

NATIONAL COOPERATIVE COUNCIL OF POLAND
profile

In the more than 200-year history of the cooperatives in Poland, the role of apex cooperative organizations was always crucial. At present, the supreme body representing the whole cooperative community on the national level is the National Cooperative Council (NCC). According to Polish Cooperative Law the NCC creates conditions for the development of cooperative organisations and takes care to ensure that they comply with legal regulations in the area of their activity. Its tasks include representing the Polish cooperative movement in Poland and abroad. It cooperates with the chief state authorities in matters relating to the cooperative movement, initiates, co-creates and gives opinions on legal acts relating to cooperatives and of particular importance to them. An important area of NCC activity is also the organisation of scientific-research, training and information activities. Another important task is to promote cultural and educational activities of the members and to undertake initiatives related to the development of the cooperative movement in Poland.

Today, the National Cooperative Council represents all cooperative enterprises (almost 9 thousand), which are divided into fifteen branches and have nationwide, regional or local area of operations; however some of them are active also on the European or global markets. The number of cooperative enterprises in different sectors/branches is as follows:

Sector	Branch	Number
Financial	Cooperative Banks	541
	Cooperative Saving and Credit Unions (SKOKs)	25
	Subtotal	566
Agricultural/rural	“Peasants Self-help” Community Coops (retail, marketing/supplying, processing etc.)	973
	Cooperative Agricultural Producers’ Groups	664
	Agricultural Production Coops (collective farms)	578
	“Farmers Circles” Coops (agricultural services)	360
	Dairy Coops	124
	Horticultural/Beekeepers’ Coops	41
	Subtotal	2,740
Various/urban	Housing Coops	3,457
	Social Coops	1,160
	Workers’ Coops (industrial, services etc.)	495
	“Spotem” Consumers’ Coops	291
	Disabled/blind Workers’ Coops	138
	Craft Coops	108
	Folk Artisans’ Coops “Cepelia”	7
	Subtotal	5,656
	TOTAL	8,962

The National Cooperative Council is also actively involved on the international level, in particular through its membership in the International Cooperative Alliance, Cooperatives Europe, ICBA and ICAO. With its activities it contributes to the initiation and development of inter-cooperation among cooperatives and spreading the cooperative ideas. NCC President Dr. eng. Mieczysław Grodzki is currently member of the Board of Cooperatives Europe, member of the Board of ICBA and member of the Executive Committee of ICAO.

The NCC has its head office in the centre of Warsaw with over 20 employees, including Cooperative Research Institute, Cooperative Museum and Library. It publishes "Tęcza Polska" (Rainbow Poland) monthly review.

The year 2020 is particularly symbolic for the Polish cooperative movement. We celebrate the 100th anniversary of the first act on cooperatives. It provided legal basis for the development of this form of entrepreneurship in our country after regaining independence in 1918, and the legal norms contained therein have not lost their validity in today's reality. The NCC as the chief body of cooperative system, representing the whole cooperative community, it is a continuator of those laudable and valuable social ideas which are so important for the development of local communities.

National Cooperative Council

Established 1995 (as successor of the former Supreme Cooperative Council)

President of the Board: Dr. eng. Mieczysław GRODZKI

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COOPERATIVE FINANCIAL SECTOR IN POLAND

Banking cooperatives in Poland have over 150 years of tradition. Its founding fathers were followers of F. W. Raiffeisen or/and H. Schulze-Delitzsch cooperative concepts, who already at that time saw the need for social and economic organization of the population to develop the idea of economic and social self-help and the fight against usury. Today the cooperative financial sector is one of the most resilient and best structurally organized among all cooperative sectors. The activity of financial cooperatives is licensed and therefore it must be subject to rigours and legal regulations in force for the whole banking system.

The cooperative financial sector in Poland is formed by 541 Cooperative Banks and 25 Cooperative Savings and Credit Unions. Cooperative Banks operate under the banking law and the use of their services is also open to non-member customers –both natural and legal persons. On the other hand, Cooperative Savings and Credit Unions operate under a separate status of credit unions, where the use of their services is automatically connected with the membership in the cooperative. Both Cooperative Banks and Cooperative Savings and Credit Unions are usually local financial institutions, which are first choice financial services suppliers for local people, whereby Cooperative Banks also often serve local small/medium size businesses and municipalities. These institutions make a very tangible contribution to the social and economic development of local communities.

Cooperative Banks are obliged to be affiliated with one of two associating banks operating as joint stock companies on the national level. The task of these associating institutions is to perform interbank settlements, provide liquidity to cooperative banks, implement joint credit consortia, technological and

product development and other commissioned tasks. The obligation to associate does not apply to cooperative banks that have been granted the status of an independent bank. In order to obtain such status, a number of formal requirements must be met, such as having own funds at a level at least equivalent to EUR 5 million, having adequate human resources and proven banking procedures, and having appropriate capital level and quality indicators. Each bank's area of activity and the scope of its banking activities are defined in its Statute. These issues are regulated by a specially appointed state supervisory authority for the whole banking system (Financial Supervision Authority), which at the same time issues banking licenses and is the regulator for the banking system.

Cooperative banks and their affiliating banks, in order to strengthen the security of their operations, have independently created two institutional protection systems (IPS - Institutional Protection Scheme). Their task is to jointly observe the agreed standards and indicators characterising the bank's balance sheets, control the level of risk taken, provide substantive and financial assistance to the banks forming the system, as well as to accept and control the implementation of bank sanitation plans. In any case, cooperative banks and their customers benefit also from the guarantees provided by the state guarantee system (Bank Guarantee Fund).

