

Community-Based Social Economy – Social Capital and Civic Participation in Social Entrepreneurship and Community Development

Witold MANDRYSZ

Institute of Sociology, University of Silesia in Katowice, 12 Bankowa, 40-007 Katowice, PL;

 witold.mandrysz@us.edu.pl

Abstract: The purpose of this article is to draw attention to the importance of a strong relationship between social economy entities and their socio-institutional ecosystem. The article focuses on pointing out the importance of adequate diagnosis and the use of social capital existing in the community for the development and success of social economy initiatives. Draws attention to the importance of cooperation of these initiatives with local institutions, social organizations and representatives of local businesses as well as the level of their rooting in the minds of members of the community. The first part of the text refers to the concept of co-production and Community-based social economy. The second part of the article presents the relation between the concept of social capital and community development and discusses the relation between the level of existing social capital in the given community and the possible development of the social economy entities operating there. The last part of the article presents practical examples of social economy entities operating in Poland, which are very often described as a 'good practices' of the practical implementation of different types of the idea of Social Economy. The conclusions underline that there is a need for strong rootedness and cooperation between social economy entities and the community in which it operates, based on shared values, aims and understanding of community needs and problems – building a specific space/position in the eco-system. This requires extensive relationships of social economy entities, both with individuals, public institutions and organizations operating in the local environment as well as with local values, norms, and traditions. To achieve such rootedness in case of entities that are usually established based on an external (usually institutional) decision with the strong financial support it seems to be necessary to use community work procedures as an implementation methodology. Due to the high degree of complexity of these types of projects and the need to mobilize large forces and resources, we may assume that the level of engagement of community members towards activities within a particular project usually determines its effectiveness.

Keywords: social economy; social capital; community work; local governance; co-production.

Introduction

One of the reactions of crisis and criticism of the welfare state was bounding a stronger position of neo-liberal concept of privatization of public services. On the one hand, it offered some consumers of public services the right to choose the service provider and create competition in the sector which might lead to an increase in the quality. But for some individuals and social groups, it becomes obvious that the market-oriented public services create limitations in access, worse suitability to their specific needs, and reduction of its quality. The reaction (a specialist in the Nordic countries but not only) was to seek another formula for offering public services, which would reflect the concept of 'public governance' and treat citizens not only as customers, clients but also as co-producers. Through including stakeholders in the process of producing services, this formula came very close to the idea of the social economy or wider organizing of the local community. This has to do not so much with consumers' influence on service providers, for example through co-payments, but also on their empowerment as a result of co-management and co-production (Giza-Poleszczuk & Hausner, 2008, p.8).

How to cite

Mandrysz, W. (2020). Community-Based Social Economy – Social Capital and Civic Participation in Social Entrepreneurship and Community Development. *Management Dynamic in the Knowledge Economy*. 8(1), 81-93, DOI 10.2478/mdke-2020-0006

ISSN: 2392-8042 (online)

www.managementdynamics.ro

<https://content.sciendo.com/view/journals/mdke/mdke-overview.xml>

Referring to the typology of Evers (2006), it is possible to indicate several levels of involvement of citizens, members of local communities in the process of shaping social services. Participationism assumes a wide involvement of active citizens in the shaping of social services. This approach assumes dialogue between the authorities and citizens and the actual participation of citizens not only in the shaping of social services but also in the provision of some of them (Evers, 2006).

So defined co-production requires wide civic participation in conducting public policy and inclusion of consumers and beneficiaries in the production of public services which should also lead to the improvement of quality. Co-production entails various forms of participation – not only economic but also social and political ones, depending on the nature of the services. Co-production may mean co-management in the case of public services, but it also may become the pure practice of co-production, based on mutuality and cooperation of inhabitants, groups, formal and informal networks and institutions in case of social services (Pestoff, 2007). One of the examples of co-production/citizens engagement in social service might broadly understand the interaction between community members and social economy entities operating on a local level.

Community-based social economy

The Social Economy constitutes a broad range of activities which have the potential to provide opportunities for local people and communities to engage in all stages of the process of local economic regeneration and job creation, from the identification of basic needs to the operationalization of initiatives (Molloy, McFeely, & Connolly, 1999, cited in Amin, Cameron, & Hudson, 2002). It includes non-profit organizations as well as associations, co-operatives, mutual organizations, and foundations. Social enterprises are included in the social economy, however, they are distinctive from many non-profit organizations in their entrepreneurial approach to strategy, their innovation in pursuit of social goals and their engagement in trading. The social economy defined in this way is associated with the concepts of co-production, social resourcefulness, and cooperation.

