

In search for a place for the third sector in the Polish welfare state: Toward a limited co-production

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1. Introduction

The Polish third sector has transformed itself very dramatically since the end of the communist rule in 1989. Today there are several tens of thousands third sector organizations, mainly non-profit organizations, which were set up in the last twenty-five years. They act independently of the state and their agenda is set only according to the preferences of their founders. It is a stark contrast with the communist times, when any social organization was independent only by its name but not by its everyday practice. Every organizational form of the public life was under the hegemony of the state (Leś 2000).

In the same time the role of third sector organizations as producers of goods and services has been changing in accordance to a specific pattern after 1989. The role of organizations which were active during communist times has been decreasing but the role of the newly formed organizations has been expanding. As a result in some policy fields (e.g. housing) third sector organizations have become less active but in the other (e.g. social assistance or education) they have been developing quite significantly. After 1989 not only the third sector has changed on the structural level, the discussion on the third sector, and more widely on civil society, has also changed. There were high hopes for the civil society to thrive during the last years of the communist rule and in the beginning of the democratic era. Civil society was perceived as a better and more natural form of public life than state institutions. Therefore civil society organizations, mainly associations and foundations, were expected to develop rapidly and to create a space for an authentic public life. In the early 90s a separate sphere of non-profit organizations, used to be called non-governmental organizations to emphasize their independence from both the state and the market, was supposed to exist in Poland. Nonetheless as the time has been passing, the idea of civil society had to be put into the practice. During this process a lot of limitations for the development of third sector organizations has emerged. One of which was the lack of financial resources and dependence of the third sector on public funding. In the effect nowadays, the on-going discussion around the third sector and the civil society is less idealistic and much more pragmatic than it used to be at the beginning of transition.

Taking above statements into consideration, the aim of this paper is to investigate the transformations of the third sector in Poland and to work out a direction in which the Polish third sector is heading now. We are going to use a widely discussed but completely unknown in Poland concept of co-production as a tool for the analysis in this paper. This concept fits into research on the third sector development because it allows to indicate in which part of a policy stream third sector organizations are involved. Are they involved simultaneously in policy formulation and policy implementation? Or are they involved only in implementation phase?

Following the work of Pestoff and Brandsen (2008) and Pestoff (2009, 2012), we distinguish three basic forms of co-production such as co-governance, co-management and co-production. Co-production is defined as the engagement of third sector organizations in the delivery of public services. As a result, co-production is an alternative channel of public service delivery, with public regulation and financing that could either take the form of a direct public subsidy, or service vouchers, or preferential tax rules for third sector organizations. Co-management is defined as joint efforts undertaken by third sector organizations, for-profit enterprises and public administration in order to manage public service delivery. Finally, co-governance refers to an arrangement according to which third sector organizations, together with public administration and for-profit enterprises, participate in decision making and the planning of public services.

By using this distinction we are able to show in which part of a policy stream the Polish third sector has been placing itself or has been placed by policymakers. Our examination indicates that the third sector in Poland is limited mainly to policy implementation, and within this phase to public service delivery (co-production). Third sector organizations are considered to be a useful tool for delivering some welfare services which are provided neither by the state nor by the commercial companies. In the paper we call this form of co-production 'a limited co-production' because the role of third sector organizations is only limited to providing goods and services, while the third sector's participation in management of public services - as well as in planning and decision-making in public services - is

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disregarded. Such a narrow attribution of the role of third sector organizations is with stark contrast with the role which was originally attributed to it twenty five years ago in Poland. Third sector organizations within the civil society were destined to create alternative society independent from the state's control. They supposed to be a counterbalance to the state power. In reality third sector organizations have been limited to subsidiary role to the state apparatus.

The paper is based on official documents and statistics coming from e.g. the Central Statistical Office of Poland (so called research on SOF-1 form conducted every two years), previous research on the Polish third sector (conducted by various Polish think-tanks like Klon/Jawor Association, the Institute of Public Affairs, Institute of Political Studies the Polish Academy of Sciences) and on authors own research conducted in 2012-2015. The analytical part of the paper is divided into two parts. The first part is focused on the official discourse on the third sector (official acts, documents, strategies) and the second one discusses every day practice of third sector organizations. Throughout the whole paper the third sector is considered to consist of non-profit organizations (associations similar social organizations and foundations), cooperatives (both traditional and social) and social enterprises³. The third sector is analyzed as a whole but special regard is given to the activity of the third sector in education and social assistance. This is due to the authors' preliminary analyses conducted with respect to the first Polish research project on co-production.⁴ The paper finishes with a discussion and conclusions.

2. The official discourse

2.1 Third sector organizations in Poland before 1989: long traditions and broken institutional continuity

The development of third sector organizations in Poland followed typical European path till the beginning of the Second World War (Leś 2001). The only local specific was that Polish organizations operated under three separate legal and political systems which was due to the partitions from the 18th century. Associations and foundations were created on the basis of religious, ethnic and occupational ties that corresponded to the structure of the Polish society of that time. Also the cooperative movement had been developing rapidly to support disadvantaged groups as well to preserve national identities. After the First World War a very complex social and ethnic fabric of the Polish society further enhanced a development of the vibrant third sector. The cooperative movement was practically strong at that time. It is estimated that 1/5 of adult Poles belonged to cooperatives. In 1938, the annual cooperative share in overall retail turnover was 4-5%, while in the case of procurement of agricultural products it amounted to 12% (Piechowski 2008). Unfortunately there is no data on influence of third sector organizations on public policy at that time. However taking some initial and very uncompleted data on some public policies (including education and social assistance) into consideration, we can assume that the role of third sector organizations in policy formulation was also visible. It was due to the fact that in the years 1918-1939 newly-revived Polish State was carrying a terrible burden of re-establishment of all institutions and the whole legal system after more than 123 years of the partitions. As a result, third sector organizations actively supported the State in the creation of a new political and legal system. For example, all activities of the State in education were based on the assets, properties and achievements of third sector organizations. These were associations, foundations and other social organizations who set the direction of the development of education policy, in particular on the early stage designated for children at the age below compulsory education (Ciepielewska-Kowalik 2013).

