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## WORKING IN SOCIAL COOPERATIVES. THE CASE OF GREATER POLAND REGION OF POLAND

*The present paper concentrates on the issue of work in the context of operation of social cooperatives, defined by the law as social enterprises (Act of 27 April 2006). In order to illustrate the character of operation of this new form of economic life organisation / form of entrepreneurship, which, apart from purely market-oriented purposes (generating profits), also has social objectives (social and professional re-integration of persons excluded or threatened with exclusion), I will use the data collected in the course of the project called "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region".*

**Keywords:** *social cooperative; social economy; social enterprise; social exclusion; labour force.*

In the present paper, I would like to analyse the issue of work in the context of the operation of social cooperatives, i.e. institutions of the so-called social economy. To this end, I will base my analysis on the research conducted on 23 social cooperatives in the Greater Poland Region in which 81 persons (members of cooperatives and their management)<sup>1</sup> have been interviewed. The research was carried out between January and October 2010 by means of questionnaire interviews complemented with observation and analysis of the existing (legacy) documents.

It is worth mentioning that these 23 cooperatives constituted 100% of all social cooperatives registered in the Greater Poland Region when the

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<sup>1</sup>I am deeply indebted to Mr. Przemysław Piechocki, the President of the Association for Social Cooperatives, Poznań, for giving me the permission to use data gathered in research project co-financed from EU funds (ESF) "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region".

research commenced. According to the Polish Social Cooperatives Audit Committee (OZRSS) data, as of 18 July 2011, there are 359 social cooperatives in Poland, including 41 cooperatives in the Greater Poland Region<sup>2</sup>. Thus, the number of these organisations in this region has almost doubled since last year.

Additionally, the research carried out by the Association of Social Cooperatives and the Inter-university Research Team led by J. Tittenbrun (including me as its member) has surveyed 504 persons from 5 different social exclusion categories (the homeless, the addicted, the disabled, the convicted and prostitutes), who have been asked about their knowledge regarding social cooperatives, willingness to join them, etc.

## GENERAL CHARACTERISTICS OF SOCIAL COOPERATIVES' MEMBERS

The analysis of the social and demographic characteristics of the 81 interviewed persons belonging to social cooperatives registered in the Greater Poland Region has shown that this group comprises 45.7% of women and 54.3% of men. See Table 1 for data regarding their age. It shows that almost half of the respondents were between 41 – 60 years of age and 23.46% in the 31 – 40 bracket. Approximately 10% of the Greater Poland Region cooperatives' members are younger than 30; the same applies to persons 61 years of age and older.

Table 1. Age of social cooperatives' members.

Age	Number of persons	% of the sample
Up to 30	8	9.88%
31 – 40	19	23.46%
41 – 50	20	24.69%
51 – 60	20	24.69%
61 and more	9	11.11%
No data	5	6.17%
TOTAL	81	100.0%

Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

<sup>2</sup><http://www.ozrss.pl/kwie.htm>

38.3 % of the interviewed persons have basic vocational education, 37.1% secondary education (including 23.5 % with technical secondary education) and 15% have elementary or incomplete elementary education. The analysed group included 8.6% of persons with higher education.

Table 2. Education of social cooperatives' members.

Education	Number of persons	% of the sample
Higher education	7	8.6%
Technical secondary education	19	23.5%
General secondary education	11	13.6%
Basic vocational education	31	38.3%
Elementary and incomplete elementary education	13	16.0%
TOTAL	81	100.0%

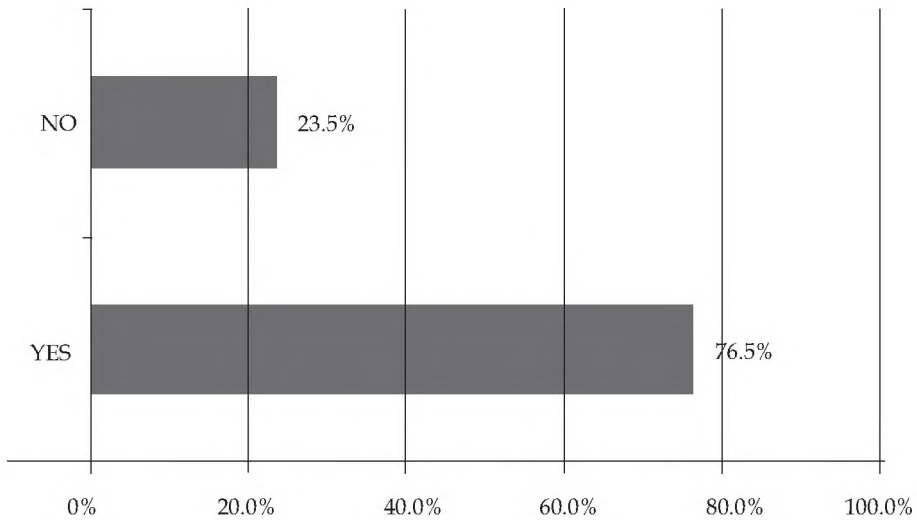
Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

