

Burning Bridges?

Polish Fisheries Co-operatives in Times of Transition

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ABSTRACT The classic co-operative principles of self-management and participatory democracy are in conflict with many of the characteristics of a socialist 'command' economy. Thus, fisheries co-operatives would be expected to occupy a weak position, if any, in a socialist economy. Nevertheless, Polish fisheries co-ops developed into a strong and viable sector of the fishing industry long before the current political changes. In this paper we describe the traditional role of co-operatives in the Polish fishery. We also discuss how the process of privatization may affect fisheries co-operatives in the future.

Introduction¹

The co-operative is an organizational form which can be found in both capitalist and socialist economies. In parts of Eastern Europe, as in many other socialist countries, co-ops have played a significant role in the economy. Poland is no exception to this rule. According to a 1980 report by the London-based International Co-operative Alliance, co-operatives account for up to 60 per cent of the country's retail turn-over, provide about 65 per cent of urban housing, and play a substantial role in primary industries such as agriculture and fisheries. Co-operative membership amounts to roughly 10 million people, close to a third of the country's population. In fact, the Polish Constitution states that the government has a special responsibility for the support of co-ops: 'The Polish People's Republic supports the development of the cooperative movement in town and countryside, and also gives it all-round assistance in the fulfilment of its task, while ensuring cooperative property, as public property, special support and protection' (ICA 1980:3-4).

The existence of co-operatives in socialist countries raises several questions, for instance, are these co-operatives fundamentally different from co-ops in the West? To what extent is their organizational design dissimilar? Do co-ops play a parallel role in the overall economy in both systems? What are the working conditions for co-ops in the two situations?

The sparse literature on the co-operative sector in socialist economies suggests there is great variation in organizational structure and the role of the co-op sector in the economy. The Yugoslavian system of self-managed firms

has unique co-operative features (Horvat 1975; Tivey 1978). According to Bahso (1982), in The People's Republic of Yemen fisheries co-ops elect their own managers. In Nicaragua, partly through informal mechanisms, the Sandinista government's rather 'paternalistic' role in its interaction with the fisheries co-ops impeded membership initiative and control (Jentoft 1986). In Poland the already substantial local initiative and self-management increased in the 1980s.

Traditionally, socialist countries regarded co-ops as a transitory phenomenon, a step on the road to communism. Thus, according to the International Co-operative Alliance-report (ICA 1980:4): 'As socialist countries advance towards communism, the development of cooperative property will steadily approach higher levels of socialization, and approach state forms of property.' An example of this is found in Bulgaria where the state gradually expropriated all co-operative property, including fisheries co-operatives. The communist party saw the co-operative movement as a threat to the system because of its success and competitiveness.² In Cuba, fisheries co-ops were set up just after the revolution, only to be abandoned later as the state expanded its role in the fishery (Sandersen 1990). Nevertheless, the ICA report is optimistic about the role of co-ops in socialist economies. It argues that in the future 'one must proceed from the premise that cooperative organizations will continue their vigorous development' (ICA 1980:4) As we all know, the political situation in the countries of Eastern Europe has changed dramatically, and today one may well ask whether the co-operative from now on will serve as a vehicle on the road to capitalism.

This paper describes the past and present structure of co-operatives in the Polish fishery, and discusses how co-operative principles are implemented and enforced in practice. Case studies of four fisheries co-operatives which demonstrate the great diversity among Polish fisheries co-ops, make up a dominant part of the paper. They also show that changes in legislation have increased the co-ops' potential for self-management. The final section addresses the recent shift in the political regime and discusses how privatization may affect the future of fisheries co-operatives in Poland.

The Structure of Polish Fisheries Co-ops

History

Co-ops have existed in Poland since 1876 when the first co-operative, a co-operative printing company, was established in Krakow. Today they play a substantial role within many sectors of the economy. According to the Polish Yearbook of Statistics 1984-1986, co-ops contributed 8.9 per cent of the GDP (Gross Domestic Product).

From the start, co-operatives developed in labour intensive sectors rather than in those branches of the economy which required heavy investments. In 1939, almost one hundred work co-operatives existed all over the country,

employing a total of 5,000 members. When reconstruction started after the Second World War the co-operative movement, which had been postponed during the war, resumed its activity. However, because of the communist take-over, the social and political climate had changed dramatically. Many co-operatives organized among small manufacturers and craftsmen, took over shattered industrial plants from the state, saving some industrial sites from disappearing.

