New Modes of Governance of Cooperative Arrangements in Agricultural Markets. The Case of Polish Producer Groups

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Abstract
The cooperative movement in Poland has a long but difficult history. The socialistic regime introduced a command and control system into cooperatives which was destructive to their self-governing functions and eventually led to a lack of member involvement. There was a mass neglecting and abandonment after the transformation in particular of rural cooperatives. Nonetheless, in the early 1990s the first farmers’ cooperative marketing organizations, called agricultural producer groups, appeared on the market. They are bottom-up, voluntary organizations whose main purpose is to jointly sell their members’ output. Although producer groups function similarly to marketing cooperatives, farmers establishing producer groups have been choosing other legal forms than cooperatives.

In the paper we investigate why the new forms of governance of cooperative arrangements are chosen and what are the implications of these choices for the success of the groups on the market. We discuss the impact of invested capital, the impact of advisors, and the impact of institutional environment on this choice. The empirical data was collected on 62 producer groups functioning in one province of Poland.