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07744



Distr.
LIMITED

ID/WG.257/7
27 October 1977

ENGLISH

United Nations Industrial Development Organization

Expert Group Meeting on Industrialisation in
Relation to Integrated Rural Development
Vienna, Austria, 12 - 15 December 1977

THE ROLE OF INDUSTRIAL CO-OPERATION IN RURAL DEVELOPMENT
EXPERIENCE OF POLAND^{1/}

by

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id.77-7662

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Introduction

1. The term of industrial co-operative, following the definition formulated by the Ad Hoc Expert Group Meeting on Industrial Co-operatives^{x/}, is interpreted in the present paper as any industrial enterprise, great or small, which is legally registered as co-operatives or is wholly controlled by an organization so registered.

2. Poland is a socialist country situated in the middle of Europe. She has a territory of some 300 thousand square kilometers and a population of 35 millions. Agricultural production gives some 17% of the GNP. The process of extensive industrialization of the country started about 1949. It changed totally the economic and social structure of the country. Co-operatives having very long tradition in the life of Poland contributed significantly to this change.

3. The co-operative movement plays an important role in Polish national economy. 10 thousand co-operatives of different types operating in rural [some 6,5 thousand co-ops], and in urban areas affiliate about 14 million members, employ 1,8 million workers and employees [15,2% of the total employment in the country], produce about 12% of the total industrial production of the country, build about 50% of the total of new housing, sell about 50% of all commodities, grant about

^{x/} United Nations: Nature and Role of Industrial Co-operatives in Industrial Development. ID/25, March 1969, UNIDO, Vienna.

95% of all credits to the private farmers. These important economic activities developed within the framework of centrally planned economy are performed by complex and in average great size co-operatives. Many of them, especially those operating mainly in rural areas, are of universal character. They deal at the same time with retail trade, of consumer and productive goods, with purchasing and marketing of agricultural produce, with producing investment and consumer goods as well as with rendering a number of services.

There are, however, also co-operatives dealing in the sphere of industrial production only. They belong to the category of work co-operatives /workers productive co-operatives/. Their activities will be of special concern in the present paper.

Limiting our consideration in the present paper to the co-operative industrial production it is to be stressed that co-operatives operate in the small and medium scale industry only. They are represented in agricultural products processing industries, in fish processing industry, in milk industry, in light industries producing commodities for everyday use, in building materials industry, construction and repairing of houses, in some investment goods production in co-operation with big state industry, in folk art industry and others.

4. It is a feature of centrally planned economy that every territorial administrative unit has to elaborate and implement its own socio-economic development plan in general conformity with the national socio-economic development plan. Thus on the level of a commune /the lowest administrative

unit) there are communal development plans at least for a period of one and of five years. These plans, as far as economic activities are concerned, consist of yearly and five years plans of local agriculture (private, state and co-operative) and of industrial, trade and servicing enterprises both state and co-operative. It is a task of the office of the head of the commune to co-ordinate all these plans and to build on their basis the communal socio-economic plan.

5. It is intended to present in this paper on the first place the role of industrial co-operatives in rural development of Poland from the macro-scale point of view. In the second part of the paper the specific role of work co-operatives (workers productive co-operatives) in rural development will be presented by the means of two case studies. In the last paragraph of this paper it will be attempted to draw some conclusions concerning i.a. the possible utilization of Polish experiences by the co-operatives in developing countries.

I. Industrial activities of co-operatives in rural areas

6. From the point of view of the variety of industrial products as well as of the total volume of industrial production and of the number of persons employed in industrial plants, the most important co-operative organizations operating in rural areas in Poland are the supply and marketing co-operatives of Peasant Self-Aid. They own and run about 11,5 thousand industrial plants with about 91 thousand persons employed, which gives an average of 9 persons per one plant. Most of the industrial plants are bakeries (1,4 thousand) and mineral water plants (0,9 thousand). The co-operatives in

question run also about 70 vegetable and fruit processing plants, about 270 plants producing animal fodder and about 260 plants producing building materials.

7. Next to the supply and marketing co-operatives there are dairy co-operatives. Poland is the fifth producer of milk in the world. There exist 49 dairy co-operatives highly concentrated from the administrative point of view. They have 1,2 million members and run over 800 dairies and other milk processing plants. They employ over 55 thousand workers and employees. The value of milk products amounts to 42 billion zlotys being only 3 billion zloty less than the total production of the supply and marketing co-operatives of Peasant Self-Aid. The factories are situated only partly in rural areas, undergoing the process of concentration which results in developing great plants in the big towns. There are however over 40 thousand milk purchasing facilities which employ the majority of the above mentioned 55 thousand full time workers. In addition to that an important number of farmers and members of their families are employed as part-time workers in providing transportation of milk between the farms and co-operative purchasing points.