The first two decades after the war brought a rapid expansion in the co-operative movement. This may best be attested by the increase of the number of employees. In 1945 co-ops employed close to 3,000 people, in 1964 more than 500,000. Since then this figure has been fairly stable. In 1987, the Central Federation of Work Co-operatives had 1,542 members. All fisheries co-ops associated with the Federation through the National Union of Fisheries Co-operatives. As we shall see in the final section of this paper, the most recent restructuring towards greater decentralization, has drastically affected the position of these institutions.

Most of the fisheries co-ops were formed in the decade following the Second World War. They were located primarily in the Northern and Western Territories which were incorporated into Poland under the Yalta agreement. These areas experienced massive migration in the wake of the war. The majority of the German population left with the withdrawing units of the German army, while those who stayed behind resettled soon after. Later people from various parts of Poland, especially from the Eastern territories of pre-war Poland, migrated to the area.

By helping to provide housing and employment, the fisheries co-ops contributed to the social integration and assimilation of the new inhabitants. In many localities the fisheries co-ops had state firm competitors, but in spite of this co-ops grew rapidly. Important for their growth, was the financial assistance from a special fund aimed at work co-operatives which was formed from the profit contributed by all members affiliated with the Central Federation of Work Co-operatives.

After some years the fisheries co-operatives achieved success in their basic activity: fishing. They trained newcomers from all over Poland as fishermen, and provided proteins in a situation where farming activities were down, partly due to the problem of land-mines. In addition, they initiated related activities such as the repair of vessels and gear, fish processing and retailing. Thus they became vertically and horizontally integrated enterprises, a distinctive feature of Polish fisheries co-operatives up to this day.

Present Structure

In 1987 there were 23 fisheries co-operatives in Poland. The six largest co-ops are all on the Baltic coast, primarily involved in offshore fishing and fish-processing. Eight fisheries co-operatives operate close to the coast line. They are small-scale and work both inshore and on the bay. Four co-operatives are

located on the rivers. Four of the co-ops process fish as their only activity. One co-op runs a repair shop for boats and processing equipment where other co-ops are customers.

Polish fisheries co-operatives engage in a broad spectrum of activities, and in this respect differ from most fisheries co-ops in the West. For instance, they play an important role in their local communities, both by creating employment opportunities and by organizing events for their employees' leisure time. They often sponsor holidays and visits to cultural institutions in bigger towns and cities. They run health services, day nurseries, kindergartens and recreational facilities for employees and other inhabitants of the local community. Frequently, the co-operatives participate financially in water- and gas supply, and road construction.

The total membership of the fisheries co-operatives amounts to 4,000 people, of which 1,500 are fishermen. In 1985, there were close to 17,000 fishermen in Poland, including both state and private fishermen (2,000). Women comprise the bulk of co-operative land employees (1,300) and work primarily in fish processing. The co-ops employ from 30 to 600 persons, the average of employment being 174. Most employees, including fishermen as well as fish-plant workers, are members of the co-op.³

With their many sided activities Polish co-ops become rather complex organizations. Studies of Western fisheries co-ops show that this may lead to internal conflicts and problems in co-ordination among members (cf. Clement 1986; McCay 1988). However, by granting membership status to all employees, and not only fishermen, such problems are handled through a process of participatory democracy.

Fish Supplies

In 1986, 80 per cent of the total co-operative catch was cod, herring and sprat. The remaining 20 per cent was composed of species like salmon, trout and eel. Close to 75 per cent of the total co-operative catch (out of 33,000 tonnes) originated from offshore fishing, one quarter from coastal fishing, and two per cent was caught on the rivers. Overfishing and pollution lead to strict fisheries regulations on the Baltic in the mid-1980s. As a consequence, the total catches of the co-operatives declined dramatically, especially in the cod-fishery. In 1989 the total co-operative catch amounted to 23 894 tonnes which is close to one-half of 1980 landings.

The majority of the co-ops realize their catches from grounds in the Southern Baltic, within the Polish fishing zone. Some grounds, belonging to other countries, are made accessible through bilateral international agreements. Fishermen also operate in the Pomerian and the Vistula bays.

