

THE POSITION OF A SOCIAL ECONOMY IN THE CZECH REPUBLIC AT PRESENT

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SOCIAL ECONOMY PHENOMENON

The phenomenon of a *social economy* is relatively new in the Czech Republic. Its concept is still not easily acceptable here because of its political context. It seems to be related to the past period; centrally planned economy was a socialistic one. We need to recognise that the substance of social economy is a little different. Our understanding relates on promotion of civil democracy in decision-making process and citizen's empowerment coming back to market economy. It is a problem of a transition from an universal social state to «social mix», and from wide state power to svelte one.

It holds true that social economy is being recognised in the Czech Republic and alive, though an idea of social economy isn't still established in our consciousness. Anyway, it could be interesting to remember the Czech economist Macek (1947) when he spoke about «social economy» meaning the co-operative movement and its role and functions in our society and economy. The Czech tradition of rich flourished social, solidarity, democratic, and participative economy was interrupted after 1938, but is not in a good condition till now.

2006 is the first year of public and political true interest if this theme is being dropped into the Czech National Plan of Development for 2007-2014.

The question is «What is it a Social Economy»? To speak about this phenomenon it is necessary to define it at first. We can perceive it **as civil economy with a social affects or private economic activities supporting a social**

capital (being «an economy for peoples», not «peoples for an economy»). Social economy embraces voluntary solidarity on horizontal level as well as self-governed, formalised, and optional civil activities. Key words could be **civil, solidarity, responsibility and truth**. Social economy is usually observed in relation to (welfare) public politics of development and partnership, notably of the EU concepts.

Social economy means:

- (1) (Civil) economy with social affects (participative economy; Thomas Bata's phenomenon - for example)
- (2) Or private economy with positive social externalities supporting employment, social cohesion, and regional development (democratic economy — it means an employee ownership, mutual self-help symmetry or co-operations, and self-employment)
- (3) Or formal private non-profit activities (notably foundations, associations and symmetries, which participate on social welfare and social service furnishing)
- (4) Or, extremely and for understand the sphere of welfare in CEE countries, plus public association of property arranged for social services delivery in the system of state welfare (Governmental service agency).

Participative, democratic, co-operative and solidarity economy is undeveloped in the Czech Republic at present, because of unfriendly and insufficient law and politics. There seems to be a lack of civil direct democracy that was lost during the last half century of communists' totality, and has been missing till now. We can hardly understand the phenomenon of SE as the Czech co-operatives are too far from co-operative identity (ICA, 1995). Entering the European Union, there is a new chance and challenge for the Czech democratic economy now.

In a historical context it seems, the Czech reality needs to highlight some other traits of social economy phenomenon to understand it and to develop it within **civil** society and economy.

This lecture is based on a research made at the University in Ústí nad Labem during the last five years. The first research was based on the topic «Civil society as a phenomenon of a social and regional development», which finished this year. The other one is author's doctoral work of «Analyses of co-operative position in transitive economy», espoused in 2003. Besides of that there are some student's works concerning cognate themes, in which some other study cases have carried out. The author is also participating at some present

European research programmes, as EMES, IRSPM, CIRIEC, and others in the CR (in field of public administration, co-operatives, and NGO's).

This research lines up a map of co-operative bodies in the Czech Republic and abroad. It provides a clear picture of co-operative nature, activities, abilities, and it defines their role in period of transition. The operational field of co-operative bodies was found out at the border of non-profit/commercial sector, within the non-for-profit feature. Here is an area of their fluctuation with the extremes in public, commercial and communities sector, see «Pestoff welfare triangle» scheme¹, below.

This research discovers the role of mutual self-help symmetries and other bodies in social economy, during the time of transition especially. These symmetries serve as *the school of democracy, school of small business, humanity tool of globalisation, and a bearer of moral*. These non-profit bodies could be a partner of public administration to provide welfare functions and maybe to save public finance.

We can agree that: «*The cultural appeal of co-operatives and mutual bodies to European researcher is found in the fact that they practice the direct grass-roots economic democracy*» with V.A.Pestoff (1995). We can also agree with authors of the International Joint Project on Co-operative Democracy, when they say: «*If we aim at citizens seeking co-operation, however, we must recognize the limits to the role of the public sector and the private sector and explain the role of the social sector ... It cannot be formed and function solely through representative democracy. ... The present can be seen as a period of transition ... to a different or new society... based on the initiative of individual citizens in their communities*»².