The impact of dairy co-operatives on the development of rural areas is not limited only to the purchasing and processing of milk. The co-operatives have their own extension services (over 3 thousand persons employed) concerned with the problems of raising both the quantity and the quality milk produced in all types of agricultural farms.

8. The co-operatives of agricultural circles have recently played a growing role in industrial development of rural areas. Some 1.8 thousand of these co-operatives exist, which

employ some 150 thousand persons. A part of their work is directly connected with agricultural production: they cultivate about 400 thousand hectares of arable land. Some 100 thousand persons work however in the sphere of services to private farming. The above mentioned co-operatives repair agricultural machinery of the farmers and of their own, cultivate by use of their own agricultural machines the land of private farmers, produce animal fodder and building materials, construct buildings for their own purposes and for the farmers.

9. Horticultural supply and marketing co-operatives should be mentioned as the last type of agricultural co-operatives operating i.a. in the sphere of industrial production in rural areas. There are 49 co-operatives of this type in Poland with some 400 thousand members. They employ a total of about 49 thousand persons, out of them some 12 thousand in 200 industrial plants: fruit and vegetables processing plants and cooling works. The work of about 13 thousand persons in wholesale facilities [about 1200 warehouses] might be also partly treated as industrial work.

10. Work [workers' productive] co-operatives, in spite of their preponderantly urban character, play a significant role in rural development too. They execute several important functions, economic and social, in the villages: they develop small-scale industries taking advantage of traditional skills of the local population thus contributing to the realization of full employment; they employ the part of the rural population which does not find full-time occupation in their farms and/or which can not find work otherwise; they use local raw materials; they render services to the population thus contributing to the rise of general standard of living; they

create conditions to continue and develop production of folk-art commodities, thus preserving an important aspect of national culture.

A considerable part of farms in Poland [mainly because of their small acreage] do not offer full-time work to their owners and their families. Not all underemployed persons can work in industrial, trade or other enterprises because either of distance, lack of transportation, lack of necessary skills, or inability to perform the work outside of the farm. On the other hand in extended rural areas of Poland there exist old tradition of folk-art production: ceramics, leather articles, toys, furniture, metal commodities, textiles etc. Taking this into account a special organization within the framework of the Central Union of workers Productive Co-operatives, the Centre of Folk and Artistic Industries was called to life as early as 1947. In 1976 in 82 co-operatives of this type were employed some 26 thousand persons, mainly females. At least three quarters of them work in the villages, a big part of them as cottage workers. In addition to that, work co-operatives operating in little towns employ a significant number of persons who live in the villages situated in the vicinity. It is estimated that the workers productive co-operatives, however located in towns, employ a total of some 100 thousand persons living in rural areas. The role of this type of industrial co-operatives in rural development will be dealt with in the next section of this paper.

11. For industrial plants of agricultural and other co-operatives, the following characteristic features are to be emphasized: /a/ they use local manpower, thus contributing to the

realisation of full employment program; /b/ they use local raw materials partly purchased from the farmers-members of the co-operative; /c/ they take advantage of their position as an integral part of a co-operative of universal [multi-purpose] type, or of higher level co-operative unions and get necessary financial help for investment either from the resources of the given co-operative themselves or of their regional or central unions; /d/ they contribute to the general economic development of the area by promoting production of raw materials necessary for their own production; /e/ they promote the rise of professional qualifications and develop new skills of the population.

12. It is not possible to analyze in details in a short study the impact of all of above mentioned types of industrial co-operatives on the development of rural areas and on improving the standard of life of the rural population. The more so, that other, non-cooperative, institutions and general development processes taking place in the country, do contribute to the rural development, maybe in a similarly decisive way as the co-operatives.

One of the indices used often to illustrate generally the process of economic development of the country is the professional structure of the population or, in other words, the percentage of the population earning their living from the work in different branches of national economy. It is estimated that in 1945 about 60% of the total population of Poland lived from the work in agriculture. In 1950 it was still 47,1, in 1974 27,1%. At the same time the number of the population living in the villages remained at the same level of approximately 15 million. The contribution of co-operatives in the

process of changing the professional structure of the rural population, i.e. in raising the work productivity of the whole population, should not be underestimated.