The fisheries co-ops' share of the total Polish catch is only 5.5 per cent, while their portion of the Baltic catch amounts to around 20 per cent.⁴ This figure has been fairly stable since the mid-sixties. The five state-owned fisheries enterprises have captured an average of 65 per cent of the total

catches over the same period. In addition, the state enterprises also run a distant water fishery. Private fishermen account for the remaining part of the total Baltic catches. The co-operatives also purchase fish from state-owned companies, from private fishermen, and from Swedish and Danish fishermen. Fish processing persists in 19 of the 23 existing co-ops. The main products, frozen fillets, pickles and tinned fish, are sold both to domestic and Western European markets. Only the co-ops fish and process salmon, which has a very high market value.

Co-operatives have different ties to their fleets. The general rule is that members own the 450 small inshore and bay boats individually. By contrast, the co-ops own 80 per cent of the 110 steel-hull cutters (between 17-26 metres in length) which supply them.⁵ Individual members own the remaining cutters. In general, co-ops have full control of the operation of the cutters. Therefore, as long as there are fish, they can rely on a steady supply. However, some co-ops have more than 20 cutters, while others have none.

The co-ops have acquired an increasing number of cutters over the years, while the opposite has occurred among private fishermen. The price of cutters is prohibitively high for individual fishermen, and the costs of regular overhauls and new navigation equipment well beyond their financial capability. On average, therefore, co-op cutters are newer and more modern than privately owned cutters.

Formal Organization

Today, a law enacted in 1982 regulates the co-operative movement in Poland, fisheries co-ops included. A close reading of the law shows much correspondence with the 'classic' co-operative principles of participatory democracy and self-management. A board of at least three members is mandatory, and is controlled by a supervisory council of members. Both agencies are formed by, and elected from, the members. The general meeting decides the basic strategic questions, including the appropriation and distribution of revenues. The meeting also evaluates the performance of the governing agencies and the management.

All elections take place through secret ballot; and the number of candidates is unlimited. The standard co-op principle of one member one vote is applied. Resolutions need a simple majority, unless the proper act or statute stipulates a qualified majority. The resolutions of the general meeting are binding for all members of the co-op. However, a member may appeal in a court of law against any resolution that he or she deems illegal or inconsistent with the statutes of the co-op.

Umbrella Institution

To date, all fisheries co-ops associate with the Gdynia based National Union of Fisheries Co-operatives (NUFC). The Union has 55 employees, with 25

additional people working in the Union's Institute of Research and Planning. The member co-ops elect the Council. The general assembly, which meets every second year, appoints the management.

The NUFC is crucial to the member co-operatives, particularly in its role in the national fisheries management system where the NUFC represents member co-ops in negotiations on the distribution of the Polish national quota. The Union administers the allotment of the co-operative quota among member co-ops according to their track record. It is the responsibility of the co-operatives to allocate the quota internally as well as to implement and to enforce regulations.

A number of other NUFC activities have contributed to the success of the fisheries co-operatives. The Union negotiates fish prices with the state, imports fisheries equipment on behalf of its members, and acts as mediator in exchange of fish quotas, for instance in swapping cod for herring with Sweden. It also promotes and assists in the introduction of new technology in the co-ops, drafts development plans for the co-ops, and elaborates the basic statutes for them. Sometimes the Union recommends that co-ops merge or co-ordinate their activities. Another of the important tasks it performs is providing the required endorsement for a co-operative arranging bank credit. It also administers the development fund to which each co-op contributes 20 per cent of its profit. The individual co-ops can borrow money from the fund for new investments, and may obtain assistance during periods of low earnings. The co-op receives support if it is unable to provide the fishermen's guaranteed minimum wage. Another Union task is organizing professional training in various vocations. It runs an experimental aquaculture station with a hatchery for salmon stocks, and stocks the Vistula River with salmon smolts. Fish export is not a NUFC task. Instead, the co-operatives export their fish through the co-operative sales organization Rybex in Szczecin.

Four Case-Studies

Our research included visits to three fisheries co-operatives: The 'Rybmor Co-operative' in the town of Leba on the Baltic west coast, the 'Wyzwolenie Co-operative' in Swibo on the Vistula river, and the 'Zagiel Co-operative' in Stegna on the Vistula Spit. Here we interviewed the managers and some of the member fishermen. In addition to data from these co-operatives, our presentation will draw upon a report by Thomesen (1976). His study contains a section on the 'Jednosc Rybacka Co-operative' in Gdansk.