Current attempts to define the social economy are associated with the Charter of principles of social economy CEP-CMAF from 2002¹. It says that: social economy organizations are social and economic entities operating in all sectors. They are distinguished mainly by their objectives and characteristic form of entrepreneurship. The social economy includes organizations such as cooperatives, mutual societies, associations, and foundations. These companies are particularly active in certain areas, such as social protection, social services, health care, banking, insurance, agricultural production, consumer issues, associative work, crafts, housing, supplies, neighborhood services, education and training, and the area of sports, culture, and recreation.

Although the entities of the social economy may not fully replace the support of public aid institutions or to allow people affected by social exclusion to find a proper job, broadly defined entities of the social economy should take over an obligation of providing social services. The social economy clearly will not eliminate traditional social welfare and is not a solution that will bring about professional activation for all persons from disfavored groups. However, the task of social economy entities need not be exclusively to activate and integrate such people through employment. They make assist the disadvantaged in many ways by providing them various types of services, including caretaker services, each time bringing them within a kind of community. In this sense as well, it is always worth considering whether that which is offered by social welfare could simply be provided more effectively by a social economy entity, particularly if it is also capable of earning its

¹ Cooperatives, mutual societies, associations and foundations (CMAF) deemed it essential to establish a permanent dialogue on European policies that are of common interest. In November 2000, they set up the European Standing Conference of Cooperatives, Mutual societies, Associations and Foundations (CEP -CMAF). In January 2008, the CEP -CMAF changed its name into Social Economy Europe.

funds. Looking at it in this way, social welfare in the broad sense becomes a perspective of public authority which, fulfilling its assistance function and guided by the principle of helpfulness, will perceive the social economy as a way to achieve social goals and solve problems (Giza-Poleszczuk & Hausner, 2008, p.16).

Helen Haugh's (2005) definition of social economy highlights the innovative role of social entrepreneurship and its market and trade engagement. As she writes social economy is "a collective term for the part of the economy that is neither privately nor publicly controlled. It includes non-profit organizations as well as associations, co-operatives, mutual organizations, and foundations. Social enterprises are included in the social economy, however, they are distinctive from many non-profit organizations in their entrepreneurial approach to strategy, their innovation in pursuit of social goals and their engagement in trading" (Haugh, 2005, p.2).

Describing the innovative role of social entrepreneurs in community Dees highlighting that active position in the community. He states, that they play the role of change agents in the social sector. It would mean that social entrepreneurs are the reformers with a social mission. They make fundamental changes in the way things are done in the social sector. They often reduce needs rather than just meeting them. They seek to create systemic changes and sustainable improvements. In this context, they are co-managers of public services, co-producers of social services.

That role of change agents will be led by:

- Adopting a mission to create and sustain social value (not just private value). This is the core of what distinguishes social entrepreneurs from business entrepreneurs even from socially responsible businesses. For a social entrepreneur, the social mission is fundamental. This is a mission of social improvement that cannot be reduced to creating private benefits (financial returns or consumption benefits) for individuals. Social entrepreneurs look for a long-term social return on investment.
- Recognizing and relentlessly pursuing new opportunities to serve that mission,
- Social entrepreneurs are not simply driven by the perception of a social need or by their compassion, rather they have a vision of how to achieve improvement and they are determined to make their vision work.
- Engaging in a process of continuous innovation, adaptation, and learning,
- Entrepreneurs are innovative and develop new models and approaches. These innovations can take many forms. On the funding side, social entrepreneurs look for innovative ways to assure that their ventures will have access to resources as long as they are creating social value.
- Acting boldly without being limited by resources currently in hand,
- Social entrepreneurs use scarce resources efficiently, and they leverage their limited resources by drawing in partners and collaborating with others. They explore all resource options, from pure philanthropy to the commercial methods of the business sector.
- Exhibiting a heightened sense of accountability to the constituencies served and for the outcomes created.

Social entrepreneurs make sure they have correctly assessed the needs and values of the people they intend to serve and the communities in which they operate. In some cases, this requires close connections with those communities. They understand the expectations and values of their "investors," including anyone who invests money, time, and/or expertise to help them. They seek to provide real social improvements to their beneficiaries and their communities, as well as attractive (social and/or financial) return to their investors (Dees, 1998).

Martin and Osberg (2007) emphasize that social entrepreneurship having the three components:

1. identifying a stable but inherently unjust equilibrium that causes the exclusion, marginalization, or suffering of a segment of humanity that lacks the financial means;
2. identifying an opportunity in this unjust equilibrium, developing a social value proposition, and bringing to bear inspiration, creativity and direct actions;
3. forging a new, stable equilibrium that releases trapped potential or alleviates the suffering of the targeted group, and creation of a stable ecosystem around the new equilibrium ensuring a better future for the targeted group and all community.