The Second World War changed the situation of the Polish third sector dramatically. Under German and Soviet occupation almost all third sector organizations were forced to stop their functions or went under strict control of occupational forces. Because their official activities were forbidden, a lot of organizations went underground, however, they were continuing their service role for the society.

During early years after the war, a lot of third sector organizations tried to reinstate themselves despite enormous human losses and a social and political havoc. As a result, a very short period after the war (1945-1947) can be called as 'tolerance toward pluralism' in terms of the existence of third sector organizations (Leś 2001). Unfortunately the new communist regime quickly gained control over

³ This definition follows developments on third sector conceptualization which have been done in the Third Sector Impact project. This conceptualization encourage researcher to consider at least part of cooperatives as a part of the third sector. The Polish team in Third Sector Impact project has already made first attempt to distinguish those Polish cooperatives which belongs to the third sector. Because of limited data on activities of separate types of cooperatives in Poland all legal forms of cooperatives are taken into consideration in this paper.

⁴ The application form of the project 'Co-production of welfare services: education and social assistance policy in Poland after 1989' financed by the National Science Centre (authors: Ciepielewska-Kowalik, Pielniński & Szarfenberg).

Poland. As a consequence, third sector organizations went under a strict state control. Third sector organizations could neither choose the direction of their activity nor set the goals nor undertake the activities without the permission of the authorities. In the late 40s and early 50s, all foundations and many associations were dissolved by communist authorities. Their assets and properties were taken over by the state without any compensation and incorporated to national infrastructure. Other organizations were incorporated into new organizations called 'mass organizations' being under strict State's control, while the rest was left alone but had to obey directives from the State and the communist party. During the next three decades these residual organizations enjoyed the level of autonomy which was depended on 'a political climate' of a particular phase of the communist rule in Poland. Nonetheless quasi-independent organizations had no influence on public policy formulation. Their role was limited to some social fields which lied beyond the state's scope of interest. For example, the great majority of small preschools in rural areas was run by social organizations, mainly Towarzystwo Przyjaciół Dzieci (the Children's Friends Association) which was the biggest mass organization in education and childcare until 1989.

In the same time, a part of production and service delivery was left to cooperatives. They were especially active for example in housing. It is worth a separate research to find to what extent their activities could be consider a form of co-production bearing in mind their high dependency on the state. It should be added that cooperatives were incorporated into the national economic policy according to idea of collectivization, that deprived them independency and asset. What is beyond a discussion is the fact that after 1989 cooperatives were consider by the public opinion as relicts of communist times. Only recently they have started to be seen as a true element of the Polish third sector.

The new wave of third sector organizations started to establish themselves during the last years of the communist rule. First of them, which were created so called 'the ethic society' independent from the regime, existed as a political opposition in the beginning of 70s. They started to form organizational structures which gave birth to the modern interpretation of the society and created a group of activists who over time would create first non-profit organizations in independent Poland. In other words, from that period comes the theory of modern civil society, its practice and its people. Second, the communist regime tried to incorporate an incoherent policy towards the incipient Polish civil society. However, in the mid-1980s when the economic crisis worsened material status of the society and strikes were burgeoning, communist authorities had weakened their policy toward third sector organizations. This was the time of a limited tolerance when the first signals of breaking the state's monopoly emerged. This was the case of for example education, when the first non-public schools run by associations were established in the late 90s. The other fact was that communists in 1984 introduced the Act on Foundations which for the first time allowed to set up an organizational structure crucial for any modern civil society. Nevertheless the real breakthrough came with the end of the communist era in Poland. From this moment we are able to describe not only the condition of the third sector, but also its influence on a policy formulation and implementation.

2.2 Third sector organizations after 1989: a revival of the idea of the third sector and ambiguity on its role in the post-socialist welfare state

As it was mentioned in the previous paragraph, the complete vision of civil society was developed in the moment of the fall of communism in 1989. The idea was to create a separate society from the public sphere controlled by the state. The third sector, in particular non-profit organizations, was supposed not to be in relation of a co-production with the public administration but in relation of a coexistence. Non-profit organizations were expected to create services which were the alternative to those provided by the State.

The theory of the modern civil society had to be translated into legal regulation during the first years of transition. During the last days of the communist regime The Act on Associations was enacted which led to establishment of many thousands of new non-profit organizations around of Poland in next few years. In Poland, during the first decade of the 1990s, the number of associations grew by 14 times and that of foundations increased by 20 times (Mansfeldova et al. 2004). In 1995, there were 47.000 registered non-profit organizations. The number of new social organizations created between 1989 and 1999 exceeded the number of such entities existing at the time of the Polish People's Republic (Piątek 2005). Therefore, the beginning of 90s is called in Poland, like in other countries of the region of Central and East Europe, 'a renaissance' of the third sector (Nałęcz & Bartkowski 2006).

In the first years of a democratic rule further reforms were undertaken and further legal acts that strongly affected third sector organizations were passed. On the one hand they introduced the process

of decentralization and established communes (Polish *gmina*) which are the lowest level of Polish administrative units. On the other hand, they were connected with the recognition of the third sector in some detailed public policies such as education and social assistance. Both legal acts regulating these public policies were enacted in 1990 and they recognized third sector organizations, especially non-profit organizations, as entities providing education and social assistance services. In case of education it was the legal permission to run non-public schools, while in case of social assistance it was not only providing social assistance services but also a creation of consultative-advisory body with third sector representatives at the Ministry of Labour and Social Policy. The new democratic political system and the new legal framework forced leaders of civil society to change the way in which they operated (Iłowiecka-Tańska 2011). They decided to give up operating inside informal structures and started to build formal organizations. They also engaged themselves in project oriented actions. The most prominent new non-profit organizations tried to based their activities on measurable indicators as well as on modern forms of management. This transformation ended a vision of civil society as an alternative to the state and created an idea of civil society as an active partner for the state; a partner which could control and influence the process of policy formulation and in the same time could be involved in a policy implementation.