## CHARACTERISTICS OF THE LABOUR FORCE BEFORE JOINING SOCIAL COOPERATIVES

The analysis of certain historical aspects of the examined labour force before joining a social cooperative is also interesting from the point of view of the issue of work in the context of the social cooperative movement. Such knowledge ensures more comprehensive analysis of cooperatives' members in the perspective of their earlier professional experience within at least two aspects. Firstly, the knowledge regarding the professional experience of persons who later joined a social cooperative will present the "picture" of their skills and more formal constituents of what might be called labour force. Secondly, on the basis of the profile of a given cooperative's activity and competences (skills) of its members, it is possible to define if the profile of a given cooperative is compliant with its members' professional experience (or if perhaps other operation levels are defined).

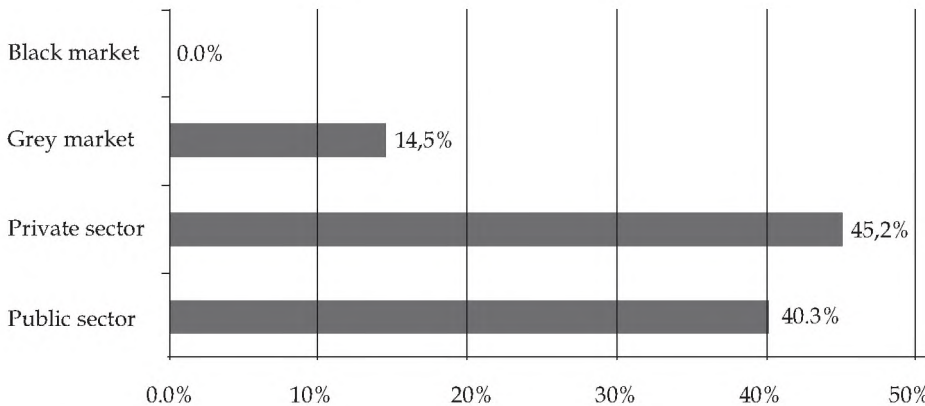
Over three fourths (76.5%) of the respondents, before joining a social cooperative, received their income from working, which includes any

Chart 1. Social cooperatives members' income received from previous work.



Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

Chart 2. Previous employment according to the ownership sector.



Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

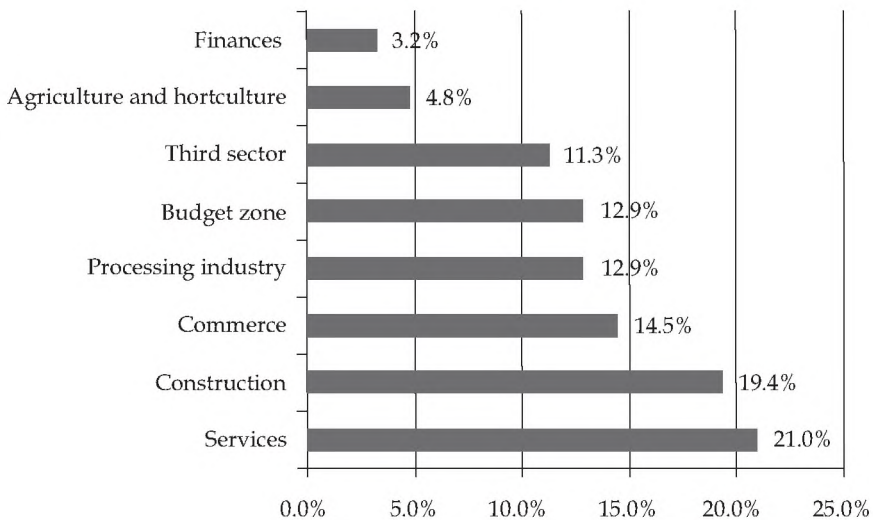
form of the so-called "hiring out labour" (legal jobs and working outside any registers). This means that, before joining a cooperative, these persons had the work capabilities, i.e. were actual owners of their own labour force (see S. Kozyr-Kowalski, J. Tittenbrun).

The data shows that the above-mentioned persons were mostly employed in private sector companies (45.2%) and public sector companies (40.3%). 14.5% of the interviewed persons admitted to working on the grey market. No respondents admitted to working illegally (black/illegal market).

