-wojewodztwa (PL)
Regional Action Plan for the Development of the Social Economy for 2012–2020 Website of the Regional Center for Social Policy in Rzeszów http://es.rops.rzeszow.pl/regionalny-plan-dzialan-na-rzecz-rozwoju-es-w-woj-podkarpackim-na-lata-2012-2020/ (PL)
Regional Operational Program of the Podkarpackie Voivodeship for 2014–2020
Local-level
Subcarpathian Social Economy Development Program 2016–2020. Appendix No. 1 to Resolution No. 169/3507/16 of the Board of the Podkarpackie Voivodeship in Rzeszów of April 26, 2016, website of the Regional Center for Social Policy in Rzeszów http://www.es.rops.rzeszow.pl/ (PL)
Development Strategy of the Podkarpackie Voivodeship for 2007–2020 (PL)
Regional Operational Program of the Podkarpackie Voivodeship for 2014–2020, Appendix No. 1 to Resolution No. 33/629/15 of the Board of the Podkarpackie Voivodeship in Rzeszów of March 3, 2015 (PL & EN)
14 września 2020 Zarząd Województwa Podkarpackiego uchwala nr_198 / 4049 / 20 została zatwierdzona Voivodeship Development Strategy — Podkarpackie 2030. https://www.podkarpackie.pl/attachments/article/7264/Projekt%20Strategii%20rozwoju%20wojewodztwa%20-%20Podkarpackie%202030.pdf

6.2. Analysis of the proposed policy instrument

The presented policy tool aims to increase the region's competitiveness through entrepreneurship development, internationalization, citizen involvement, and innovation based on smart specialization.

The policy tool's specific objective is to strengthen the role of social economy entities in activating disadvantaged people and providing social services of general interest in the region. In 2020, the number of jobs created in social enterprises increased from 377 (2013) to 1079.

The current challenge of running policy initiatives at the regional level is the lack of coordination, leading to actions carried out only by municipalities, counties, or provinces, but without their cooperation.

The tool supports existing and new social enterprises and their ecosystems to gain better access to finance to create social enterprises and jobs within them and improve the qualifications and experience of social enterprise workers in animation, incubation, and business processes. The development of appropriate monitoring tools for policymakers of the social economy's internal dynamics can provide an overview of the entire social enterprise landscape (including such activities and organizations) and allow direct and indirect interventions by decision-makers promptly based on the specific requirements of such enterprises.

Therefore, improved performance will monitor and evaluate policymakers' activities and projects to provide up-to-date information on social enterprises' organizational development. Besides, it supports and supports activities and participates in their implementation from the stage of defining and creating guidelines and indicators, to the selection of projects, support for potential applicants along with the preparation of applications, development of studies, information and promotion activities, participation in the steering committee responsible for changes, improvement, and analysis of the progress in its implementation).

Based on the analysis of planning documents for the new programming period, it can be concluded that in the new programming period, many new SEs will be created in the Podkarpackie Voivodeship (training on setting up social enterprises, consulting, developing business plans, subsidies) and they will receive support for over 100 existing social enterprises (subsidies, training, counseling, study visits).

It is worth noting that the tool's objective will be achieved by using more comprehensive and personalized forms of support resulting from the combination of various available tools aimed primarily at increasing social and organizational competencies. Also, strengthening the role of apprenticeships and improving functioning in social life (at home, family, neighborhood). Thanks to cooperation with institutions focused on solving and helping to solve social problems, support for the so-called "Tailored" — personalized and comprehensive. Considering the region's potential in social enterprises, all undertaken activities will focus on projects in, among others, education, health, social integration to eliminate barriers that marginalized people may encounter.

7. Results of expert interviews with regional stakeholders

Interviews were conducted with 15 experts who represented the following groups: A representative of a university (University of Law and Administration), representatives of the Voivodeship Labour Office, the Regional Center for Social Policy, the Regional Center for Social Economy Support of Subregion I and Subregion II, Local Action Group Association "Partnership for Ziemia Nizańska ",

Representatives of Social Enterprises from the Podkarpackie Voivodeship.

The interview consisted of 8 questions.

Based on the data collected, the main conclusions are as follows:

a) **Social entrepreneurship**

According to experts: Social entrepreneurship is an opportunity to improve the quality of life of the region's inhabitants, work, and participate in social and professional life for people from areas most at risk of exclusion. Social entrepreneurship is also related to sustainable development, which is extremely valuable due to the tourist values of Podkarpackie. The region's Professional Activity Establishment are very active, and they are constantly expanding their activities to more and more disabled people who want to work. The Podkarpackie region also has extensive experience in operating clusters (according to data from PARP, they have been present since 2001), which also associate social enterprises.

Social entrepreneurship combining the economic aspect with the socio-professional needs of employees from the group of people at risk of social exclusion (i.e., people with disabilities, unemployed, addicted, etc.) and the needs of the local environment is a still poorly known economic form in our region compared to the number of sole proprietorship businesses or commercial law entities operating in Podkarpackie. Nevertheless, social entrepreneurship develops as a result of:

- activities of OWES (e.g., by conducting information, animation, incubation, and advisory activities addressed to communities and local leaders, non-governmental organizations, representatives of the business sector, and local government units);
- parallel activities carried out by ROPS, which implements activities stimulating the local government sector to support ES and ordering/buying local services/products from social economy entities from the Podkarpackie region, including PS;
- activities of the Marshal's Office using EU funds and inviting PS representatives to participate in campaigns promoting them;
- cooperation of ROWES with Poviats Labour Offices.

