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# The cooperative and commercial business model on the Polish market

## Kooperacyjny i komercyjny model biznesowy na polskim rynku

**Abstract**

**Research background.** The history of cooperative enterprises in Poland dates to the middle of XIX century. Despite the long history after the transformation of the central economy into a free market economy the cooperative branch in Poland is drastically diminishing, while in market economies the cooperative business model is an alternative to consumption and production. The "free choice" of the market means there is room for everyone.

**Purpose of the article.** The aim of the article is to analyze enterprises based on the cooperative and the commercial business models in terms of their economic results and their social functions on the Polish market.

**Methods.** The article is of theoretical and empirical nature. The theoretical part includes the overview of the two business models. The empirical part consists of a study containing two independent elements. Both were based on the method of analyzing financial reports, available on the Polish Ministry of Finance and The National Court Register (Krajowy Rejestr Sądowy — KRS) websites. The MS Excel 2016 and applications for creating and reading financial reports by e-KRS were used.

**Findings & Value added.** The results of the first empirical study have confirmed the usefulness of the biggest payer rankings in comparing the economic results of the enterprises based on cooperative business model (CBM) and commercial business model. The results of the second empirical study have shown that applying the criterion of value added in CBM allowed for determining the degree of their social utility. Economic results of the chosen enterprises based on the CBM model turned out to

**Streszczenie**

**Tło badań.** Historia przedsiębiorstw spółdzielczych w Polsce sięga połowy XIX wieku. Pomimo długiej historii, po przekształceniu gospodarki centralnej w gospodarkę wolnorynkową branża spółdzielcza w Polsce drastycznie się kurczy, podczas gdy w gospodarkach rynkowych model biznesowy spółdzielni to alternatywa dla konsumpcji i produkcji. „Wolny wybór” rynku oznacza, że jest na nim miejsce dla wszystkich.

**Cel artykułu.** Celem artykułu jest analiza przedsiębiorstw opartych na spółdzielczym i komercyjnym modelu biznesowym pod kątem ich wyników ekonomicznych i funkcji społecznych na polskim rynku.

**Metody.** Artykuł ma charakter teoretyczno-empiryczny. Część teoretyczna zawiera przegląd modeli biznesowych przedsiębiorstw spółdzielczych i komercyjnych. Część empiryczna składa się z realizacji dwóch kroków badawczych, uwzględniających dwa niezależne elementy. Badanie oparto na metodzie analizy sprawozdań finansowych dostępnych na stronach internetowych Ministerstwa Finansów oraz Krajowego Rejestru Sądowego. Wykorzystano MS Excel 2016 oraz aplikacje do tworzenia i odczytywania raportów finansowych przez e-KRS.

**Wnioski i wartość dodana.** Wyniki pierwszego etapu badania potwierdziły przydatność rankingów największych płatników w porównaniu do wyników ekonomicznych przedsiębiorstw opartych na modelu biznesu spółdzielczego (CBM) i modelu biznesu komercyjnego. Wyniki drugiego etapu badania empirycznego wykazały, że zastosowanie kryterium wartości dodanej w CBM pozwoliło na określenie stopnia ich użyteczności społecznej. Wyniki ekonomiczne wybranych przedsiębiorstw opartych na modelu CBM okazały się zbliżone do wyników komercyjnego

be similar to those of commercial business model but higher in terms of social utility. The presence of the cooperatives among the biggest taxpayer group in Poland confirms their economic results. Social utility was confirmed by gross value added (GVA) distribution structure, which included i.e. participation of members, employees, local budgets and governmental budget. The research, conducted in Poland, covered cooperatives operating only in one country. Therefore, the results may be affected by a cultural factor.

### Keywords

business model, cooperatives, investor-owned firms, taxpayers, value added, Poland

modelu biznesowego, ale wyższe pod względem użyteczności społecznej. Obecność spółdzielni wśród największej grupy podatników w Polsce potwierdza ich wyniki ekonomiczne. Użyteczność społeczna została potwierdzona przez strukturę podziału wartości dodanej brutto (WDB), która obejmowała m.in. udział członków, pracowników, budżety lokalne i budżet rządowy. Badania prowadzone w Polsce objęły spółdzielnie działające tylko w jednym kraju. Dlatego na wyniki może mieć wpływ czynnik kulturowy.