As far as economy branches in which the social cooperatives' members were earlier employed are concerned, they mostly included services, construction industry, commerce, processing industry and the budget zone. Some of the respondents also mentioned a third sector, agriculture, horticulture and finances. As it has been mentioned above, this knowledge will be compared with the actual profile of cooperatives' operations in order to analyse the potential interdependencies (or lack of thereof) of the respondents' occupational biographies with the shape of social enterprises created by them.

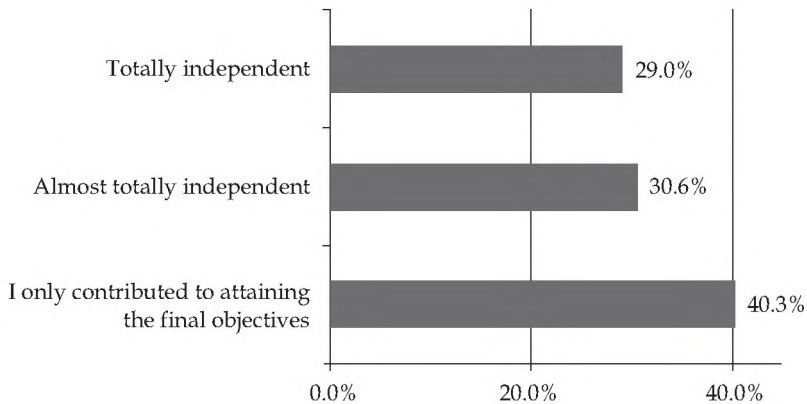
From the point of view of the work issues and later respondents' participation in social cooperatives, the work autonomy period has been defined as important as it may have a potential impact on the readiness to participate in social economy entities. In practice, this autonomy concerns the degree of cooperation with other employees or, in other words, the degree of independency while fulfilling tasks resulting from employment.

Chart 3. Previous employment according to economy branches.



Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

Chart 4. Autonomy in the work process.



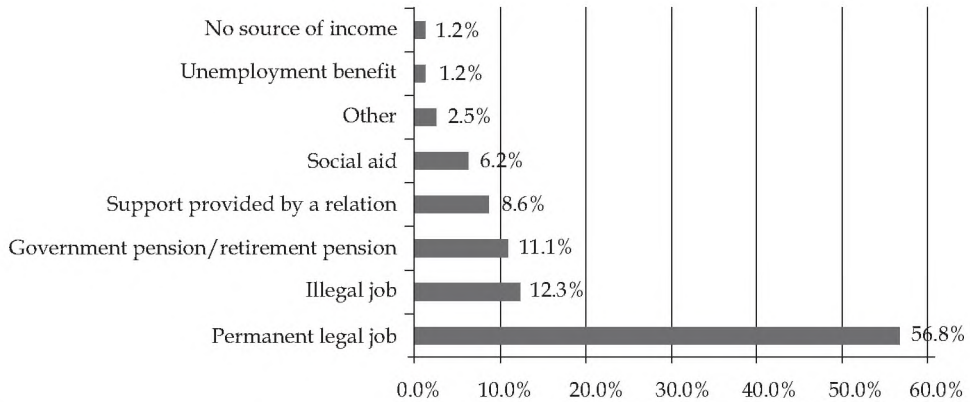
Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

As the chart shows, over 40% of the later cooperatives' members were involved in work which constituted a part of a more complex system within the company's division of tasks. These persons cooperated with other team members and so it may be assumed that they have predispositions and experiences connected with group work, and it must be added that this element is vital as far as stability and functionality of social cooperatives is concerned. On the other hand, there are almost 60% of subjects with a significant or very significant degree of autonomy. The discussed research shows that this is not a factor having negative influence on the attitudes towards the community concept of a cooperative.

The fact that over a half (53.2%) of the respondents, during activities constituting the essence of their work, did not undertake the so-called additional activities (e.g. cleaning the workplace) is not a significant handicap. One may assume that participation in social cooperatives (depending on the profile) requires this kind of involvement.

The vast majority of the respondents (85.5%) used various tools, including computers, in their work, and 4.8% of them even operated an assembly line. As far as the "authority autonomy" is concerned (i.e. the character of undertaking activities connected with employment), 58.1% of the respondents fulfilled their duties according to procedural requirements (answered in the questionnaire: "Do what the procedures say"), and the rest (41.9%) had considerable freedom in this respect (answer: "Do what is necessary to attain the objectives").

Chart 5. Main sources of financial support before joining a social cooperative.



Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

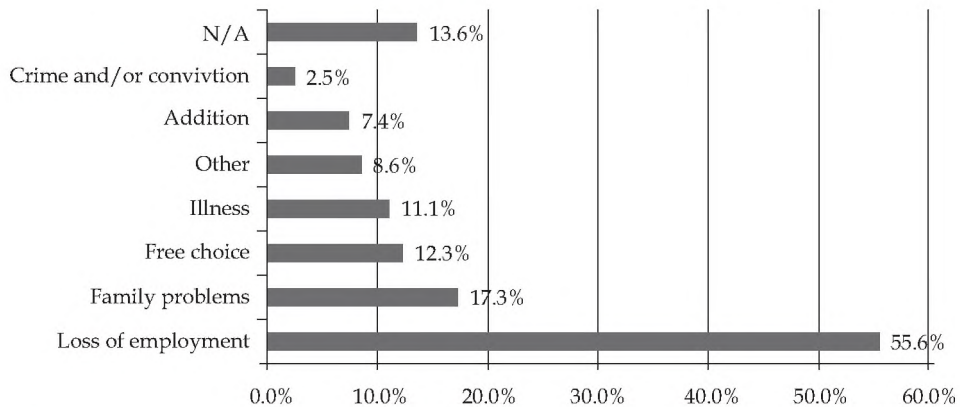
It appears that only 56.8% of the respondents had permanent legal jobs, as their main source of financial support before joining a social cooperative. 11.1% of the respondents lived off retirement pensions or state pensions, and 12.3% of the respondents worked illegally. The low percentage of persons supported by social aid (6.2%) or unemployment benefits (one person) is surprising, as it speaks in favour of the entrepreneurial spirit of those who later became members of cooperatives (it must not be forgotten that the social cooperative movement is mostly aimed at persons socially excluded or threatened with social exclusion).

The respondents were also asked about additional (in relation to the above) sources of income. The vast majority (74.1%) explained that they had no additional means of support. The remaining persons mentioned various sources of additional income (e.g. four of them mentioned the grey zone; one of them admitted to minor offences).

## CHARACTERISTICS OF THE SOCIAL COOPERATIVE MEMBERS' LABOUR FORCE

The presentation of the labour force features of social cooperatives' members is aimed at ensuring a reliable description of the institutions themselves, since collective involvement in the activity of these social en-

Chart 6. Reasons given by respondents for being in the present life situation.



Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

terprises (together with professional skills and experience) is an element of its definition. The characteristic of *ergo-dynamism* (i.e. labour force as defined by Stanisław Kozyr-Kowalski<sup>3</sup>) in the broader context, taking into account the respondents' life situation will hopefully provide a valuable perspective for social analysis of the cooperative movement forms.

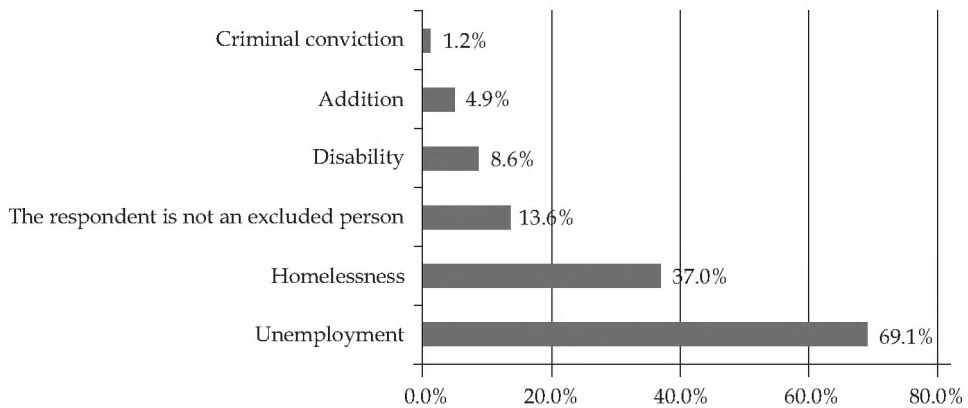
To start with, almost two thirds (65.4%) of the respondents claim that the work done in social cooperatives is their main source of income, and for 34.6% of the respondents it is a secondary source of income. In contrast to pre-empirical assumptions, this data shows that over one third of the interviewed members of a cooperative (34.6%) have, firstly, an additional source of income, and secondly, this source is the basis of their financial support.

Bearing in mind the fact that a social cooperative is not a "pure" form of an enterprise, i.e. it is not only focused on profits as, apart from generating income, it is supposed to attain social objectives (social and professional re-integration of socially excluded persons or persons threatened with social exclusion), the respondents have been asked about the reasons for being in their present life situation. It appeared that the loss of employment was the most common factor leading to social exclusion. Other reasons in-

<sup>3</sup>See, Kozyr-Kowalski Stanisław, *Socjologia, społeczeństwo obywatelskie i państwo*, Wydawnictwo Naukowe PWN, Poznań 2004.



Chart 7. Reasons for participating in a social cooperatives.



Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

cluded family problems (17.3%), the so-called "free choice"<sup>4</sup> (12.3%), illness (11.1%) and other factors. 13.6% of the respondents did not perceive their situation as being subject to social exclusion.