II. Case studies

13. "Kamionka", Workers productive co-operative at Lyea Góra near Cracow

Lyea Góra is a village typical for the south part of Poland. It is situated in a valley of a hilly region. Its arable land is of poor quality. Some 250 families (about 1200 people altogether) live on their own fragmented farms of average acreage of 3 hectares each. The smallest farm has 0,7 hectares, the biggest one 10 hectares of poor quality arable land. This was the main reason of extreme poverty of the population which made all possible efforts to earn some money outside of the farms themselves. The opportunities to do so were very scarce before the end of the Second World War. The village lived the miserable life of an average village of this particular region of Poland. It did not differ in any aspect from other villages in the region. A church was the only building made of bricks. All farmers' houses were of timber, covered with steep straw roofs. There were 15 kilometers to the nearest railway station and till 1948 about 4 kilometers to the nearest high road. No industrial plant, two poor shops with everyday commodities and food, a primary school, that was all.

The reason that this particular village was selected for the purposes of the present case study is that, differently from many other villages of the region, here in 1945 a start was given to a development process based on local initiative. Cases

are known of a swift development of industrial and other urban centers much more impressive than the case of Lysa Góra. The most fascinating phenomenon in our village is that the dynamic development and practically all new projects generated from the initiative of the inhabitants of the village itself and that the main burden of their realization was taken by its population.

Immediately after the war, in 1945, as a result of long discussions carried on during the war, the group of farmers organized an electrification Committee and started collecting money to finance the project. The advantage was taken of the fact that one of the former inhabitants of the village was working in the State Electrification Enterprise in the vicinity. Thanks to a group of young enthusiasts of the village led by a university graduate from before the war, the project was realized in 1946 with the help of an important contribution of the whole population, which performed the necessary unskilled work and provided transportation. The success achieved in furnishing the village with electric power helped to demonstrate the potentialities of collective actions. The next initiative was soon there: It was the establishment of a workers' productive co-operative producing originally bricks. The raw material was at hand and a recollection of a project started by few farmers before the war, but deprived of success because of lack of financing, was still alive.

After a period of preliminary studies and discussions in December 1947, 34 farmers, inhabitants of the village, decided to organize collective production of bricks and established the Ceramic Workers' Productive Co-operative "Kamionka" at

their village Lysa Góra. The peasants of Lysa Góra, organizers and first members of the above mentioned co-operative were protectors of the co-operative, its creditors. All of them had little farms which guaranteed the minimum of means needed to live. The higher standard of life depended on additional work opportunities. They were aware that a better future for themselves and for the whole local society might be achieved only under the condition that the poor village be industrialized. Industrialization needs investments. The financial resources of the members were very scarce. Their financial contribution, however very limited, created the necessary precondition for getting investment credit. The provision of necessary machines, the construction of the first plant, the enlisting of new co-operative members and collecting the share capital lasted over one year. In the meantime a very limited production of bricks was started taking advantage of an old field oven, which was constructed by some of co-operative members prior to the normal establishing of the co-operative. The organizers of the co-operative visited several brickworks in the region in order to acquaint themselves with the technology of production. All that was done without any outside financial help. Only after the first thousands bricks were already produced, the Co-operative Bank in Cracow granted to the Co-operative the first revolving credit in May 1949. The technical project of a Ceramic plant accepted, an investment credit was granted in September 1949.

The construction of building necessary for the existence of the co-operative was accomplished mainly by the members themselves in 1950 and 1951. In 1949, 100 thousands bricks were produced. The production increased to over 500 thousand

bricks in 1950. During the same year the production of flowerpots was started.

According to the projects of organizers of the co-operative, the main kind of production was to be artistic ceramics. The bricks produced at the beginning served to accomplish the construction of a plant needed for this purpose, helping at the same time to realize other initiatives of the same group of persons, such as construction of the local post office and, in the first place, of the primary and secondary professional school of ceramics.

It is not the purpose of this case study to follow all details of the history of the "Kamionka" co-operative. Let us draw only a general picture of its developments.

It is interesting that, under the pressure of excessive working power at the village, in 1950 a department of shoes production was started. The main task of the co-operative was to create employment. At Lysa Góra there were some farmers who knew how to make shoes. The co-operative tried therefore to take advantage of their professional qualifications which had nothing to do with ceramics but opened new employment opportunities. Being too much technically different from ceramic production the production of shoes was transferred together with shoemakers employed to another workers' productive co-operative a year later. In 1953 the production of bricks came to an end. The co-operative was at the time producing flowerpots and, at the end of 1953 started to produce artistic ceramics and especially: candlesticks, chandeliers, vases, tiles, architectural plates etc. In 1971 the co-operative production of artistic glass commodities

was started. Actually the manifold production of the "Kamionka". Co-operative consists of: bottles, flower glasses, epergnes, tea and coffee services, ashtrays, flower pots, bowls and industrial ceramics; as well as glass commodities such as: bottles, flower glasses, decanters, carafes, pots, cups, plates, tankards etc. In total there were 224 different articles produced, out of them 66 of glass.