The explanation of the role of the social entrepreneur made by Dees (1998) shows the need for a very close connection of the entrepreneur with the community and its inhabitants. At the same time, extremely important are the socio-economic and political circumstances of the community in which it is operating, what was emphasized by Martin and Osberg (2007). A social enterprise should increase local development, but at the same time, the development of social enterprise depends on the community. To understand and to fulfill social needs social enterprise should be directly and through various channels affiliated with the community in which it arose.

In the concept of "Community-Based Enterprise" (CBE), Peder and Chrisman (2004) emphasized the need for strong rootedness and cooperation between enterprise and the community in which it operates. They define the (CBE) as a community acting corporately as both entrepreneurs and enterprises are in pursuit of the common good. Therefore, CBE is the result of a process, in which the community acts entrepreneurially, to create and operate a new enterprise embedded in its existing social structure, which is managed and governed to pursue the economic and social goals of the community. CBE concept treats the community as completely endogenous to the enterprise and the entrepreneurial process. This means that in a CBE the community is simultaneously both the enterprise and the entrepreneur (Peredo & Chrisman, 2004). In their framework, commercial entrepreneurship represents the identification, evaluation, and exploitation of the opportunities that result in profits. In contrast, social entrepreneurship refers to the identification, evaluation, and exploitation of the opportunities that result in social value. Opportunity awareness and recognition reflect an entrepreneur's ability to discover whether supply or demand for a value-creating product or service exists. Social entrepreneurs have an acute understanding of social needs, and then fulfill these needs through a creative organization. This focus on social value is consistent across various definitions of social entrepreneurship (Certo & Miller, 2008).

The level of social capital and social entrepreneurship opportunities

Social enterprises "in particular, and the III Sector in general, as sites of both social reintegration and provision for social need, are increasingly seen as sources of social capital of a particular sort" (Amin et al., 2002, p.7).

Referring to social capital we talk about several links within a given community, which allow for creating joint actions, combine efforts and accumulate resources of individuals, institutions, organizations to achieve definite goals. Activation of social capital allows for taking action and pursuing goals that may not be implemented outside this network of relations and cooperation because no individual, organization or institution would hold appropriate resources, competences or possibilities of influencing decisions to achieve such goals (Coleman, 1998; Putnam, 2001).

For Bourdieu (1986, p.248), social capital is "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance or recognition". In the framework of a group or community available are the resources which are available only to their

members exclusively and access to this type of resources is conditioned to the fact that the users/owners of the resources should recognize our claims to them by recognizing us as members of the common network of connections. It would be also very significant in the case of social entrepreneur entities operating in given communities. Recognized as “member” of the network (socioeconomic structure), realizing socially important aims, gain chances to be supported by inhabitants who would be more convinced to using its service or buy its products.

Communities with strong bonding capital are characterized by great intensity of neighborly relations, a socially shared sense of strong bonds and trust, mutually recognized norms and strong informal social control, but at the same time, there can occur closing to people outside the community / the network (external organizations and institutions with lack of trust to projects implemented by it). Communities with strong bridging capital are communities in which their function strong well-organized groups and associations acting largely based on willingness to pursue a common goal rather than being bound by a sense of strong emotional bonds or a need of affiliation, but also well connected with other networks whether outside a given community or referring to other dimensions of its functioning, e.g. administrative or economic (Putnam, 2001). Mutual trust of members of a given group or community increases their possibilities of developing through reducing a sense of insecurity which accompanies cooperation with strangers, and thus a sense of a bigger inclination to take joint actions (Coleman, 1998, p.109).

For the socio-economic development, very important are not only relations within the community but also external connections that link the community to institutions, organizations or other communities and which allow gaining benefits in the form of resources, financial or non-financial support or new markets, etc. Woolcock and Narayan (2000) emphasize the importance of bridging and bonding capital in the community for development opportunities of local communities. The same situation will apply to the functioning of social economy entities in these societies.

In the case of the implementation of the social economy entity in a specific community, an accurate diagnosis and then the appropriate activation of various dimensions of social capital will be of great importance for the success of these activities.

Table 1. The importance of social capital (bonding and bridging) for the socio-economic development of small communities

<i>social capital</i>	<i>weak bonding capital</i>	<i>strong bonding capital</i>
<i>weak bridging capital</i>	atomization of members of communities	poverty and stagnation
<i>strong bridging capital</i>	economic emigration	community development and entrepreneurship

Source: Woolcock & Narayan, 2000, p.231

Case one: (weak bonding and bridging capital)

The community has very weak links of a bonding nature, lack of trust, lack of cooperation and readiness to undertake joint actions, lack of compassionate social norms and values, while there are no supra-local relationships. The effect is the atomization of members of communities closing within individual households, lack of neighborhood cooperation, a permanent state of uncertainty resulting from lack of trust, deepening of alienation, etc. No intra-community involvement, trust and jointly perceived common good, while lacking external support, significantly reduces and sometimes it prevents the efficient operation of social economy entities.