The advent of a new wave of non-profit organizations coincided with the diminution of 'old social organizations'. These organizations which very often had their origins in the pro-communist times were considered paradoxically to be relicts of the authoritarian rule. Moreover, they weren't consider as a part of third sector which belongs neither to the state nor to the free market. Old social organizations were seen as a part of the state controlled economy which only pretend to be independent institutions. Therefore the public opinion had nothing against decreasing their economic significant and even their dismantling.

Regardless their legal form, third sector organizations can exploit several potential ways in which they could influence formulation of public policy in Poland.

2.3 First steps of the third sector in the access to policy formulation

The most crucial element of a decision making process is access to information. The Polish Constitution guarantee (article 62) a wide access to information about action undertaken by public institution. Citizens have right to access official documents and to witness official meetings. This right to information has been enforced by the Constitutional Court and by the separate law on the access to the public information. Unfortunately recently the right to information has been limited in an everyday administrative practice (Banaszak & Bernaczyk 2012). The Constitution also indicates that in some circumstances organized group of citizens could influence policy formulation. Article 20 states that the Polish economy is a social market economy. Therefore it is shaped by dialogue and cooperation between different so-called 'social partners'. This term refers to labor unions and employees' associations. Those organizations can influence government social policy at The Tripartite Commission which is regulated by the separate law. This corporatist model is the only constitutional way of influencing governmental policies by third sector organizations.

There are attempts to go beyond a corporatist practice in policy formulations. There is growing pressure on the government to introduce a practice of 'social consultations'. During social consultations a public institutions consult its planned actions with individuals and groups which could be effected by those actions. Non-profit organizations could take part in social consultations as well as informal groups or individuals. The term 'social consultation' appears in several legal documents but there is no one consistent interpretation of the term. There are attempts underway to create one legal document which would create institutional framework for social consultations on the governmental level.

Thus for now, the most important document regulating the role of non-profit organizations in policy formulation is the Act of law of April 24th 2003 on Public Benefit and Volunteer Work. Article 5 states that "public administration authorities shall perform public tasks [...] in co-operation with non-governmental organizations and entities". This so-called cooperation may take on several forms including:

- "consulting non-governmental organizations and other entities [...] on draft normative acts in areas relating to their statutory activity";
- "consulting draft normative acts concerning public tasks [...] with Councils for Public Benefit Work in areas where such Councils have been established by competent local self-government units";

- “setting up joint advisory and initiative teams composed of representatives of non-governmental organizations and of other entities [...] and of representatives of relevant public administration authorities”.

In other words, the Act of law on Public Benefit and Volunteer Work creates a vast opportunity for non-profit organizations to take part in policy formulation. However, the real extend of non-profit organizations' participation in decision making process depends on individual public institution. The Act of law on Public Benefit states only that non-profit organizations could take part in policy formulation. Public institutions are not obligated to include them in a decision making process.

There are only few cases when public institutions are forced by the law to include non-profit organization into formulation of its policy. For example, according to the Article 5a of the Act of law on Public Benefit every local government (from the regional one to the municipal one) should implement after consultation with nonprofit organizations “the annual programme of co-operation with non-governmental organizations”. Therefore nonprofit organizations have at least minimal influence on public institutions' policies on nongovernmental organizations.

3. The everyday practice

3.1 The policy implementation

Polish public administration provides financial support for non-profit organizations in many fields of activities. Periodical surveys of public institutions which have been done by the Ministry of Labor and Social Policy show that there is permanent pattern of public support for non-profit organizations (table 1). There are four major fields where public institutions financially support non-profit institutions: sports, culture, education and social policy.

Table 1. Types of public benefit activates supported by public administration (in percentages)⁵.

	2010	2011
Sports and sport education	88,2	88
Culture, art, national heritage	53,1	44
Social work	9,9	34
Health promotion and health services	38,7	32
Recreation for children and young adults	34,5	32
Support for disable	38,2	31
Work against addictions and social pathologies	33,2	30
Tourism	31,8	20
Science and education	19,4	18
Support for national tradition	20,9	13

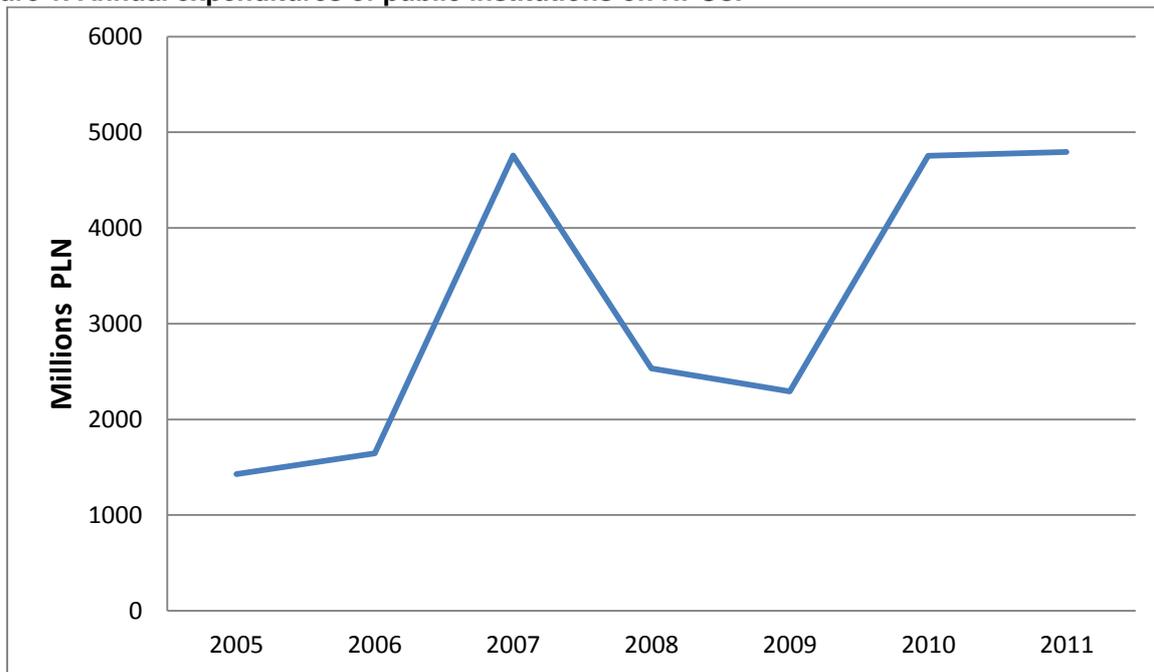
Source: Ministry of Labor and Social Policy (2012: 111)