### Słowa kluczowe

model biznesowy, spółdzielnie, firmy inwestorskie, podatnicy, wartość dodana, Polska

JEL: D21, M21

## Introduction

The initial aim of an enterprise was to fulfil the basic human needs for goods and services necessary for survival and development. The most common form of an enterprise throughout history were farms, directly related to farmer households. Another form of an enterprise with centuries-old tradition is a craft factory, based on an owner's work or the work of his small group of co-workers. Along with the industrial progress, division of work and specialisation, enterprises became more and more detached from social environment. They eventually started producing for anonymous markets, very often located far away from the place of the production. Enterprises became subordinate to the market and not the society, especially not the local one. The reversal of the dependencies appears. It was enterprises and market dictating their goals and rules to the social environment. This process was vividly described by K. Polanyi (1944) and many other researchers.

Mobility became the biggest advantage of production factors and businesses in the global market. Being rooted in social environment was considered a factor weakening competitiveness. It was diminishing the ability to follow the market signals and profit opportunities. For the modern businesses, especially for corporations, the default market is a global one and pursuit of "green pastures", which once exploited, are being unscrupulously left behind, became a standard strategy. Even though the modern market is dominated by enterprises orientated towards maximising their profit, social enterprises, including cooperatives, are gaining more and more importance. The differences between the types of enterprises concern not only their size (production, capital, employment, market scope etc.), forms of ownership, organisational structure, and legal

status; but also their relationship with the social environment, dependency on it, and approach to its needs. Hence, they concern enterprises' social rooting.

Cooperatives and the cooperative movement became a precursor of the modern social economy sector. Even though social economy, based on the cooperative understood as a voluntary cooperation, has existed since the dawn of human civilisation, its effective and lasting forms have developed only in the second half of the 19th century, along with the development of the cooperative movement. Cooperatives of the time were protecting their dignity and economic security from negative consequences of the evolving industrial capitalism. Similarly, in the 21st century, dynamically developing social economy sector can be an answer to globalisation processes and international corporate activity aiming for global monopoly. Currently, tasks of social economy should be even more important especially in the global scale.

The characteristic identifying social economy is the social enterprise. It is an enterprise because it produces stable goods and useful services with the help of people and material resources. The owners bear significant economic risks and have decision-making autonomy in management. Its social dimension is expressed in the supremacy of providing services to members and to the community over making profits. It uses social resources (donations, subsidies, volunteering), it releases a community initiative, it does not make the decision making (exercising power) conditional on the amount of capital contributed. What is also worth noticing is the participation of employees in setting goals as an important element of the job satisfaction model creation (Barnett & Bradley, 2007, pp. 317–363). The economic criteria of social enterprises are:

1. Business continuity in the production or sale of goods and services (different from granting funds);
2. High level of autonomy (social enterprises are created voluntarily by groups of citizens and, even if grants and donations are used, social enterprises are managed by citizens and not directly or indirectly by public administration bodies or private companies. Their shareholders have the right to participate ("vote") and leave the organization ("exit");
3. Significant economic risk (financial profitability of the enterprise, including the activities of public institutions who are responsible for financial activities);
4. Employment of paid workers, despite the activity of volunteers (the activities of social enterprises require a minimum number of paid employees, although, just like traditional non-profit organizations, social enterprises can combine financial and non-financial means, paid work and volunteer activity).

What is more, social criteria of these enterprises are:

1. A clear goal for social benefits (one of the basic goals of a social enterprise is to act in favour of a society or a specific group of people. At the same time, the goal is to develop a sense of social responsibility at the local level);
2. The grassroots, civic nature of the initiative (social enterprises are the result of group dynamics within a given community or a group whose members share specific needs or goals);
3. The principle of "one member = one vote" in the decision-making process (or at least the fact that the right to vote do not derive from having a share in the capital; although the owners of capital in social enterprises play an important role, they share the decision-making rights with other stakeholders);
4. Involvement of entities for whom the activity is conducted (persons using services provided by social enterprises are represented and participate in its structures. In many cases, one of the goals is to strengthen democracy at the local level through economic activity);
5. Limited distribution of profits (social enterprises are organizations that completely prohibit the distribution of profits; cooperatives allow the distribution of profit only to a limited extent, which eliminates behaviour that maximizes profit).

All the above criteria are met by cooperative enterprises. Their role cannot be measured only by the amount of their turnover. Moreover, essential is the social capital that grows out of social interactions and the economic ties between the members of the cooperative (Bidet et al., 2018, pp. 1261–1273).