Case two: (weak bonding capital with strong bridging capital)

Lack of ties between residents at the community level with the simultaneous presence of "outside" relationships results in an intensified migration of community members who, without feeling attached to the local community, leave it in search of better work and life opportunities. Migration from villages to cities; from poor neighborhoods to neighborhoods with "better" status and development opportunities; economic emigration. In such conditions, social economy entities are struggling with: a shrinking local market for products or services; as well as difficulties related to employee fluctuation.

Case three (A community with strong bonding capital and weak bridging capital)

This kind of community is very integrated and has strong emotional ties as well as a wide network of neighbors. At the same time, in a situation of very limited resources, there is a lack of development opportunities. This, strongly excluding the type of social capital, significantly impedes people from outside the community. This limited trust in what is new and different often prevents the implementation of innovative projects (e.g. social entrepreneurship) that could lead to the socio-economic development of the community. Therefore, poverty and stagnation resulting from internalized and ineffective ways of coping dominate in such communities. The implementation of the social economy entity in such conditions requires, above all, building among the community members' acceptance and understanding of its social mission, identifying local allies who, by "legitimizing" such entity's activity, will inspire the confidence of future consumers, co-operators or potential employees.

Case four (high level of bonding and bridging capital)

Community development chances are greatest when both these forms of capital are at a high level. Bridging capital allows communities with strong ties, shared norms and trust to collaborate and solve common problems. The high level of bridging capital enables the acquisition of resources occurring outside the community, which increases the possibilities of achieving common goals based on innovative solutions (Woolcock & Narayan, 2000). Social entrepreneurship in this variant also has the greatest development potential. Residents are inclined to engage in activities perceived through the prism of the common good in various ways. They are more willing to cooperate and support such initiatives. As consumers of manufactured goods and services provided by social entrepreneurship entities, they are inclined to incur higher costs, treating these costs as an investment in the common good, etc. Bridging capital allowed for cross-sectoral cooperation, support for local authorities and other public institutions. Thanks to bridging capital, it is possible to acquire new solutions, technologies, and markets from outside the community.

Methodology

The following considerations are not of the nature of scientific research results, as no specific research procedures were carried out for their development. It is, rather, an attempt to illustrate the theoretical dimensions presented earlier based on practical examples, which in some aspects could be considered so-called "good practices". It should be noted that for these examples to be a real representation of previous theoretical considerations, it would be necessary to apply appropriate research procedures following the methodology of social research. This part of the article is based on a mixture of experiences and research activities in which an author was involved in the last few years, and it is mainly based on fieldwork findings, personal observations, desk research, study visits, and interviews. Some of these research activities were part of the study 'Social economy in the Silesian Voivodship' prepared for the Institute for Public Issues by a team led by Professor Kazimiera Wódz. Social Economy in the Silesian Region - Selected

examples. Expertise prepared for the Institute of Public Affairs, Warszawa 2008. K. Wódcz, K. Faliszek, B. Kowalczyk, W. Mandrysz, A. Niesporek, M. Szpoczek. The study visits were regular. They were related to the study visits organized by the author every year in which students from partner countries of the SOWOSEC project - Master in Social Work and Social Economy Joint Degree Study Program took part. During these visits not only interviews were conducted regarding various aspects of the functioning of entities, but also observations. The press materials and information contained on the websites of these entities were also analyzed.

Selected examples of social economy activities and concerning the social capital

Social Enterprise 'Być Razem'

Mutual Assistance Association "Be Together", founded in Cieszyn in 1996, works for people affected by a wide range of social problems, including homelessness, poverty, family violence, unemployment, addiction, etc. In 2004, the association received a devastating factory plant after the 'Polifarb' company from the city council for the sake of restoration and use. In 2007 the members of the association created the Foundation for the Social Enterprise Development 'Być Razem' and have started to run the economic activity as the social enterprise. Its task is to acquire funds for the social activity to become independent from the public financing, and create job positions for homeless and excluded people – as well as supporting the social cooperatives created by the foundation. The foundation aims to: reinstate the excluded people into the job market creating new job positions for them; take part in the revitalization of post-industrial areas of Silesia; participate to the inclusion of excluded people into the job market using work and necessity of contacts with other people as therapy and promote social entrepreneurship.

