

## Articles

### TENDENCIES AND DIRECTIONS OF DEVELOPMENT OF COOPERATIVE LAW AND COOPERATIVES IN POLAND, ESPECIALLY AGRICULTURAL AND FOOD, HOUSING AND BANK COOPERATIVES

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Cooperatives are important entities in the economic, social and cultural spheres in Poland. They are of a diversified nature - from large dairy cooperatives, through medium-sized cooperative banks, or housing cooperatives, to small social cooperatives. In Poland, there are currently over 9,500 cooperatives<sup>2</sup>. There is a large number of housing cooperatives in urban areas. In total, Poland is home to over 3,722 such entities. There is also a large number of cooperatives operating in rural areas and agriculture. However, it is not just the cooperatives established by agricultural producers that are popular – there are also considerable numbers of cooperative banks and ‘Samopomoc Chłopska’ (farmer’s self-help) cooperatives. In turn, ‘Społem’ food cooperatives are popular in many cities, including Warsaw, Kraków and Poznań. It is also worth noting the development of social cooperatives, which are part of the social economy.

Cooperatives have been developing in Poland for centuries. Most studies consider the first cooperative in the world to have been the Rochdale Society of Equitable Pioneers, founded in England in 1844.<sup>3</sup> Around the same time, in many countries in the world there emerged numerous similar pre-cooperative initiatives as well.<sup>4</sup> This was the time when Poland was partitioned and deprived of sovereignty.<sup>5</sup> Nevertheless, the cooperative movement also started to develop here, and its precursor on Polish territory was Stanisław Staszic, the founder of the Hrubieszów Farmers’ Rescue Society (Towarzystwo Rolniczego Ratowania się Wspólnie w Nieszczęściach) in 1816<sup>6</sup>. Cooperatives of agricultural producers developed during the Partitions and the interwar period and after second World War. The political transformation and Poland’s accession to the European Union introduced new opportunities for the development of cooperatives.

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<sup>2</sup> *Spółdzielczość w liczbach*, <http://ruchspoldzielcow.pl/baza-wiedzy/spoldzielczosc-w-liczbach>, (accessed on: 2022-02-11).

<sup>3</sup> The literature emphasizes that the earliest forms of cooperation based on mutual assistance already existed in antiquity. Examples include Egyptian associations of leaseholders and craftsmen, Jewish shepherd's associations and Dead Sea communities, Greek associations of craftsmen, miners and fishermen, Roman carpentry colleges, blacksmiths, shoemakers, potters, doctors and musicians. See K. Boczar, *Spółdzielczość. Problematyka społeczna i ekonomiczna*, Warszawa 1986, pp. 27-28;

<sup>4</sup> See, e.g., K. Boczar, *Spółdzielczość...*, p. 28 et seq.

<sup>5</sup> F. Stefczyk, *Początki i ogólne warunki rozwoju spółdzielczości w Polsce*, Kraków 1925, p. 9 et seq.

<sup>6</sup> See [http://krs.org.pl/index.php?option=com\\_content&view=article&id=27&Itemid=283](http://krs.org.pl/index.php?option=com_content&view=article&id=27&Itemid=283) (accessed on: 2022-03-11); S. Staszic, *Przestrogi dla Polski*, Warszawa 1960, p. 25 et seq.

In Poland the basic legal act in the field of cooperatives is the Act of 16 September 1982 on Cooperative Law<sup>7</sup>. Mention should also be made of the Act of 27 April 2006 on Social Cooperatives<sup>8</sup>, the Act of 4 October 2018 on Farmers' Cooperatives<sup>9</sup>, the Act of 15 December 2000 on Housing Cooperatives<sup>10</sup>, the Act of 7 December 2000 on the functioning of Cooperative Banks, their affiliation and affiliating banks<sup>11</sup>. The activities of the entities in question are affected by a wide range of legal acts, such as registration in the National Court Register, contracts, land issues, taxes, EU funding and others, such as the Act of 15 September 2000 on Agricultural Producer Groups and their Associations, which is particularly important for the research subject discussed here<sup>12</sup>, the Act of 23 April 1964 entitled the "Civil Code"<sup>13</sup>, the Act of 11 April 2003 on the shaping of the agricultural system<sup>14</sup>.

The aim of this paper is to analyse and evaluate the tendencies and directions of development of cooperative law and cooperatives in Poland, especially agricultural, food, housing and bank cooperatives.

### **The cooperative movement during the Partitions and in the interwar period**

The cooperative movement which was popular in Poland during the time of the Partitions in the 19th performed various functions. Among other things, it was a form of association and a provider of education for peasant farmers, which also served the landowners. The legal principles of the establishment and operation of cooperatives in the 19th century on Polish lands were determined by the legislation of the partitioning states, and the directions of development of cooperatives depended on the socio-economic situation in those states. Undoubtedly, the fastest development took place in Wielkopolska where the level of economic development was relatively high, and the social structure more modern than in the other two partitioned regions, with a middle class starting to emerge and form, initiating the ideas of "organic work." As is rightly emphasized in the literature, the specificity of the Wielkopolska system was its far-reaching social solidarity, connected with the effort to maintain the Polish identity.<sup>15</sup>

Immediately following the establishment of the Polish state after the end of the First World War, work began on the preparation of the Act on cooperatives. The cooperatives throughout the whole Polish territory were functioning well but, being formerly organised in areas under three different partitions, they operated within three different legal frameworks.<sup>16</sup> On 29 October 1920 the Act on Cooperatives<sup>17</sup> was passed, a very modern and progressive law at the time. According to the Act of 1920, a cooperative was an association with an unlimited number of people with variable capital and personal composition, aimed at increasing the earnings per household of its

<sup>7</sup> Uniform text: Dz. U. (hereinafter Journal of Laws) 2021, item 648, as amended.

<sup>8</sup> Uniform text: Journal of Laws of 2020, item 2805, as amended.

<sup>9</sup> Journal of Laws 2018, item 2073.

<sup>10</sup> Uniform text: Journal of Laws of 2020, items 1208.

<sup>11</sup> Uniform text: Journal of Laws of 2022, items 1595 and 695, as amended.

<sup>12</sup> Uniform text: Journal of Laws of 2018, item 1026 as amended.

<sup>13</sup> Uniform text: Journal of Laws of 2022, item 1360 as amended.

<sup>14</sup> Uniform text: Journal of Laws of 2022 item 461, 1846 as amended.