The level of financial support for non-profit institutions is changing over time (table 2). In 2005 the financial support for no-profit organizations was worth almost 1,5 billion PLN, reaching level of over 4,5 billion in 2007 than it decreased in 2008 and 2009 and once again picked in 2010. These changes in the level of financial support for non-profit organizations probably have been influenced by the European funds. The time of introduction of different European programs, mainly Equal and Human Capital, significantly influences the amount of money given to non-profit organizations. It is worth to remember that European funds are managed by polish public institutions and almost 13% of financial support for non-profit organizations on the level of all local governments came from the European structural funds⁶.

⁵ Public servants were allowed to mark more than one answer.

⁶ Our own calculation based on Ministry of Labor and Social Policy (2012: 78, 90).

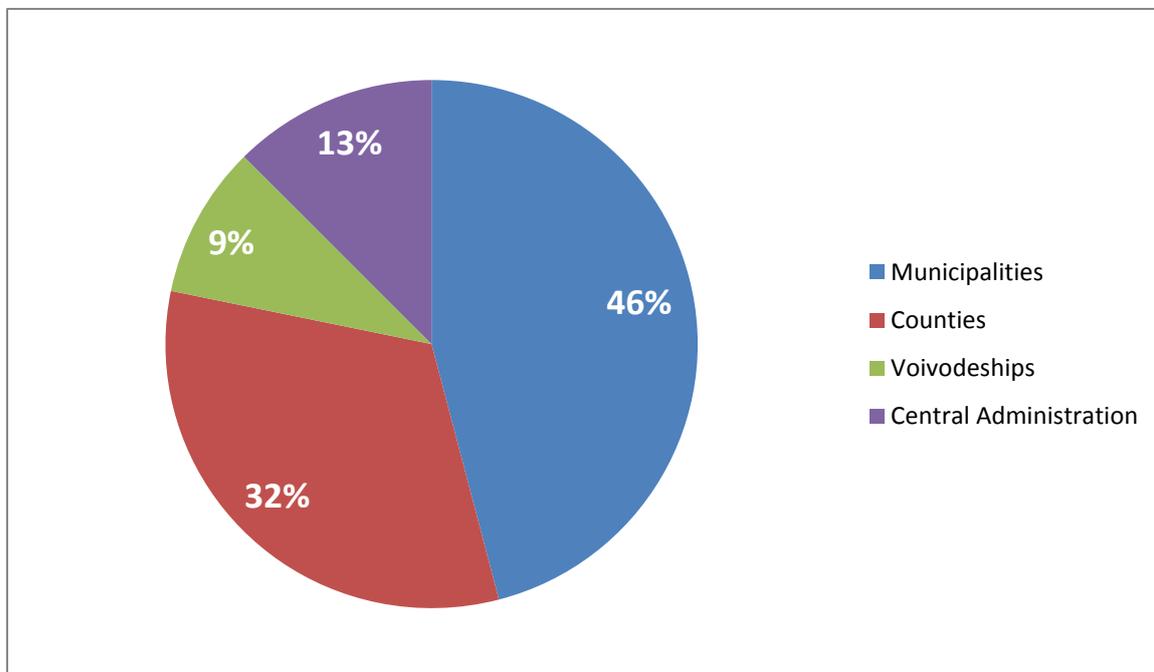
Figure 1. Annual expenditures of public institutions on NPOs.



Source: Ministry of Labor and Social Policy (2012: 102)

The biggest volume of financial support for non-profit organizations has come from municipalities (*gmina*). Their financial support consist of over 46% of the whole support for non-profit organizations. What is more important, the combined support of all types of public authorities(municipal, county and regional) comprises of 87% of public support for all sector of non-profit organizations.

Figure 2. The composition of the expenditures on NPOs by type of public institution in 2011.



Source: Ministry of Labor and Social Policy (2012: 103)

The most significant legal regulation of financial support for non-profit organizations is the Act on Public Benefit and Volunteer Work. Although in 2011, 44% of public financial support was delivered to non-profit organizations based on this regulation⁷, still it is the most significant legal base of relations between public and non-profit institutions.

The Act on Public Benefit distinguishes two major types of financial backing for non-profit organizations (Article 11): provision of support and entrustment of a public task. In case of provision of support a public institution helps a non-profit organization in its public benefit activities. Therefore when a non-profit organization applies for public support it should document that it has its own resources for the purpose of a public activity. In case of entrustment of a public activity by a public institution a non-profit organization doesn't have to use its own resources. Since a public institution entrusts a non-profit organization one of its obligatory public benefit activities, it has to secure resources for realization of this activity.

There is significant divergence between level of agreements on entrustment and support, due to the above-mentioned difference (table 2). Public institutions prefer support over entrustment. In case of a support they don't have to provide full funding of a public benefit activity and they can require co-financing by a non-profit organization.

Table 2. Provision of support vs entrustment on the level of local administration.