The indicated reasons for participation in social cooperatives correspond with the answers to questions regarding the main reasons for being in the present life situation; however, they provide more detailed information. Unemployment has been the most frequent reason for joining a cooperative (69.1%), which might have been expected even before obtaining the research results. The second most common reason is homelessness (37%), and the third place includes answers in which the respondents did not perceive themselves as socially excluded or threatened with such exclusion.

The list of the declared reasons for joining a cooperative includes only a slight percentage of reasons such as disabilities, addictions or criminal convictions. In order to define the reason for this state of affairs, we might utilise the results of examinations carried out on the five above-mentioned exclusion categories directly connected with the issue of social cooperatives.

Most of all, it must be stressed that knowledge about the social cooperative institutions among the five above-mentioned exclusion categories re-

<sup>4</sup>For more information on the free choice in the context of homelessness, see: Baranowski Mariusz, *Raport na temat osób bezdomnych*, [in:] Tittenbrun Jacek (ed.), *Spółdzielnie socjalne. Skuteczny mechanizm walki z wykluczeniem społecznym czy ślepa uliczka?*, Wydawnictwo Nakom, Poznań 2010, pp. 112-114.

searched in the Greater Poland Region, delicately speaking, leaves a lot to be desired. It might be desirable to have a closer look at all categories, excluding the category of prostitutes, who are totally unaware of the cooperative movement ideas and also commonly refuse to participate in it.

Table 3. Excluded persons' knowledge about social cooperatives

	Homeless persons	Addicted persons	Disabled persons	Convicted persons	Prostitutes	Total
YES	46.2%	11.7%	32.5%	21.0%	0.0%	22.2%
NO	53.8%	88.3%	67.5%	79.0%	100.0%	77.8%

Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

None of the groups of socially excluded persons described in the table above reveals a level of knowledge about social cooperatives, i.e. mainly awareness of their existence and/or general rules of participation, exceeding 50%. Thus, declarations regarding interest in this form of entrepreneurship should come as no surprise. Despite the fact that the researcher explained the general rules of social cooperatives' operation to persons who had no knowledge in this field, one must remember that these are persons who often live "on the margins" of society, demonstrating very low self-esteem and having no perspectives for the future. The question regarding the willingness to participate in this kind of enterprise was often treated with suspicion, as a large number of homeless or disabled persons, for example, had not been provided with any aid for a very long time (even by the services dedicated to this end).

Table 4. Interest in social cooperatives among socially excluded persons.

	Homeless persons	Addicted persons	Disabled persons	Convicted persons	Prostitutes	Total
YES	39.6%	16.7%	31.3%	25.2%	0.0%	23.2%
NO	52.7%	82.5%	65.0%	74.8%	100.0%	74.6%
Hard to say	7.7%	0.8%	3.8%	0.0%	0.0%	2.2%

Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

Let us analyse the work done in social cooperatives. The scope of autonomy in the work process measured on the basis of the answers: “full autonomy” or “almost full autonomy” was equal to 67.1%, so it is comparable to the data regarding the situation in the previous workplace (59.6%). However, distribution of these two responses was different. In social cooperatives full autonomy is a phenomenon experienced almost two times less frequently than in previous jobs. Additionally, the perceived level of the lack of autonomy, i.e. close cooperation with other workers, was lower in social cooperatives than in standard economic entities previously employing the respondents.

Social cooperatives also show a higher percentage of answers as regards the so-called additional activities (in comparison to previous workplaces). In contrast to typical enterprises, the division of tasks in a social cooperative often requires a larger scope of **responsibility** not only for a person’s job, but also for the whole enterprise.

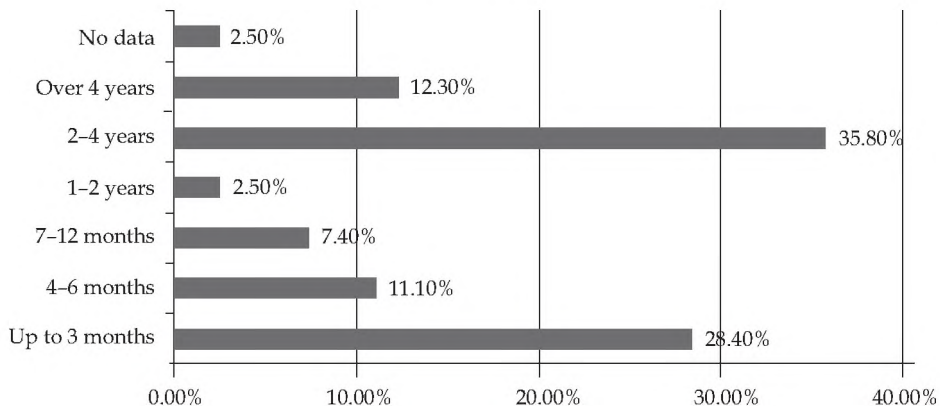
Machines/tools are used within a more limited scope; however, it does not necessarily imply a less advanced profile of work. Nevertheless, coop-

Table 5. Work characteristics in social cooperatives.