<sup>15</sup> A. Piechowski, *Historyczny kontekst uchwalenia ustawy z 29 października 1920 r.*, in: *90 lat prawa spółdzielczego*, materiały pokonferencyjne Krajowej Rady Spółdzielczej, Warszawa 2010, p. 7 et seq.

<sup>16</sup> A. Jedliński, *Ustawa z 1920 r. na tle ówczesnych regulacji europejskich*, in: *90 lat prawa spółdzielczego*, materiały pokonferencyjne Krajowej Rady Spółdzielczej, Warszawa 2010, p. 21 et seq.

<sup>17</sup> Journal of Laws No 111, item. 733, as amended.

members by running a joint enterprise. In carrying out these economic tasks, a cooperative was also to seek to improve the cultural level of its members. After 1945, there were many cooperatives operating in rural areas in Poland, but they were used to implement the policy of command and control.

Cooperatives lost their self-governing and social character at that time. That cooperatives and the cooperative movement were to be used for the purpose(s) of building a new economic and political system is confirmed by the reference made to them in the Constitution of 1952<sup>18</sup>. Article 11 of the Basic Law stresses that the People's Republic of Poland also supports the development of various forms of the cooperative movement in the city and in the countryside and provides it with support in fulfilling its tasks, and that cooperative ownership, as a social property, is under particular care and protection (after amendment - Article 16).

On 17 February 1961 the Act on Cooperatives and their Associations was adopted.<sup>19</sup> In Article 1 it was stated that a cooperative is a voluntary and self-governing association with an unlimited number of members and a variable share fund; its aim is to conduct economic activity within the framework of the national economic plan, as well as social and educational activity for the permanent improvement of the financial and cultural wellbeing and social awareness of its members and for the benefit of the Polish People's Republic<sup>20</sup>. After 1989, i.e. after the political transformation, many cooperatives were abolished. In 1994 the Act on Cooperative Law was amended one more time,<sup>21</sup> membership in the European Union brought new opportunities for the development of cooperatives, including social and cooperative banks, and in the agri-food industry. Cooperatives have greater opportunities to develop and benefit from EU funds.

### **The basic rules for establishing and operating a cooperative**

According to the Act of 16 September 1982 on Cooperative Law, a cooperative is a voluntary association of an unlimited number of persons, with a variable composition and a share fund, which conducts joint economic activities in the interests of its members. It should be stressed that Article 1 of the Act stipulates that a cooperative may also carry out social, educational and cultural activities for the benefit of its members and their environment.

Pursuant to Article 6 of the Act on Cooperative Law, persons intending to establish a cooperative (founders) adopt the cooperative statute and confirm its acceptance by affixing their signatures. A general provision stipulates that the number of founders of a cooperative may not be less than 10 if the founders are natural persons, and 3 if the founders are legal persons. The legislation stipulates that, for some agricultural cooperatives, fewer than ten founders may set up such an entity and, in addition, it lays down requirements for the members of the cooperative (or its founders). In agricultural production cooperatives the number of founders who are natural persons may not be less than five. After the amendment of the Act of 16 September 1982 - Cooperative Law,<sup>22</sup> cooperative groups of agricultural producers may be founded by no fewer than 5 entities. In the first instance, the founders of a cooperative have to determine the content

<sup>18</sup> Journal of Laws of 1952 No 33, item 232, as amended.

<sup>19</sup> Journal of Laws No 12, item 61.

<sup>20</sup> A. Suchoń, *Prawna koncepcja spółdzielni rolniczych*, Poznań 2016, p. 148 et seq.

<sup>21</sup> Act amending the Act on cooperative law and amending some other acts, entered into force on 26 September 1994 (Journal of Laws No 90, item 419).

<sup>22</sup> Dz. U. No 163, item. 1014.

of the statute and then adopt a resolution. The statute does not have to be in the form of a notarial document - a simple written form is sufficient<sup>23</sup>. An essential activity at the stage of organising an cooperative is the submission of documents to the National Court Register for entry in the register of entrepreneurs. This must be done on the official printed form prescribed by the applicable provisions. A cooperative may only start its business activity after it has been registered in the National Court Register.

### Cooperatives in the agricultural and food sectors

Agriculture is an important branch of the Polish economy. There are over 1 million agricultural holdings operating in this country. In 2018, 1,428,800 farms used 1,469,000 ha of agricultural land and reared 9,842,500 large livestock units<sup>24</sup>. There were ca. 1,398,000 farms that used over 1 ha of agricultural land. Yet the pace of the structural changes in this sector is still slow<sup>25</sup>. The fragmentation of agricultural farms is ongoing.<sup>26</sup> According to the announcement of the President of the Agency for Restructuring and Modernisation of Agriculture (ARMA) of 17 September 2019 on the size of the average area of agricultural land on farms in individual provinces, and on the average area of agricultural land on a farm in Poland in 2019, it was 10.95 ha.<sup>27</sup> In 2021 it was 11.20 ha<sup>28</sup>. Family farms are the basis of the agricultural system, and the legislator has supported and will continue to support such entities in the future. The main sectors are dairy, cereals, pigs, poultry and horticulture. The agriculture in Poland is of great national economic, social and environmental importance. *The above statistical data shows that agricultural producers and their farms make up small units in Poland and, therefore, joint action is extremely important.*

The new Act of 4 October 2018 on Farmers' Cooperatives, on the other hand, as the name already suggests, introduces the normative basis for the operation of such entities. The remit of farmers' cooperatives is to run a business for the benefit of their members relating to, for example, planning the production of products or groups of products and adjusting it to market conditions, especially in terms of quantity and quality, and to processing products or groups of products produced by the farmers and the marketing of such processed products.

Article 4 of the Act of 4 October 2018 on Farmers' Cooperatives<sup>29</sup>, states that a farmers' cooperative is a voluntary association of natural or legal persons who: 1) run an agricultural farm as specified in the agricultural tax regulations, who conduct agricultural activity falling under special branches of agricultural production, who are the producers of agricultural products or of groups of these products, or who breed fish; 2) are not farmers and conduct activity related to the storing, sorting, packing or processing of agricultural products or groups of these products, or the fish produced by the farmers referred to in point 1, or service activities supporting agriculture, including those referred to in point 1, such as services using machines, tools or devices for the

<sup>23</sup> A. Suchoń, *Legal aspects of the organization and operation of agricultural co-operatives in Poland*, Poznań 2019, p. 15 et seq.

<sup>24</sup> Central Statistical Office, *Rolnictwo w 2018 r.*, <https://stat.gov.pl/obszary-tematyczne/rolnictwo-lesnictwo/rolnictwo/rolnictwo-w-2018-roku,3,15.html> (accessed on: 2022-03-11).