For example, an expert from the Nizański powiat and ROWES employees believe that PS is of great importance in solving social problems. It is worth noting that for several years the Nizański powiat has been leading the statistics of poviats with the highest unemployment rate in the Podkarpackie Voivodeship (16.3% unemployment in the powiat; 9% in the voivodeship); in this infamous statistic, only the Bieszczady powiat (14.4%) Brzozowski (15.3%). It is surprising compared to the Stalowa Wola powiat (6%), which has recorded one of the lowest unemployment levels in the voivodeship for many years. The immediate vicinity of large industrial plants in Stalowa Wola does not affect the labour market of the Nizański powiat. One of the solutions for the powiat maybe PS created based on existing organizations and Circle of Rural Housewives (KGW), which are doing well, for example, in tourism, catering, agricultural, and service activities.

It should also be mentioned, according to an expert from the Tarnobrzeg powiat, that social entrepreneurship in the discussed region of Podkarpacie focuses mainly on the activities of Circle of Rural Housewives. However, all respondents agree that there is very little promotion of PS activities. Several of them state that in addition to the ROPS activities focused, among others, on networking mechanisms of organizations operating in the voivodeship. Unfortunately, there are no other activities. Of course, some organizations have been operating for years, raise funds for the creation of new entities, and new entities are created (e.g., created as part of projects financed by OWES) that allow hiring more people.

b) **The current development of social entrepreneurship**

According to experts: at present, it can be said that the development of social entrepreneurship in the Podkarpackie Voivodeship is very diverse. There are areas with a very fast growth rate and the number of social enterprises, e.g. Rzeszow powiat (more in point 2.2 of the analysis). On the other hand, a reduced level of social entrepreneurship development occurs in some areas, including the area of the mentioned earlier Nizański powiat. It is an area of low activity compared to the Stalowa Wola or Rzeszow powiats. The powiat has a large product and personnel potential, however, it requires a lot of animation and financial commitment. In the last 5 years, 5 social enterprises have been established in the powiat, of which one social enterprise (Lasowiacka Tradycja) has suspended its activity in the Jeżowe commune this year, and two years earlier one of the Jeżów social cooperatives (Magnolia) has closed.

Experts add that almost half of the PS mentioned above have already started to continue cooperation with OWES as part of the next edition of the ROWES project for 2020-2022. Campaigns promoting the use of EU funds by the PS from Podkarpackie and the favor of local media result in the community and entrepreneurs' increased interest. It isn't easy to assess the increase in the intensity of interest. Still, the emergence of entrepreneurs with the concept of establishing a PS reveals that business has noticed entering a new market with new services/products while building a positive Public Relation as a result of the need to plan and conduct activities for local communities and employees, which may turn out to be a relatively cheaper form of building recognition and market position among customers than using other promotion and advertising tools.

The outbreak of the COVID-19 pandemic is an unfavorable phenomenon, which some PS led to suspend the activity or even liquidate PS. Hence it is difficult to assess if the situation would have / would have developed had it not been for the pandemic.

PS's, which, despite the pandemic, joined the second edition of OWES, see development opportunities and are currently developing development strategies. For example, in the PS group from the Tarnobrzeg powiat and the city of Tarnobrzeg, some PS plan to submit a business plan for the evaluation of the Project Evaluation Committee for the creation of new jobs in enterprises, seeing an opportunity in the development of catering as an alternative to existing restaurants in the era of COVID-19, cleaning and disinfection services, care services greenery and cleaning of public facilities, promotion of culture in partnership with other cities and organizations, and online sales.

According to the respondents: a more positive aspect is the increased awareness of non-governmental organizations in the social economy field. This phenomenon is characterized, among others, by the process of introducing paid activities in organizations, especially in KGW.

A positive aspect that fits the definition of "development of social entrepreneurship" is, among others, the functioning of OWES offices. The project activity of these institutions or ROPS to some extent fills a huge gap in the entire area of the social economy, a branch of social and economic life neglected and forgotten by all government and local government institutions.

c) **Main problems limiting the development of social entrepreneurship**

The main problems indicated by the Experts are:

- ignorance of social enterprises;
- reluctance to associate, inability to cooperate;
- the need to select social leaders;
- a few financial mechanisms favoring the establishment of this type of entities;
- the reluctance of local governments and public institutions to disseminate this economic model.
- the biggest problem was and still is the low interest of local government units in the use of social clauses in public procurement, which would give PSs a greater chance to provide services and sell

products to these bodies and subordinate entities and generate greater revenues giving a greater advantage over costs and stability financial.

— dependence on EU funds and subsidies by the PS.

d) The main reasons or needs for the development of social entrepreneurship

— networking of social enterprises with the support of public administration with other operating enterprises and business representatives.