Local raw materials are mainly used for production of ceramics, especially ferruginous clay which is being raised at the village itself. Chalk is imported from other regions of Poland as well as raw glass from state glassworks.

224 persons altogether were employed by the co-operative in 1946, out of them 135 females. The great majority of members live at Lysa Góra itself, some in the villages of the nearest vicinity. 90% of all employed are farmers or members of farmers' families. Practically at least one person from each farm of Lysa Góra is employed by the co-operative. Some 40% of all employed at Lysa Góra outside of agriculture are employed now by the Kamionka Co-operative. It is the biggest industrial enterprise in the commune [Lysa Góra being one of the villages of the commune]. Other enterprises active at the commune level are: State Agricultural Machinery Station [160 employed], the Communal Supply and Marketing Co-operative [90 employed] and the Co-operative of Agricultural Circles [75 employed].

It is difficult to give the picture of the economic development of the co-operative without using the indices in Polish currency, i.e. in zlotys. The value of the total production of the co-operative was 180 thousand zlotys in 1949 [the first year of production], nearly 8 million in 1962,

12,5 million in 1970 and 25 million in 1976, which means an increase of three times in 15 years.

The property of the co-operative consisted in 1976 of: the main building constructed in 1959, where 65% of the total co-operative production is made; the hall of the ceramic oven; the store constructed in 1953 by co-operative members themselves; the glasswork, where some 30% of the total co-operative production is performed; administrative building, where work is done by 22 employees, administrative and technical.

The "Kamionka" co-operative got some 15 million zlotys of credit from the Central Co-operative Development Fund administered by the Central Union of Workers' Productive Co-operatives, and from the Polish National Bank. The last investment credit was taken in 1959. In 1971 a credit of approximately 3 million zlotys was converted to a grant, and the balance was repaid. To-day "Kamionka's" operation is financially entirely independent.

The main part of investment, i.e. construction works, was performed by the co-operative's construction brigade under extensive voluntary contribution of the members. The form of voluntary contribution of members is still there, especially concerning repair and cleaning works.

The financial situation of the Kamionka Co-operative is good. It disposed at the end of 1976 of some 1,5 million zlotys of share funds and some 17,5 million zloty of own investment and reserve funds. No bank credits are used or needed. The net profit of the co-operative amounted to an important sum of 4,2 million zlotys [compared with some 8 million zlotys of the total yearly salaries].

One of the most important problems to be solved to ensure the economic development of the co-operative was this of

improving professional qualifications of members working at the co-operative. A part of the staff was trained in the first years in the existing ceramic plants of the region. Artists employed for the purpose as well as instructors of the Union of Folks and Artistic Industries co-operatives took the responsibility of the in-plant training of Kamionka Co-operative members and workers. In the early fifties a professional ceramic school was organized at Lysa Góra. Some 25-30 graduates of this professional school of primary level and some 20 graduates of the secondary level were yearly employed by the "Kamionka" co-operative. Nearly all of them were inhabitants of Lysa Góra or of nearby situated villages. They are specialized in production of ceramics and artistic glass. Since 1974 the pupils of the professional school derive mostly from outside the nearest region and after being graduated are employed by other factories.

The "Kamionka" co-operative displays an extensive activity in the sphere of social and cultural life of the village. As early as 1953 a co-operative Ensemble of Song and Dance as well as an Orchestra under the name of "Kamionka" [too] was established. This Ensemble gives performances throughout the country as well as abroad. In 1976 it performed 13 times in different localities of the United States.

Since 1960 the co-operative club has operated a puppet theatre for children as well as an amateur theatre of co-operative members. Every Saturday there is a dancing party for everybody at the co-operative club. A Cultural Society "Krakus" was initiated by the co-operative members. It finances the construction of a football stadium building for kindergarten.

The Kamionka Co-operative, like all other co-operatives, organizes vacations for its members and their families. It contributed financially and through voluntary work in constructing of 2 housing co-operative buildings and of 3 kindergardens.

The system of co-operative self-government is working well. The Board of Directors meets 3-4 times a month to decide about the most important problems of the co-operative, the Supervisory Board is active in controlling the activities both economic and socio-cultural of the co-operative and in helping the Board of Directors when needed. A direct democratic system is still in operation, the General Assembly being still an assembly of members and not of their representatives. The interest of the members in the problems of their co-operative is extremely high, one proof of which was the participation of 144 members at the last General Assembly of June 1977.