<sup>25</sup> Available on-line at: <<https://swiatrolnika.info/rolnicza-statystyka-dane-gus-za-2018-rok>> (accessed on: 2022-03-11).

<sup>26</sup> Central Statistical Office, *Rolnictwo w 2018 r.*, <https://stat.gov.pl/obszary-tematyczne/rolnictwo-lesnictwo/rolnictwo/rolnictwo-w-2018-roku,3,15.html>, (accessed on: 2022-03-11).

<sup>27</sup> <https://www.arimr.gov.pl/pomoc-krajowa/srednia-powierzchnia-gospodarstwa.html>, (accessed on: 2022-03-11).

<sup>28</sup> <https://www.gov.pl/web/arimr/srednia-powierzchnia-gospodarstw-w-2021-roku>, (accessed on: 2022-03-11).

<sup>29</sup> Journal of Laws of 2018, item 2073.

production of agricultural products by these farmers or groups of these products, or fish, and who are hereinafter referred to as the “entities which are not farmers”.<sup>30</sup> A cooperative of farmers can be established by at least 10 farmers. According to the Act of 4 October 2018 on farmers’ cooperatives, these entities are predominantly made up of farmers, variable compositions of persons and variable capital which conduct joint business activity for the benefit of their members.

According to the Act of 4 October 2018 on farmers’ cooperatives, this entity is predominantly made up of farmers, variable compositions of persons and variable capital which conduct joint business activity for the benefit of their members. This Act provides that the subject of activity of a farmers’ cooperative is running a business activity for the benefit its members, relating to: e.g. planning by the farmers their production of produce or groups of products and adjusting it to market conditions, especially considering their quantity and quality; concentration of supply and handling the sales of products or groups of products produced by the farmers; and concentration of demand and handling the purchase of necessary means for the production of products or groups of products.

There is no doubt that the introduction of the new act on farmers' cooperatives should be assessed positively. It is important for both the theory of cooperatives and practice. It confirms that the legislator attaches more and more importance to cooperatives in Poland. It introduces instruments to encourage the establishment of such entities. Certainly, membership in such an entity should be positively assessed. Apart from farmers, there may also be other entities.

In the author's opinion, it would be necessary to consider introducing a few changes to the discussed legal act on farmers’ cooperatives. In its current form, the legal requirements the Act of October 4, 2018 may not encourage the creation of farmers' cooperatives. Some of the legal regulations may actually constitute a barrier to the development of these entities. One such barrier is the requirement that there should be 10 members who are farmers. Some municipalities lack such a large number of agricultural producers of the same product. Of course, the act does not introduce the principle of regionalization, but the functioning of cooperatives whose members are producers from various places, often distant from each other, which may be difficult. As regards the minimum number of members, the introduction of five agricultural producers seems justified. This number currently applies to cooperative groups of agricultural producers. A smaller number of cooperatives also occurs in other legal systems, e.g. in Germany - 3, and in France - 7<sup>31</sup>.

For the durability of the cooperative, it would be more reasonable to introduce both the minimum period of minimum membership in the cooperative, e.g. 5 years, and the notice period. At the same time, it may be a factor discouraging some entities from establishing or acquiring membership in a cooperative. For the further development of the association of agricultural producers, the interpretation would be beneficial that the already functioning cooperative groups

<sup>30</sup> For more about the Act on Farmers' Cooperatives, see e.g. A. Suchoń, *Legal aspects of the organization and operation of agricultural cooperatives in Poland*, Poznań 2019: 7ff; idem, *Nowa ustawa o spółdzielniach rolników – wybrane zagadnienia*, „Studia Prawnicze KUL”, 2020, no 3, idem, *Uwagi na tle projektu ustawy o spółdzielniach rolników*, Przegląd Prawa Rolnego, 2017, 2: 191–208ff.

<sup>31</sup> A. Suchoń, *Nowa ustawa o spółdzielniach rolników – wybrane zagadnienia*, Studia Prawnicze KUL 2020 , no 3, pp. 261-290.



of agricultural producers, if they meet the requirements specified in the Act of October 4, 2018, after supplementing the statute and the name with the phrase "farmers' cooperatives" (in the National Court Register), will be recognized for such entities. Due to the preferential treatment given to farmers' cooperatives, a question arises as to how to check whether a given cooperative is indeed a farmers' cooperative. For example, agricultural producer groups that also benefit from preferential taxes are entered in a separate register of agricultural producer groups. Therefore, there is no problem with determining whether a given entity has been recognized as a group of agricultural producers and thus may benefit from such preferential taxes. It is subject to entry in the register kept by the Director of the Agency for Restructuring and Modernization of Agriculture. Farmers' cooperatives are subject to entry only in the National Court Register. Some of the previously functioning cooperatives had the phrase "farmers' cooperative" in their name. It is likely that the tax offices will demand a declaration and confirmation that the farmers' cooperative is an entity that meets the requirements set out in the Act of October 4, 2018.

The question arises of whether operating cooperatives, including cooperative groups of agricultural producers and cooperative organizations of agricultural producers of fruit and vegetables, which meet the requirements set out in the Act of October 4, 2018, will be able to be recognized as farmers' cooperatives. On the one hand, it can be noted that there are interpretations according to which the act on farmers' cooperatives applies only to newly established entities, on the other, there are those stating that already operating cooperatives of agricultural producers, if they meet the requirements indicated therein, after supplementing the statute and name (in the National Court Register) with the phrase "cooperatives farmers", will be able to act as such entities.

Farmers' cooperatives may also apply for the status of an energy cooperative. As regards legal regulations, pursuant to the Act of 20 February 2015 on Renewable Energy Sources<sup>32</sup> (with amendments from 2019), an energy cooperative is a cooperative within the meaning of the Act of 16 September 1982 on Cooperatives or of the Act of 4 October 2018 on Farmers' Cooperatives, the purpose of which is the production of electricity, biogas or heat in renewable energy source installations, and balancing the demand for electricity, biogas or heat, exclusively for the needs of the energy cooperative itself and its members, connected to an area-defined electricity distribution network with a nominal voltage lower than 110 kV, a gas distribution network, or a district heating network. An Energy Cooperative is required to meet all of the following conditions: 1) it must operate in the area of a rural or urban-rural commune, within the meaning of the regulations on public statistics, or in an area of no more than 3 such communes directly neighbouring with each other; 2) the number of its members has to be less than 1000; 3) if the purpose of its activity is the production of: a) electricity, in which case the total installed electric power of all installations of a renewable energy source must cover at least 70% of the cooperative and its members' own annual energy needs; and cannot exceed 10 MW; (b) heat, in which case the total available thermal capacity cannot not exceed 30 MW; or (c) biogas, in which case the annual capacity of all installations cannot exceed 40 million m<sup>3</sup> (Article 38e).