In the light of the above-mentioned discussion, the article defines the economic and social role of

enterprises operating on the Polish market based on the business models. To highlight the specificity of CBM enterprises, the research results were juxtaposed with the results of the commercial enterprises. The premise of this paper reads that enterprises based on CBM achieve economic results comparable to those of commercial enterprises while also realizing the social functions in a broader sense. The nature of the article is theoretical and empirical. The theoretical part contains reflections on the business model notion as a whole and introduced the co-operative business model. Its specific features were highlighted in comparison to the commercial business model (specifically, with IOF- investor-owned firm model). In the empirical part, authors explored the cooperative in a twofold manner. An analysis of the cooperatives' rankings (CMEs in the group of economic entities with a yearly income higher than 50 mln Euro) was performed. Secondly, the analysis of the internal revenue and expenses ratio as well as of the structure of the added value created in CMEs followed and was compared to the commercial firms. Finally, the last section includes conclusions.

## Literature review

One can find the beginnings of a modern cooperative business model in the Rochdale Society of Equitable Pioneers in 1844 (Drury, 1937; Fairbairn, 1994). Founded by self-employed weavers in Rochdale, England, its purpose was to undertake a range of economic and social activities to enhance the well-being of its members (Wilson, Shaw & Lonergan, 2012). The founding principles laid out by the Rochdale Society have remained a blueprint for co-operatives. Those encompass member ownership, democratic governance (i.e., 'one-member-one-vote'), accumulation of share capital and profit distribution based on patronage, and member education. Both social and economic objectives were inherent in its constitution (Rochdale Society, 1877). With only a few minor changes, the general principles and values established by the Rochdale Society have continued to guide the global co-operative movement.

These rules were adjusted to the changes in modern economy and allowed cooperative enterprises to function on the market along with commercial enterprises for almost two centuries. The literature analysis shows, however, that cooperatives were rejected as a topic in economic and business studies. Cooperative enterprises are treated as economy "enfants terribles" (Levi & Davis, 2008). They are too socially oriented to fit comfortably into the main structures of an investor-owned firm (IOF), but they stay more

economically focused than a non-profit sector organization. Cooperatives are the only form of a corporate entity with a significant entrepreneurial component, in which the subordination of the economic element to the social one is a necessary part of the organisation's logic and usually is defined by law as well" (Levi & Pellegrin-Rescia, 1997, p. 160). Due to the characteristics of cooperatives, such as mutual-help orientation, geographically limited activities, and commitment to community development, it is expected that the cooperative system naturally considers social responsibilities (Yuan, 2007). Due to this natural infiltration of all above-mentioned cooperative's actions, most of prior research focuses on corporate but not cooperative social responsibility (Tang, Sipiläinen & Fu, 2020).

What differentiates the cooperative business model from the commercial one is a different understanding of the human being. The cooperative model is based on a human defined as a social creature (*zoon politikon*), whereas the commercial model is based on a concept of a human as an economically rational creature (*homo oeconomicus*). Therefore, in a business model of a cooperative none of the members is encouraged to maximize the capital value of an enterprise (Arnaud, 2008).

Although the business model was widely described in literature, the business model of cooperative enterprises is a topic undertaken by a few authors (Heflebower, 1980; Pacelli, Pampurini, Sylos & Labini, 2019; Arnaud, 2008).

In the light of hitherto reflections on the cooperative business model, one can understand the cooperative as a "unique business model"

(Mazzarol, Limnios & Reboud, 2011). Its uniqueness is easy to note while comparing its key elements with the ones of a commercial model of companies owned by an investor (Table 1).

A key starting point for understanding a co-op business model is its "purpose" for which a "member value proposition" (MVP) needs to be developed (Mazzarol, Limnios & Reboud, 2011). It entails the strategy of a maximization of members' well-being, whereas in IOF it is the profit maximization strategy. Finally, it results in a different corporate governance and a different commitment of members and diversity.

Further research led to the development of a business model in which, in addition to cooperatives, mutual enterprise business was included (Mazzarol, Clark, Reboud & Limnios, 2018). The concept of Co-operative Mutual Enterprises (CME) helps to unite the otherwise disparate co-operatives and mutual enterprise sectors (Yeo, 2002).