— creating competitive financing conditions for this type of enterprises, especially in the first stage of the establishment;

— introducing in these mechanisms financial and substantive support for leaders responsible for running this type of enterprises;

— system solutions (e.g., tax breaks, simplified procedures for obtaining concessions, privileged conditions for using the PUP support mechanisms).

e) Tools promoting social development

According to the Experts, the Regional authorities can promote the PS by commissioning them various services and promoting it in other regions (all tourist souvenirs, gifts, etc.). Promoting the regional cuisine or tourist attractions of Podkarpackie are ideal topics to be associated with social entrepreneurship. The Regional Center for Social Policy in Rzeszow (ROPS) and the Social Economy Support Centers (OWES) operating in the Podkarpackie Voivodeship promote the social economy, among others, by organizing, subsidizing the fair, financing TV programs with PS and radio programs and organizing competitions for the best social entrepreneurs and gala and conferences promoting social enterprises (but only to the extent that the project budget allows).

The strongest medium is financial resources, which are worth planning, finding, and possessing for this purpose. Still, if they are lacking, it is worth coming up with an offer to join the promotion of Podkarpackie and participate in promotional activities financed by the Marshal's Office or ROPS.

Most media tools are social networks, which gather a huge number of participants and observers. Still, their effectiveness depends on the intensity and regularity of publishing posts (photos, entries, presentations, short videos) to position your presence in the information jungle in the minds of portal users.

In the context of micro-activities, a good way to promote entrepreneurship is full awareness of the goals and tasks in the team of employees, appropriate preparations so that those working with the client each time treat the meeting with him not only as a task to finalize the sale, but also a potential source of recommendation from other clients (obtaining recommendation).

Increase PS awareness of the importance of maintaining and updating a website and actively using available tools such as social networks and local media.

f) Assessment of support to existing institutional structures and EU support programs for the development of social enterprises

High availability of funds from EU programs and an extensive structure of specialized entities supporting social entrepreneurship development are strengths. According to interviewees, this system's weakness is excessive bureaucracy and the focus on achieving inflated indicators.

Unfortunately, the drawback is irresponsible and unviable procedures delayed in time and burdened with tons of unnecessary administrative work. Large, resourceful and well-organized entrepreneurs greatly use it by creating artificial conditions for using these support mechanisms — especially in those areas where they are not necessarily needed.

g) Necessary non-cash support to achieve greater participation of social enterprises

— Promoting the commissioning of tasks, social clauses, and social aspects among institutions applying public procurement,

- Increasing consumer awareness of the choice of products and services offered by entrepreneurs for whom not only own profit matters,
- Raising awareness of the activities of non-governmental organizations and the promotion of social enterprises and their activities,
- Creating clusters bringing together organizations with similar profiles.
- Networking of contacts, mutual recommendation, and word of mouth marketing, increasing social and professional competencies of employees in the conditions of internal reintegration programs developed by PS management boards, training leadership skills among managers.

h) Assessment of the development of social entrepreneurship in a cross-border context

The experts jointly declare that in the context of cross-border entrepreneurship development, they would start with networking study visits of PS representatives with representatives of other sectors abroad, including PS (with the participation of an interpreter), to enable the parties to share knowledge and experience. Using the partner's knowledge and solutions may establish more lasting cooperation, entering into contracts transferring solutions between the parties, establishing direct or indirect economic cooperation.

From observation and some experience, it can be boldly stated that social entrepreneurship has never been, even to a marginal extent, a topic of cross-border cooperation between local governments and organizations. In many communes, unfortunately, the most common cooperation model is cultural exchange and youth exchange in education and sport. Without changing the views of people who create and impose the goals of foreign cooperation, it is impossible to take up issues in the social economy.

8. Survey results on the impact of the coronavirus on social entrepreneurship and people

In connection with the outbreak of the pandemic caused by the COVID-19 virus, a survey was prepared and conducted. "The impact of the coronavirus on social entrepreneurship and people." To check how the situation influenced social entrepreneurship in particular regions and countries. Based on the respondents' answers, the results are as follows:

A. Respondent profile:

1. The respondents to the questionnaires are mainly representatives of services — 20.83%, media, advertising, and education — 12.50%, trade — 8.33%, medicine, and pharmacy — 8.35%, creative industries — 8.33%, forestry — 4.17%, legal, business and financial — 4.17%, machine construction and metalworking — 4.17%, and 29.17% were representatives of other not classified.
2. Over 80% of respondents have 1-10 years of business experience and employ up to 10 people.
3. The vast majority's annual turnover was at the level of PLN 10,000 - 30,000 — 25% and PLN 100,000 - 500,000 for 20.83%.

B. Proper questions:

1. When asked about the coronavirus's concerns, as many as 47% of respondents say that they are slightly worried, and 30% are significantly concerned. Over 52% of those polled are concerned about the coronavirus's impact on the development of their social enterprises. When asked about the restriction of activities during the first wave of the Pandemic, i.e., March-May 2020, as many as 52% said they limited their activities, and only 4% operated normally.



