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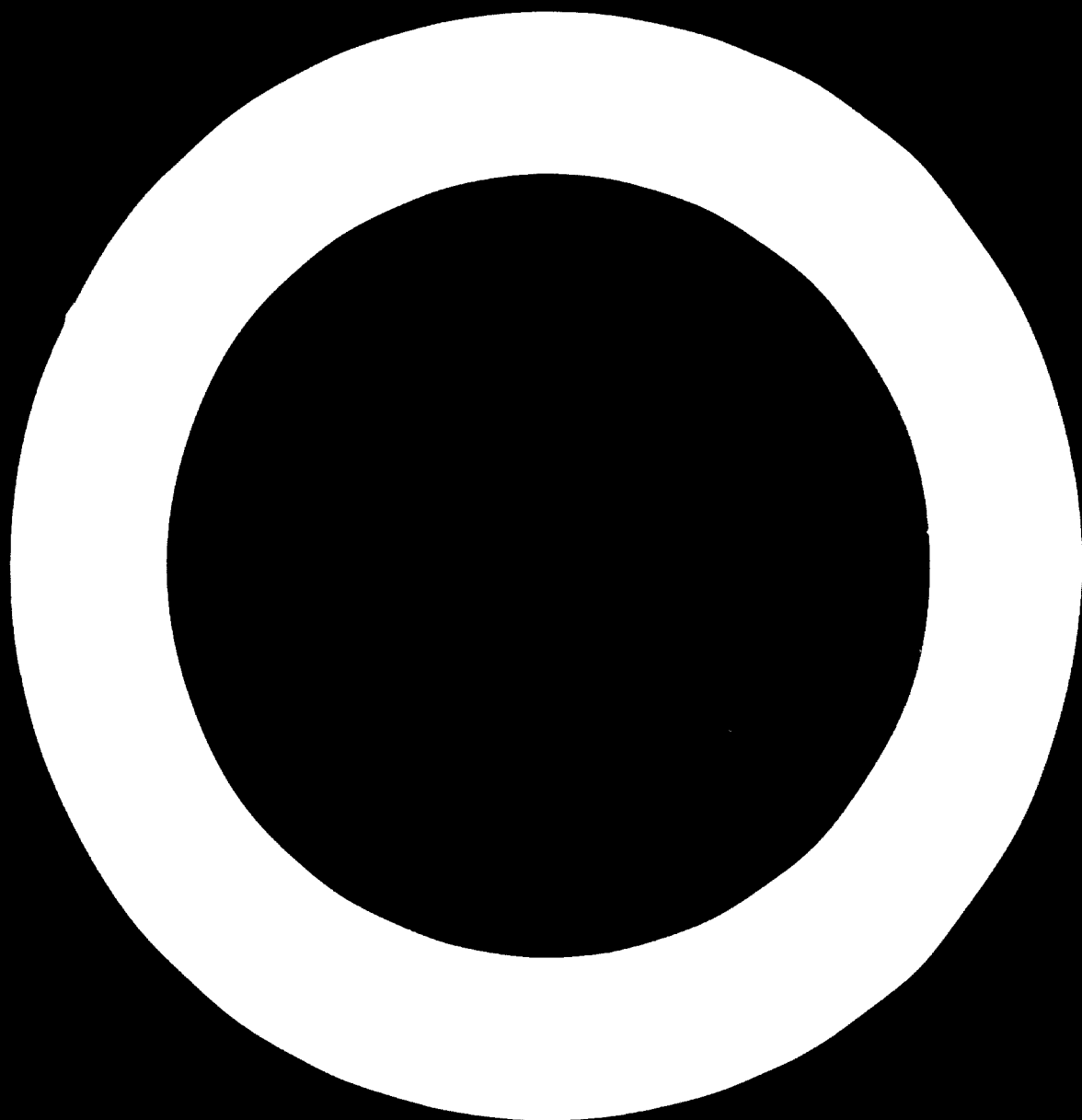
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SELECTED PROBLEMS OF SELF-HELP IN INDUSTRIAL
CO-OPERATIVES IN POLAND^{1/}

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I

Polish co-operative movement is distinguished by its scope and variety of activities in the sphere of economic and social life and by its functions in the Polish national economy. At the end of 1974 there were 9661 co-operatives in Poland with 14,9 million members. They employed over 1,8 million persons, i.e. 13,5% of all persons employed in Poland /with exception of those working in agriculture/ their share in the national production of goods being 11,2%, in retail turn-over 55%, in marketing of agricultural products 70%, in supplying agricultural farms with productive goods 70%, in construction of houses 50%. Out of 1,8 million employed in co-operatives approximately 1 million worked in co-operative industry and industrial services.