In this view, the position of the Czech social economy today could be demonstrated by the position of the Czech co-operatives in general. Co-ops have lost their mutuality, binary, self-help, and autonomy by becoming only an entity of production after 1948, and again after 1991 — they became only «members' owned enterprises» within the Czech Commerce Code. No specific co-operative law exists now in the Czech Republic, in that way co-ops are not able to play their full role in field of work and social integration. Co-ops

¹ PESTOFF, V.A.: *Reforming social services in central and eastern Europe — an eleven nation overview*, Krakow Academy of Economics, Krakow, 1995, p. 53.

² *Making membership meaningful: Participatory Democracy in Co-operatives*, Centre for the Study of Co-operatives, University of Saskatchewan, 1995, p.8-15.

cannot build citizens' solidarity capital and support citizens' independency and responsibility. It is true, some other types of NGO's and enterprises adopt co-op's social role in the Czech Republic today.

Unfortunately, our economists don't recognise «capital employed by work» and «non-risk capital». Politicians don't understand mutuality, self-help and solidarity in sharing ideas.

After 1989, a great deal of state welfare has gone back to public to be enforced through municipality and state agencies, and some part came to the market within transition time. Market economy revived via privatisation and the development of civil society started. Nevertheless, the development of civil society seems not to be harmonious because many social functions still remain under public administration. It seems that the area of citizen initiative remains too narrow, and culture of dependence remains too high.

Nevertheless, non-government - non-profit (third or civil mix) sector has grown stronger during last 15 years. Recently, the co-operatives slowly assume a new position within both social economy and civil society thanks to the support of the European Commission.

Some specifics of above mentioned phenomenon and Czech social enterprise would be presented hereafter.

SOCIAL ECONOMY - AN ECONOMIC AND SOCIAL ACTIVITY OF A CIVIL SECTOR

As it was said before, the social economy is defined as an economy with a social impact. It means, that the economy supports employment, social cohesion and regional development. The core of a social economy lies in the private non-profit and formal sector, and it coincides with the functional civil society on one hand and with a partnership of this public and the private sector on the other hand. It is then a parameter of such economy that comes out from private activities. For its own effects it is supported by governmental by legislation and often by public finances policies (after the Lisboan summit). The governments appreciate these activity, namely as an independent alternative to government policies, that saves public finances, or as if it enhances their effect.

Non-governmental non-profit bodies (associations, foundations and symmetries) are usually perceived as a core of the civil sector so as the core of social economy. In principle they are **autonomy** to government and their existence and membership is **voluntary**.

They are the comparative advantage of the social economy subjects a before mentioned autonomy, voluntary, solidarity, some philanthropy, and also aim to other benefits than the profit, citizens' activities wake up, trust strengthen, weakening of information asymmetries'.

It was said before, the social economy is recognize to be an area of private activities with social affects, and supported by governments in a framework of public policies within a public interest. The social economy then helps build **social capital** with *some consequential multiplication effects* on the economic and social development. On the contrary, if the **governmental support** towards the social economy subjects exceeds some limit, it is necessary to count with some risks. The governments tend to restrict these subjects in their self-governance, autonomy and voluntarily in order to control the use of the invested public finances. If the civil society is not developed enough, the public subsidies lead to wastage of identity of mentioned subjects or to change of their status. It is necessary to say that the dependence on public finances may weaken the autonomous citizens' initiatives and in the end any overall effect may be quite different than the expected one³. It was noted also by the International Cooperative alliance (ICA - Asian-Pacific branch) within its study on reasons of failure about the implementation of policies towards the co-operative development as a factor, which could strength Asian country prosperity⁴.

Above-mentioned problem is known as a peril of welfare state, but also of too high and strong power of politics and public administrative. It is most important question about social economy living is to develop the **grass-root civil democracy** as **democratic economy**, meaning the development of civil economy and self-respecting civil society.

Moreover, the influence of the market and its supplier-side monopoly can weak any successful development of civil society. No doubt, the best customer is a very individual body without any responsibility to itself, its community, and future. United power of market and public administrative or politicians, which demonstrates on level of corruption, could be a peril of any post-totalitarian country in central and east Europe.

We can remember some intolerance to the autonomy of the civil sector by paternally oriented governments of during the both stages of the development, after

³ This affects are also remarked by STIGLITZ, J. E. (*Economy of public sector*, 1995).