It has started to be used more in academic and industry circles (Ridley-Duff, 2012; 2015). However, despite the potential value of the CME to economic development, relatively little attention has been given to a systematic analysis of the business model structure that underlies this type of organization. There is a gap in the literature associated with the design of the CME business model, and in particular the attributes of potential value (Mazzarol, Clark, Reboud & Limnios, 2018). Today, mutual enterprises remain a significant part of the national economy of most countries. For instance, in Europe it was estimated that mutual enterprises provide health and financial services to

**Table 1. The Business Models of the Co-operative and Investor Owned Firm**

Key Business Model Elements	Investor Owned Firm	Co-operative
Identifying purpose	Focusing mission on outcomes for investors	Embedding mission and co-operative principles to meet member needs
Articulating the value proposition	Satisfying customer needs & maximise shareholder returns	Maximising member benefits
Identifying the market segments	Targeting most lucrative opportunities	Targeting areas of greatest member need
Defining the value chain configuration	Suppliers & customers are outsiders to the firm	Suppliers & customers are owner-members of firm
Estimating cost & profit potential	Reducing supplier costs & premium price customers	Offering higher prices to suppliers & lower prices to customers
Defining position within the value chain	Blocking substitution threats & forming strategic partnerships with complementary actors	Blocking substitution threats & forming strategic partnerships within the co-op membership
Formulating a competitive strategy	Exploiting future opportunities with existing resources	Offering members best value

Source: Mazzarol, Limnios & Reboud, 2011.

around 230 million members and policy holders, employ around 350,000 people and underwrite about 180 billion insurance premiums (Grijpstra, Broek & Plooi, 2011). Such a significant role of social enterprises is also confirmed by later studies (Bretos, Diaz-Foncea & Marcuello, 2018).

While CMEs share many characteristics, they also share certain differentiating characteristics, which are reflected in the definitions of these companies. Founded in 1895 in London, The International Co-operative Alliance (ICA), acting as the global governor of the Declaration of Cooperative Identity, defines a cooperative as an autonomous association of people who voluntarily associate to achieve a common economic and social goal and to meet cultural needs and aspirations through shared and a democratically controlled enterprise. However, this definition does not fully reflect the nature of a joint venture (e.g., insurance companies, mutual companies, building societies, credit unions and friendly cooperatives), which are not cooperatives and have traditionally not adopted those rules (Birchall, 2014). It is difficult to find a universal definition of a "joint venture". The European Union defines it as:

Voluntary groups of persons (natural or legal) whose purpose is primarily to meet the needs of their members and not to achieve a return on investment, which operate in accordance with the principles of solidarity between members and where members participate in business management (after: Grijpstra, Broek & Plooi, 2011, p. 14).

Despite the differences between mutual enterprises and cooperatives, the key features and principles that define both forms of enterprise have much in common, including free membership, democratic governance, and limited profit sharing. The profit of a mutual enterprise can be shared among the owners/members, usually as discounts or special offers. Nonetheless, the main part of the company's profit is invested to improve services, finance the development of the business, or to increase its own funds (Archambault, 2009).

Mazzarol, Clark, Reboud and Liminos developed the structure of CMEs business model. Analogically to the traditional business model, it contains 9 elements, from which only 3 — value proposition, key resources, key activities — are similar.

The analysis of the CME business model suggested that its structure should focus on 3 main pillars: "the goal", "MVP," and "structure of shares". It is different from IOF business model in terms of strategic meaning of "the goal" which should refer to economic as well as social goals. While both CME and IOF models are centred around creating value, CME business model concentrates more on the members than on the clients and treats the cooperative members as patrons, investors, owners, and achievers of a cooperative's common goal.

The CME is not a solution to all economic or social problems, and it does not replace the IOF business model. It is also a complex enterprise to manage due to the hybrid nature of its strategic purpose, and the democratic nature of its governance. Certainly, it is an alternative for the capitalistic way of producing consumption. CMEs business model, however, in some cases, was a barrier in adjusting to market changes (Birchall, 2014).

## Research methodology

The history of cooperative enterprises in Poland dates to the middle of 19th century. A lot of cooperatives created back then survived till modern times despite the loss of statehood in Poland and many economically and socially tough years of communism after 1945. In the case of Poland one can distinguish two periods of market economy. The first period, 1918–1938 was characterized by the flourishing of the cooperative movement and economic policy concentrated on accumulation of capital through creating cooperatives. The second period of market economy starts in 1989, when the transformation of the central economy into a free market started. The above-mentioned periods of free market domination are divided by a period of communism, when the private and cooperative property was appropriated by the government (Mazur & Zimnoch, 2017).