Several types of co-operatives are involved in Poland in industrial production. The rural supply and marketing co-operatives produce bread and meat, animal fodder and building materials; dairy co-operatives process practically all milk purchased from the farms; consumer co-operatives produce quite a number of food commodities, horticultural co-operatives run a considerable number of plants processing fruit and vegetables. The main role in the sphere of co-operative industrial production in Poland play however Workers' productive co-operatives. In this short information about the self help in the process of industrialization we will discuss

the workers' productive co-operative organization. We will mention only the existence of supply and marketing co-operatives of handicraft.

II

According to Polish experiences the form of worker's productive co-operative which belongs according to the paper of Mrs Stettner to joint enterprise co-operatives, proved particularly adaptable to the needs of industrial production. Just after the second world war workers' productive co-operatives organized in great numbers had to produce as great quantities of consumer goods for the home market as they were able to make. At that time workers' productive co-operatives substituted the state-owned key industry which was about to be created. Following the growth of state-owned big industry, co-operatives began to change gradually the scope of their production taking over the task of supplementing the produce of state industry. Now they are involved preponderantly in the production of medium, short-batch and single articles which require greater precision or respond to more individual needs of potential customers.

There exist in Poland actually over 2300 co-operatives of this type; they employ over 800 thousand workers.

In addition to their fundamental task which is production of consumer goods they perform a lot of other very important economic and social functions. Having no ambition to enumerate all of them we would mention the following main functions: enriching the variety of goods destined for the home market and exportation; use of local raw materials; stimulating of progress in economically retarded regions; training of quali-

fied workers in industrial and handicraft skills; solving of employment problems, especially what concerns the non-skilled or poorly qualified manpower, disabled persons, the rural population working on the farms which do not take up all their time, women who because of this familial situation can not work in normally organized industrial plants.

Poland, as the majority of developing countries, faced the problem of keeping balance between industrial development of big towns, rural regions and small towns. Industrial co-operatives played and still play an important role in this respect. It creates new employment opportunities in the less developed regions and activating professionally this part of population which did not have opportunities to get work in other forms of enterprises.

Workers' productive co-operatives, own a network of over 20 thousand small-scale industrial plants. The average number of workers per one plant is less than 40 persons. The most important branches of industrial production of workers' productive co-operatives /out of over 30 different branches/ are: clothing, shoes, furniture, glass ware, metal and printing industry. The workers' productive co-operatives' share in national production of clothing is 30%, in leather and shoe industry 24%, in printing 18%, in glassware 17%, in furniture 14%, in metal industry 13%. Workers' productive co-operatives have produced 80% of all folk-art articles, 81% of toys, 50% of medical and laboratory instruments, over 22% of textiles.

There exist in Poland about 400 supply and marketing co-operatives of handworkers. They associate about 60 thousand owners of handicraft small private enterprises. Their task is

to organize the supply of raw materials, machines and other equipment of their members as well as the marketing of their produce. They do not differ very much of the co-operatives of the same type existing in other countries of Europe.

III

During the 30 years old history of workers' productive co-operatives in People's Poland several experiences in the sphere of self-help have been gathered.

The financial basis of economic activities of workers' productive co-operatives is the share capital and reserve funds. It should be emphasised that in the economics of workers' productive co-operatives the share capital plays greater role than in any other type of co-operative existing in Poland. Over 2,5 billion zlotys of share capital at the end of 1974 could be gathered thanks to two factors: /1/ The members of co-operatives decided to raise their shares to the level of three months salaries; /2/ The shares could be paid in many rates not exceeding 5% of the month's salaries.

Share capital opens the way to bank credits. Both share capital and bank credits used in the process of production create net-surplus. In the system applied in Polish workers' productive co-operatives, only about 50% of net surplus is being used for consumption purposes /payments in cash to the workers, financing of collective aims, of training, of social establishments, development of cultural life etc./. The rest is destined for the Central Development Fund and for reserve funds. The last within the co-operative are used as a rule for minor investments and the modernisation of equipment and technology.

It should be emphasized that only about 20% of all investments realized within the framework of workers' productive co-operatives is being financed by means of state credits. The rest can be qualified as the result of an extensive system of self-help.

IV

One of the very important forms of self-help within the organizational system of workers' productive co-operatives in Poland is the Central Co-operative Development Fund. It is accumulated out of the part of net-surplus of all co-operatives affiliated to the Central Union of Workers' Productive Co-operatives. The Central Co-operative Development Fund functions as a kind of internal bank. Its tasks are to grant credits to particular co-operatives for investment and exportation purposes. Credits are granted without interest and are to be returned to the Fund in long or medium terms. The pre-condition for getting credits from the Fund is to prove the existence of a need justified economically or socially. The Co-operative Development Fund is used by the Central Union not only as an instrument of financial help to the co-operatives but also as an important factor in implementing of the policy of development of the whole workers' productive co-operatives system. According to the evolution of functions of the whole organization credits are used for the promotion of the functions which are considered as the most important for the particular period of time. Thus the Fund has been utilized for the development of employment oriented industries in the years 1965-1975 when the increased number of youth achieved productive age; for the development of less economically developed areas, especially

small towns with the surplus of manpower; for the development of small scale industries in the regions where underemployment of rural population was to be solved; for the promotion of services; for the modernization of technology in selected branches which seems to be actually an acute need of the whole organization etc.