⁴ PAEZ,C.C.: The legislative rhetoric limited and unlimited: *Problems of Co-operative law in Asia-Pacific region* — in: International conference on legislation, DAČR Prague, 2000.

1945 as well as 1990, though in other form. This disturbance of the autonomy has some impact even today by losing an experience with a direct civil democracy including economy democracy. The self-help is underestimated and even oppressed to favor a preferred market or public administration. The Czech legal framework doesn't support NGO's, and for co-operatives it is insufficient. Sharing practices of voluntary horizontal solidarity have not enough room and means.

Sweden economist V.A. Pestoff (1995) suggested that an insufficient decentralization of welfare power and functions of a totalitarian state during its transformation may lead to recidivate the central power. The transfer of responsibilities should go all the way down to civil structures, if they exist. Holding welfare should stay at regional or local administration level only in an exceptional case.

It is possible to state today that the decentralization in the CR (2000) went primarily down to regional and local administrative that furnish majority of welfare through their own Governmental service agency. If some welfare were taken over, it happened via the transfer to the market sector, where only a small portion was overtaken by NGO's (Association of Common Benefits notably). Therefore, the most of NGO's was founded in quasi-market gaps to serve areas, that were not served by the state welfare before, nor now (homeless care, re-socialize for drug users, etc.).

Table: Development of Non-state* Non-profit Organizations in the CR in 2001 - 2003

	2001	2002	2003
The overall number of NGO's:	48 885	54 895	57 946
Out of that: Association of citizens **	47 101	46 151	50 972
Religious facilities	not counted	4 810	4 941
Association of Common Benefits	701	707	849
Foundations	299	328	346
Granting foundations	784	786	856
Excluded: Governmental Service Agencies	4 000 c	not available	not available

*) In a view of «Pestoff welfare triangle» there a regional and local government with its agencies is understand within the (Third) Civil Mix sector. The «Non-state» better precise the meaning into this concept.

***) Estimated 30% of all is not functioning, circa 80% of all are involved in leisure activities. Further, circa 1/3 NGOs is active on a local, 1/3 on regional and 1/3 state level.

Source: KRÁLOVÁ, A.: *Financing tools to control NGO ...* DW - FSE UJEP Ústí nad Labem, 2004 (www.neziskovky.cz)

Table: Associations of Interest (contrary to Association of Capital)

Type of body	Czech legal form	Type of relationship
Association of members	Association of Citizens (1)	Association*
	Association of Citizens (2)	Mutual promoting symmetry
	Association of Interest	Mutual promoting symmetry
	Professional chambers	Mutual promoting symmetry
	Assoc. municipalities («micro-region»)	Mutual self-help symmetry
Association of property	Association of Common Benefits	Association
	Foundation	Foundation
	Granting foundation	Foundation
	Governmental Service Agency**	(<i>govern. social enterprise</i>)
Association of territory	<i>Municipality and region**</i>	(Mutual self-help symmetry)
Association of members and property	Association of Citizens (3)	Mutual promoting symmetry
	<i>Co-operative***</i>	(Mutual self-help symmetry)

*) An association as a type of relationship means a body associated to public finance (Pestoff, 1995).

***) The public sector body.

****) The commerce sector body (within the Czech Commerce Code).

Source: HUNČOVÁ, M.: *Analyses of co-operative position in transitive economy*, DDW - ESF MU Brno, 2003

SOME THEORETICAL ISSUES OF CO-OPERATIVE AS A SOCIAL ENTERPRISE

European researches take co-operatives to be a core of social economy because of economic, social and cultural relief serves to members and their communities. Co-operative members on the principle of mutual self-help produce this welfare through their enterprise, which is founded to aim the benefit of foundation. Members control their business democratically. In this way a co-operative is the *binary* mutual self-help subject - it means it is the symmetry. Co-operative is an association of citizens and its enterprise. This voluntary citizen's initiative is autonomous to government.

The origin of co-operative *non-for-profitness* come by combine of producing factors - «capital employed by work», respectively «**capital employed**

by associated work». The income of co-op is counted as a not «profit», because of «**the revenue of a work is a wage**» contrary to «**the revenue of capital is a profit**». Moreover the co-ops surplus is not divided to owners, but feed to funds and to development. The capital being employed by work is **non-risk capital**. Non-profitness is also sustained by the capital leasing and the work reward (work's dividend) which are counted into costs, optimised by market exchange.