		Number of agreements	Funds transferred (PLN)	The average amount of financial support (PLN)
2010	Entrustment	4 365	216 567 583	49 614,57
	Provision of support	41 797	2 480 642 197	59 349,77
2011	Entrustment	3 560	328 779 521	92 354
	Provision of support	37 468	1 405 066 530	37 500

Source: Ministry of Labor and Social Policy (2012: 87)

The available data on cooperatives is very limited when compared to data on non-profits in Poland. There has been only one attempt to conduct a comprehensive research on the Polish cooperative sector (Nałęcz and Konieczna 2008). According to this study, the majority of cooperatives (62%) which was active in 2005 had been established before 1989. Polish cooperatives consisted mainly of housing cooperatives (25%), consumers cooperatives⁸ (30,5%) and disable persons' cooperatives (10%). The number of people employed in cooperatives had been systematically decreasing. In 1995 642 thousand people had been employed in cooperatives when in 2005 only 332 thousands were employed. Also the membership in cooperatives had been falling. There were 15,5 million members of cooperatives in 1989 and only 10 million in 2005. The most recent available data shows that there were 17.605 registered cooperatives⁹ in 2014 compared to 19.822 in 2005 (data CSO). There were also 240.144 people employed in cooperatives in 2013. In spite of overall downturn in numbers considering cooperatives there is one positive trend. The number of newly formed cooperatives has been increasing since 2008. There were 87 newly register cooperatives in 2008, 229 in 2011 and 427 in 2014.

3.2 The access to policy formulation

There are several possibilities for non-profit organizations to be involved in decision making process with respect to legal frameworks. The degree to which those possibilities are used depends on an everyday organizational practice.

The relations between public administration and non-profit organizations are the most significant on a municipal level. According to the study published in 2009, non-profit organizations are involved usually in drafting three types of documents: the Cooperation Programme with Non-governmental Organizations, the Municipal Development Strategy and the Municipal Strategy for Solving Social Problems (Celiński et al., 2011: 58). The first document sets the rules for cooperation between a municipality and non-profit organizations, defines the objectives of these relations and designate

⁷ Mainly because of European funds which have been delivered outside of this legal regulation.

⁸ „Społem” cooperatives and „Samopomoc Chłopska” cooperatives.

⁹ It is impossible to verify if these cooperatives were not only registered but also active.

financial resources for this purpose. A municipal development strategy sets the main objectives of municipal policies and a municipal strategy for solving social problems describes major social problems at a municipality and ways of their resolutions. Therefore nonprofit organizations take part in the process of shaping their own relations with municipalities as well as shaping major local policies. However their real influence on municipal policies is very limited. They usually have an opportunity to voice their opinion on a draft document but have no chance to influence the final version of the document.

According to different studies, in case of 56.6% municipalities nonprofit organizations were invited to take part in meetings concerning a municipal budget and in case of 42.4% municipalities these organizations were invited also to take part in meetings concerning other municipal documents (Sobesiak-Penszko, 2012). The main objective of the meetings was to inform nonprofit organizations about municipal documents and to explain the main assumptions behind these documents.

On the level of county the same set of documents as in case of a municipal level are consulted with nonprofit organizations. The same applies to regional level only that the Strategy for Solving Social Problems is replaced by the Regional Environmental Protection Program. Also in case of regional and county level the involvement of nonprofit organizations into development of these documents are often limited only to an exchange of opinions about new documents.

On the level of central government nonprofit organizations have no significant problems with the access to draft law or other legal documents (Celiński et al., 2009). There is also an opportunity for nonprofit organizations to voice their concerns about these documents. Unfortunately there is no data showing the actual influence of the opinions of nonprofit organizations' on the final version of documents which are under construction. It is also worth mentioning that there are almost no institutionalized forms of relations between nonprofit organizations and public institutions on the national level. In reality these institutionalized forms exist only in some detailed public policies. For example in education it is the case of the Parents' Forum at the Ministry of Education and in social assistance it is Social Assistance Council at the Ministry of Labour and Social Policy. Except for detailed public policies, relations between the third sector and public administration at the country level are developed ad hoc, when there is a need for an exchange of information and opinion on a new draft document.

It is very important to emphasize that there is one type of policy on which nonprofit organizations have quite significant influence – the policy on nonprofit organizations. The government policy on nonprofit organizations is shaped by the Department of Public Benefit which is the part of the Ministry of Labor and Social Policy. The influence of nonprofit organizations on the Ministry is secured by the Council of Public Benefit. The Council consists of five representatives of the government, five representatives of local governments and ten representatives of nonprofit organizations. The council which was set up in 2003 advises the Ministry of Labor and Social Policy on issues related to nonprofit organizations. Also this year the Cooperation Programme between the Ministry of Labor and Social Policy and nonprofit organizations has been adopted. The programme is the first document which institutionalizes a permanent cooperation between a ministry and nonprofit organizations. Third sector organizations, mainly nonprofit organizations and social cooperatives, have also an influence on the governmental policy on social economy. The Ministry of Labor and Social Policy established the Committee on Institutionalization of Social Economy in 2008. The committee consists of many representatives of nonprofit organizations who have an influence on the government policy toward social economy.

Overall, nonprofit organizations in Poland are much more effective in voicing their opinions about public policies than in influencing policies of public institutions. Non-governmental organizations have quite good access to the documents shaping public policies and they have some legal possibilities to voice their opinions about these documents. Unfortunately, except for few detailed public policies, there is no evidence that they have any real influence on the final decisions taken by public institutions. In fact, they are more witness than participant of decision making process.

There are two types of policies where the influence of nonprofit organizations are the most significant. The first one is the policy toward nonprofit organizations themselves; And this influence is substantial on the central governmental level. The second type of policy with significant input from nonprofit organizations is policy on some welfare problems. Nonprofit organizations are considered as a suitable partner for managing different types of social issues like education, social assistance, elderly care, mostly on the local level. Overall 36.2% of nonprofit organizations has been asked to take part in commissions or committees set up by local governments (Makowski 2011: 179). 31.9% of nonprofit organizations have been working on legal documents prepared by local governments. And 14.6% of nonprofit organizations have taken part in local councils of public benefit set up to enhance cooperation between local governments and nonprofit organizations.

