



YOUTH & SOCIAL ENTREPRENEURSHIP IN POLAND

Country report



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1. DESCRIPTION OF THE ECOSYSTEM

Involving youth in social entrepreneurship (SE) is a strategy that might aid in solving numerous challenges in the society, but even more so - equip them with the necessary skills and mindset for the job market or their own SE adventure to stay resilient in face of ever changing world. This report is written within the project "Socially Agile" and will be combined with the findings of other countries in an international report "Innovative approaches for fostering social entrepreneurship using agile methodology" to subsequently create a novel online course. The used data has been collected through desk research, an online survey with 75 young people and online survey with 11 social entrepreneurs from Poland in March 2023.

Youth in Poland - like their colleagues in other EU countries - believe their actions make the world a better place to live. They are aware of climate change, oppose the existence of poverty and inequality, and engage in the fight against discrimination. They want a better future. Therefore, the ideas of the social economy, oscillating between the market economy and meeting social needs, are definitely within their interest.

Until recently, the social economy was associated primarily with the social assistance system and the activation of people from the social margin, therefore, there was little interest of Polish youth in this sector. It turned out, however, social economy entities can be an opportunity for young people to gain professional experience, and such internships can increase their chances in the labour market.

Until now, the sphere of social economy in Poland has not been comprehensively regulated in legislation. This has been changed by the "**Act on the social economy**", published on August 29, 2022. It organizes the existing solutions regarding social enterprises and emphasizes their role in developing the local labour market. The regulations were developed in cooperation between the government and representatives of the social economy sector, including non-governmental organizations, local governments, the world of science, and the financial sector. The Act defines, among others: (1) rules for obtaining and losing the status of a social enterprise and supervision over it, (2) support instruments for social enterprises, (3) principles and forms of supporting the development of the social economy by public administration bodies.

“It is important for a social enterprise to respond to the needs of local communities and marginalized people by skilfully using their talents and skills,” says Anita Czerwińska, government plenipotentiary for social economy, deputy minister of family and social policy. Thanks to the Act, people at risk of exclusion will be provided with optimal conditions of employment and reintegration into social enterprises. These people will not only gain jobs but will also be included in the decision-making processes taking place in the social enterprise.

The Act provides forms of support for social enterprises. The most important of them is the possibility of obtaining funding: from the Labor Fund and from the funds of the State Fund for Rehabilitation of the Disabled. In addition, social enterprises will be able to count on tax exemptions from CIT in the field of activities related to their employees' social and professional reintegration.

In 2019 there were 29 535 social enterprises in Poland, majority of them were NGOs and foundations. At the end of August 2022, 2,026 registered social enterprises had obtained this status as part of the implementation of projects co-financed from EU funds. These are primarily social cooperatives (701), foundations, associations, and non-profit companies.

The latest report on youth entrepreneurship was published in 2022 . The study was conducted in the form of a questionnaire interview with closed questions, carried out using the CAWI method (computer assisted web interview) on the online nationwide Ariadna research panel from 9 to 31 March 2022. Although it deals with entrepreneurship in general and does not focus on youth social entrepreneurship it provides valuable insight into youth entrepreneurial attitude, especially into perceived barriers to entrepreneurship, as well as ways of gathering information on how to proceed, which is especially important for project like “Socially Agile”.

Although social entrepreneurship is not at its best in Poland, there are initiatives worth mentioning. One of them being a textbook for primary schools on implementing social entrepreneurship - “Community Startups” . It has been developed for young students who want to act locally. It is, therefore, a great tool that will familiarize students with issues in the social economy related to social exclusion, social involvement and responsibility, the third sector or cooperation in the local community. The textbook provides information on what a community is, how to become a volunteer, how to start-up an idea and become a member of a student cooperative.

¹https://rozwijamy.edu.pl/images/raporty/Raport_2022_Przedsiębiorczosc_ludzi_mlodych.pdf

Social enterprises in Poland are on the rise. The number of all social enterprise types has been increasing in the recent years, as well as the number of people employed has been increasing, nevertheless social enterprises still constitute a small share both of Polish economy and of the general entrepreneurial mindset.

²http://wielkopolskaes.pl/images/Patryk/Spolecznicy_na_start.pdf



2. YOUTH AND THEIR WILLINGNESS TO GET INVOLVED IN SE

The social economy is the activity of social economy entities for the benefit of the local community in the field of social and professional reintegration, creating jobs for people at risk of social exclusion and providing social services, carried out in the form of economic activity, public benefit activity and other paid activity. We asked 75 respondents about their knowledge, experience and attitude towards social entrepreneurship. Over 90% of the respondents were 18-25 years old, vast majority of them living in the cities (over 70 %). More than 65 % of the respondents were students at higher education institutions.