Public benefit of co-operatives is check from positive externalities, produced by co-operative activity, which support employment, social cohesion and regional development. Co-op could be identified as the **social enterprise**, if it produces social services (social care), especially a care about peoples threatened by social exclusion.

It is notable, the present Czech co-operative very deflect non-profit bodies mentioned above. There is a lack of separate co-operative law and co-operatives lost their non-profitness and public benefit status. The Commerce Code assumes any co-operative is an open enterprise governed by members within its by-law. The Tax Code assumes any co-operative is founded for profit, even building co-operatives.

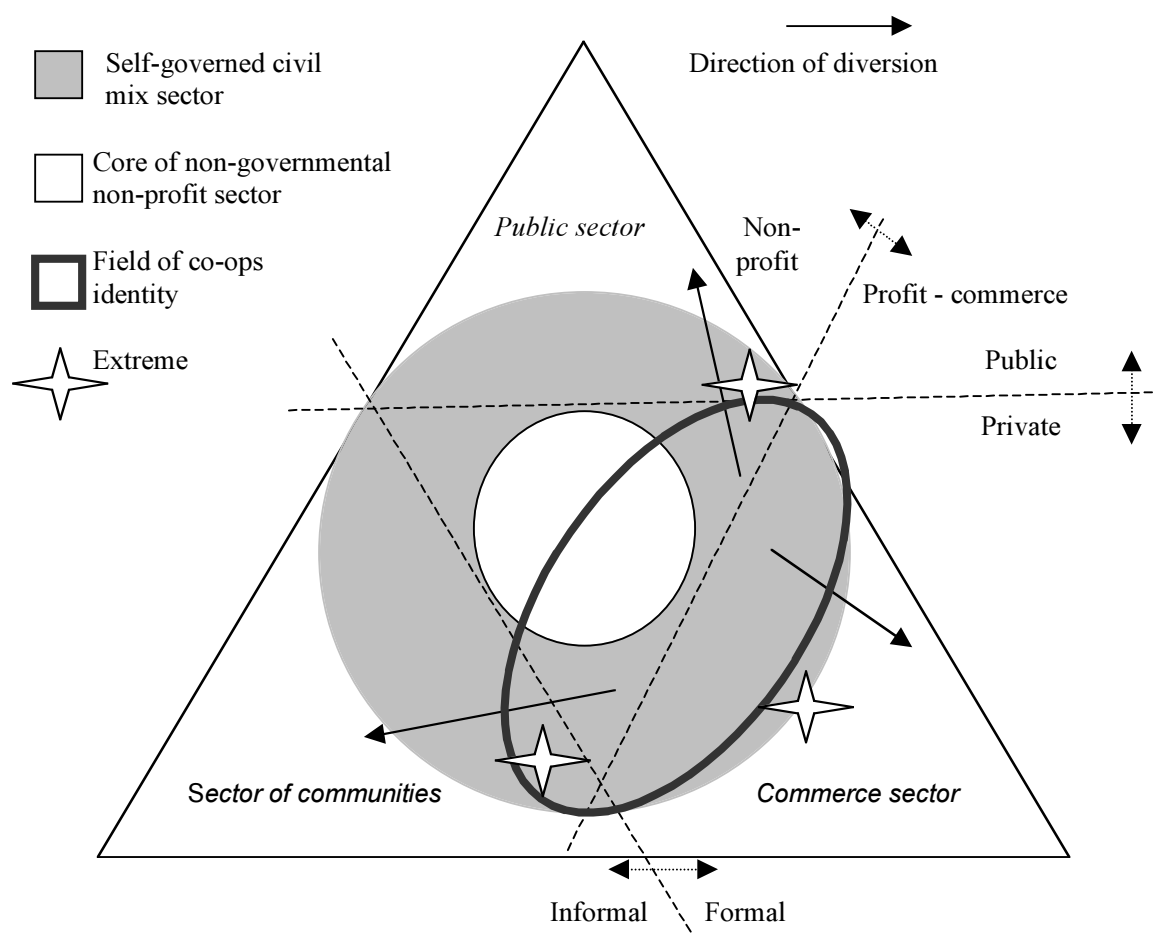
Some figures about the Czech co-operatives are in addendum of this lecture.