The consequence of the fact that the "Kamionka" co-operative was created thanks to the local initiative has had, and still has, an important impact on the behaviour of co-operative members. The building up^{of} the material bases of the co-operative was finished in the sixties. Nevertheless the "ésprit de l'équipe" is still there. It is demonstrated not only by voluntary participation in the realization of several works inside and outside the co-operative itself. One of the most striking examples of what the results of the feeling of co-responsibility might be is the mastering of a critical situation of 1976 when, because of an intervention of outside controlling units, the co-operative had to stop using the only raw glass it disposed of. Two research institutes

tried to elaborate a new composition of raw glass suitable for the specific stove facilities of the "Kamionka" co-operative, without any satisfactory result. The plan of production, the salaries of the workers as well as the financial situation of the co-operative was in danger. Thanks to a number of additional hours of work of an important number of co-operative members by means of hundreds of experiments, a new kind of raw glass has been experienced and applied, thus mastering the dangerous situation.

The "Kamionka" co-operative contributed to the realization of nearly all local social initiatives: establishment of the Primary Professional Ceramic School, which had i.a. the task of training future co-operative members and workers; construction of several kilometers of new roads linking Lysa Góra with other villages and the highroad; gazification of all farmers' houses thanks to the introduction of gas as fuel for production of ceramics in the co-operative plant; construction and organization of the health Center employing a doctor and a dentist; the co-operative club for all inhabitants of the village was constructed by the workers of "Kamionka" as their voluntary and unsalaried contribution to the development of cultural life of the village; organization of a song and dance ensemble. In addition to the political organizations which were now created in direct connection with the activities of the workers' productive co-operative "Kamionka", the following economic and social organizations operate now in the village: Agricultural Circle; Circle of Housewives; People's Sport Club /with own stadium and a water pool/; Voluntary Fire Brigade; Workers' Productive Co-operative

"Kamionka"; Housing Co-operatives; Cultural and Artistic Society "Krakus"; Health Center [Health Co-operative till 1972]; Primary and Secondary Professional Ceramical School; Kindergarten; Primary School.

It seems to be important to stress that all new projects realized at Lysa Góra got financial and other help from outside not earlier than the population itself gave its important material contribution to the realization of the projects. Thus "Kamionka" workers productive co-operative was granted a bank investment credit when first hundred thousand bricks or so were already produced by the members in an oven constructed by themselves. The allowance to organize the post-office in the village was given by the authorities when the construction of an appropriate building financed out of the voluntary contributions in cash, materials and work had been finished; etc.

To-day nearly all houses of Lysa Góra are constructed from bricks, every farm has electric light and power, gas and a potable water system. Huge buildings of the co-operative plant; of a 10-class joint primary and secondary school; of a primary and secondary professional school; of a Health Center [originally co-operative transferred in 1972 to the general state health services system]; of co-operative flats, give to visitors an impression of well organized locality inhabited by people enjoying an obviously higher standard of life than these of other villages in the region.

14. Workers' Productive Co-operative "Meblomet" at Mszana Dolna

Mszana Dolna is a little town situated in the south of Poland some 80 kilometers south-east of Cracow and some 40 kilometers north of the Polish-Czechoslovak frontier. The number of inhabitants is about 5 thousand. The town is situated at the foot of Carpatian Mountains, surrounded by a couple of little villages the population of which is since centuries engaged in agricultural production on little farms having in average about 2 hectares of arable land.

The co-operative in question was established in 1953 and had at the beginning its seat in Cracow. It was composed of a few little plants situated in Cracow, and 3 different little towns of the region i.e. also at Mszana Dolna, produced commodities out of timber. In 1956 the Union of Agricultural Supply and Marketing Co-operatives in Cracow decided to turn over to the system of Workers' productive co-operatives a sawmill at Mszana Dolna. This resulted in transferring the seat of the co-operative in question to the last mentioned town. Within the next few years the co-operative transferred its small scale plants situated in other towns of the region to respective co-operative units and concentrated on production based on timber as raw material in one plant - the sawmill. The timber was taken from the forests of the nearest vicinity of the town.

At the beginning [1956] the "Meblomet" co-operative produced mainly handles to agriculture and horticultural implements wheelbarrows and wooden boxes. The production was performed in a few barracks constructed of timber. At the end of that year

98 members and workers have been employed by the co-operative.

Soon the supply of timber proved to be insufficient for the needs of the co-operative. Studies began to change the kind of commodities produced. The problem of substitution of timber as raw material partly by metal and new artificial materials was on the agenda.