In order to fulfil their statutory obligations relating to the annual audit of financial statements and the cooperative audit of legal compliance, cooperative banks have established three independent auditing unions. They have a staff of independent auditors who carry out these tasks on commission of cooperative banks. However, the membership of a cooperative bank in such an association is voluntary. The audit of the Cooperative Banks that are not associated in any auditing union is performed by the National Cooperative Council. There also exists the business chamber of Cooperative Banks – the National Association of Cooperative Banks, which is an official representative of the cooperative banking sector towards the state authorities and administration as well as in contacts and cooperation with foreign cooperative banks organizations.

The cooperative banking system in Poland has for many years had quite a stable share in the banking market. Its share in assets is 9.5% and receivables from the non-financial sector constitute 7%. At the same time, deposits from the non-financial sector amount to almost 10%. The share of cooperative banks in the financial service of municipalities is relatively much higher. It amounts respectively to almost 30% as regards deposits and 37.5% as regards credit receivables. These data confirm the thesis that cooperative banks in Poland play the role of important local financial institutions.

The nature of operation of Cooperative Savings and Credit Unions is similar. They are also local financial institutions which find their market niche among customers that commercial banks do not always want to serve. The national institution associating and providing organizational and financial assistance to grassroots level cooperatives is the National Association of Cooperative Savings and Credit Union. However, the share of the system of Cooperative Savings and Credit Union (NACSCU) in the banking market, due to their limited number, is much smaller. NACSCU is member of ICA, Cooperatives Europe and WOCCU.

A characteristic feature of the Polish financial cooperative system is its fragmentation. This results, inter alia, from certain historical conditions, including mainly the parallel fragmentation of the agrarian structure and crafts and services. However, it seems that as long as a local bank is able to meet local needs and to maintain direct relations with its members, it still fulfils successfully its role for the community. The safety of a small cooperative bank can be achieved through vertical integration of the whole structure.

A slightly different problem of development of the Polish system of banking cooperatives are the difficulties to return – after the years of functioning in the socialist economy of the “People's Republic of Poland” (1945-1989) when all economic activities were totally controlled by the state – to the activity under the

current market economy conditions. The external climate, created by influential political and economic circles, has not always been favourable to cooperatives. Their conviction of the superiority of economic neoliberalism, which puts ownership capital and the need to intensify its effectiveness at the centre, was quite common in recent years. For a long time we had to convince our young cooperative members that within the social market economy, there must be space for all forms of business and ownership, including the cooperative form, and that they all play a positive role in the economic and social development of the country.

The cooperative banking system in Poland also has other, internal challenges. We have to meet not only vertical integration, but also horizontal consolidation. The market challenges are inexorable. To meet them, it is necessary to create larger, even more modern basic units. However, this should be done in an evolutionary way. Unfortunately the state regulator often forces such actions on Cooperative Banks without taking into account their specifics. It imposes on Cooperative Banks the standards and regulations which should be binding exclusively in large commercial banks and not in cooperative banks that are usually relatively small entities whose activities are based on the cooperative values and principles. The same applies to recommendations on good banking practices. The National Cooperative Council and the organizations representing Cooperative Banks have often called for such a policy to be stopped.

Associating Banks:



Bank Polskiej Spółdzielczości SA (Bank of Polish Cooperative Movement Plc.)

Established 2002, associates 327 Cooperative Banks

President of the Board: Mr. Artur ADAMCZYK

Address: Grzybowska 81, 00-844 Warszawa, Poland

<https://www.bankbps.pl>



Spółdzielcza Grupa Bankowa – Bank SA (Cooperative Banking Group – Bank Plc.)

Established 1990, associates 192 Cooperative Banks

President of the Board: Mr. Mirosław SKIBA

Address: Szarych Szeregów 23a, 60-462 Poznań, Poland

<https://www.sgb.pl>

Main Auditing Unions of Cooperative Banks:



Związek Rewizyjny Banków Spółdzielczych
im. Franciszka Stefczyka w Warszawie

Związek Rewizyjny Banków Spółdzielczych im. Franciszka Stefczyka (Franciszek Stefczyk Auditing Union of Cooperative Banks)

Established 1992, associates 336 Cooperative Banks

President of the Board: Mr. Piotr HUZIOR
Address: Mokotowska 14, 00-561 Warszawa, Poland
<http://zrbs.pl>



Związek Rewizyjny Banków Spółdzielczych w Poznaniu (Auditing Union of Cooperative Banks in Poznań)

Established 1997, associates 89 Cooperative Banks
President of the Board: Mr. Przemysław GABRUSEWICZ
Address: Mielżyńskiego 20, 61-725 Poznań, Poland
<http://www.rzr.poznan.pl>

Business Chamber of Cooperative Banks:



Krajowy Związek Banków Spółdzielczych (National Association of Cooperative Banks)

Established 1991
President of the Board: Ms. Krystyna MAJERCZYK-ŻABÓWKA
Address: T. Boya-Żeleńskiego 6/22-23, 00-621 Warszawa, Poland
<https://www.kzbs.pl>

Cooperative Savings and Credit Unions:



Krajowa Spółdzielcza Kasa Oszczędnościowo-Kredytowa (National Association of Cooperative Savings and Credit Unions)

Established 1992
President of the Board: Mr. Rafał MATUSIAK
Address: Władysława IV 22, 81-743 Sopot, Poland
<https://www.skok.pl>