This event affected the image of the cooperatives, which are currently widely connotated with the previous political system. In a lot of cases, after the fall of communism, members appropriated the cooperative property (Zimnoch & Mazur, 2018). Very promising for the cooperative business model in Poland are the new EU directives and the social cooperatives created in Poland since 2006. It is important to note, however, that the law regarding other types of cooperatives hasn't changed. It is still the law dating to the central economy period. It is the reason why the cooperative branch in Poland is drastically diminishing. In the years 2007–2018 the total number of cooperatives decreased by 36%.

The aim of this study is to prove that the cooperative business model is functioning well on the market, both in terms of its social and economic functions. Achieving the aim of this study demands an analysis of the cooperative and commercial enterprises functioning on the market. It is assumed that this aim will be achieved if proven that the enterprises realizing the cooperative businesses are amongst the biggest enterprises in Poland and the division of the profit generated by them is beneficial for the stakeholders — both

members and employees. The realization of this study is two-fold.

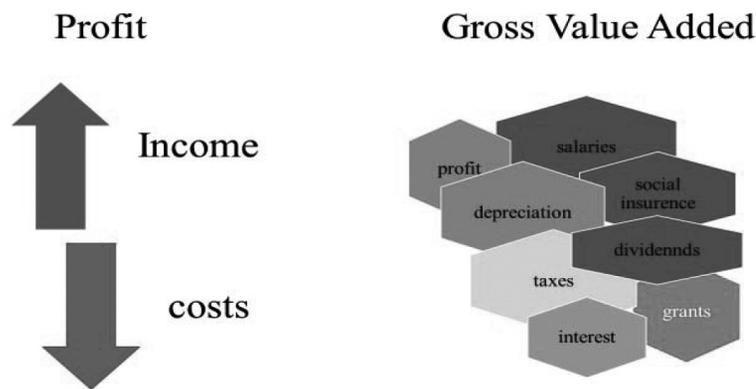
In the first research part an analysis of CMEs in the biggest taxpayers in Poland was performed. Cooperatives, as legal entities, submit tax returns. The Public Information Bulletin publishes the data of the taxpayers whose revenue value exceeds 50 mln euros. The Ministry of Finances publishes the data of the revenue, costs, income, losses and the tax paid since 2012.

The currently published list is called the list of the largest taxpayers in Poland. The author's previous experience in researching social enterprises prompted the use of these "hard financial data" to analyze the application of the CMEs model. The goals and values declared in documents and on the websites of enterprises always refer to the positive, currently applicable

study were based on the method of analyzing financial documents available on the governmental platforms of the Ministry of Finance and the National Court Register (KRS). Excel 2016 programs and applications for compiling and reading e-KRS financial statements were used.

Reflecting the hybrid nature of the CME, the business model framework seeks to map both economic and social performance through the generation of both economic and social capital outcomes (Novkovic, 2008). Therefore, both specific estimated cost & profit potential. In case of CMEs it is "offering higher prices to suppliers & lower prices to customers", and for IOFs it is "reducing supplier costs & targeting premium price customers." Referring to the business decisions in Table 1, in IOFs a "cost guillotine" is indicated and a "slice of benefits" in CMEs, as presented in Figure 1.

**Figure 1. Estimating cost & profit potential for IOFs and CMEs**



Source: own calculations based on e-KRS.

paradigms of social responsibility and sustainable development (Zimnoch & Mazur, 2017). The amount of income earned, and taxes paid are not declarations, but facts confirming the coexistence of the CMEs business model on the Polish market. The list published by the Ministry of Finance of includes joint-stock companies, limited liability companies, banks, investment funds, mutual insurance companies, universities conducting business activities, foundations, and hospitals. Generally, it includes all the taxpayers of corporate income tax (CIT). The idea for such a methodology results from the statement that the company as an entity paying tax is socially responsible and contributes to the sustainable development.

The second part of the research is an analysis of the relation of revenues and costs as well as the structure of added value in CMEs compared to other entities from the list with a similar level of revenues. In this part of the study, the results presented in the financial statements of selected companies, were analyzed. Both elements of the

The measure and criterion for the evaluation of the results of cooperative enterprises are positive economic effects in the form of gross value added (GVA). This measure is broader than the profit by additional components of interest to members and employees (salaries, social insurance contributions, dividends). Thus the largest group of stakeholders (Zimnoch & Mazur, 2018).

## **Results — Profits, economic and social performance CMEs in Poland — the main findings**

The presence of CMEs among the largest taxpayers in Poland confirms the economic effectiveness of this business model under market conditions. Taxes are paid based on income, so if CMEs pay taxes, they make a profit, thus meet the economic criteria of the market as commercial entities.