The energy cooperative may start its operations once it has been entered in the register of energy cooperatives. The register of energy cooperatives is maintained by the General Director of the National Support Centre for Agriculture.

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<sup>32</sup> Journal of Laws of 2015, item 478, as amended.

Besides the farmers' cooperatives which were established under the Act of 4 October 2018 on Farmers' Cooperatives, cooperatives of agricultural producers have existed for many years, such as dairy cooperatives, cooperative agricultural producers' groups, 'Samopomoc Chłopska' (farmers' self-help) cooperatives and others. The term 'agricultural cooperative' itself is not a legal term in Polish legal system. It can be found in the literature,<sup>33</sup> draft bills,<sup>34</sup> and foreign legal systems.<sup>35</sup> The term 'agricultural cooperatives' designates cooperative entities engaged in agricultural production (agricultural holdings), and other entities operating in the agricultural sector, which are responsible for at least one stage of such activities, or which operate more broadly in this sector. The members of such cooperatives are mainly agricultural producers. Cooperation is needed at various stages of farming – from purchasing the means of production through the use of agricultural machinery, sale of crops and consultancy, to processing. Agricultural associations are crucial in representing farmers' interests at regional, national and EU levels. Cooperation between agricultural producers in the form of cooperatives is an expression of horizontal and vertical integration in agriculture.

In recent years, groupings of agricultural producers have gained popularity among Polish farmers including more than 500 agricultural cooperatives.<sup>36</sup> Pursuant to the Act of 15 September 2000 on Agricultural Producer Groups, natural persons, organisational units without legal personality, and legal persons, that, as part of agricultural activity, run: 1) a farm, in accordance with the agricultural tax regulations, or 2) an agricultural business in special branches of agricultural production – may be organised into agricultural producer groups in order to adjust agricultural products and the production process to market conditions, to jointly market the products, in particular to prepare the products for sale, to centralize sales and deliveries to wholesale buyers, to set out common rules pertaining to production – especially in connection with crops and the availability of agricultural products, to develop business and marketing skills, to streamline the innovation processes, and to protect the environment. The groups carrying out those objectives help to develop agriculture and to increase the incomes of agricultural producers.<sup>37</sup>

An agricultural producer group is not a separate legal entity, but such groups can be organised on the basis of each type of business entity, i.e. a limited company, a cooperative, an association and a voluntary association. Currently, most groups are formed on a cooperative basis. Additional provisions allow the formation of cooperatives on the basis of existing cooperatives. In addition to cooperative groups of agriculture producers, mention should also be made of organisations of agriculture producers. **So far, no agricultural producer organisations have been established in Poland on the milk market. The situation in other markets is the same. Fruit and vegetable producer organisations are an exception, but there are separate legal regulations**

<sup>33</sup> E.g. S. Wojciechowski, *Spółdzielnie rolnicze: jakie być mogą i powinny w Polsce według wzorów zagranicznych*, Poznań 1936; A. Suchoń, *Legal aspects of the organization and operation of agricultural co-operatives in Poland*, Poznań 2019.

<sup>34</sup> *MPs draft of the law on agricultural cooperatives* 2003, Print No 2759 of 2004. (accessed on: 2022-03-11). [http://orka.sejm.gov.pl/proc4.nsf/drafts/2759\\_p.htm](http://orka.sejm.gov.pl/proc4.nsf/drafts/2759_p.htm).

<sup>35</sup> Chapter III of the French Rural Code (*Code rural et de la pêche maritime*) applicable to Les sociétés coopératives Agricoles. See e.g. *Code rural et de la pêche maritime, code forestier, commenté*, La Rochelle 2014. The Italian legislature also uses the concept of agricultural cooperatives in the Civil Code, e.g. Article 2513 of the Italian civil code.

<sup>36</sup> Ibidem.

<sup>37</sup> A. Suchoń, *Cooperatives in the face of challenges of contemporary agriculture in the example of Poland*, in: R. Budzinowski (ed.), *Contemporary challenges of Agriculture Law: among Globalization, Regionalisation and Locality*, Poznań 2018 pp. 303–311.

**in this area, and they already have a certain tradition.<sup>38</sup> The Polish legislator intends to encourage the creation of organisations, which is why legal regulations have been amended and issued in recent years. For example, on 20 May 2020 the Regulation of the Minister of Agriculture and Rural Development of 27 April 2020 took effect, amending the Regulation concerning the detailed conditions and procedure of granting, disbursement and return of financial aid as part of the activity entitled “Establishment of groups of producers and producer organisations” covered by the Programme of Rural Areas Development for the years 2014–2020.<sup>39</sup>**

Milk cooperatives in Poland have been developing since the interwar period. Currently, there are more than 130 of them.<sup>40</sup> However, it is not their number that matters most, but rather their market share and how they contribute to the development of agriculture. Milk cooperatives in Poland have been expanding. Most of all, similarly to cooperative agricultural producer groups, milk cooperatives have taken over some of the activities connected with the agricultural activity conducted by a member–agricultural producer. Those activities include purchasing milk from members and supporting cattle breeding. Moreover, they help to organize farms which specialize in milk production and delivery.<sup>41</sup> Such actions contribute to the development of the farms owned by milk producers and the innovative nature of the milk market. The milk cooperatives which deal with milk processing allow producers to participate at another stage of the food chain, i.e. to make money not only from the sale of milk but also from the balance surplus coming from the processing activity. Poland’s milk cooperatives increasingly often sell their products on international market.

Many Polish dairy cooperatives are important on the market, not only in Poland. Some of their products are exported. For example, in 2018 the Mlekovita Group achieved a turnover of PLN 4,669.84 million<sup>42</sup> and employed over 2,390 people. The group consists of over 13 production plants and 23 of its own distribution centres. The cooperative produces a wide range of over 400 brand dairy products and is the largest exporter of the Polish dairy industry.<sup>43</sup> The cooperative Mlepol SM achieved a turnover of PLN 4,045,58 million<sup>44</sup>, Łowicz OSM: PLN 1,281,61 million; Piątnica OSM: PLN 1,235,20 million; and Koło OSM; PLN 678,31 million.<sup>45</sup>

It is also worth mentioning agricultural production cooperatives, which have been operating in Poland since the socialist era. According to Article 138 of this Act, the purpose of the agricultural activity of an agricultural production cooperative (APC) is to run a joint agricultural holding and to operate for the benefit of the individual agricultural holdings of its members. A cooperative may also engage in other business activities. The legislator used the connecting word 'and' to refer to the two basic types of activity of this type of cooperative.