RESEARCH OF THE CO-OPERATIVE PHENOMENON IN DETAILS

The first step of research, approached above in brief, was a bibliographic search to define the co-operative phenomenon and make some operational definitions. Some differences between Czech co-operatives and other were distinctly indicated.

As a second step, a co-operative body was examined through a theory of public economics and thesis of public and common goods. The Pestoff «welfare mix triangle» schema was used to determinate the position of co-operative body within socio-economic space in a general view and to determinate co-operatives' own operational field together with the area of their fluctuations. Co-operative identity declaration ICA 1995 was used as the international standard of authentic co-operatives to set the benchmark of the Czech co-operative reality. World wide ongoing debates about a co-operative legislation have currently helped to understand some limits of «co-operative» law in the Czech Republic.

Scheme: Field of co-ops identity within the civil mix sector and the trend of its diversion



Source: Created «Pestoff Welfare Mix Triangle»

This research lays down a map as of co-operative bodies in the Czech Republic, as in abroad. It provides a clear picture of co-operatives nature, activities, abilities, and about their role in period of transition.

There are three interfaces in above triangle. The first line divides: Non-profit/Commercial sector; second: Public/Private one; and the third: Formal/Informal sector. There are three sectors in the corners: Commercial, Public and Community plus a Third (Non-governmental Non-profit) sector in the middle.

The Third Sector of European provenience includes not only NGO's, but also many bodies that are heterogeneous in their activities and relationship. Their Common attribute is self-governing of «associations and symmetries of interest». It is «Self-governed civil mix sector», depicted like a circle inside a welfare triangle.

The authentic co-operative is both an association and its enterprise, which is active within international co-operative standards of identity (ICA 1995). An

authentic co-operative is a *binary non-profit subject*. It is *mutual self-help symmetry of interests*. It is a nature of co-operatives they usually produce *socially positive externalities*. Co-ops are an element of a *democratic economy*; the vehicle is a *civil direct democracy*. Co-op is (a little) *business controlled democratically by co-operative members*, and its *capital is employed by work*. In this binary dimension there are both a power and a weakness of co-operative.

The nature operational field of co-operative identity and activity is on a board of profit/commercial sectors because of its duality.

Co-operatives fluctuate into their operational field and can tend to go to the *extremes*:

- (1) When a co-operative body diverts to commerce sector too far, it tends to change its legal form to become a company and *lose its mutuality and self-help dimension*.

It means a co-operative forced by market competition tends to change its position towards the market sector. Co-op members can lose their mutuality through co-op management which position grows stronger. Co-op property tends to become a capital and the co-op has a tendency to change its form to become a company.

To safeguard co-operative identity and social role of co-operatives, it is necessary to protect its mutuality and non-risk capital by law. Co-operatives could give the market a human dimension.

- (2) When co-operative body diverts into public sector too far, it tends to lose its *autonomy and voluntary character*. It can happen when a co-operative is used as a tool by social policy and co-operative autonomy and voluntarily is not preserved enough - it is a peril because increasing of potential of corruption in any welfare (social) state.

It means some co-operatives being supported by public social policies and public finances can lose their autonomy and voluntary principles and fall into public sector became a near quasi-public agency, in extreme.

Such co-ops are not able to play their role and a pro-corruption environment can get stronger in those conditions. It is why co-ops are allowed to be feed by public finance only for establish them, or by fiscal exemptions harmless.

- (3) When co-operative body diverts into community sector too far, it can meet there with a crisis of this sector. But a co-op is here within its au-

thentic area because of co-operative mutuality and self-help grass roots.

It could be remarkable, that the operational field of the social co-op overlap to the sector of communities very naturally.

Co-operative body is usually active in two forms:

- «**Workers' co-operative**» could be an authentic co-op with its capital managed by work. Members of this co-op are both, employee and employer (and sometimes consumers too). These co-ops usually bring work to their members or produce some products or services to *ensure employment* for its members. Interest of members is an economic, social or cultural assistance for themselves, their families and their communities, but *employment* is the primary interest and benefit of mutuality. Consumption of any co-operative product or service by members and their families and communities is an additional and a side-benefit in this case.
- «**Customer's co-operative**» could be an authentic co-op with its capital managed by work. Members of this type of co-operative could be both, a customer and producer. Members can simultaneously stay in employment positions. Interest and benefit of members is usually *economic, social or cultural assistance for themselves, their families and their communities*. Their benefit could consist of a bargain of foodstuff good and other daily products (consumer co-op and producer co-op), bargain of services good (service co-ops, *social co-ops*⁵) or cheaper interests (credits unions and saving co-ops), competitiveness (traders, stocks and sales co-ops) or quality and easy-to-get housing (housing co-ops), etc.