In the first part of the study, CMEs entities were selected from the lists of the largest taxpayers in Poland. On each of the eight lists (from 2012 to 2019) of taxpayers with revenues exceeding 50 million euros, there were between 2 and 3 thousand companies representing various industries in Poland. CMEs accounted for less than 2%. In the last two years, among 2.717 and 2.801 entities in total there were 44–45 CMEs. These were mainly cooperative banks, mutual insurance companies, dairy cooperatives, food cooperatives, labor cooperatives, housing cooperatives, and agricultural cooperatives, as presented in Table 2.

Over the years 2012–2019, the number of CMEs entities among the largest taxpayers in Poland increased systematically. Individual entities have stabilized their position. Especially since 2016, there has been a significant increase in the number of CMEs entities. In 2016, there were 28 of them, and in 2017 as many as 41. The reason for the increase in the number of enterprises based on a cooperative business model and earning revenues over 50 million euros was beneficial economic situation in Poland. CME entities were able to take advantage of the favorable macroeconomic conditions and stabilized their position on the market. Dairy cooperatives have a particularly stable position here, but also the strengthening of cooperative banks and mutual insurance companies, which compete with commercial entities in the banking and financial sectors, is visible. In the analyzed period, two food cooperatives PSS "Społem" and one housing cooperative found their place in the ranking. In 2018, one manufacturing cooperative and one from the fuel sector also appeared among the largest taxpayers. This proves the great potential of the cooperative business model and the possibility of

effective implementation of this model in an increasing number of enterprises.

The second layer of the study compares the economic performance of CMEs and commercial enterprises in each industry. Representing the trade industry is PSS Społem in Białystok and Jeronimo Martins S.A., and representing the banking sector — BS Ostrów Mazowiecka and Bank BGŻ BNP Paribas S.A., representing the dairy sector is the District Dairy Cooperative in Gostyń and Polmlek Raciąż sp. In this part of the study, the financial statements of the afore-mentioned companies were analyzed. Their internal content was examined in terms of participation of members, employees, local and state budgets in the GVA. The e-KRS platform, where companies submit their reports, was used for this purpose. Graphical results are presented in Figures 2–7. In the case of cooperatives in the commercial sector, the share of employees by salaries and social insurance is 83.46%, the share of cooperatives by profit is 5.90%, by amortization 7.54%, and the budget is by taxes 3.1% (Figure 2). In comparison, in a commercial company in this industry, the share of employees by wages and social security is 46.97%, the share of cooperatives by profit is 28.07%, by amortization — 13.37%, and the budget is by taxes — 11.6% (Figure 3).

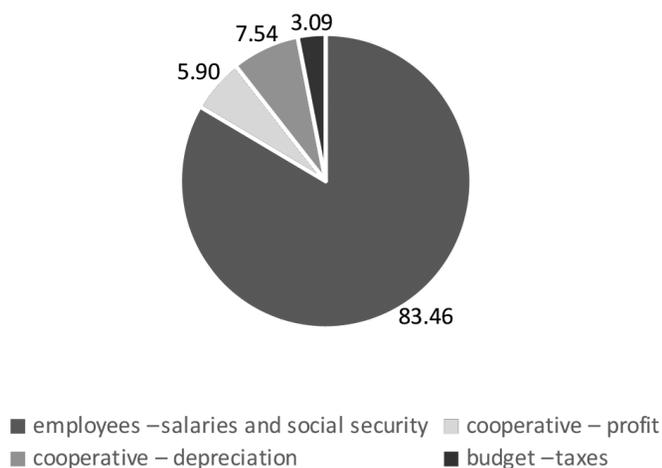
Also, in the case of enterprises from the dairy industry, the distribution of the added value from the point of view of employees and members is more favourable in cooperative enterprises. Their share of GVA in value added is over 76% while in commercial enterprises employees use 62% of GVA. A significant difference can also be seen in the proportion of profit to GVA. In commercial enterprises it is over 20%, and in CMEs — 2% (Figures 4 and 5).