V

Workers' productive co-operatives are affiliated to the country-wide branch unions and the Central Union. The main task of both Central and branch unions is to promote the economic and social development of affiliated primary co-operatives. In order to perform the promotional activities of co-operative unions several forms of functional integration have been and are being developed. They are concerned with performance of such functions of primary co-operatives the realization of which on the primary level would not be economically effective or even possible.

Because of the small or medium scale of co-operative enterprises under general conditions of centrally planned economy it would be not viable to let them function in the sphere of international trade. Therefore a special enterprise of international trade owned by the Central Union of Workers' Productive Co-operatives has been established in 1957. Its responsibility is to inform the co-operatives about the actual demand on international market, to purchase the products from the co-operatives and to sell it abroad. The same enterprise in question would take the responsibility of instructing the co-operatives about the technology of production and the quality requirements. "Co-opexim" /that is the name of the workers' productive co-

operatives' foreign trade enterprise/ organizes international co-operation in the production of several goods, provides the necessary raw materials, machines and implements, if necessary.

Aside of financial help in the sphere of investments primary co-operatives are also helped in that respect through investment departments of the Central and branch Unions. Central Union is involved mainly with functions connected with the planning of investments. Here the proposals of branch unions are to be brought into accordance with the general aims of national economic plan. The investment departments of branch unions are concerned with the performance of feasibility studies, of technical projects accepted. They organize also the collaboration between the investing co-operatives with those co-operatives which may realize the construction or other works connected with the investment.

In the sphere of marketing some of the branch co-operatives unions run wholesale enterprises. In addition to that they represent the associated co-operatives before the state wholesale enterprises as well as respective enterprises of other kind of co-operatives /consumer, rural supply and marketing/ in negotiating long and medium-term delivery contracts. By the means of planification and instruction they influence the kind and quality of production of the associated co-operatives and ensure to the great extent the market for commodities produced.

The Central Union represents the overall interests of all associated co-operatives, i.e. by negotiating and signing with the state and co-operative enterprises general agreements concerning the supply of raw materials and the marketing of

products. In this way practically all what the affiliated co-operatives do produce is already an organized market.

Important functions of technical and technological progress are also integrated at the level of branch unions. There exist several special centers responsible for elaboration of new technology of production as well as samples of new products demanded on the market. Such centers are run by the branch unions of co-operatives responsible for production of: furniture, shoes, clothing, textiles, toys, synthetics, drugs, medical instruments and others. Within the framework of the Union of Co-operatives of Disabled Persons the help to the primary co-operatives is given by specialised enterprise which designs and produces equipment for invalid persons working in different professions. The whole system of technical assistance to the primary workers' productive co-operatives consists of over 90 specialized entities in which over 5 thousand persons are being employed.

The integration of the functions of primary co-operatives in the sphere of technology makes it possible to the affiliated co-operatives to take advantage of the most modern technical inventions without the necessity of organizing special research works of their own.

VI

There are several activities in the sphere of socio-educational task of primary co-operatives which could hardly be solved in the primary level. It is obvious that an industrial organization which employs over 800 thousand persons cannot develop and grow without the system of education of personnel. Whatever the resources and ambitions of particular co-operators

in the sphere of training could be the results of a desintegrated action would be less effective. Central Union of Workers' Productive Co-operatives runs 133 schools with over 23 thousand pupils. There are 67 primary, 43 secondary professional schools and 23 schools for personnel employed already in co-operative enterprises. The total number of graduates of all above mentioned schools amounts to well over 6,5 thousand yearly. Short-term training courses at the central and branch level should be mentioned too. Every year about 120 thousand workers and employees are involved in this kind of training programmes, i.e. about one seventh of all persons employed. There are special courses at the central level organized for managerial staff. All expenses connected with the financing of the training system are covered from special training fund which exist in the central and branch level and consists of contributions paid by all affiliated co-operatives by the division of net-surplus.

The Central and the branch unions are also responsible for helping the primary co-operatives in organizing rest for the members and employees. They run therefore sanatoriums and rest houses.