Of these four, the Rybmor and the Jednosc Rybacka co-operatives are the oldest, both established in 1945. The Wyzwolenie and the Zagiel co-ops were formed in 1953 and 1957. Rybmor has the second largest membership of all the fisheries co-operative in the country. It has a total of 450 employees, including 80 fishermen and 60 people in the administration. In 1980, Rybmor fish supplies amounted to 7769 tons. Mainly due to overfishing of Baltic fish-stocks as well as problems of pollution, by 1989 this figure was reduced

to 1462 tons, ranking Rybmor as the seventh largest of all the co-ops, with the 'Certa' co-op of Szczecin on the top.⁶ The reduction in tons of fish is also reflected in the membership figures. In the last few years, the number of employees within Rybmor has been reduced by 150 people. According to Thomesen, in 1975 the Jednosc Rybacka co-op had 400 employees. By 1988 the membership was reduced to 235, including 80 fishermen. The Wyzwolenie co-operative has 105 people on its pay-roll, including 60 fishermen. The Zagiel co-op is somewhat bigger with roughly 120 members out of which 94 are fishers.

Since all co-operatives operate under the 1982 co-operative law, they have many similarities. However, there is also notable diversity among them. For instance, it makes a difference whether they operate offshore, on the bays or on the rivers. This leads to variations in harvesting technology, fish species and processing activities, and it also influences the scale of production and ownership.

The Rybmor co-op which operates on the Baltic, focuses its activity almost exclusively on the offshore cod fishery and processes mainly frozen fish fillets. By contrast, in the Wyzwolenie co-op, which is situated on the Vistula River, cod plays a minor role. Plaice, herring, salmon and eel are the most important species. Pickled and smoked fish make up the Wyzwolenie co-op's product-mix. The Rybmor co-operative, which owns and runs 24 cutter trawlers, operates all the year around, while the Wyzwolenie co-op with its smaller vessels and two cutters, has a two month closure in the winter due to ice conditions. Most of the Wyzwolenie co-op's supplies come from 24 small-scale and privately owned boats (6 metres or less in length). Their gear includes drift nets, box traps and hooks and lines.

The Zagiel co-operative located on the Vistula Spit has characteristics which differ from the other co-ops. It owns a number of motorboat pounds, both on the sea beaches and on the shore of the Vistula Bay. It also owns the hoisting winches used to pull boats onto the beach. One hundred and four motorboats, all privately owned by members, supply the co-operative. The members participate in several forms of fishing. They use nets to fish cod and salmon at sea and, in the bay, they use trap boxes for eel and herring, and nets for pike, perch and bream. As is the rule in most co-operatives, member fishermen repair their private boats and gear at their own expense; however, the co-op organizes joint purchases of fishing equipment. It guarantees the receipt and sale of the catches. Contrary to the other co-ops described here, fish processing is not a part of the activities, therefore it offers no jobs for women.⁷ The co-op has store-rooms and a number of trucks for transportation.

The role of the Zagiel co-operative in fisheries management is worth noting. Gear conflicts and competition over space occasionally occur men fishing on the bay, who either belong to different co-operatives or operate privately. To create order on the fishing grounds, the co-ops in the area have agreed informally to divide up the fishing grounds, giving each co-op its own

territory. Private fishermen are also partners in this agreement.

A lottery is organized every year within the Zagiel co-operative in order to give fishermen-members equal and fair access to the fishing grounds. Each fisherman is allotted a certain area where he alone can put his gear. In order to avoid overfishing on the bay, a general rule states that a fisherman may not use more than eight traps. A government agency implements and enforces this regulation.

The Rybmor co-operative has a broader spectrum than most other fisheries co-ops in Poland. Ship repair and maintenance are substantial activities, employing 290 people, and servicing other co-op customers. Rybmor is self-sufficient with regard to services for its own boats and processing machinery, and as do most co-ops, Rybmor handles its own transportation. In this way, it is independent of external agents, an important factor in the turbulent Polish economy.

The economic success of the co-operative is reflected in the fact that Rybmor has modernized its cutter fleet continuously. The newest vessels are somewhat larger (21 metres) than the old ones and are financed through several sources such as loans from the development fund through the National Union of Fisheries co-operatives, state bank loans, and by the co-op's accumulated means.