Non-profit organizations play also an active role in few detailed public policies in Poland, including in particular education and social assistance. The reader can find some crucial facts about it in below.

3.2.1 Education policy

The increase in policy implementation in education is evident just after the breakthroughs of 1989. In the 1990s it was thanks to the democratization of the public sphere and the grassroots pressure of teachers, parents and other social activists gathered around the Civic Educational Association (*Spółeczne Towarzystwo Oświatowe*). Those two parallel processes resulted in breaking the state's monopoly in the delivery of education services. In education policy, as one of the first public policies established in the post-socialist welfare state, the freedom of existing and equal financing (since 2001) of both third sector organizations and private for-profit enterprises, was decreed. As a result, non-public (or private) schools, in particular at the primary and secondary stages, found their place in the education system in the 1990s. Consumers valued their education level, curricula and well-educated staff. Nevertheless, this phenomenon was typical for the larger cities such as Warsaw, Wrocław and Łódź, and owed much to the high level of tuition fees which opened access only for better-off families. The other factor supporting the role of third sector organizations in education policy is attributed to the so-called second wave of decentralization (in 1999), and the change in the financing of education, which was linked to the number of pupils (in 2000). As a result of a decline in population and a lack of pupils in the late 1990s and the beginning of 2000s, communes in Poland decided to close down about two thousand primary schools. In order to maintain access to education services, the grassroots movement supported by The Federation of Educational Initiatives (*Federacja Inicjatyw Oświatowych*) started taking over some of those schools. In 2000-2005 local associations and foundations started running 250 primary schools, mainly in rural areas. As we can see from this short introduction, in the 1990s and at the beginning of 2000s, two parallel ways of the development of third sector organizations in education policy was taking place. The first was connected with non-public schools in large cities and was treated as an alternative path for the public sector, while the second was attributed to having to fill the institutional gap left after the closure of public schools in rural areas.

The admission of Poland to membership of the European Union opened new possibilities for the third sector in education, thanks to European guidelines in education and European funds dedicated to education. For example, a lack of activities undertaken by communes in order to fulfill a deep institutional gap in pre-primary education, resulted in the activity of the third sector. In 2005-2008 the pilot European program administered by the Ministry of Education resulted in the establishment by third sector organizations of more than 800 so-called 'alternative pre-primary preschools'. Those institutions were attended by more than 10.000 children between the age of 3-5 in rural areas. Those institutions in 2007 were put into the act of education and they now exist as so-called pre-primary education groups and pre-primary sections of primary schools. This change was a result of lobbying activities undertaken by third sector organizations. By placing new pre-primary institutions within the Polish legal framework, third sector organizations provided them with a stable financial support from communes instead of their having to rely on unstable funds from various education projects. Today, after eight years of existing, more than 2.000 pre-primary groups and points offer more than 30.000 educational places for more than 5 percent children attending preschools (data from 2013/2014 school year). Particularly important is the fact that those pre-primary points and groups which were initially established by the third sector, are now run by the public administration and private for-profit enterprises as well.

Another interesting examples of influence of third sector organization on formulation of the educational policy at the national administrative level are successful lobbying activities undertaken by the third sector in order to simplify the procedure of taking over small public schools (attended by no more than 70 pupils) by subjects coming from both for-profit and the third sector. This step, taken in in 2009, simplified the procedure of running small schools and preschools by institutions other than communes. However, due to the diversified economic and social situation of teachers from those social schools, this article is perceived as one of the most controversial articles in the Polish education system. That is why the public debates with the participation of teachers' trade unions, which are considering the transferal of education institutions to other subjects, often contain some accusations of social services being privatized in secret. Unfortunately, some situations have since proved that these accusations are well founded.

In the period of transition, the inter-sectorial relations existing between the third sector and public administration in education have been very dynamic. They appeared to be more benevolent in the early 1990s, especially in 1989-1993, when the public policy towards for-profit and third sector organizations in education was created by politicians with their roots in the social sector and

Solidarność social movement. The inter-sectorial relations became more complicated at the time of the coalition of left wing parties led by Democratic Left Alliance (*Sojusz Lewicy Demokratycznej*) in 1994-1997. In those days, some centralization and unification ideas in education, as in other fields of the social sphere, were revived. The years 1997-2001, when center-right parties were in power, can be called the 'time of wasted chances' in terms of the development of inter-sectorial relations. The education reform of 1999, which was one of the four reforms aiming at transforming the welfare state, did not pay any attention to the third sector. The new social order in education, as in other public policies, was based on a neoliberal approach with a special interest in new public management. However, decentralization and education reforms awoke the social activities. The engagement in education was tangible in the increasing numbers of schools run by the third sector, even if the process of taking over those schools from the communes was a kind of a side-effect of decentralization and education reforms, rather than the result of any intentional decision taken by public administration. The fact was that local associations and foundations began running primary schools in those parts of the country where the demographic and economic situation was not clear. As stated earlier, around 2004, and owing to the Polish entrance to the EU, new developmental opportunities for the third sector in education emerged. As a result, third sector organizations extended their activities to early childhood education and care, mainly in pre-primary stage for children at the age of 3-5. Taking inter-sectorial relations into consideration, one can state that, between 2005 and 2007, third sector organizations had to fight for their place in the system, because education policy was complicated by some ideological influences by the government. In fact, and despite this, the third sector decided to go ahead, and it was successful in positioning pre-primary points and pre-primary sections of primary schools within the education system. The last analyzed period, since 2007, which can be divided into two sub-periods, i.e., the first (2007-2011) and the second (2011-2015) government of the coalition between the Civic Platform (*Platforma Obywatelska*) and the Polish People's Party (*Polskie Stronnictwo Ludowe*) is also a multi-faced time in inter-sectorial relations between third sector organizations and public administration. The openness in inter-sectorial dialogue depends on the problem. On the one hand, for several years the government continued to ignore the presence of some third sector organizations connected with parents who protested against lowering of the commencement of compulsory full-time education in primary school from seven to six years. For example, in 2011-2015 parents assembled around the Ombudsman for Parents' Rights Association and the Foundation (*Stowarzyszenie i Fundacja Rzecznik Praw Rodziców*) submitted three civic projects opposing this reform. All of them were rejected by the Polish Parliament, due mainly to the votes of members of parliament belonging to the government coalition. On the other hand, in 2011-2015 one can observe a gradual process of co-governance in education policy. For example, in 2011 a new consultative and advisory body consisting of the public administration and delegates of the third sector organizations was established by the Ministry of Education.