2. Huge challenges for the respondents during the pandemic were: Social isolation -19.12%, Lack of orders (sales) due to the suspension of certain sectors of the economy — 19.12%, Problems with employees related to fear of falling ill at work and the coronavirus — 11.76% Increased production costs due to the need for additional coronavirus protection measures -10.29%.
3. Quite disturbing results appeared for the question about the income, where as many as 40.91% of respondents said sales decreased by more than 75%, and in 22.73% responded that sales fell by more than 25%, but less than 50%. Only 4.55% had the same level of sales.
4. Looking at the Social enterprises development perspectives, as many as 45% of respondents say that they will have to compensate for the impact of the crisis within the next at least six months. In comparison, 13% of respondents believe that the period of crisis is over and will continue their activities. It is worrying, and as many as 9% of respondents say that the crisis has a disastrous impact on their PS. They assume that the company will have to close in the coming months.
5. Another area in the survey was the optimization of the number of employees during the first wave of the pandemic. The results are very optimistic, as over 40% of respondents answered that their number is still the same or has increased. And over 20% of the respondents replied that they were forced to lay off some employees. Still, only those who were in the trial period or did not work under an employment contract for an indefinite period (22.73%) and the same number of respondents (22.73%) were forced to lay off some employees, even those who worked under an employment contract for an indefinite period.
6. It is worth adding that 86.36% of respondents qualified for financial support in connection with COVID-19 from the state and other benefits. And over 89% of the respondents obtained such support. Only 5% of the respondents did not receive support. The respondents indicated the main reasons for not receiving any financial assistance: failure to fill in the application correctly and the payment of support was not granted, and the fact that their employees took leave or benefited from social benefits for nursing or sickness care.
7. Half of the respondents said any specific support measures for social enterprises were initiated during the crisis. However, over 45% of respondents believe that state financial support measures to maintain social enterprises' employment are insufficient.

Summarizing the survey results, it can be concluded that representatives of social enterprises say that the coronavirus epidemic has a negative impact on their operations, and more than half of them fear that in the next three months it may cause a drop in sales and loss of employees, according to the study. If they want to function in the new reality, social enterprises must adapt to new market requirements and look for solutions in new areas that have not been explored by them so far.

9. Analysis and identification of good practices

Table no 9. Good practice form

General information on good practices
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Title of the practice	Comprehensive support for the social economy sector in the Podkarpackie Voivodeship
Organisation in charge of the good practice	Rzeszow Social Economy Support Center (ROWES)
Description	
Short summary of the practice	<p>Support for the social economy sector is and will be implemented by:</p> <ul style="list-style-type: none"> - information activities in the field of the social economy, with particular emphasis on activities influencing its development; - local animation services to increase awareness of the local community, stimulating civic activity, aimed at creating entities (organizations), initiatives, partnerships acting for the benefit of the social economy; - incubation activities aimed at acquiring knowledge and skills necessary to establish and run Social Economy Entities and Social Enterprises; - organization of partnership workshops; study visits, general training on the social economy and specific training in the field of establishing and running of the Social Enterprise; - financial (grants, bridging support) to cover the expenses necessary to create new jobs in SE; - specialist consultancy and industry consultancy; - supporting the development of employment, in particular of people at risk of social exclusion, by supporting job creation in the social economy sector; - activities in the field of social and professional reintegration for employees of a Social Enterprise, implemented under the "Reintegration Program in Social Enterprises"; - activities aimed at professionalization and increasing the competitiveness of products of social economy entities and social enterprises; - business activities aimed at supporting and developing existing Social Enterprises.
Resources needed	Human resources, technical facilities, database, IT facilities
Timescale (start / end date)	1.01.2017 - ongoing
Evidence of success (results achieved)	<p>Social Economy Support Centers, operating in the Podkarpackie Voivodeship, strengthen the social economy sector from 2017 by creating new jobs in Social Enterprises.</p> <p>Achievements:</p> <ul style="list-style-type: none"> - supporting the development of the sector of Social Economy Entities and Social Enterprises, through: - providing comprehensive services (information and promotion, consulting and training, specialist services: including repayable financing, strengthening business and organizational potential, animation activities (including local government units, business) for the created 130 Social Economy Entities / Social Enterprises contributing to their economization , professionalization, and qualitative changes in their functioning during the project.
Potential for learning or transfer	<p>Establishing Social Economy Support Centers as institutions supporting social economy entities is a good practice.</p> <p>The mission of the Centers is to create and strengthen the development potential of Social Economy Entities in the regions where they operate (e.g. Podkarpackie Region), and in particular:</p>

	<ul style="list-style-type: none"> - strengthening sectoral cooperation to build a support system for the existing and emerging Social Economy Entities through animation activities; - increasing the employment of people at risk of social exclusion by supporting job creation in Social Economy Entities; - increasing the availability of services: legal, accounting, marketing, business consulting for Social Economy Entities; - promotion of the Social Economy. <p>Social Economy Support Centers in their activities closely and permanently cooperate with Regional Center for Social Policy in Rzeszow (ROPS) as social economy support coordinators in voivodships, establishing plans and principles of cooperation, including the implementation of joint ventures.</p> <p>The structure of their operation as well as the scope and method of operation can be used in other regions of Europe, not only in Poland.</p>
More information	<p>http://www.wsparcie.es; http://www.pakd.pl/owes2; http://www.prowes.com.pl/o-nas/ http://tarr.pl/osrodek-wsparcia-ekonomii-spoecznej/#page-content</p>