Rybmor purchases some of its fish from other co-ops and some from private fishermen. By contrast, the Jednosc Rybacka co-operative sells fish to other processors. In 1975 the Jednosc Rybacka processed a total of 10 000 tons, more than any other co-op. Twenty two per cent of all co-op catches stem from this co-operative. According to the 1989 statistics, the total catch volume processed by this coop was reduced to 1462 tons. In addition to fishing and fish processing, the Jednosc Rybacka co-op is engaged in many other activities. It has an ice factory, makes and repairs its own nets, carries out maintenance and simple repairs of its own vessels, and owns and operates a fleet of lorries. Furthermore, it has a fox-farm where the waste from the fish processing is used as fodder. These activities are crucial as they help make the co-op independent of unreliable external supply sources. According to Thomesen, the Jednosc Rybacka has been a very successful enterprise.

Rybmor has exported its fish products since 1957. In 1987, it started a new form of export, transporting catches directly from the fishing ground to a foreign contractor in Bornholm, Denmark. In this way the co-operative obtains foreign currency directly, which strengthens the co-op financially. It also allows the co-op to pay some crew a portion of their salaries in hard currency, through special currency bonuses paid to each fisherman according to his position onboard.

Otherwise, a fisherman's pay depends on the amount and quality of the catch. There is no standardized income-sharing system for all fisheries co-ops, and each co-op decides its own sharing system. For instance, the Wyzwolenie co-operative divides the value of the catch between the firm and the crew on a 70/30 per cent basis. In the Jednosc Rybacka the split is 55/45.

The co-op share covers operation and maintenance of the vessels, work boots, clothes and food. All members share the yearly bonus, which, if catches have been good, may exceed by several times the ordinary monthly salary.

In addition to the monetary benefits, co-op members benefit from various social services. Members of Rybmor, for instance, get medical care from a clinic on the premises. All employees undergo compulsory medical examinations. Medical treatment and stays in sanatoriums are at the co-op's expense. Furthermore, Rybmor subsidizes up to 80 per cent of holidays for members and their families, depending on family income. Members can take part in organized family holidays at the holiday centres of the National Federation of Co-operatives and, in addition to the trips, cultural arrangements and sports activities sponsored by the co-operative. Rybmor owns a marina and a number of sailboats for members' use. Most of these services are available to retired members. Another popular service is housing for the ten per cent of employees living outside Leba. If they decide to build a house on their own, the co-op provides a loan. In the 1960s Rybmor initiated a 100-apartment housing co-operative.

At the co-op's expense, members may attend various courses arranged by the government marine boards, nautical schools, and educational centres of the co-operative movement in order to obtain the required licences as fishermen or skippers. Participants keep most of their salary even if the course lasts for several months. Rybmor employees receive average wages computed on the basis of their earnings the preceding three months.

The Board of Rybmor makes the decisions on admission of new members. By law, a candidate must wait a year before he or she is accepted as a full member. In practice, however, the process often works faster. The membership fee is three per cent of the salary. In Rybmor, all employees of the co-operative are eligible for membership. In this way membership reflects the activity of the co-op. Decisions are also reached through a process of broad participation of all affected interests within the co-operative. Furthermore, this process means that all members have a producer role in the co-op. This lowers demand for high bonuses, which would otherwise reduce the co-op's capacity to generate its own funds.

Rybmor has a voluntary Supervisory Board of 15 members who receive no form of remuneration. Elections are held yearly. In Rybmor the same person has been chairman of the Board for 26 years.

Discussion

Despite the apparent success of Polish fisheries co-operatives, the role of co-operatives in the Polish system has traditionally been ambiguous. For decades, fisheries co-ops faced a peremptory state bureaucracy which made co-operative principles of self-management and participatory democracy somewhat fictitious. In fact, government policy deliberately slowed down the

expansion of the co-operative sector. Barriers such as frequent changes in legislation and other government regulations, like the tax system, were put into place. Preferential treatment of the state sector through measures such as taxation, provision of materials and means of production, was common. Also, possibilities for selling the ready produce were limited by government restrictions.

With the Solidarity movement and the political upheaval it triggered, important changes in co-operative legislation took place in the mid-1980s. The position of the co-operative movement in the national economy was strengthened and self-management re-enforced. Co-ops could now, more than ever before, control their own property, production profile, trade and marketing. Self-contained accountancy and the freedom to negotiate their own loans from state banks were introduced, forcing them to rely on their own financial abilities. At the same time, the state abolished subsidies to the fisheries co-operatives. Thus, concomitant with increased autonomy came increased responsibility.