<sup>38</sup> A. Suchoń, *Agricultural Cooperatives and Producer Organizations in Poland*, CEDR Journal of Rural Law 2015, No 2, pp. 25–37.

<sup>39</sup> Journal of Laws, item 799.

<sup>40</sup> *Spółdzielczość w liczbach*, <http://ruchspoldzielcow.pl/baza-wiedzy/spoldzielczosc-w-liczbach>, (accessed on: 10.05.2021).

<sup>41</sup> <http://mleczarstwowpolskie.pl/>, (accessed on: 10.05.2021).

<sup>42</sup> <https://forummleczarskie.pl/FIRMY/0194/grupa-mlekovita>, (accessed on: 2.01.2022).

<sup>43</sup> Ibidem.

<sup>44</sup> *TOP 25 producentów branży mleczarskiej w 2018 r. Ranking pełny według obrotów za 2018 rok*, <https://www.forummleczarskie.pl/FIRMY/TOP-POLSKA/2018>, (accessed on: 2.01.2022).

<sup>45</sup> Ibidem.



## Housing cooperatives

The genesis of the Polish housing cooperatives is connected with Poznań, where the Towarzystwo "Pomoc" Spółka Budowlana was established. In the years 1904–1924, more than 20 housing cooperatives were established, including in Bydgoszcz, Grudziądz, Leszno, Inowrocław, Gniezno, Chorzów and Kraków<sup>46</sup>. In the first half of 2021, cooperatives made approximately 1.3 thousand square meters available as residential units throughout Poland, while developers made 60.5 thousand available. Yet in 2007/2008, cooperatives provided approximately 8 thousand more premises annually. Cooperatives build fewer and fewer new apartments. In Poland, new premises are mainly supplied by developers. However, there are still many cooperative flats available which were built in the 1970s, 1980s and 1990s. There are around 3,600 housing cooperatives in Poland and almost 15 million people live in them<sup>47</sup>.

The functioning of housing cooperatives is based on the Cooperative Law and the Act of December 15 2000 on Housing Cooperatives. Article 1 of this Act states that the purpose of such cooperatives is to meet the housing needs of their members and their families by providing members with independent housing units or single-family houses, as well as premises for other purposes. This act also indicates that the activity of a cooperative may encompass, for example, the construction or acquisition of buildings in order to establish, for the benefit of members of tenant housing cooperatives, the rights to residential premises located in these buildings; building or acquiring buildings in order to establish, for the benefit of members, separate ownership of residential premises or premises for other purposes located in these buildings, as well as a fractional share in joint ownership in multi-car garages; building or acquiring single-family houses in order to transfer the ownership of these houses to the members; assisting members in the construction of residential buildings or single-family houses by them; the construction or acquisition of buildings. The cooperative is obliged to manage the real estate constituting its property or the property of its members acquired on the basis of the Act. The housing cooperative cannot derive any financial benefits at the expense of its members, in particular due to the transformation of rights to the premises.

As is rightly emphasized in the literature, a housing cooperative also has a purpose to its operation, related to the way it satisfies the needs of its members. It follows from the definition of a cooperative that a housing cooperative satisfies the housing needs and other needs of members and their families by carrying out joint economic activities in the interests of these members<sup>48</sup>.

In the justification of the judgment of 15 July 2009, the Constitutional Tribunal stressed that “housing cooperatives should be classified as voluntary associations (Art. 12 of the Constitution), benefiting from the guarantees provided in Art. 58 of the Constitution. Housing cooperatives, the purpose of which is to meet the housing needs of members and their families, have a special legal status resulting from the Constitution, related to their role in the

<sup>46</sup> *Z historii światowej spółdzielczości mieszkaniowej* ([http://smsrodmiestiegliwice.pl/wp-content/uploads/2016/06/HistoriaSM\\_cz\\_2-Polska.pdf](http://smsrodmiestiegliwice.pl/wp-content/uploads/2016/06/HistoriaSM_cz_2-Polska.pdf), (accessed on: 2.01.2022)).

<sup>47</sup> <https://gethome.pl/blog/wspolnota-czy-spoldzielnia-mieszkaniowa/>, (accessed on: 2.01.2022).

<sup>48</sup> J. Gajda, K. Królikowska, K. Pietrzykowski, J. Pisuliński, P. Zakrzewski, *Spółdzielnie mieszkaniowe*, Art. 1 SPP T. 21 red. Pietrzykowski 2020, wyd. 1, Legalis/el.

implementation of the state's tasks specified in Art. 75 sec. 1 of the Constitution<sup>49</sup> (see reference number K 5/01). The above-mentioned constitutional dimension of the establishment and operation of housing cooperatives prompted the Tribunal to emphasize the fact that “any legislative interference in the constitutional rights and freedoms of these cooperatives and their members must meet the criteria of proportionality set out in Art. 31 of the Constitution”. Thus, it will be considered admissible only if – in the opinion of the Tribunal – a given regulation is capable of achieving the intended effects (the principle of necessity); it is necessary to protect the public interest to which it is related (the principle of usefulness); and its effects are in proportion to the burdens imposed on the individual (the principle of proportionality *sensu stricto*)<sup>50</sup>.

The Act on Housing Cooperatives specifies which persons can be members of such entities (Art. 3). Namely, these are natural persons who are entitled to at least one of the following entitlements: a cooperative tenant's right to a flat; a cooperative ownership right to the premises; a claim for the establishment of a cooperative tenant's right to a flat; a claim for the establishment of separate ownership of the premises, or being a founder of a cooperative, subject to paragraph 9 Article 3.

Both spouses can be members of a cooperative, if they are entitled to premises jointly, or if they apply jointly to conclude a contract for the establishment of a cooperative tenant's right to a flat, or separate ownership of the premises. Currently, from July 31 2007, it is not possible to establish a cooperative ownership right to the premises. This right was previously established by housing cooperatives and is still available to the people for whom it was established. A cooperative ownership right to the premises is transferable, passes to the heirs and is subject to enforcement. It is a limited property right.