General information on good practices	
Title of the practice	Coordination of the social economy sector in the Podkarpackie Voivodeship
Organisation in charge of the good practice	Regional Center for Social Policy in Rzeszow (ROPS)
Description	
Short summary of the practice	<p>The main goal of the project is primarily:</p> <ul style="list-style-type: none"> - increasing the role of the social economy sector in the Podkarpackie Voivodeship, - strengthening cooperation and cooperation of social economy entities, - increasing the visibility of social economy entities as suppliers of products and services, and promotion of the social economy sector among the inhabitants of the Podkarpackie Province. <p>Some of the above-mentioned goals have already been achieved through:</p> <ul style="list-style-type: none"> - creation of the Podkarpackie Committee for the Development of Social Economy, in accordance with the provisions of the National Program for the Development of Social Economy (In order to better coordinate the social economy sector in the region). - Educational activities were undertaken in the field of the social economy that initiated cooperation of local government units with local entities of the social economy. - Creating new and developing already established networks of cooperation of individual types of Social Economy Entities, which are to represent the interests of social economy entities and create a space for the exchange of views and taking actions to represent common interests. - Promoting good practices of social economy entities operating in the Social Economy sector in Podkarpacie and other regions of Poland. - Promotional activities - to increase the visibility of social economy entities and social enterprises (fairs, co-financing for trade fairs, publications, sales portal www.wspierajwybieraj.pl).
Resources needed	Human resources, technical facilities, database, IT facilities

Timescale (start / end date)	2016 - ongoing
Evidence of success (results achieved)	<p>The Podkarpackie Committee for the Development of Social Economy was established. The tasks of the Committee include.:</p> <ul style="list-style-type: none"> o setting the vision and directions of development of the social economy in the region, o identifying barriers to the development of the social economy and formulating recommendations for their elimination or reduction, o developing new, innovative solutions for the development of the social economy in the voivodeship. <p>Social enterprise cooperation networks have been established. Four networks were established in total:</p> <p>1/ Reintegration Social Economy Entities - associating Social Integration Centers and Social Integration Clubs;</p> <p>2/ network of Occupational Therapy Workshops;</p> <p>3/ network of Professional Activity Establishment;</p> <p>4/ network of Social Economy Support Centers.</p> <p>The task of the network is, among others mutual substantive support and exchange of experiences of Social Economy Entities in the region, but also between networks in other regions. They have periodic training sessions, study visits, and meet network representatives from other regions.</p> <p>Promotional activities included a number of initiatives supporting Social Economy Entities in the region.</p>
Potential for learning or transfer	<p>Thanks to the created cooperation networks, organized study visits, promotional activities, and the organization of the "Leader of Social Economy in Podkarpackie" competition, there was a spontaneous transfer of knowledge between the participants of the above-mentioned initiatives. Above activities are a great initiative to exchange experiences and practices, and at the same time they are a catalyst for the exchange of knowledge and information for all individuals involved in the social economy. By introducing a provision in KPRES regarding the support system, the function of coordinator of activities related to the area of social economy in voivodships is performed by the Regional Center for Social Policy in Rzeszow (ROPS). The unit coordinates the activities of public authorities in the implementation of the regional program and, in terms of content, determines the directions, preferences and procedures for supporting the social economy and social enterprises under the Regional Operational Programs.</p>
More information	http://es.rops.rzeszow.pl/podkarpackie-sieci-kooperacji-podmiotow-ekonomii-spoecznej-w-województwie-podkarpackim-2/

General information on good practices	
Title of the practice	K-Lumet social franchise
Organisation in charge of the good practice	Polish Association for People with Intellectual Disabilities Branch in Jarosław
Description	
Short summary of the practice	The production of K-Lumet firelighters is an example of a social franchise based on manufacturing activities. The representatives of the association saw the firelighters at the fair of workshops for disabled people in Nuremberg in 2009, contacted the license owner, the Swiss foundation Le Perce Neige, and after several months of negotiations, in March 2010 they signed a franchise agreement with the right to resell it in Poland. Thanks to this agreement, they were able to start producing firelighters. From April to August 2010, activities related to the equipment of the studio