	Percentage
Autonomy in the work process:	
I do my work totally independently	16.5%
I do my work almost totally independently	50.6%
I only contribute to attaining the final objectives	32.9%
Additional activities (e.g. cleaning the workplace):	
YES	62.0%
NO	38.0%
Operating machines/tools in a given workplace:	
YES	78.5%
NO	21.5%
Authority autonomy:	
Do what the procedures say	30.4%
Do what is necessary to attain the objectives	69.6%

Source: Own preparation based on “Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region” data.

Chart 8. Period of working in social cooperatives. 28.40%



Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

eratives have more restricted budgets in comparison to the competition (moreover, social cooperatives are usually micro- or mini-entities, which makes it impossible to compare them with bigger players, not to mention their operation profile or scope).

The level of autonomous authority shows considerable differences between social cooperatives and previous respondents' workplaces. As much as 69.6% of the respondents claim that they do not operate according to procedural work regulations, i.e. they are largely independent in the work process (as the low level of authority autonomy is a synonym of the autocratic management style; the high level of this autonomy reflects a democratic or laissez-fair style)<sup>5</sup>.

The largest percentage of respondents has participated in the social cooperatives for 2 - 4 years (35.8%) and for up to 3 months in total (28.4%).

The average value (as far as the work period of the interviewed members of these particular social enterprises is concerned) is 25.5 months, which in fact means that we analysed the labour force of employees of relatively new social economy institutions.

<sup>5</sup>Lewin Kurt, Lippitt Ronald, White Ralph K., *Patterns of Aggressive Behavior in Experimentally Created Social Climates*, *The Journal of Social Psychology*, Vol. 10, No. 2/1939, pp. 269-299.

## ASSESSMENT/EVALUATION OF SOCIAL COOPERATIVES' OPERATION

The main group of the respondents (87.7%) has expressed a positive or very positive opinion as regards their participation in social cooperatives; negative opinions have been expressed by 12.3% of the interviewed. Taking into account the experiences of persons getting involved in the cooperatives' operation, it might be stated that, potentially, the idea of the cooperative movement is not only an opportunity to leave the social exclusion area, but it may also result in high work satisfaction levels.

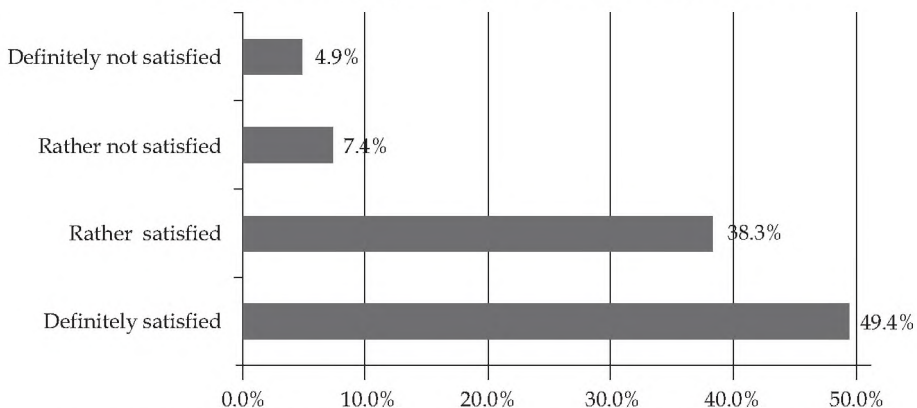
The most common positive factors regarding work in social cooperatives include the community bonds (49.4%), so characteristic for the whole cooperative movement. Other factors included the fact of having a job itself (38.3%), or the pragmatic element, i.e. work atmosphere (25.9%). Significantly fewer responses concerned equal earnings, changing the surroundings or any other work satisfaction indicators.

As far as negative factors are concerned, most respondents mentioned low salaries (12.3%) and improper relations (4.9%) in the analysed cooperatives.