The coincidence of several factors contributed to the dynamic development of the "Meblomet" Co-operative: the initiative, the energy and organizational capabilities of the Board of Directors and the Supervisory Board; the increasing number of small farmers and their families living in the neighbouring villages were looking for employment in the little town; the financial help of the second and third grade workers' productive co-operatives' unions was available (not, however, without difficulties).

In 1958 the production of furniture combined from timber and metal began. The demand for modern and multifunctional furniture of this kind was important. "Meblomet" supplied with furniture offices and restaurants in many spots of Polanu. Foreign customers manifested their interest for this kind of production too. In 1959 a workshop to produce wooden elements, a fitting shop and a locksmith's shop was constructed. The next year stores for raw materials and for ready-made furniture followed. In 1962 the construction of a pavillon for rendering of services was accomplished. Important new investments were added in 1968 i.e. a grindery hall, upholstery and galvanization shops as well as a social building. The electric transformation centre for the purposes of the co-operative and of the whole town was constructed in 1970. That

enabled the co-operative managers to start the next investment project, i.e. a welder shop which was ready in 1971. Not having land enough, a branch factory employing some 160 workers was set up in 1973 in a village situated not far away, as well as an own kindergarten. New stores for raw materials were constructed in 1976, and a new social building in 1977.

Accordingly, the value of the total production of the co-operative increased from some 10 million zloty in 1956 to only 11,5 million in 1960, but to 113.6 million zlotys in 1970 and 264,2 million zloty in 1976. A general comment based ^{the} on/above figures seems to be justified: The initial stage of the industrial enterprise is the most difficult; further development is a mere consequence of a good start, which needs time. In 1976 the co-operative produced 82,2 thousand chairs, 24,5 thousand tables, 52,1 thousand easy chairs and 42 thousand motor-car seats in comparison with only 2,6 thousand tables, 3,3 thousand chairs and 0,9 thousand easy chairs in 1960.

The most important change in the kind of production of the "Meblomet" Co-operative in the last five years was the cancelling of the production of furniture made from metal ^{because of the change of fashion} and switching over to the production of motor-car seats which play now the dominant role as to the value of production.

Following the changes in the type of furniture produced, the use of locally supplied raw materials gradually diminished. Because the supply of raw materials for the production of motor-car seats is the obligation of the state factory which orders them, the necessary quantities of metal had to be purchased from outside the region.

Similarly, the market for co-operatives' products became all but local. Only an insignificant amount of furniture is being sold at Mszana Dolna and the vicinity. The links with the local market exist now practically due to the services rendered by a special shop of the co-operative [production of furniture according to special wishes of the buyers, repairs].

The local character of manpower remained. From the point of view of microregional economic and social development as well as of the role of industrialization in the integrated rural development this phenomenon of Mszana Dolna seems to be the most fascinating. The number of employed being 49 persons only in 1953 increased to 159 in 1960, to 766 in 1970 and to 1025 in 1976. A half of all persons employed by the co-operative are farmers, proprietors of small agricultural farms of the vicinity. The next 20% of the crew are members of farmers' families. Both groups live in their proper farms and come every day to Mszana Dolna to work in the co-operatives' workshops. Thus the "achionet" Co-operative furnish work for the part-time small farmers who would otherwise either be compelled to look for supplementary work further away [which would necessarily result in limiting their agricultural market production to negligible quantities of no importance for the region] or to stay in their farms, partly idle and frustrated because of the level of life they would have to live under circumstances.

There is another very interesting feature of the development of employment at the co-operative. In 1956 only 20% of the total number of persons employed were females. This percentage decreased to some 12% in 1960, but since then the number of women employed increased more than that of men. There was 28% in 1970 and as much as 47% of females in the total

number of co-operative's employees and workers in 1976. This is not only the consequence of the changes in the kind of production but also of two other factors: Men are looking for more profitable work, technically complex and equipped with modern machinery, women raise their ambitions and professional qualifications trying to change the hard and primitive work in their farms to a more comfortable and cleaner in the factory.

The development indicated above would not be possible without professional training, as those employed by the co-operative had no, or very limited idea of the work they were to perform. Beginning with 1960 the co-operative started the recruitment of apprentices for 9-month courses. Two years later a Primary Professional Metal School for adults employed by the co-operative was established. Because of lack of appropriate school building the lessons were performed in local stationary schools, but the practical training at co-operative plant. A new school building was constructed as late as 1970 together with workshops especially equipped with professional training facilities [Laboratories etc.]. About 30 graduates leave the school every year. Nearly all of them stay to work at the co-operative. The pupils specialize in treatment of metal and timber.