The preliminary research on the early stage of education (for children at the age of three to five) shows that there are at least four feasible factors which might hinder the development of co-production in education policy. These are: 1) economic challenges due to the model of financing education; 2) an organizational culture connected with a reluctance to transfer public tasks to third sector organizations; 3) the fragility of the Polish third sector in terms of its economic condition and the level of social participation; 4) the reluctance of powerful teachers trades-union to accept changes in education policy which would promote the stronger role of non-public entities, including third sector organizations, in both the formulation and implementation of education.

3.2.2 Social assistance policy

The role of the third sector as a provider of social services was recognized in the first social assistance act (*ustawa o pomocy społecznej*, 1990). The same act also created a consultative-advisory body (*Rada Pomocy Społecznej*) with third sector representatives at the Ministry of Labour and Social Policy. From the start of the transition period, a legal framework for inter-sectorial relations was established for social assistance at the level of central governance and at the local level for the delivery of social services. In the late 1990s, new levels of local government were added, such as district (Polish *powiat*) and province (Polish *województwo*). The number and size of regions was also increased (16 instead of 49). This created new obligatory social assistance organizations points for co-production in governance area. Poland's accession to the European Union in 2004 added to the institutional structure another level which was under open method of coordination (Social Inclusion Process) from the start of Lisbon Strategy (2000-2010). The Polish response to the EU pressure to involve third sector organizations in the participatory process of social inclusion resulted in the development of first Polish documents – obligatory ones: Joint Inclusion Memorandum, National Action Plan for Social Inclusion; and non-obligatory: National Social Inclusion Strategy (Polish

Narodowa Strategia Integracji Społecznej, 2004-2010, in fact in force till 2008). After three years following EU accession, the Polish Committee of European Anti-Poverty network (EAPN Poland, now 37 federations, national and local third sector organizations) was established, and many Polish third sector organizations became members of other European organizations (e.g. AGE, Eurochild, FEANTSA). Moreover, a process of federalization of the third sector in Poland commenced with the establishment of the Working Community of Associations of Social Organizations (Polish *Wspólnota Robocza Związków Organizacji Socjalnych*, acronym WRZOS). WRZOS delivered substantial support for EAPN Poland deliberately set up as informal network. Open Method of Coordination under new EU Strategy Europe 2020 (2010-2020) was replaced almost entirely by European Semester process. The main element of its national implementation is the National Reform Program (*Krajowy Program Reform*). In 2011, an inter-ministerial body was established with third sector's representatives such as WRZOS and EAPN Poland. This was crucial point, because social OMC was originally a separate process, and now all actors work together. It was a trigger for setting up a collaboration between the third sector and main trade unions federations, with the involvement of employers' organizations and economic ones (Szarfenberg 2013).

Another area created by EU process for co-production in social assistance policy was the implementation of the European Social Fund (ESF) in Poland. In particular, it was the involvement of third sector organizations in Monitoring Committees set up for operational programs that rendered co-governance stronger. In the new EU financial perspective (2014-2020) ESF was reformed and it has now a new separate investment priority for poverty and social exclusion. A decision to grant more competences to regions in the implementation of that priority is an indication that co-governance is now also in regional Monitoring Committees. The effect of the above-mentioned developments is a multilevel structure of governance, management and social services delivery with representatives of the third sector active in every part of that structure. A multilevel and multi-dimensional co-production process is a completely new and extremely complex phenomenon in social assistance policy. For this reason, the current state of research in that area is still in its infancy in Poland. Some issues are explained in the two studies; however none of them employs a concept of co-production. The first (Szarfenberg 2013) is devoted to the role of third sector organizations in governance at the central level, and the second (Grewiński 2009) investigates social services delivery. In particular, the topic of the first exploratory study was the involvement of third sector organizations in the process of drafting key documents for the European Semester and EU Funds implementation; while the second focused on multi-sector social policy with descriptive aims (e.g. sectorial structure of different welfare services delivery).

4. Discussion and conclusions

Relations between the third sector and the public administration have been developing in very complex pattern during the last twenty five years in Poland. This complexity has been also enchainning attention of Polish researchers from the beginning of the transition. Today the dominant way of analyzing intra-sectorial relation is to investigate them as a display of cooperation between the third sector and public administration. This perspective has its roots in the Act on Public Benefit and Volunteer Work. According to this act, two types of cooperation are distinguished: financial and non-financial cooperation. As a result, the majority of the Polish research uses the Act on Public Benefit and Volunteer Work terminology, including the results of the research conducted by various Polish think-tanks like the Klon/Jawor Association and the Institute of Public Affairs (e.g. Przewłocka 2009, Gumkowska 2006, Gumkowska et al. 2005, Herbst 2008) and the Institute of Public Affairs (e.g. Olech 2012, Makowski 2007, Kasprzak 2007, Niewiadomska-Guenzel 2007, Rymsza et al. 2007). Moreover, the subordination of the research perspective to the language from the Act on Public Benefit and Volunteer Work has assumed various dimensions. It is clear in the analysis of the relations between third sector organizations and public administration in social policy (as in the case of the above-mentioned authors), as well as in detailed public policies (e.g. Arczewska 2011). It can also operate at various levels, including both the national level (e.g. research by the Institute of Public Affairs and the Klon/Jawor Association mentioned above) and at the local level (e.g. Handzlik & Głowacki 2012 in Małopolska Province and Przewłocka 2013 in Warsaw). It should be said that, in Polish research, the term 'cooperation' is sometimes supplemented or substituted by the term 'participation'; for example in the research conducted by Olech (2012). In general, however, in the Polish literature, as well as in official documents of the Polish public administration the term 'cooperation' prevails.