The 1980s also brought changes in the role of the two umbrella organizations which used to be part of the state command system, i.e., the National Federation of Co-operatives and the National Union of Fisheries Co-operatives. Their position became more limited although they retained their role as service institutions. They functioned as co-ordinators among co-operatives, and acted as representatives for the co-ops vis-avis the government.

Due to quota restrictions, the NUFUC became more active in the harvesting management system. The organization negotiates the distribution of the Polish quota and handles the allocation of the co-operative quota among members. Thus, the Union obtained a key role in a broad based 'co-management' system (Jentoft 1989; Pinkerton 1989; McCay and Acheson 1987). In most western countries the co-operative sector of the fishing industry lacks a similar umbrella organization, making the introduction of co-management difficult, if not impossible, on a large scale. In order to participate effectively in regional and national policy making, either through consultation or by delegation of management responsibilities, fishermen must also be organized on these levels.

Despite these changes, co-operative members are still voicing criticisms. They argue that co-ops continue to be fenced in by the state, and that, as in other countries, quota restrictions are hard to accept. Co-ops also criticise rules for access to various harbour facilities, the limitations on co-ops' freedom to conclude individual contracts with foreign partners, and the regulations on fuel distribution. Complaints about the tax system are common. For example, co-operatives claim that frequent changes make long term planning impossible. Fisheries co-ops pay 65 per cent of their net gain in government tax, and when added to the 20 per cent fee to NUFUC, this limits a co-op's ability to generate funds. This curbs their autonomy and their ability to expand, benefiting only those less successful co-ops which can get support from the NUFUC. For the more successful co-operatives, however, this is discouraging.

Oligarchic tendencies on the local level are also criticized, particularly in the larger co-operatives. In the Rybmor co-op, for instance, some members are dissatisfied with management regarding the manning of the cutters. As expressed by one crew member:

The selection should be left to the skipper, but it is in the hands of the administration. Afterwards there are arguments at sea over even the pettiest of things. One is always irritated then and cannot work properly.

There is a custom that the co-op cannot force the crewmen to sail together against their wishes. In practice, crewmen are often unfamiliar with each other, and this may reduce their ability to work as a team. Some fishermen condemn other aspects of the management's behaviour:

The proportion of the administrative employees and fishermen should be changed (it is one white collar worker per 2-3 fishermen). The treatment of the fishermen is not fair – penalties in the company are different for the fishermen and for the administration. The co-operative is in bad hands. If this does not change, in ten years there will be a collapse. The old ones leave the company one by one, the young ones do not come, there is nothing to lure them here.

The Rybmor co-op has done well and fishermen-members have benefitted from higher incomes than people in many other occupations. For instance, Rybmor fishermen earn three times as much as their fellow processing workers. Nonetheless, there is growing fear among fishermen about their future. As expressed by one Rybmor fisherman:

Prospects are very poor, the young ones leave the occupation as they do not see any prospects. If the material conditions are improved as well as the treatment of fishermen, then maybe ... At present there are very good conditions for heavy drinking, and this is terrible.

The Rybmor co-operative lost 40 per cent of its fishermen between 1982 and 1987. More and more young people prefer other industries, or leave fishing communities for the large cities, a general tendency not limited to co-op fishermen. Few co-operative fishermen prefer going private. Despite the fact that private fishermen get higher earnings and more autonomy, for example in operating on the black market, co-op fishermen have many privileges unavailable to private fishermen, such as access to free medical care, holidays partly funded by the co-op, pensions and compassionate allowances. The co-operative also assists in obtaining apartments for members and provides special hard currency allowances.

Financially, it is more difficult for a private fisherman to buy a new vessel. Instead, he must rely on the second-hand market of boats from the co-ops or the state enterprises. But even these are hard to get. The co-operatives try to

avoid competition on local fishing grounds, and are, therefore, often reluctant to sell their used boats to private fishermen. Being a co-operative (or a state) fisherman also means free or inexpensive access to fishing gear, working clothes, cold stores, repair shops, ice supplies and a guaranteed sale of the fish. For these reasons, newcomers to the fishery also prefer employment in the co-operative or in a state enterprise. The latter enterprises, however, experience a higher turnover among crewmen than co-ops because of less freedom and lower salaries.