In 1969 Secondary Technical Stationary School was established. Out of the first 32 graduates of this school in 1973 27 decided to start their professional work with the "Mablomet" Co-operative.

It is interesting that with the development of professional schools the number of graduates assuming work outside the

"Meblomet" co-operative increased. For instance, only 9 graduates of the Secondary Technical School out of 22 started their work at the Co-operative in 1976, and only half the graduates of the Primary School. This would indicate that the staff of the Co-operative achieved at an early stage a relatively high level of professional qualifications. The local professional schools also train the workers and technicians to satisfy the needs of other state and co-operative industrial enterprises.

Since 1963 a branch of the Cracow Institute of Professional Perfection has been in operation at the Co-operative, taking advantage of the Professional Secondary School facilities. The first titles of master were handed over to 24 persons working in the Co-operative in 1965. The next 19 masters were nominated in 1970, and 16 in 1976.

Several workers and employees of the "Meblomet" Co-operative attend normal secondary schools, and a few of them continue their studies at universities.

Thus, within a period of some 25 years, thanks to the initiative and energy of a small group of people, an important factory was created in the region which was able to take advantage of a surplus of unskilled labour.

The source of new ideas and projects concerning the development of the Co-operative was the managerial staff itself. The external help in financing the investments and in providing the Co-operative with machinery and raw materials was mainly a result of pressure from the Co-operative management and members. Of a total buildings and equipment value of approximately 64 million slotys, over 26% was financed by the Co-operative itself, 50% from the Central Co-operative

Development Fund administered by the Central Union of Workers' Productive Co-operatives, and the balance (with the exception of 3.1% from government subsidies) was financed with the assistance of bank credits. Only 2.1 million slotys was converted to a grant, and the balance has been, or will be, repaid.

Nearly all construction works were accomplished by the own construction brigade of the co-operative. The role of voluntary contribution of the crew in form of overtime non-salaried work was rather limited. One should keep in mind that the crew of the co-operative factory consists mainly of small farmers and their families. Nevertheless an important voluntary work contribution was given when constructing the kindergarden. In several other cases co-operative workers and employees helped voluntarily in construction of roads and footpaths in the town.

It might be also a characteristic result of the specific structure of employment of the co-operative that the cultural and educational activities are not very much developed. The main interest of the workers was to be employed and to get qualified for skilled work. They did not have and still do not have time enough to stay at the co-operative after the worktime to attend any cultural performances, as they have to work in their agricultural farms too. Thus there is only one little club /30 square meters/ operating in the co-operative premises and there is still little interest on the side of co-operative selfgovernmental bodies to develop this kind of activities. It does not mean however that the welfare is "underdeveloped" too. The workers take advantage of co-operative and other facilities to spend their vacations as well as to organize the vacations for their child-

ren, the kindergarden for 90 children is in operation, the co-operative mess serves some 200 lunch meals a day, there exists also a Circle of Pensioned Workers of the co-operative.

The "Meblomet" Co-operative is the biggest industrial enterprise at Mszana Dolna and plays much more important economic role in the little town than any of other enterprises existing at the spot. It represents 30% of all work stands in the town. The co-operative takes nowadays new responsibilities connected with the needs of the whole local community. It starts the construction of a water purification plant which will serve for the purposes of the whole town; it contributes to the construction of town canalization system; it constructs a water dam on the little river which crosses the town, thus getting a water reservoir for fire fighting as well as for sporting purposes.

The initiative to organize a housing co-operative to ensure flats for the young workers and employees of the "Meblomet" Co-operative is also there. The first apartment houses are expected to be constructed in 1978.

III. Concluding remarks

15. The general concept of economic and social development of Poland after the end of the Second World War was that of industrialization. After the period of extensive construction of the most important branches of heavy industry (1949-1956) the more balanced concept of even development of all branches of industry was developed. After 1970 much more emphasis was given to the development of industries producing food and other consumer goods. The state economic policy promoted

since 1957 the development of small and medium scale industries too, especially that connected with agriculture. It should be emphasized that any industrial production of small and medium scale located in little towns deprived of big industry enterprises, has an important impact on the rural development in general and on the development of agriculture in particular. The small and medium scale industry helps to solve the problem of unemployment and underemployment of the rural population which arises especially in the regions with preponderance of small farms. The mere availability of work stands in the industry stimulates the farmers to improve the technology of agricultural production to implement agricultural machinery, to achieve better efficiency of the farm, to save time and use it for the work in industry, which is obviously more comfortable and clean, and comparatively more effective also from the point of view of earnings.