As it has been mentioned in the "WISEs and their role in European policies" report:

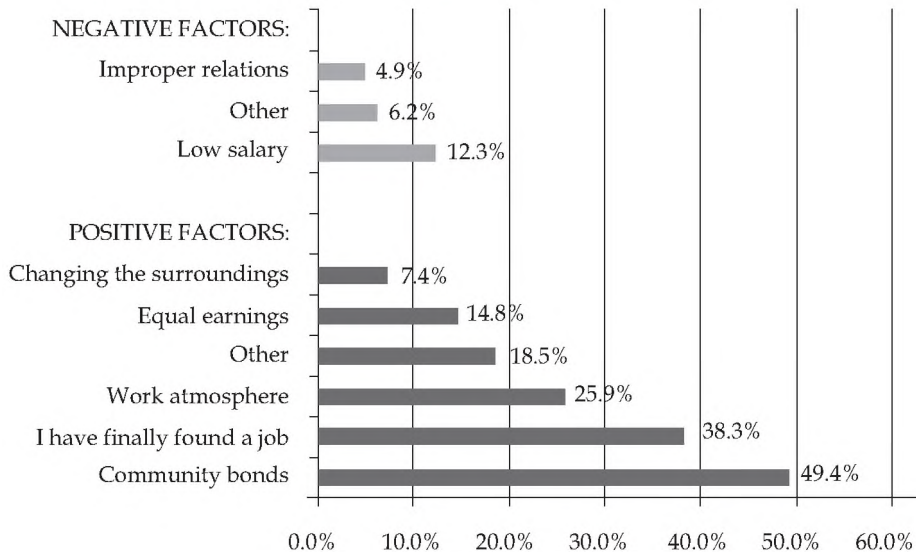
In the process of reintegration of socially excluded groups the emphasis is placed on various kinds of co-ownership, among others the *co-ownership of a social cooperative*

Chart 9. Assessment of job satisfaction in social cooperatives.



Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

Chart 10. Positive and negative factors influencing the evaluation of social cooperatives.



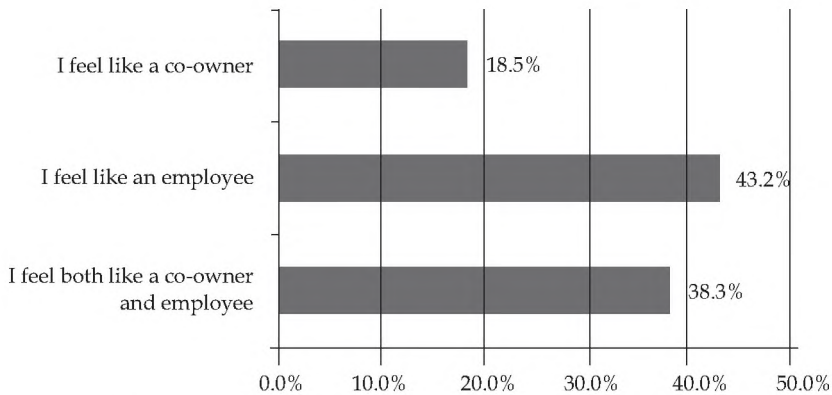
Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

which all cooperative members should aim to achieve as stated in the Act on Social Cooperatives. This aspect often makes the cooperatives to be perceived as a place of a target employment. At the current stage of social cooperatives' development, it has not been reported that members move to others forms of employment at the open labour market (besides few exceptions). Cooperative members perceive the cooperative as their property. Despite of many difficulties which the members face and often low salaries, they prefer to invest in and develop economic activity in their social cooperatives rather than enter an open job market. The majority of the members are employed through an employment contract. The Act on Social Cooperatives says that members personally conduct the works in their cooperatives and are represented in the cooperatives' authorities<sup>6</sup>.

In connection with the above, it appears that only one fifth of the respondents (18.5%) consider themselves co-owners of their cooperative. This is not an optimistic result, even taking into account 38.3% of persons who consider themselves both co-owners and employees. According to the legislators, the cooperative movement should be characterised with the feeling of not being just an employee but an actual co-owner, which

<sup>6</sup>WISEs and their role in European policies. National Report – Poland, 18-19, [http://www.wiseproject.eu/index2.php?option=com\\_docman&task=doc\\_view&gid=52&Itemid=27](http://www.wiseproject.eu/index2.php?option=com_docman&task=doc_view&gid=52&Itemid=27)

Chart 11. The feeling of co-ownership of social cooperatives.



Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

should be reflected in the level of involvement in this specific form of entrepreneurship.