It is rightly emphasized in the literature that a cooperative fulfils its main objective through the specific method of supporting its members, i.e. by making available and selling to its members specific legal titles authorizing the use of the premises, houses and real estate of the cooperative<sup>51</sup>. In Art. 9, the Act on Housing Cooperatives stipulates that by the agreement to establish a tenant's right to a flat, the cooperative undertakes to give the person for whom the right is established the flat for use, and that person undertakes to make a housing contribution and pay the fees specified in the act and in the statute of the cooperative. Cooperative tenants' right to a flat may be established for the benefit of a member of the cooperative or a member of the cooperative and his or her spouse. The said right shall expire upon termination of membership and in other cases specified in the Act.

It is also worth adding that in the event of the expiry of the cooperative tenant's right to a flat as a result of the death of the entitled person, or in the cases referred to in Art. 11, claims for the conclusion of an agreement to establish a cooperative tenant's right to a dwelling are due to his or her relatives. The Act also provides for the possibility that, at the written request of a member who is entitled to a tenant's housing cooperative right to a dwelling, the cooperative is obliged to

<sup>49</sup> K 64/07, Journal of Laws of 2009 r. No. 117, item 988, OTK Series A 2009 No. 7, item 110, Legalis

<sup>50</sup> K 64/07, Journal of Laws of 2009. No/ 117, item. 988, OTK Seria A 2009 No 7, item 110, Legalis

<sup>51</sup> K. Królikowska, *Art. 1 SpMieszkU*, ed. K. Osajda 2019, Legalis, Nb 2.; A. Stefaniak, *Prawo spółdzielcze oraz ustawa o spółdzielniach mieszkaniowych. Komentarz*, Warszawa 2018; M. Stepnowska-Michaluk, *Prawne formy zaspokajania potrzeb lokalowych rodziny przez spółdzielnię mieszkaniową*, [in:] *Ewolucja prawa polskiego w dobie globalizacji*, ed. D. Tyrawa, Lublin 2013; J. Gajda, K. Królikowska, K. Pietrzykowski, J. Pisuliński, P. Zakrzewski, *Spółdzielnie mieszkaniowe*, Art. 27, [in:] *System Prawa Prywatnego* vol. 21, ed. K. Pietrzykowski, Warszawa 2020.

conclude an agreement with that member for the transfer of ownership of the premises after he or she has made debt repayment due to fees (referred to in Article 4 (1) of the Act).

A member of a housing cooperative has the right to receive a copy the statute and regulations as well as copies of resolutions of cooperative bodies and minutes of the proceedings of cooperative bodies, lustration protocols, and annual financial statements. Each member of the cooperative has the right to participate in the general meeting or meeting of a member group, and to elect and be elected to the cooperative bodies. The general meeting of the housing cooperative cannot be replaced by a meeting of representatives; however, if the statutes so provide, if the number of members of the housing cooperative exceeds 500, the general assembly may be divided into parts. The supervisory board sets the rules, for the inclusion of members in the various parts of the general meeting, except that members entitled to premises located within the same property may not be included in different parts of the general meeting (Art. 8<sup>3</sup> (1) of the Act on Housing Cooperatives).

Persons interested in purchasing new residential premises and establishing separate ownership of the premises may sign an agreement with the cooperative for the construction of the premises (Article 10). An agreement concluded in writing under pain of nullity, should oblige the parties to conclude, after the construction of the premises, a contract for the establishment of a cooperative tenant's right to this property, and should also include the obligation of the person applying for the establishment of a cooperative tenant's right to the premises to cover the costs of the investment task in part attributable to his or her premises by making the housing contribution specified in the contract.

It is also worth mentioning the law of separate ownership of the premises. According to Art. 18, the cooperative concludes a contract for the construction of the premises with a person applying for the establishment of separate ownership of the premises. This agreement, concluded in writing under pain of nullity, should oblige the parties to conclude, after construction of the premises, contracts for the establishment of separate ownership of the premises.

Membership in the cooperative ceases with: e.g. the expiry of the cooperative tenant's right to a flat; disposal of the cooperative ownership right to the premises or participation in it almost; sale of the right to separate ownership of the premises or participation in this right; disposal of the expectation of ownership or participation in this right; or expiry of the claim for the establishment of a cooperative tenant's right to a residential premises.

### **Cooperative banks**

It is emphasized in the literature that cooperative banking began in the Middle Ages, when the first organizations implementing the idea of self-help were established<sup>52</sup>. These were the pre-cooperative organizations (organizations referred to as "social enterprises"). The reason for the creation of such organizations was always the economic situation of the population, associated with the need to obtain additional funds. They implemented the idea of financial self-help, and were known as merchant guilds, fishermen's groups, mounts of piety, widow's funds; then cheap

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<sup>52</sup> A. Zalcewicz, *Rozdział I Geneza i rozwój banków spółdzielczych w Polsce do 2008 r.* [in:] *Bank spółdzielczy. Aspekty prawne tworzenia i funkcjonowania*, Warszawa 2009.

loan foundations and mutual societies appeared, the purpose of which was to help people who had suffered misfortunes<sup>53</sup>.

Cooperative banks are particularly popular in rural areas in Poland, but also in small towns and big cities. The genesis of Polish cooperative banks can be traced back to Wielkopolska. As early as 1850, Towarzystwo Oszczędności i Pożyczek was established in Śrem, which is considered to be the oldest credit cooperative in Poland. However, the Loan Society for Industrialists of the city of Poznań is better known; it was founded on the initiative of figures such as Hipolit Cegielski and Mieczysław Łyskowski, in 1861. This marked the beginning of Polish cooperative banks. In 1886, the first financial headquarters of Greater Poland cooperatives was established under the name of the Bank of the Union of Profit Companies, headed by Józefa Kusztelan<sup>54</sup>.

One important stimulus for later development was the Cooperative Law Act of 1920 and the general economic boom after 1925. It was a period of development of cooperatives, including loan and credit activities. The number of credit unions, banks and societies increased in 1925 to over 5,600, and the number of members amounted to 1,515,000. After 1945, the cooperative sector was nationalized. The reactivated pre-war and newly created cooperatives were associated in new state structures. A period of slow reconstruction of Polish banking cooperatives in Poland began with the "thaw" of 1956. In 1957, the nationwide Union of Savings and Loan Cooperatives was established as the headquarters of the cooperatives associated with it. 1989 saw the beginning of the revival of banking cooperatives and a return to the mechanisms of the market economy. The banking cooperative movement once again became an element of a self-governing, democratic society in the emerging state organized according to the rule of law.