Although the cooperation perspective has increased our understanding of relations between third sector and public administration, it is worth to go beyond it. The data on intra-sectorial relations shown in previous sections of the paper, was organized to show not the forms of cooperation but types of co-

production which have been developing in the last two decades. The crucial question was about the third sector involvement in policy implementation along with the third sector involvement in policy formulation.

There were high hopes for third sector organizations to take an active role in co-governance in the beginning of the transformation. The theory of civil society was well developed as well there were people and organizations with some experience in independent activities. Nonetheless, idea of involvement of third sector organizations in policy formulation survive only to some extent on the constitutional level. The constitution creates some opportunities for third sector organizations to be involved in the process of policy formulation. Unfortunately, those opportunities have been never institutionalized to full extend. Civic involvement in creating frameworks for the major public policies has been left only as rhetorical figure. There have been only two major exceptions. The first one is the policy on the third sector. Third sector organizations have managed over the years to gain quite significant influence on the public policy toward them. The most significant sign of this influence is the Act on Public Benefit and Volunteer Work from 2003. Third sector organizations could articulate their opinions on the public administration's action toward them on the national level as well on the local level. The second exception is the policy on some social issues. Under this broad term are considered all action taken by public institutions which are aimed to solve different types of social problems like for example running costly small rural schools, running community self-help centers or homeless shelters. Here the role of third sector organizations are important. They could have an influence on actions taken by public administration especially on the local level.

It is also possible to find some traces of co-management in relations between public administration and third sector organizations. The erratic nature of educational policy has led to situation in which third sector organizations have been not only involved in providing services but also in managing them. It is especially apparent in rural areas where public administration, due to the budget constraint, is unable to manage the whole educational system by its own. It needs some support from third sector organizations, mainly on the level of the early education.

The most significant role of third sector organizations is however on the level of co-production. The public financing is the most important source of financing for non-profit organizations. They are financed very often in exchange for developing very diversified set of services. They are very strongly associated with activities connected to sport, culture and social services. Also they play a prominent role in the provision of educational services. They even have almost full monopoly in some fields e.g. services for homeless people. It is also worth emphasizing that the pattern of involvement of the third sector in provision of services has evolved during the last two decades. The role of non-profit organizations has been increasing, while the role of cooperatives has been decreasing. However, it is very important to develop a systematic research on Polish cooperatives as on non-profit organizations. Nevertheless, cooperatives seem to be beyond the scope of interest of the Polish researchers. They are interested only in the new-wave of cooperatives which are social cooperatives. These newly-established (in 2006) cooperatives has been gaining more attention both from the scholars and policy makers, and therefore they are definitely on their way up.

The state of co-production in Poland leads to the conclusion that it is a limited co-production. Polish third sector organizations are predominately active in providing welfare services. They have less prominent or even marginal role in policy management or policy formulation. Third sector organizations are usually considered to be the last resort providers. They fulfill those policy fields in which neither private, nor public institutions are active. As a result, they play only supplementary or substitutive role to the state and the market. In the same time, third sector organizations are mostly excluded from policy management and policy governance. They are considered to be passive social actors. In exchange for delivering services, third sector organizations are provided with a financial support. Their existence depend on the opportunity to the delivery of welfare services, because institutions of public administration are for many of them the main source of financing their activities. It is in particular the case of organizations operating in pro-employment activities, since this field is more closely monitored by the public authorities in Poland. Graff (2010) has even coined a special term – “grant-affected” – to refer to the domination of public sources in the overall budget of non-profit organizations, which is particularly present in organizations engaged in work integration and pro-employment activities.

The limited co-production in which third sector organizations play a passive role as providers of welfare services is a stark contrast with the expectations of the beginning of the transformation. The third sector was expected to be an active player in the public life. Third sector organizations were expected not only to deliver services but also to have a significant influence on public policy and public opinion. These expectations have been fulfilled only on the rhetorical level. The discourse of civil society and civic organizations is still quite popular among politicians and publicists. Unfortunately it

has never transform itself into strong institutional framework. Therefore, third sector organizations were perceived as the third pillar of a new post-socialist welfare state, although in reality the relations between the third sector and public administration created a typical dual system rather than fully integrated or based on a partnership one.

The Polish case of the third sector transformation shows not only unmet expectations of the grassroots self-organization movement. It also proves that the instruments of New Public Governance – if unappropriated applied - could lead to the similar results as used in New Public Management. In Poland, the limited co-production is essentially a form of outsourcing the public services, like for example in education where hanging small rural schools over to third sector organizations is a new practice for dropping the financial ballast from the local authorities. Third sector organizations could be perceived as just another provider of services chosen by representatives of the public administration. An involvement of third sector organizations could lead to more cost effective way of providing welfare services. But this is not the aim of New Public Governance. Third sector organizations in this perspective should not be limited only to the role of services providers. They also should be able to have a significant role in policy formulation. Third sector organizations could play an active role in democratizing our contemporary welfare system. If we are to prevent ourselves from selling old wine in new bottles, we have to focus our research not only on different forms of co-production, but on relations between these separate forms as well. We should investigate the relation between co-governance, co-management and co-production to prevent situation in which, under the banner of democratization, we are going to sell another form of commercialization.

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