	<p>were carried out. Adjustable tables and chairs, properly profiled for comfortable work for the disabled, and sets for the production of fire starters were purchased. They received the first such set from the Swiss. They had to perform the next ones within their scope. They found a company dealing with technical services, including the manufacture of metal things, which, based on the photos, made a melter (a tool for dipping firelighter in hot wax). The total cost of the purchased equipment for 4 workstations + melting station amounted to approx.. 5,2 thousand. PLN. In July and August 2010, they trained (2-3 days training was conducted at ZAZ) and hired employees. The production of the firelighter started in September 2010.</p> <p>The firelighter is ideal for grill, stove and fireplace - 100% ecological - natural, clean and unscented. It perfectly fulfills its task even in the most difficult weather conditions, providing a sufficiently strong flame for up to 20 minutes. The firelighter is made under the Swiss license no. (689-453-A5).</p> <p>For the production of firelighter, wood (waste wood is used), bands from toilet paper rolls, paraffin - most often from unburned candles, a wick - cotton string and packaging (boxes for 3 and 16 pieces). Semi-finished products - remains of candles, cardboard leftover from toilet paper - can be collected, for example, in nearby primary and middle schools. The production of firelighters does not require specialized equipment and anyone can do it, just a few days of training is enough. Currently, an average of 10 firelighters per 1 employee is produced in Jarosław a day, and employees work an average of 5 hours.</p>
Resources needed	<p>The resources used are primarily human resources. The entire Professional Activity Establishment in Jaroslav employs 56 people, including 40 disabled people. In the team involved in the production of firelighters, these are: job coaches, disabled workers, managers and a sales representative. Moreover, technical facilities and material resources are necessary.</p>
Timescale (start / end date)	<p>September 2010 - ongoing</p>
Evidence of success (results achieved)	<p>The main achievements are:</p> <ol style="list-style-type: none"> a) The main result of this project is the creation of jobs for 40 disabled people and 16 service and rehabilitation staff. b) <u>The Association has exclusive rights in Poland to produce and sell firelighter</u> and the possibility of building a network by reselling some of the production rights to other interested parties. The owner of the franchise is the association, the disposer (under the association's internal regulations) is the Professional Activity Establishment in Jarosław, which lends the franchise. Currently, the firelighter is produced in 21 organizations in Poland working for people with disabilities (thanks to the franchise from PSONI in Jarosław) and in 9 countries around the world. c) K-Lumet is a pleasant, useful product that combines social and ecological aspects - an important element of environmental education, incl. in schools. Compared to the entire activity of the Professional Activity Establishment and the Association, the production of firelighter is only one element of the large-scale system of care for the disabled. It is also an interesting example of a social franchise - the first in Poland - finding more supporters.

<p>Potential for learning or transfer</p>	<p>The presented idea as a social franchise is a potential to share knowledge with other institutions about the mechanisms of the organization's functioning based on a social franchise, but above all it is a great solution for the activation of disabled people. Work in the production of firefighters is good for people with disabilities, because it calms down, everyone has their own position here, their task, which does not require much activity, there is no time pressure. These people learn certain behaviors, work gives them satisfaction and relaxation.</p> <p>The production process of K-LUMET has been so thought out that it can be produced by people with severe and multiple disabilities - which is a good practice that can be copied and implied by institutions gathering and operating in such an area.</p>
<p>More information</p>	<p>http://zaz-jaroslaw.pl/k-lumet/</p>

<p>General information on good practices</p>	
<p>Title of the practice</p>	<p>The REPLIKATOR Model as a kind of business format based on a working model of the Social Economy Entity</p>
<p>Organisation in charge of the good practice</p>	<p>Social Cooperative "Dębnianka"</p>
<p>Description</p>	
<p>Short summary of the practice</p>	<p>The idea of developing the REPLICATOR model arose in response to the problem of the low effectiveness of activities aimed at the development of social enterprises in Poland, including social cooperatives. The thesis was accepted that social cooperatives may constitute a valid and rational tool for counteracting unemployment and social exclusion. However, the creation of these enterprises requires providing them with adequate support, allowing for minimizing barriers that limit their entry into the market, and then stable operation.</p> <p>The main objective of the project, in which the model was created:</p> <ul style="list-style-type: none"> - Development, dissemination and implementation in Poland of new type of advanced incubators (Replicators) creating and duplicating (replicating) social enterprises employing people at risk of social exclusion, - adaptation of foreign and domestic business formats for the needs of running social enterprises, - dissemination and testing of the developed model, - professional and social activation of project participants. <p>The source of inspiration was the concept of social franchise, which allowed to replicate a social enterprise not only in order to achieve profit in the economic sense, but also for positive social profit.</p> <p>As part of the "testing" phase of the Replicator model, 16 business formats of selected social enterprises operating in Poland and abroad were developed, which constitute an integral part of the REPLICATOR model. The mission of REPLICATOR is to use proven, effective business models for the creation and development of social enterprises that employ people from weaker, marginalized, disadvantaged or excluded social groups. The model includes key implementation conditions that summarize the most important elements of a given business model.</p> <p>As part of the above-mentioned model, the Social Cooperative "Dębnianka" was established. The subject of activity of Social Cooperative "Dębnianka" are catering services (lunch meals for</p>