A New Political Climate

The Polish economic system is now in great turmoil. The old communist rule is abandoned, and a new structure is underway. Determining the strategies to follow towards privatization of the economy is now high on the public agenda. Like other Eastern European countries, Poland is experiencing that the road to capitalism is full of hindrances. Creation of new institutions to replace the old ones is a complex process that takes time. A Russian joke describes the common problem of the new Eastern European political regimes: 'We know that you can turn the aquarium into a fish soup; the question is, can you turn the fish soup back into an aquarium?'

The future of the co-operative movement is uncertain. Will it survive the transition to capitalism? The outcome is hard to predict. Dismantling the old system raises the question of the nature of a co-operative; Is it private or public? Per definition, a co-operative is neither private nor public or it contains aspects of both. In reality, however, there are great variations, also among Eastern European countries, as to where on the continuum between private and public co-ops operate.

Whether the co-operative sector will be swept away by the privatization process depends to a large extent on the role co-operatives played in the past and the what extent to which they are compromised by the old system. Were they autonomous co-operatives just on paper and were they mere instruments of central authorities? Their future hinges upon the political legitimacy of the co-operative concept.

In this respect, the Polish situation is somewhat ambiguous. On the local level, co-ops struggled to defend and expand self-management. On the national level, however, co-operative umbrella organizations worked as agents of government policies. The consequences can be seen today. The central organizations have now been dismantled while the local level co-ops are still hanging on.

The fishery sector is no exception here. Despite the fact that the National Union of Fisheries Co-operatives from the early 1980's became more service-oriented, it ceased to exist in 1990. No alternative umbrella-organization has been put in its place, while the fisheries co-ops await a new co-operative law which is due to be discussed by Parliament in June 1991.

There are several reasons to believe that co-operatives may continue to be

a force to be reckoned with. The co-operative model seems to have gained support during the political debate on privatization. Privatization of many state firms follows co-operative principles in that stocks are sold to the employees. Also trade barriers, which previously made the autonomy of co-ops fictitious, are now removed. For instance, there are no import quotas; foreign exchange is freely available to importers without discrimination between public, co-operative and private sectors; tariffs have been slashed substantially with some raw materials being allowed in duty free. There has also been a similar deregulation of export trade.

Such reforms benefit the fishing industry in general and co-ops in particular. But Poland is now experiencing the severe economic crisis common to other Eastern European countries. The rate of inflation is high, partly triggered by the Gulf crisis and oil prices, and traditional markets such as the Soviet Union and East Germany are more or less lost. Moreover, the Baltic fish stocks are in jeopardy due to overfishing and pollution. Thus, the threat to Polish fisheries co-operatives may be more economical and ecological than political in nature.

The future of fisheries co-operatives also depends on the changes that will occur within the state sector. The state sector is by far the strongest force within the Polish fishing industry. Last but not least, fisheries co-ops depend on a loyal membership. Also private fishermen benefit from the removal of restrictions on trade and finance. The extent to which Polish fisheries co-ops will be competitive now that members have the real choice of going private remains to be seen.

Notes

1. Part of the research for this paper was carried out during a visit to fisheries co-ops in October 1987. We also interviewed the Managing Director of the National Union of Fisheries Co-operatives, Seweryn Szczesny, who accompanied us to some of the co-operatives. We would like to express our thanks to Mr. Szczesny for his help. The research was updated during November and December 1990. We would like to acknowledge the support of the Institute of Philosophy and Sociology, University of Gdansk. We are also grateful for useful comments on the manuscript by Barbara Cottrell, Anthony Davis, and the editors of *MAST*.

2. The authors visited Bulgaria in November 1990 as part of a follow up to this Polish study.

3. Some of the facts and figures of Polish fisheries co-operatives presented here are published in *Polish Maritime News*, No. 5/318, May 1987.

4. Poland extracts roughly 17-20 per cent of the TAC of the Baltic fishery (CUWC 1987:16).

5. The share of the offshore cutters amounts to 65 per cent of the total co-operative catches. These are mainly trawlers.

6. We have more information on Rybmor than on the other co-ops as we are also benefitting from the report of Bjørnevold *et al.* (1987).

7. In the coastal fishery there is only one female fisher. In the deep-sea fishery, however, women are often employed as navigation officers, in fish-processing and in health service on board factory vessels.

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