At the end of 2014, there were 565 cooperative banks with over one million members in Poland. In the past, there were many more cooperative banks, e.g. in 1960 there had been 1307. These banks in total maintain 6.9 million customer deposit accounts and employ over 27.9 thousand employees, which accounts for over 18 percent of the overall employment in the banking sector.

As A. Załcewicz emphasizes, "Traditionally, cooperative banks, both in Poland and Europe, are perceived as national banks (with capital coming from members of local communities, residents of a given country), local, deriving their roots from institutions implementing aid ideas in practice, therefore, pursuing not only commercial goals in their activities. Thus, in the case of a cooperative bank, the specificity of its operation, as an economic entity focused on achieving profits on the one hand, and on the other, pursuing social goals, caused and causes that they were and are often treated in a special way in the legislation of individual countries"

According to the Act of December 7, 2000 on the functioning of cooperative banks, their affiliation and affiliating banks, a cooperative bank should be understood as a bank that is a cooperative, to which, in the scope not regulated in the aforementioned Act and in the Act of August 29 1997 has applied. The banking law is governed by the provisions of the Cooperative Law of September 16, 1982. These cooperative banks in total maintain 6.9 million customer deposit accounts and employ over 27.9 thousand employees, which accounts for over 18 percent of the overall employment in the banking sector<sup>55</sup>. Cooperative and affiliating banks may belong

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<sup>53</sup> Ibidem.

<sup>54</sup> <https://krs.org.pl/branze-spoldzielcze/banki-spoldzielcze>, (accessed on: 2.01.2022).

<sup>55</sup> <https://krs.org.pl/branze-spoldzielcze/banki-spoldzielcze>, (accessed on: 2.01.2022).

to the National Association of Cooperative Banks and to the Polish Bank Association, as well as other organizations established to represent the common economic interests of these banks, in particular towards state bodies, foreign and international institutions (Article 3 of the Act of December 7 2000). The purpose of a cooperative's activity shows that the overriding goal of a cooperative bank is different from the objectives of banks in the form of joint-stock companies, which aim primarily at maximizing profit. In a cooperative bank, profit maximization should only be a means to achieve the goals of the cooperative members<sup>56</sup>. In smaller towns, farmers are often members of cooperatives.

The Act of December 7 2000 on the Cooperation of Cooperative Banks, their Association and Affiliating Banks currently in force, repealed the Act of 24 June 1994 on the Restructuring of Cooperative Banks and Bank Gospodarki Żywnościowej and on the amendment of certain acts. This previous legal act defined the rules for the creation, organization, operation and association of cooperative banks, regional banks associating cooperative banks, and the national bank associating regional banks. The Act lays down the rules for the restructuring of cooperative banks affiliating under this Act and for the restructuring of Bank Gospodarki Żywnościowej.

As a rule, a cooperative bank is obliged to affiliate itself with the affiliating bank on the terms specified in Art. 16 Act of December 7 2000 on the Cooperation of Cooperative Banks, their Association and Affiliating Banks. This obligation does not apply to cooperative banks whose initial capital is at least the equivalent of EUR 5,000,000. Regulations concerning an affiliated cooperative bank and a cooperative bank operating outside the association should be distinguished. In the case of affiliated banks, a lower initial capital is sufficient.

The Act of December 7 2000 on the Cooperation of Cooperative Banks, their Association and Affiliating Banks states that a cooperative bank with an initial capital higher than the equivalent of EUR 1,000,000, but lower than the equivalent of EUR 5,000,000, may operate in the voivodship where its seat is located and in the poviats in which its outlets perform banking activities. A cooperative bank with an initial capital equivalent to at least EUR 5,000,000 may operate throughout the country. Thus, the scope of a cooperative bank's activity depends on the founding contribution<sup>57</sup>.

In May 2014, there were two associations of cooperative banks: Bank Polskiej Spółdzielczości and Spółdzielcza Grupa Bankowa. Each member of a cooperative bank is obliged to have at least one declared and paid-up share. The minimum membership share is specified in the statutes. Granting a loan, cash loan, guarantee or surety may be conditional in the bank's statute on the need to declare and pay by the borrower, person to whom the surety or guarantee is to be granted, at least one share in this bank (Art. 10).

Art. 6 of the Act of December 7 2000 on the Cooperation of Cooperative Banks, their Association and Affiliating Banks states that cooperative banks, having obtained the authorization of the Polish Financial Supervision Authority pursuant to the Banking Law Act,

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Ibidem.

<sup>56</sup> [https://www.knf.gov.pl/dla\\_rynku/procesy\\_licencyjne/bankowy/banki/formy\\_dzialalnosci/bank\\_spoldzielczy](https://www.knf.gov.pl/dla_rynku/procesy_licencyjne/bankowy/banki/formy_dzialalnosci/bank_spoldzielczy), (accessed on: 12.01.2022).

<sup>57</sup> [https://www.knf.gov.pl/dla\\_rynku/procesy\\_licencyjne/bankowy/banki/formy\\_dzialalnosci/bank\\_spoldzielczy](https://www.knf.gov.pl/dla_rynku/procesy_licencyjne/bankowy/banki/formy_dzialalnosci/bank_spoldzielczy), (accessed on: 12.01.2022).



may perform the following banking activities: accepting cash deposits payable on demand or on a specified date and keeping accounts of these contributions; keeping other bank accounts; granting credits; granting and confirming bank guarantees; carrying out bank money settlements; making money loans; granting consumer loans and credits within the meaning of the provisions of a separate act; check and bill of exchange operations; providing payment services and issuing electronic money within the meaning of the Act of 19 August 2011 on payment services, storing items and securities and providing safe deposit boxes.

## Conclusion

The above considerations confirmed the development of cooperatives and related legislation in Poland from the nineteenth century to the present day. The first cooperatives founded by Stanisław Staszic were focused on agriculture. In the following years, cooperative banks and other cooperative financial institutions were also established. The development of agricultural cooperatives continued from the Partitions and through the interwar period, when they took over one or more stages related to the agricultural and processing activities of their members, and then in the period after the Second World War they predominantly became cooperatives conducting agricultural activities. Following Poland's accession to the EU, trends in the development of agricultural cooperatives continued in two directions. However, this trend is reversing: cooperatives supporting their members in their agricultural activities and those associated with them, i.e. taking over the various stages of the cooperative's agricultural activity, are becoming increasingly important. Some of them are also involved in the processing of agricultural produce produced by cooperatives. At the same time, there are cooperatives engaged in agricultural manufacturing activity which provide work for members of cooperatives on an agricultural holding, but their importance is much smaller than it was in the period after the Second World War.