	educational institutions, catering, service of special events, event service, implementation of individual orders, baking cakes and cookies).
Resources needed	<p>The key resources indicated in the model are human resources and infrastructure.</p> <p>The analyzed Cooperative was established by 5 long-term unemployed people. Currently, 16 people are employed in Dębnianka, most of them affected by the so-called "Social exclusion" (unemployed, long-term unemployed, disabled, low-skilled, in difficult family or legal situations).</p>
Timescale (start / end date)	<p>2012 – 2015 (Replikator project)</p> <p>2010 – ongoing (Social cooperative)</p>
Evidence of success (results achieved)	<p>Social Cooperative “Dębnianka” was founded in 2010. The main activity of the Social Cooperative is catering services. Since 2014, Dębnianka also runs a restaurant called “Dębnianka”, with delicious home-made meals, pizza and the possibility of organizing special events in the restaurant. Thanks to the implementation of the operation model, the “Dębnianka” was the laureate of many awards, incl. in 2018, the cooperative became a laureate of the Social and Solidarity Economy Quality Mark competition, and in 2019, the Cooperative was awarded at the poviata and national level of the "Eagles of Gastronomy 2019"; Dębnianka was also twice among the best enterprises in Poland (2014 and 2016) in the "Way to Success" competition for the best activities creating entrepreneurship and new jobs in rural areas</p> <p>Thanks to the appropriate human resources and infrastructure, which is the basis of the analyzed model, in 2017 the Cooperative received a distinction in the Podkarpacki Social Economy Leader competition in the category "Social Economy Leader in the Podkarpackie Voivodeship". The President of the Cooperative was the winner of the Podkarpacki Social Economy Leader competition in the category "Social economy animator in 2017". Since 2016, Social Cooperative/ Dębnianka has been granted the right to use the "Pro-Social Purchase" certificate, which confirms the high quality of services provided by the social economy entity.</p>
Potential for learning or transfer	<p>The mission of REPLICATOR is to use proven, effective business models for the creation and development of social enterprises employing people from weaker, marginalized, disadvantaged or excluded social groups. The main activity of REPLICATOR is to support initiative groups in their preparation for the creation of a new social company based on the selected business model and cooperation during the replication process itself (e.g. implementation of social franchise).</p> <p>An important element that distinguishes the REPLICATOR model from, for example, the standard activities of OWES, is the provision of consultancy and coaching services also in the first period of operation of a new enterprise and with the involvement of the franchisor. It is an action that will significantly increase the chances of the success of the entire undertaking. The presented idea of a social franchise as a model for the functioning of a social enterprise is an example to be used as the so-called "Reference model". Organizations operating in the field of the Social Economy can develop their existing activities and expand them thanks to the above-mentioned Model. The use of the knowledge of managers can be valuable in the exchange of experiences, broadening knowledge, good practices and, above all, it can be an inspiration for further development of the business.</p>
More information	<p>Publication: „Incubator operation model Replikator”, http://46.41.144.67/pliki/produktreplikator/Ksiazka_I.pdf</p>

Source: own study

10. Conclusions and recommendations

Conclusions and recommendations for better public policies / policy instruments:

Recommendation no. 1: Extending the catalog of people considered as requiring support (and thus entitled to use support for job creation) to include economically inactive people or selected categories of economically inactive people, enabling them to be supported by the social economy. At the level of documents requiring approval by the European Commission, due to dynamic changes in the socio-economic situation, the list of support recipients should be left open.

Imposing an absolute obligation to use employment contracts in subsidized workplaces, while enabling flexibility of employment for groups requiring a special approach, e.g. parents or carers of dependent people, including people with disabilities.

Defining and supporting the reintegration process, starting in reintegration units and continued after employment in other entities of the social economy, in particular in social enterprises, treated as a process of improving the competences, skills or qualifications of an employee. This process should be adapted to specific groups of people.

Implementation of safe mechanisms for the transfer of graduates of the Social Integration Center, Social Integration Clubs, participants of the Occupational Therapy Workshops to social enterprises.

Recommendation no. 2: Recognition that economically inactive people (and therefore entitled to create jobs) living in revitalized areas, areas of medium-sized cities that lose their social and economic functions or areas threatened with permanent marginalization covered by the supra-regional 2020+ program (728 municipalities) are in need of support (and thus entitled to create jobs), in order to enable their support within the social economy.

The forms of support (amount of subsidies, support period) in these areas should also be strengthened, encouraging to stay and build local forms of social entrepreneurship for local development in a given community. In this case, due to the community dimension, it would be necessary to focus on the development of membership forms, involving the inhabitants of local communities, promoting not only economic effects (job creation), but also their social impact.

Recommendation no. 3: It is necessary to strengthen the financing - through additional forms of support - of activities aimed at strengthening Social Economy Entities in the implementation of social services, in particular care services (white economy), but also other products and services as part of the development of the silver economy and the circular economy expected as a development potential, short supply chain as well as social tourism.

Recommendation no. 4: Strengthening the functioning of the existing Social Economy Entities (in particular Social Enterprises) and not only engaging in the creation of new Social Economy Entities, thanks to which there will be better use of support and financial resources as well as increasing the durability of Social Economy Entities (and thus also the stability of jobs).

Recommendation no. 5: Raising awareness and knowledge about the Social Economy in various age groups of society and among the whole population of Podkarpackie region. Creation of, among others, educational programs in schools and conducting social campaigns.

Recommendation no. 6: Improving the legal aspects of the functioning of Social Economy Entities and reduction of the bureaucracy.

The current state of development of the Podkarpackie Social Economy allows us to look to the future with hope, because some of the strategic goals and activities included in the Program are already being implemented. The spectacular achievements of recent years also raise optimism as to the prospects for creating a modern, coherent system of solutions on which the social economy sector in Podkarpackie will be based in the future .