The social enterprise of the Foundation for the Social Enterprise Development 'Być Razem' undertakes a variety of production and service activities employing people at risk of social exclusion, among others:

- it provides gastronomy and catering services at 'Bistro na Wałowej';
- also provides professional and comprehensive laundry services for hotels, tourist hostels, boarding houses, restaurants, and sanatoriums;
- carpentry is another area of service provided by a social enterprise;
- WellDone® products manufactured by the carpentry of the Foundation 'Być Razem' are made of natural materials, simple, witty, intelligent and useful items, perfect for gifts. These items were designed by young designers and are produced by people returning to the labor market, through employment. The main premise of producing products with the WellDone® brand is their high quality, both in the sphere of their manufacture but also in unique artistic and functional design. The buyer of these products receives a well-designed item of good quality, at a good price, and by the way, buying it doing something good to others.

Social Enterprise 'Być Razem' employs (in all forms of business activity) 66 people. All the employees are hired with employment contracts. In 2009, more than 900 people, including 330 long term unemployed, benefited from the assistance of the Foundation for Social Enterprise Development 'Być Razem'. Each year, several dozens of them find jobs on the open market or in economic subjects managed by the foundation. The association was included in a group of fifty organizations recognized as exemplary and included in the Atlas of Good Practices of Social Economy. A total of about 3,000 people a year use the Association's help (shelter, food, social, psychological, legal assistance, employment under public works, education).

At the time when the Association 'Być Razem' initiated the activities of the Foundation for Social Enterprise Development and decided to establish social economy entities, local

authorities declared their willingness to cooperate and readiness for far-reaching support. With time and the emergence of new challenges faced by the Foundation, previous declarations were not fully reflected in reality. The initiators of the 'Być Razem' foundation faced serious choices related to the possibility of achieving their goals. Ultimately, due to a lack of support, leaders based on their determination and mutual trust decided to take a personal risk and secured the social enterprise by a personal property surety.

Bałtów – JuraPark

When the Ostrowiec Steelworks was closed in 2001, the unemployment in the local area, including Bałtów, was over 30%. In 2002, some Bałtów locals registered the Association „Bałt”. Together they have started to look for a way to effectively use the region's landscape values which would attract tourists and rejuvenate the locality. When in 2001 the dinosaurs' imprints in the Bałtów region were founded, members of the association decided to use the discovery as the tourist attraction. In 2003 association „Bałt” together with association “Delta” built the Jura Park on the grounds of the former sawmill. The educational path, showing the successive epochs of the Earth's history supplemented by the colorful boards with animals' and plants' descriptions, is put across the Park. The main attraction, however, is the 50 natural scale copies of the dinosaurs. At the entrance to the Park, there is a spacious place where souvenir stalls are located. The Bałtów Jura Park aims to: promote the touristic and economic development of the local region: increase the number of jobs, development of local enterprises, tourism and catering infrastructures; raise awareness about ecological education; encourage the development of agro-tourism farms and tourism infrastructure with due consideration of local natural resources (river, landscape, and local wildlife); implement activities for social activation of inhabitants enabling them to pursue independent development.

In 2007 Ski slope 'Baltavian Switzerland' was created on the private terrains, leased for the associations. The purpose of such action was to protect employment off-season for 120 people working for the associations. The creation of the ski slope allowed to extend the season and secured the continuity of the employment, i.e. during winter the Kamienna raftsmen are responsible for operation and maintenance of the slope. The 'Allozaur' social enterprise is a type of community center to which 'Bałt' and 'Delta' associations delegate the jobs. It is responsible for serving tourists and providing general work for the locality and two associations. The employees of 'Allozaur' (25 people) are taking care of local flora, clean tourist routes, parking, river banks. They also organize entertainment events and make souvenirs. The associations conduct also training and advice programs for agro-tourism farms, financed with the resources of the Human Capital Operational Program or Civic Initiatives Fund. There are around 25 of such farms currently operating in the locality. To improve the quality of their services the association organizes the training for the farms' owners in the fields of marketing, promotion and establishing common standards. As a result of transformations and restructuring in the management of the attractions of the Baltowski Tourist Complex, on December 1, 2017, DLF Invest became the sole owner and manager of the entire Baltowski Tourist Complex, thus replacing the existing Delta Association.

Results of all activities:

- 120 employees, especially for long-term unemployed people.
- The decline in the unemployment rate in the locality from over 30% in 2001 to 4% in 2009.
- Construction of tourist infrastructure; 5 hotel-catering facilities, 25 agro-tourism farms, 5 one-person farms.
- Social infrastructure rebuilt: places for social and cultural activity, open-air events.
- Bałtów is visited by several thousands of tourists (over 500 thousand tourists in 2008 and 2009).