16. The concept of even industrialization should be understood not only as one of relative equality in simultaneous development of different branches of industry, but also of possibly equal allocation of industrial investments throughout the country. Two important factors played the decisive role in development of this concept in Poland. One of purely economic character: It was impossible and at the same time economically inefficient to transport raw materials produced all over the country to a few large industrial plants concentrated in one spot.

On the other hand the concentration of the man power in few industrial urban agglomerations would result in immense demand for new housing. The national economy could not possibly master this additional task. Thus the policy of

industrialization was to link the development of industrial production with the program of hindering, through economic means, the excessive shift of the rural population to urban areas. In that situation a program of industrialization became an inseparable part of every regional development plan. All responsible regional authorities were to promote the industrialization, governmental directives were given to back all reasonable ventures, credits were granted, construction and construction materials enterprises organized.

17. Experiences of regional industrial development of Poland indicates that there is a great difference in dynamics of development of industrial enterprises of local character between those imposed by regional state or co-operative authorities, those inspired from above and managed by the local men, and those being a result of authentic initiative of an active group of local people. The story of two co-operatives presented in Chapter Two when compared with enterprises organized in different ways, proves that the most economically efficient and the nearest to the task of solving particular problems of local societies are enterprises which were created by interested groups of inhabitants themselves.

This statement is proved by the fact that there are many villages in Poland having the same objective conditions, such as local raw materials, and even local handwork's traditions which did not develop local industrial enterprises. It happened so not because of lack of interest in the policy of industrialization on the side of regional authorities but because of lack of local ambitions. It does not exclude the protection and help from the side of organizations of higher

level. Just the opposite: without this help the dynamic development of local initiatives would be hardly possible. The authorities however are inclined naturally to more or less bureaucratic behaviour which might be effectively corrected better by the social pressure from the bottom than by any other means.

18. The viability of co-operative form in the process of small and medium scale industrialization, especially that connected with agriculture as such and agricultural production, should be stressed. There are only few examples of food processing industries in Poland which are state owned. They are of the kind much more fit for concentration e.g. big cereal silo and mills, big slaughter houses and meat processing factories, sugar plants, potato processing plants etc. The rest, however, such as dairies, bakeries, butcheries, and part of fruit and vegetable processing plants, small and medium brick works and other building materials factories, plants producing animal fodder and several others are either co-operatives themselves or are co-operatively owned. The co-operative form based on local groups of population, on the principle of self-help, on local materials, local man power, and local market, working under local selfgovernmental control, managed by persons well known by the society and selected from the best of local people is as a rule socially and economically more efficient. Obviously, it does not mean that the concentration of selected functions of the co-operative in the second level organizations should be avoided. Such concentration should, however, be intended to help the local development.

19. The plan of regional development has to be based on given local or regional conditions, on its traditions and ambitions, on existing infrastructure, on professional qualifications of the population, on local raw materials, local market and man power. It might be interesting to mention however that the industries connected with agriculture and other serving i.a. for the employment of rural population, based on local raw materials and local market do not preserve their local character beyond a given stage of development. This was illustrated in the example of both "Kamionka" Co-operative at Lysa Góra and "Meblomet" Co-operative at Mszana Dolna. "Kamionka" primarily basing on brick production made from local clay and destined to fulfill the needs of the village itself changed the kind of production after only few years. The members intended to materialize by the means of a collective enterprise higher personal ambitions than only that to be employed in the brickworks, doing dirty and very exhaustive physical work. They took advantage of the traditionally known cottage production of artistic ceramics and after having realized basic investments and achieved the necessary level of professional know-how they changed the assortment of goods produced. As the result of this decision they lost first of all the links with the local market which was too small for sale of their production; then they were to go partly over to the imported raw material, glass, which was not locally available. The same development was more or less the fate of the "Meblomet" at Mszana Dolna. Both co-operatives started even to be engaged in export of their products to foreign countries.

The main feature and the main local socio-economic function of these enterprises towards the integrated rural development remained unchanged: creation of employment opportunities for the rural population which would otherwise be underemployed and deprived of a chance to improve their standard of life as well as the technology agricultural production on their farms.

20. The conclusions drawn out of the Polish experience do not seem to be directly applicable to other countries having a different socio-economic system. Polish national economy was developed since the end of the Second World War according to the policy of increasing all kinds of production. The needs of the population were never completely satisfied as the increase of its incomes was all the time higher than the increase of production. Simplifying the situation the demand for goods of high quality is always there and therefore the problem of marketing seems to have generally no decisive impact on the development of production.



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