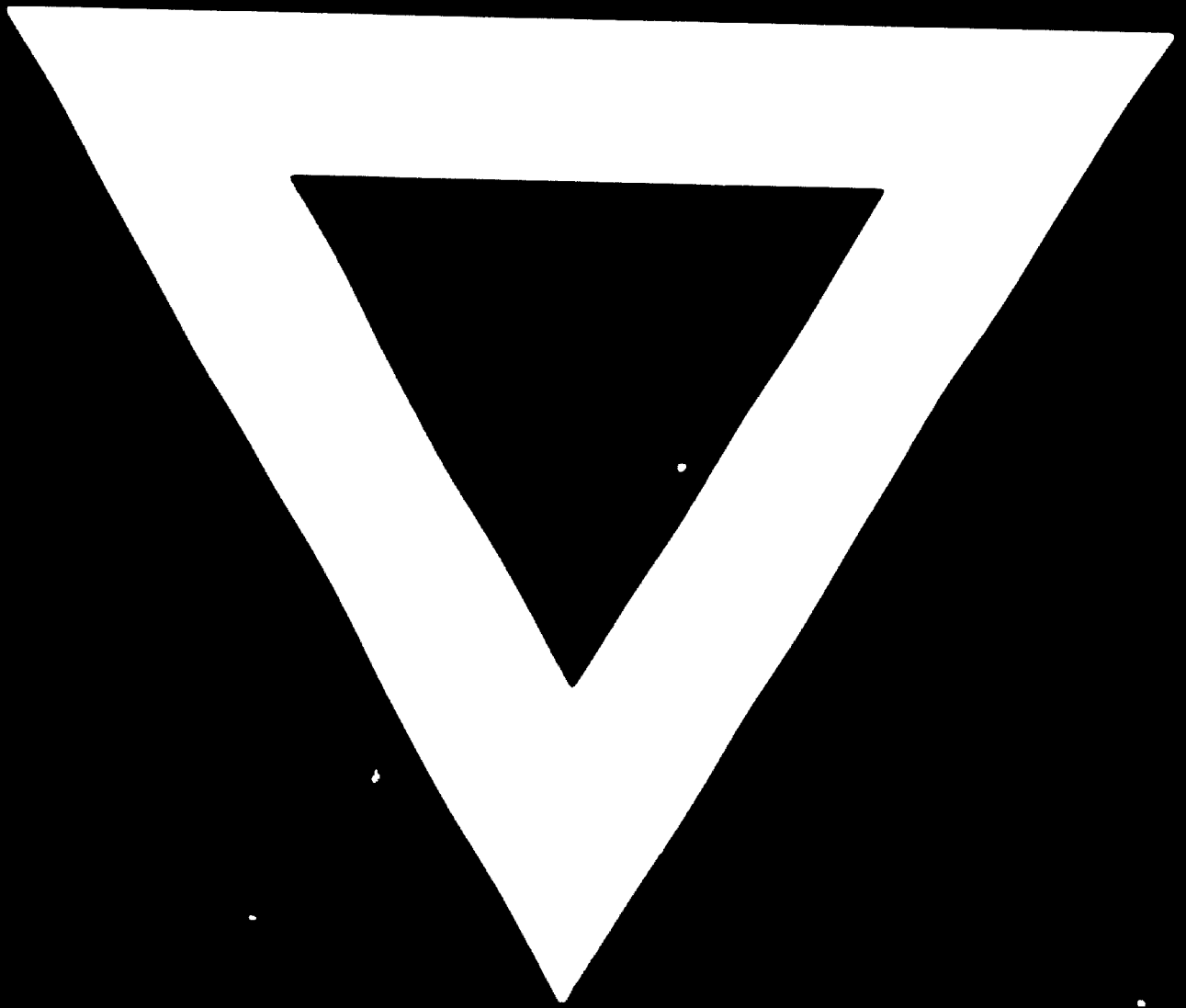
There are also some other fields of socio-educational activities which are promoted by the Central and branch unions, such as publication of books and periodicals, as organization of vacations for the children of the members and persons employed in the co-operative and as tourism. The organization of the last is concentrated in a special co-operative touristic agency "Turysta" which has itself a co-operative form and which affiliates as well primary co-operatives as

Individual members.

Special funds destined for the promotion of cultural and sporting activities are also collected at the central and branch levels. They enable to develop this special kind of social activities which result in social integration of members of particular co-operatives.

VII

It is generally admitted that the form of industrial co-operative may play an important role in the process of industrialization of developing countries. Experience proves that the development of co-operative movements in developing countries can not be conceived as the mere following of European experiences. It is not therefore the idea of this information to suggest to any country the implementation of the solution experienced in Poland. Nevertheless it should be stressed that the way of organizing of small scale industry which was followed in Poland, proved to be successful. It should be therefore considered as a source of inspiration for those who under different social, economic and political conditions look for the solution of difficult problems of their economic and social development.



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