To sum up, the pandemic and the accompanying phenomena, such as remote work, compulsory quarantines, shortages of equipment for rescue and security of citizens, released layers of social entrepreneurship. It is worth paying attention to institutions that can help in the activities of Social Economy Entities, such as Social Economy Support Centers. The basis for undertaking innovative activities is both the experience of entities forming Social Economy Support Centers and a professional team of experts who are engaged not only in providing advice, but also in defining and creating innovative, proprietary support tools for social enterprises. It is worth noting that the tools developed and tested within the Social Economy Support Center are the basis for the implementation of the PS support path and the development of them and their employees. They already correspond to those defined in the document "National Program for the Development of Social Economy until 2023. *Ekonomia Solidarności Społecznej*" (Polish Monitor of 2019, item 214)) of the need to create a reintegration plan that covers the individual needs of individual employees and, if necessary, also their family members in relation to interventions that have an impact on satisfying the needs, eliminating employee problems, and also companies as a team of people involved in making decisions about it.

Social economy entities are not only employees and their needs, but also the people who run and manage these organizations and make specific decisions regarding their functioning and further development. Each company has its own unique organizational culture and a specific climate prevails there, what also affects the quality of the management system.

In the current perspective, the tasks of the Social Economy Support Centers have been strongly focused on the result in the form of new jobs creation in social enterprises (new and existing ones). Due to the fact that the subsidy is one of the most attractive forms of assistance for social enterprises, and the easiest to apply, it has become the main instrument of the Social Economy Support Centers used to create jobs. Social Economy Support Centers use a lesser extent non-financial instruments (e.g. training, counseling, etc.) , as well as services in the field of building a network of Social Economy Entities, cooperation with local government and business. Strong focus of Social Economy Support Centers on achieving the job index, combined with project time pressure, negatively affects the quality of their activities and the quality of preparing new entities for permanent and independent functioning on the market. On the basis of the above, it should therefore be noted that the most important challenges of the new perspective in the case of Social Economy Entities (in the segment of non-governmental organizations) will include increasing the share of entities conducting economic activity (economic and payable for public benefit). Due to the limited resources, it remains to be discussed whether the support should be addressed to everyone, or

whether it should be profiled in accordance with the potential of the entities, i.e. towards social services (which seems to be the right direction) and possibly other profiles important in terms of opportunities and development, at the same time, correlated with the needs of public policies, e.g. Regional Development Policy or sustainable development.

In the case of social enterprises, the challenge will be, on the one hand, the final legal form of the definition of an enterprise, which, in the context of transformation of Social Economy Entities into Social Enterprises, will also have an impact on their number in the market. However, a massive increase in transformation should not be expected due to the reluctance and low competences of some entities to enter the social enterprise sector. On the other hand, the challenge is to strengthen the activity in creating new social enterprises. There is no doubt that attention should be focused on increasing the number of social enterprises and strengthening them in areas where Social Economy Entities are strong today, e.g. in the area of social services.

A significant challenge is the issue of financial, capital and competency strengthening of existing social enterprises. In order to ensure high-quality services provided to Social Economy Entities by Social Economy Support Centers from the European Social Fund, measures are also co-financed to raise the competences of the Support Centers both at the national level (apart from accreditation activities, projects are carried out with Operational Program Knowledge, Education and Development (PO WER), e.g. related to networking. Social Economy Support Centers or consulting for regions) and regional (coordination projects implemented by Regional Center for Social Policy in Rzeszow (ROPS)). Regional Centers for Social Policy play the role of regional coordinators of the development of the social economy and therefore cooperate with the Social Economy Support Centers.

At the moment, we need to look at the activities of social enterprises in the face of a pandemic. The first meeting of the Podkarpackie Committee for Social Economy Development (PKRES), which took place on October 28, 2020, showed how the situation of social enterprises looks like today. The information presented shows that for some industries (gastronomy, tourism, services) the next season of pandemic will be crucial not only in their further development, but above all in their current functioning or even existence. While some companies have drawn conclusions from the first wave of the pandemic (March - May) and are trying to look for new solutions, there is also a group of companies that are able to adapt to the new, difficult conditions. The aid offered during the first wave of the pandemic was used by Social Entities from the Podkarpackie Voivodeship, but not all of them. The words of members of the management boards of Social Cooperatives sound disturbing, as they clearly and emphatically suggest that the main problem of the social economy is the fact that it does not develop. Representatives of these entities claim that the projects that appear help to create new jobs without caring about the existing ones. The representatives of the Social Economy Support Centers operating in the region are aware of the size of the problem signaled by the entities. And it is worth adding that the role of the existing Centers in the region is unquestionable, because at this difficult time for everyone, they helped entities to obtain support from the “Shield”, from micro-grants. The representatives of the Social Economy Support Centers also have concerns about the creation of new social enterprises, resulting from the relatively small interest of initiative groups. Today, in the age of a pandemic, it is difficult to decide what type of social enterprise to open with what services / products to make it sustainable and, above all, developmental in these uncertain times. Currently, the works of PKRES and other entities supporting Social Economy Entities are beginning to update / develop a new Podkarpackie Social Economy Development Program,

therefore all the factors that have occurred will be of key importance in developing new solutions and selecting directions for action.

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12. Appendices

1. The report of the survey (tabular form).