**Table 2. CBM entities among the largest taxpayers in Poland in 2012- 2019**

Year	Total number of taxpayers	The number of CBM entities								
		total	dairy	banks	insurance	food	housing	labor	agricultural	other
2019	2801	44	19	15	5	2	0	1	1	1
2018	2717	45	19	16	5	1	1	1	1	1
2017	2516	41	21	12	5	1	1	0	1	0
2016	2343	28	16	5	5	1	1	0	0	0
2015	2244	23	15	2	4	1	1	0	0	0
2014	2095	24	17	2	3	1	1	0	0	0
2013	1989	24	17	1	4	1	1	0	0	0
2012	1758	26	16	3	4	1	1	0	0	0

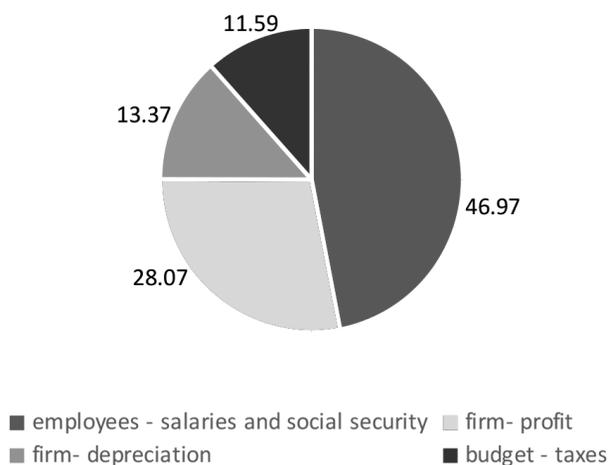
Source: own study based on Ministerstwo Finansów, <https://www.gov.pl/web/finanse/indywidualne-dane-podatnikow-cit>

**Figure 2. Structure of the value added in PSS Spolem**



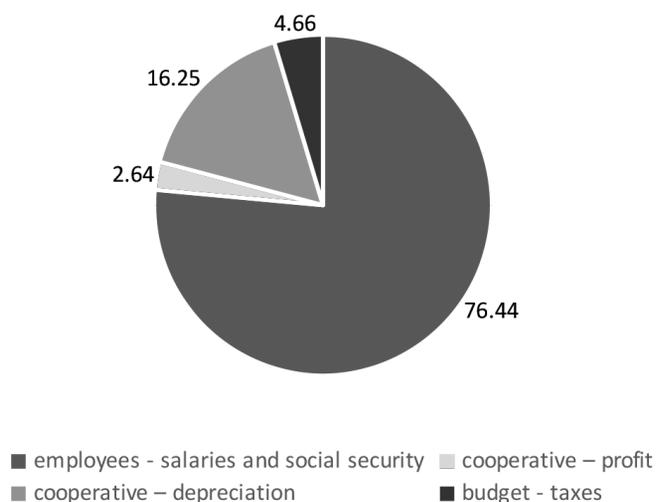
Source: own calculations based on e-KRS.

**Figure 3. Structure of value added in Jeronimo Martins Polska S.A.**



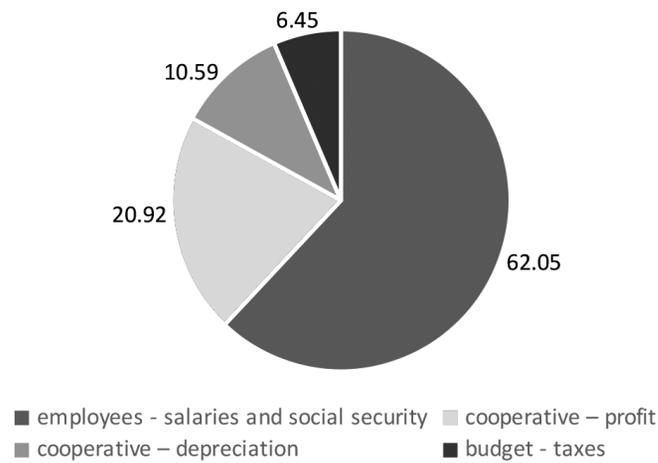
Source: own calculations based on e-KRS.

**Figure 4. Structure of the value added in MS Gostyń**



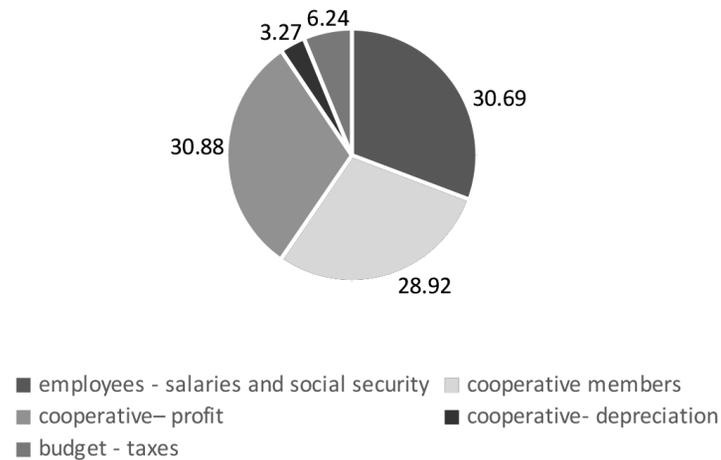
Source: own calculations based on e-KRS.