The considerations showed that housing cooperatives and cooperative banks are still popular in Poland. The former are found in cities, especially large ones (e.g. Warsaw, Kraków, Poznań). Social cooperatives are also becoming more and more popular in Poland: there are over 2,000 of them in rural areas. Summing up the development of the legislation related to cooperatives, it should be stated that initially such regulations derived from the legal systems of other countries, especially Germany. After Poland regained its independence in 1918, the act on cooperatives was passed, which applied to all cooperatives, regardless of the subject of their activity. After World War II, cooperative legislation also took into account the principles of a socialist country, which had a negative impact on the implementation of the cooperative principle and its popularity in society. The law currently in force is the Act on Cooperatives of 1982. Apart from this legal act, separate legal acts concerning banking, housing, social, and farmers' cooperatives should be noted. The development of branch cooperative industries is influenced by legal regulations related to the specific area of their activity, e.g. banking law, housing and social economy regulations<sup>58</sup>.

The current trend in the development of cooperatives is in line with the development of EU policies and global challenges. Social and economic changes, environmental degradation,

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<sup>58</sup> T. Skotarczak, M. Śpiewak-Szyjka, *Spółdzielnie mieszkaniowe w nowym otoczeniu społeczno-gospodarczym w: Spółdzielnie mieszkaniowe Dylematy funkcjonowania i rozwoju*, Warszawa 2015.

civilization development present new challenges for agriculture. What is needed is a sustainable development of agriculture, combining economic, social and environmental goals (agritourism, renewable energy, commerce, high quality food production)<sup>59</sup>. The evolution of agricultural cooperatives from static units to more dynamic entities expanding their activities goes in line with a multifunctional and sustainable development of agriculture. It is connected with, e.g. the necessity to enhance the competitiveness of agricultural producers, the protection of regional products, social economy, energy, environment protection and processing. All the amendments to the Common Agricultural Policy and EU policies make cooperatives complex legal bodies. The activity of agricultural cooperatives is increasingly being influenced by the regulations connected with the development of agricultural law and food law. Agricultural cooperatives carrying out agricultural activities, such as agricultural production cooperatives and social cooperatives, are obliged to meet many requirements relating to environmental protection and animal welfare. Dairy cooperatives, on the other hand, such as milk collectors and processors, are obliged to operate in accordance with the provisions of the EU milk market and food law. The Europeanisation of regulations affecting the organisation and operation of agricultural cooperatives is connected precisely with the expansive development of agricultural law<sup>60</sup> and food law. The adoption of the laws on agricultural producer groups, social cooperatives, the act on farmers' cooperatives, as well as some amendments to the Cooperative Law Act, which simplify the establishment and operation of cooperatives, the use of EU funds, and giving tax preferences, should be positively assessed. From January 2023, new legal regulations regarding the Common Agricultural Policy will apply. Certain agricultural regulations and aid measures are also targeted at cooperatives. First, mention should be made of agricultural production cooperatives that benefit from the system of direct payments and rural development measures.

In Poland, there are no agricultural producer organizations that meet the requirements set out in the EU regulations entered in the register kept by the Agency for Restructuring and Modernization of Agriculture (except for the organization of fruit and vegetables). The Polish legislator is also trying to encourage agricultural producers to register agricultural producer organizations by changing other legal regulations. In the years 2019-2020, the implementing regulations to the act of 20 April 2004 on the organization of the milk and milk products market, as well as the act of 11 March 2004 on the organization of certain agricultural markets, were amended, with regard to selected issues associated with establishing agricultural producer organizations, including those involved in the production of milk. Agricultural producer organizations will be even more important as an agricultural development instrument after 2022, under the Common Agricultural Policy. Therefore, the best solution is for Polish Farmers to set up farmers' cooperatives, which will then submit applications to the Agency for Restructuring and Modernization of Agriculture for registration as agricultural producer organizations. At the same time, a farmers' cooperative that meets the conditions could apply for entry in the register of energy cooperatives, if it supplies its members with agricultural producers with electricity. The Strategic Plan for the Common Agricultural Policy for 2023-2027 for Poland contains

<sup>59</sup> The United Nations in their document "Transforming our world: the 2030 Agenda for Sustainable Development" say that what is advised to achieve by 2030 is to double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, to implement resilient agricultural practices designed to increase productivity and production, to help maintain ecosystems and to strengthen capacity for adaptation to climate changes. ONZ, *Transforming our world: the 2030 Agenda for Sustainable Development*, <https://sdgs.un.org/2030agenda>, (accessed on: 2022-11-11).

<sup>60</sup> Tendencies in the development of agricultural law – see R. Budzinowski, *Problemy ogólne prawa rolnego, Przemiany podstaw legislacyjnych i koncepcji doktrynalnych*, Poznań 2008, p. 73 et seq.

measures addressed to producer organizations and groups of agricultural producers, e.g. point 13.2. - Establishment and development of producer organizations and agricultural producer groups<sup>61</sup>.

As for cooperative banks, despite many socio-economic transformations, they have been a stable sector of cooperatives since the nineteenth century. The stability of relations with clients, satisfaction of local communities, building social capital and taking into account new developments resulting from the development of banking law and digitization, as well as the needs of clients of natural persons and entrepreneurs, should be emphasized. For cooperative banks, important issues are those associated with Corporate Social Responsibility (CSR) in the cooperative banking sector, which has been implemented for years.

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<sup>61</sup> According to the Polish strategic plan, the aim of the program *Establishment and development of producer organizations and agricultural producer groups* is to increase the activity of agricultural producers in joint structures, namely producer organizations and groups of agricultural producers and, respectively, their associations and unions. Certain selection criteria included in the strategic plan, e.g. the entity has the legal form of a cooperative; members of the operator produce under EU or national quality systems; the product or group of products, or the sector for which the entity is recognized, encompasses the following: pork, beef and veal, lamb and goat, hops, flax and hemp, sugar beet, tobacco. Plan Strategiczny dla Wspólnej Polityki Rolnej na lata 2023-2027 [Strategic Plan for the Common Agricultural Policy 2023-2027], p. 32 and next <https://www.gov.pl/web/wprpo2020/zatwierdzony-przez-komisje-europejska-plan-strategiczny-dla-wspolnej-polityki-rolnej-na-lata-2023-2027>, (accessed on: 2022-11-11).