Vocation Activity Unit - "Laundry Service Facility" in Wodzisław Śląski

Vocation Activity Unit - "Laundry Service" is an organizational unit of Wodzisław county. It was created in 2008 to provide disabled residents with proper social and professional rehabilitation. The employees of the Facility are employed in the positions of washerman, ironer, mangle, cleaner. All laundry rooms are spacious and free of architectural barriers, which makes it easier for people with disabilities to move freely in the plant. In addition to salary and professional activation, which allows people with disabilities to acquire important life skills is punctuality, regularity, responsibility and give satisfaction from being productive at work, employees are involved in the daily rehabilitation of health. Because this modern enterprise has a hygienic barrier, it successfully provides professional laundry services, which are used by, among others, hospitals, hotels, restaurants, health care facilities, sports clubs, and individual clients. At the end of 2018, it employed 46 employees under an employment contract, including 33 disabled employees - 19 with severe disability and 14 with moderate disability. Apart from public administration units at the local level, which is the Wodzisław county and other local government units, the laundry works closely with public institutions and non-governmental organizations working for the benefit of the disabled. It uses, among others, constant support from the State Fund for the Rehabilitation of the Disabled. In the field of supporting disabled people in the Wodzisław county, the Unit works, among others, with occupational therapy workshops in Wodzisław Śląski and the County Support Centre for people with mental disorders, both run by Caritas. Thanks to this cooperation, an integrated system was created, allowing to combine forces, resources, competences and capabilities of public institutions, non-governmental organizations and representatives of local businesses for the social and professional integration of disabled people.

The effectiveness of actions and the success of the presented examples of the social economy can be interpreted in relation to the degree and form of social capital activated in them. In the Bałtów - JuraPark project one can observe a high level of bonding social capital, which allowed residents, who were sharing similar norms and values, and mutual trust, to integrate around activities for social and economic development of the entire community. These activities would not bring visible positive effects without the simultaneous launch of bridging capital, which allowed to mobilize the resources of knowledge and innovation remaining in the resources of the associations "Bałt" and "Delta" as well as other social partners together with the resources and organizational capabilities of public institutions. Obviously, the achievement of positive effects of the described activity was the result of the development of an innovative strategy and its subsequent implementation by a group of committed, well-prepared and highly determined leaders. Later, through integration and animation, community members were included in specific project activities. It should also be remembered that these activities would not have been possible without the involvement of public funding at the stage of initiating the economic activity of this social enterprise. Since 2017, it is not the Delta Association but DLF Invest that manages 'Bałtów - JuraPark', thus it can be concluded that from a social economy entity it has become a typical business entity. Nevertheless, there is no doubt that these activities have positively influenced the socio-economic development of the local community.

The social enterprise 'Być Razem' has built its position and brand based on the enormous commitment of a group of leaders who, connected with strong trust relationships and willingness to cooperate with determination, often took risky steps for a project aimed at developing the local community. Their success and the following position among Polish social economy initiatives were determined, among others, by innovative ideas and openness to cooperation with institutions and organizations operating not only on the local market but also in a much broader dimension. They have created a brand of high-quality products and services recognized not only locally.

The Vocational Activation Unit - "Laundry Service Facility" in Wodzisław Śląski is a good example of activating bridging social capital enabling effective action for the professional integration of people with disabilities by using the resources of public institutions at various levels. In this case, the professional service activities of the enterprise, which was founded based on public institutions and funds, gained acceptance and demand from both local entrepreneurs and individual clients - residents. This entity, thanks to both these forms of social capital, sells its services on the open market, providing employment to the inhabitants of the community disadvantaged in terms of employment. At the same time, close cooperation with local non-governmental organizations providing social services allows to create a comprehensive support system for people with intellectual disabilities or suffering from mental disorders. It should be noted that the operation of the "Laundry" on the open market is largely possible only thanks to the continuous financial support from the State Fund for the Rehabilitation of the Disabled, which refunds the remuneration of disabled people employed in the Plant as well as in various forms of their rehabilitation. In this way, the plant operates on the market on preferential terms. It does not change the fact that thanks to cooperation with public institutions, professionalism, and care for the high quality of services rendered, the Plant develops by providing employment to the disabled. Thus, it allows greater social integration of this category of people who are most exposed to social and occupational exclusion, i.e. people with mental and intellectual disabilities.

The presented examples show to some extent that the development of the social economy project may deeply depend on the level of its rootedness in the local community. It requires social economy entities to have extensive relationships with individuals, institutions, and organizations operating in the local environment. The operation of a social enterprise should be focused on supporting and developing the local community and promoting the sense of social responsibility on a local level. Social enterprise usually comes into being and operates as a result of the collective activity of people belonging to a given community (employers, employees, co-operators, and costumers) sharing the same local problems and goals as well as values, norms, and traditions. To achieve such rootedness in case of entities that are usually established based on an external (usually institutional) decision with the strong financial support it seems to be necessary to use community work procedures as an implementation methodology.