**Figure 5. Structure of value added in Polmlek Raciąż spółka z o.o.**



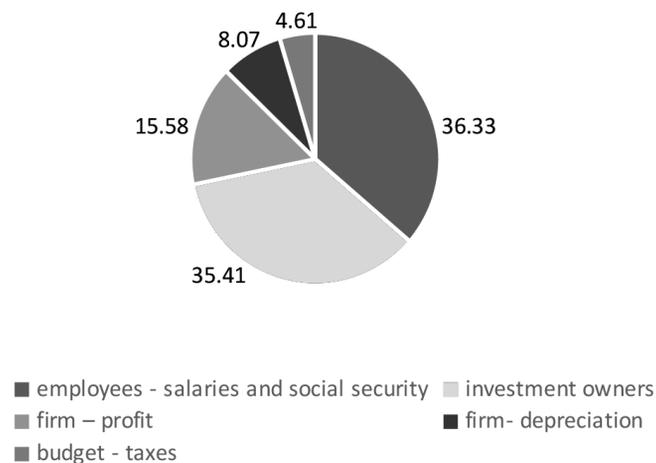
Source: own calculations based on e-KRS.

**Figure 6. Structure of value added in Bank Spółdzielczy in Ostrów Mazowiecka**



Source: own calculations based on e-KRS.

**Figure 7. Structure of value added in Bank BGŻ BPN Paribas S.A.**



Source: own calculations based on e-KRS.

Regarding the third group of compared enterprises, the analysis of the structure of the value added of banks does not show such significant differences in the share of individual groups in the use of the added value. It is worth emphasizing that in this case the difference concerns deposit holders treated differently in both forms of banks. In the case of cooperative banks, they are usually also members of the cooperative. Therefore, if we consider their merger as entitled to dividend members of the cooperative with working members of the bank, their share is almost 60%. In commercial banks, on the other hand, customers who place their money are only investors — owners of deposits. Their share in value added in the analysed bank was 35% (Figures 6 and 7).

The results of the study confirmed the thesis that the economic results of CMEs were not lower than those of commercial enterprises. This was proved by the first level of the study showing the presence of cooperatives among the largest taxpayers in Poland. On the other hand, the study of the GVA structure showed the superiority of the social efficiency of CMEs through a more even structure of the distribution of the value generated and a much wider circle of participants.

Further research ideas include further research on CMEs, as those, like SMEs, face similar barriers in their development. Globalization deprives them of their place on the market. It is also worth exploring the GVA structure in the light of the stakeholder theory.

## Conclusions

The trend of CMEs shrinkage in Poland, emphasized in the research, cannot be interpreted as pointing to CBM as ineffective. It cannot deny the very essence of this model. The results of the

study confirmed that CMEs entities coexist on the market with commercial entities, including those that achieve the highest turnover in the Polish economy, contributing to its development.

This proves that the philosophy of the cooperative's operation, its business model, is economically and socially useful in the conditions of a market economy. Cooperatives are among the largest taxpayers in the Polish economy. Moreover, enterprises based on a cooperative business model meet social needs better than commercial enterprises. This is confirmed by the comparison of the use of the value created by individual groups of stakeholders. In CBM, the GVA usage structure ensures greater participation of members, employees, and the local community (local and state budgets) than is the case of commercial enterprises.

Even though there are elements in CBM that in combination with the commercial model seem irrational, this irrationality concerns a short-term view of the functioning of the enterprise. In the long term, CBM following the principle "buy more, sell cheaper" and accepting that profit maximization is not the main goal, allows for accumulating resources, stabilizing, and strengthening the market.

In the light of the literature analysis on business models, the main elements of CBM appear to be opposed to the business model of commercial enterprises, for instance maximizing members' benefits versus maximizing profit. The results of empirical research confirmed the value of CBM for economic social development. Further research on the issue of economic performance and the level of impact on the social welfare of companies representing other models is recommended. Further research could concern barriers to SME's development in the conditions of globalization, which, similarly to CME, deprives them of their place on the market.

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