Over 45% of respondents have never heard about the concept of social entrepreneurship, followed by 40% that have heard the name, but are not very familiar with what it means. Only 13% of the respondents knew well what social entrepreneurship is and the same percentage of the respondents considered being involved in social entrepreneurial activities. A reflection arises that social entrepreneurship is barely present in the mindset of youth, which is undoubtedly a barrier to the the social development of the youth generation.

On the other hand, declarations regarding leaving a permanent mark in building social relations are high. This may mean that values related to sustainable development are recognized and valued. The top three motivations for considering getting involved in social entrepreneurship are: (1) willingness or ambition to leave a lasting impact within the society, (2) empathy, care for community or other personal traits and (3) willingness to earn living in a more sustainable way.

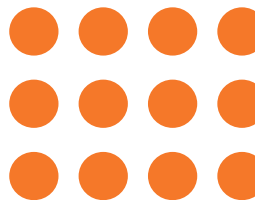
Over 50% of the respondents indicated that in order to start with social entrepreneurial activities they would require knowledge and/or training about the concept of social entrepreneurship. Over 30% admitted that they lack training on business management skills and access to resources (financial, human, etc.). This shows that the support expected by students in the sphere of active involvement in social entrepreneurship concerns basic knowledge about the sector's functioning and training in business management skills, which may indicate a deficit of such expertise in economic studies and is not directly related to social entrepreneurship.

60% of the respondents admitted that they are now more aware of the existing challenges in the society (but have not taken action for tackling them) and almost 25% that they are now more aware of my individual responsibility towards society (but have not taken action to exercise it). It might mean that the awareness increased due to serious disturbances to our lives (COVID-19, war in Ukraine), still the actions do not follow. This is a very interesting observation, letting us know what the gaps are and where more attention needs to be devoted.

Knowledge of the Agile methodology, which gives impulses for creativity and adaptive planning, is unknown to 90% of respondents.

The declared willingness to devote time to learn new things for professional development is 1-2 hours per week for over 35% of respondents and 2-4 hours per week for another 35% of respondents. It is in line with the identified gaps in knowledge about learning and acquiring specific skills and innovative approaches, including entrepreneurial attitudes.

Overall, there is rather little knowledge about social entrepreneurship among youth. They did not acquire it in social life, peer life at school and university, or non-governmental organizations such as scouting.




3. LEARNINGS FROM EXISTING SE'S

A set of interviews with the representatives of Polish social enterprises was carried out in March 2023. The companies that took part in our research although dealt with a variety of activities, they were linked by very similar problems that they faced in the process of entering social entrepreneurship. The interviewees represented business ranging from a Playroom Mini Świat (Little World) in Sopot offering playrooms, organization of birthdays, day care for children, workshops for parents and children, to a ceramic workshop with a cafe for people with disabilities.

For almost all the interviewed entrepreneurs empathy, care for community or other personal traits, and willingness or ambition to leave a lasting impact or to solve a challenge in the society, were primary reasons to undertake social entrepreneurship. It is important to note, that motivations for acting in the field of social entrepreneurship evolve with the time. While empathy is the primary motive for entrepreneurs, with years of running a company, a more mature spectrum of mobilization appears. It is striving to achieve sustainable development goals and, at the same time, a socially responsible economy.

The path leading to the presence in the social economy sector was varied - companies operating for a shorter period emphasize the market analysis model, and companies with a more extended period emphasize their own existential experiences that encouraged them to solve problems on a socio-economic scale.



Many SE representatives were unable to indicate how they chose their business model, others mentioned networking and conversations with experts in the field and/or other social entrepreneurs, as well as Ideation methods, design methodology and franchising. Most entrepreneurs relied on public funds and the critical role of experts and advisors.

The effects of innovation were seen in a rather vaguely formulated brainstorming, which could be supplemented with a commonly declared market analysis. Partnership and teamwork were the main drivers of the company's success.

Among the features that are most important in this business, the following stand out: **1) establishing social relations with people and public institutions in rapidly changing economic conditions, in which free-market competition is a challenge, and 2) in this situation, the most important thing is to rely on relational capital. It is interesting to note that COVID and the war in Ukraine made it difficult to run a business, but the presence of Ukrainians in the Polish labour market was a favourable factor for surviving these problematic conditions.**



4. CONCLUSION

The social economy is the activity of social economy entities for the benefit of the local community in the field of social and professional reintegration, creating jobs for people at risk of social exclusion and providing social services. **Youth in Poland are interested in social entrepreneurship to address climate change, poverty, inequality, and discrimination, and to create a better future.** Although social enterprises in general are on the rise, they still constitute a small share of the Polish economy. Little is known of social enterprises launched and led by youth, however based on the research carried out within the "Socially Agile" Project, there is an interest in social entrepreneurship and a willingness to leave a lasting impact. We hope to identify the areas that need significant improvement. It can be presumed that youth would expect to practice entrepreneurship, for which the academic and social environment does not create significant impulses.





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