Community work is defined as a process in which the community specifies its needs or goals, establishes its hierarchy, and deploys its inherent resources that would meet these needs and objectives, and by appropriate action sets out to expand and improve attitudes and practices of cooperation and collaboration in that community (Haynes & Holmes, 1994; Rothman & Tropman, 1987). Due to the high degree of complexity of these types of projects and the need to mobilize large forces and resources, we may assume that the level of engagement of community members towards activities within a particular project usually determines its effectiveness.

Co-production and civic participation

The concept of co-production assumes a combination of activities contributed to the provision of public services, both by public entities established to provide them or by private entities operating in the market of services and by citizens. Representatives of the first two categories are involved as professionals or "ordinary manufacturers", while "production by citizens" is based on the voluntary actions of individuals or groups seeking to increase the quality or quantity of services they use.

In the complex societies of the Western world, where there are a division and specialization of work, the majority of people involved in the production of goods and services (including social services) full-time, as ordinary manufacturers, professionals, employees of public or market institutions. Certain possibilities allow individual residents-consumers or groups of residents-consumers to contribute to the production of goods or the creation of services as consumers-producers. In this dimension, however, it

will be an individualized form of co-production and these activities are usually accidental and with a negligible impact on the nature and quality of services. Another category will be collective co-production, in which more or less organized groups of citizens are included in the process of defining and determining the manner and quality of public service provision (Pestoff, 2007).

Promoting the greater influence of citizens and participatory democracy requires that the impact of service recipients is collective rather than individual. This means that citizens must organize themselves as recipients of public services or co-producers of these services to promote this democratic mechanism that complements representative democracy. To be effective, this self-organization should, at the same time, be supported by the openness of public institutions and decision-making centers to include citizens in the process of co-deciding on public services and thus also to co-produce them.

Civil dialogue is one of the mechanisms of citizen participation, and as such, it is perceived as a means of exerting influence by social actors' pressure on the authorities, which might be especially successful on a local level. Citizen participation is sometimes defined as a process during which the representatives of the civil society gain impact, and, indirectly, control over the way decision-making by public authorities. Especially when these decisions have a direct or even indirect impact on their living conditions. Citizens, community members, etc. have the opportunity to influence decisions planned by the authority, its contents and objectives, are more likely will engage in its performance on later stages. Thus civic participation aims to empower the citizen towards bureaucratic institutions, which allows him to become the partner and not as far - the customer. As a partner, citizen or non-governmental organization representing the citizens can negotiate on equal rights with public institutions. This also forces the institutions to change the style of communication with civil society / active community members.

The conception stems from the widely discussed, and nowadays being an EU fundamental principle, the concept of *governance*. In EU political documents it is described as rules, processes and behavior that affect how powers are exercised at the European level, particularly as regards openness, participation, accountability, effectiveness, and coherence. Governance is also regarded as an effect of the process of transition from the traditional, inefficient system of political and administrative power to the development of a modern system based on consensual regulation of social processes. Following this assumption, reciprocal relations of independent actors are even inevitable in the modern world in which pursuing one's own goals is connected with negotiation and cooperation with other actors, groups or institutions, whose interests intersect or are interdependent.

Conclusions

As it is stated by Mayo (1994, p.74) "community workers need to have knowledge and understanding of the socio-economic and political backgrounds of the areas in which they are work, including knowledge and understanding of political structures, and relevant organizations and resources in the statutory, voluntary and community sectors. And they need to have knowledge and understanding of equal opportunities policies and practice, so that they can apply these effectively in every aspect of their work". Such knowledge and understanding will be particularly important for effective implementation of social economy activities in multi-problem communities, or those in which residents present reluctance or lack of trust to the local authorities.

In the process of community work, one of the most important issues is to increase the sense of trust between community members. This strengthens the willingness to cooperate to meet common needs, as well as the fact that to meet these needs it is necessary to mobilize resources/resources both internal and external communities. Community work defined in this way can be treated as a process of activating the social capital of a given community, mobilizing its broadly understood resources so that through

joint action this community would be able to prevent social disorganization and satisfy a number of its needs.

Understanding social economy as activities which have the potential to provide opportunities for local people and communities that we may assume that the implementation of such activities should be based on similar principles and procedures as Community Organizing (Haynes & Holmes, 1994; Rothman & Tropman, 1987; Rothman, 2008).