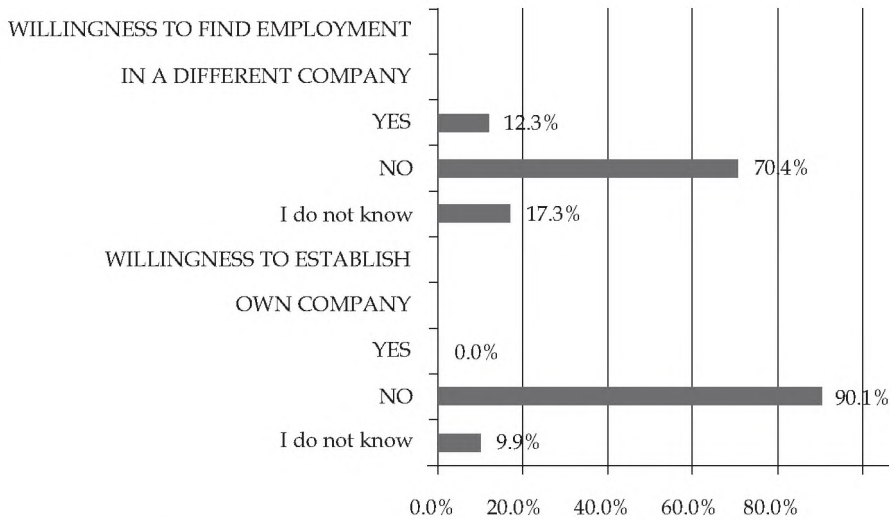
On the other hand, despite the fact that only one fifth of the respondents feel like co-owners of their social cooperative, no fewer than 63% of the respondents work for a cooperative in additional, non-standard periods of time (e.g. on Saturdays and Sundays). Additionally, 55.6% of interviewed cooperatives' members claim that they have gained new qualifications in cooperatives, complementing their already-acquired labour skills.

As far as the willingness to change the workplace is concerned (and one must remember that cooperatives are only supposed to be a certain stage of the process of "returning" to the society, including finding employment in traditional enterprises), other interesting dependencies may be observed. As much as 70.4% of respondents do not intend to leave a cooperative in order to find employment in other companies or institutions. Over 90% of respondents do not intend to establish their own companies.

Although it is too early to draw unambiguous conclusions from this data, as the social cooperative movement is still in its development stage, these trends must be thoroughly analysed.

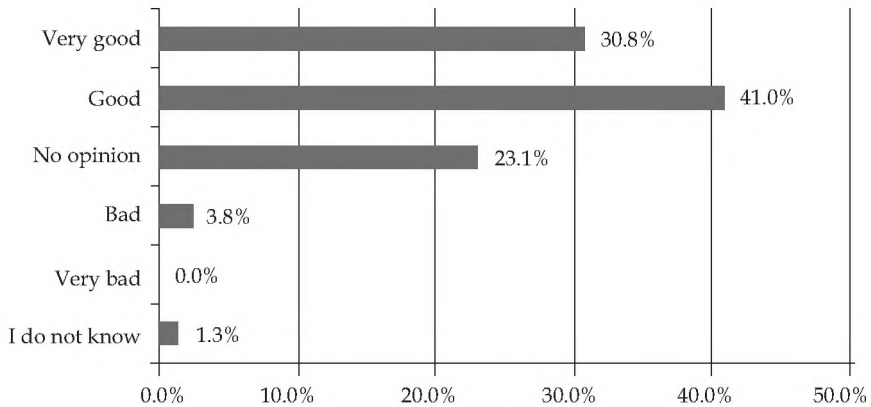
The interviewed members of the cooperatives state that the attitude of local communities towards them is good (41%) or very good (30.8%), which shows the maturity of the direct neighbours of these social enterprises and general positive atmosphere.

Chart 12. Willingness to change a workplace.



Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.

Chart 13. Assessment of local communities' attitudes to social cooperatives' members.



Source: Own preparation based on "Social Exclusion: Diagnosis and Mechanisms of Counteraction in Greater Poland Region" data.



## CONCLUSIONS

The above analysis of the social cooperative movement in the Greater Poland Region reveals quite an ambivalent picture. On the one hand, very few persons (e.g. disabled, addicted, or ex-convicted) participate in the cooperatives. On the other hand, the vast majority of members of cooperatives (87.7%) treat working in these institutions as a positive experience. Some respondents do not express the feeling of being a co-owner of a cooperative, which is not only a semantic creation but also a factor which results in a concrete form of involvement in work in real workplace relations. On the other hand, a cooperative as a transitory stage in the process of adapting the socially excluded persons or persons threatened with social exclusion has not been a successfully implemented idea, because the participants do not intend to move to other enterprises or establish their own companies.

Taking into account the technical aspects of the work relationship, one may notice a large scale of authority autonomy (much larger in comparison to previous experiences of the participants). Moreover, such factors as good atmosphere in the workplace and community bonds have been highlighted. These factors are even more important for such social economy entities than other elements, even those purely pragmatic ones.

However, there are other factors we must be aware of. The participants mentioned certain pathologies and dangerous initial stages of this type of the cooperative movement. The difference between the formal and actual number of members has been noted (the former was overstated in relation to the latter in almost 30% of the examined cooperatives). The consequences of this kind of "creativity" do not need to be explained, as we simply deal here with breaking the law, which casts a shadow on the whole idea of the social cooperative movement, which is an interesting (and often the only) opportunity for numerous persons to return to so-called normality.

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