Animators of social development, community organizers, people involved in the creation of social economy entities should influence the local community to create and maintain the largest possible network of social connections, those formal, interinstitutional but above all those informal interpersonal, building a climate of cooperation and cooperation based on deepening close relatives' emotional relationships.

This activity aims to remove obstacles that prevent people from exercising their rights or from using the means they need. Mobilization helps people and institutions to combine their capabilities and resources to achieve goals that are important for the entire community. This type of activity leads to the local community adopting an active attitude towards its own needs and intensifying joint actions for its implementation. Such active involvement can be called co-production. Defending one's rights, building a coalition, working for certain solutions ensuring proper policy of local authorities are an expression of the existence of a committed society, aware of its needs and problems, which is the basis for the functioning of local democracy. This type of social commitment and civic responsibility for one's community must be embedded in a space of shared norms and values that are cultivated based on existing traditions, social capital, and the resulting neighborly trust.

Acknowledgments. This paper is based on an unpublished presentation: Community Based Social Economy to an academic conference Strategica International Conference 7th edition – Upscaling Digital Transformation in Business and Economics 10-11.10.2019, Bucharest, Romania;

References

- Amin, A., Cameron, A., & Hudson, R. (2002), *Placing the Social Economy*. London, UK: Routledge. doi: 10.4324/9780203166123.
- Bourdieu, P. (1986). The Forms of Capital. In Richardson, J.G. (Ed.), *Handbook of Theory and Research for the Sociology of Education* (pp.241-258). Westport, CT: Greenwood.
- Certo S.T., & Miller, T. (2008). Social entrepreneurship: Key issues and concepts. *Business Horizons*, 51(4), 267-271. doi: 10.1016/j.bushor.2008.02.009.
- Coleman, J.S. (1998). Social Capital in the Creation of Human Capital. *American Journal of Sociology*, 94, 95-120. doi: 10.1086/228943.
- Dees, J.G. (1998). The Meaning of "Social Entrepreneurship". Retrieved on June 17, 2019 from <https://entrepreneurship.duke.edu/news-item/the-meaning-of-social-entrepreneurship>.
- Evers, A. (2006). Third Sector Organizations and Welfare Services. How helpful are the Debates on Welfare Regimes and a European Social Model? In Matthies, A. (Ed.), *Nordic civic society organisations and the future of welfare services A model for Europe?* (pp.255-276). Copenhagen, DK: Nordic Council of Ministers. doi: 10.6027/tn2006-517.
- Giza-Poleszczuk, A., & Hausner, J. (2008). *The Social Economy in Poland: Achievements, Barriers to Growth, and Potential in Light of Research Results*. Warszawa, PL: Foundation for Social and Economic Initiatives.
- Haynes, K.S., & Holmes, K.A. (1994). *Invitation to social work*. White Plains, NY: Longman.
- Martin, R.L., & Osberg, S. (2007). Social Entrepreneurship: The Case for Definition. *Stanford Social Innovation Review*, 5(4), 29-34.

- Molloy, A., McFeely, C., & Connolly, E. (1999), *Building a Social Economy for the New Millennium*. Derry, IE: Guildhall Press.
- Peredo, A.M., & Chrisman, J.J. (2006). Toward a Theory of Community-Based Enterprise. *Academy of Management Review*, 31(2), 309-328. doi: 10.5465/amr.2006.20208683.
- Pestoff, V. (2007). Democratic Governing: Co-production, the Third Sector, and Citizen Participation in Performance of Social Services. *Zarządzanie Publiczne [Public Management]*, 2(2), 81-98.
- Putnam, R.D. (2001). *Bowling Alone: The Collapse and Revival of American Community*. New York, NY: Simon & Schuster. doi: 10.2307/2657613.
- Rothman, J. (2008). Multi Modes of Intervention at the Macro Level. *Journal of Community Practice*, 15(4), 11-40, doi: 10.1300/j125v15n04_02.
- Rothman, J., & Tropman, J.E. (1987). Models of Community Organization and Macro Practice Perspectives: Their Mixing and Phasing. In Cox, F.M., Erlich, J.L., Rothman, J., & Tropman, J.E. (Eds.), *Strategies of Community Organization* (pp.3-26). Itasca, IL: F.E. Peacock Publishers.
- Woolcock, M., & Narayan, D. (2000). Social Capital: Implications for Development Theory, Research, and Policy. *The World Bank Research Observer*, 2, 225-249. doi: 10.1093/wbro/15.2.225.

Received: October 25, 2019

Accepted: March 11, 2020

© 2020 Faculty of Management (SNSPA), Author(s). This is an open-access article licensed under the Creative Commons Attribution-NonCommercial-NoDerivs License (<http://creativecommons.org/licenses/by-nc-nd/3.0/>).