Social co-op is a customer's one.

THE HISTORICAL CONTEXT OF CO-OPERATIVES, 'THE CZECH ONE ESPECIALLY

It is historical context what is useful to understand about position of the Czech co-operative and social economy. Historically, a new combine of productive factors has been detected by co-operatives in a half of nineteenth century firstly as an answer to market failure - **on micro level**, when capital is con-

⁵ Social co-operatives mean supporting health services, daily assistance services, services for excluded (handicapped) people, etc.

trolled by associated work. Co-operative solved chiefly unemployment on the West and a lack of small farms and manufactures financing in the Middle and East of Europe.

Co-operatives and their nets flourished before **1938** in area of the Czech Republic as well as in other European countries in that time, the Austrian co-operatives document this fact till now. After 1938 co-operatives property were «nazificate» or co-ops subordinate to united Alliance in the Protectorate. After the second war the Czechoslovak totalitarian states solved the market failure on **macro level** through a nationalisation of property according to soviet model. Into this centrally planned economy co-operatives seemed to be a little strange «**capitalistic residuum**». Socialistic law deformed co-operatives become only entity of mass production with a specific ownership. Co-ops nearly lost their binarity. For example: The loan co-operatives had been nationalised with their assets and liabilities into the State Saving Bank at 1954, and disappeared. Only the housing co-operatives, became flats administrator, have saved some self-help character when co-operative members built their flats by their hands and state endowment.

A specific (social) character has got the «Co-operatives of Handicapped» established by state at fifties of last century. In agriculture the farmers have been obliged to collect their economy into big units. When non-trivial phenomenon in the end of the Second War was the evacuation of some residents and nationalisation their lands to be state farms, consecutively an archetypal social structures and economy of rural areas has gone to wreck.

After **1990**, new democratically governed state - the power that is, supported by International Monetary Fund,⁶ start transformation of a centrally planed economy to the market through the Czech way of privatisation.

Again it was the co-operatives to be a little strange «**socialistic residuum**» having collective (but non-state) property. Maybe some idea about re-grasp of totalitarian power through co-operatives has appeared⁷, maybe it was the idea of R.A.Dahl (1989)⁸ about impropriety of enterprises control delivering to employees, it is a fact that new politicians didn't will to co-operatives save and revival. Losing autonomy, voluntarily, and mutuality during the totality co-operatives became fragile after 1990, though they have prospered relatively well. Co-operative members felt to be more co-operative employee than to be a

⁶ STIGLITZ, J. E.: *An other way to the market*, OSF Budapest, 2003.

⁷ HÁBA, Z.: *Employment participation — quiet revolution?*, research study of KS»M, 2003 (paper).

⁸ DAHL, R. A.: *Democracy and its critics*, Yale University Press, 1989.

member. Many of them don't consider a membership to be any advantage and was not able to use it.

Co-operatives lost their specific law after 1992 and have fall into group of capital corporations within Commerce Code. Law of (co-operatives) Transformation forced the collective private property to transform into individually private property. Some researches guess the co-operative transform costs have risen to 40% of value of before co-operative property.

Under new press of global market, statesmen, Commerce Code, and Law of Transformation many co-operatives have changed their legal form, and many of them have been tunnelled, including some housing co-ops.

The obligation to sell co-operative flats on any member-occupant request makes big problems to housing co-ops with a flat administration and decision-making, when members - flat non-owners, members - flat owners and non-members owners are in one condominium together. When a block of flats is full of flat-owners, it can divide to the separate unit. The new flat owners after privatisation of co-operative or municipal property, who don't create a new co-operative or other legal form of enterprise voluntarily, they are obliged to create a legal non-profit partnership within a specific Law (politically in order to support flats and houses maintenance). Legislative prepares new acts about social co-operatives and about new co-operative flat building subsidy at present. Not simple is also a position of credit co-ops operating under new legal rules (1995) because under effort to close them or to change they economy and legal form to be banks.

It is possible to continue listing in a rather «sheepish» Czech co-operative legislative framework, of course. In such critic view seems the situation of the Czech co-operatives to be very complicated and wouldn't go to better easily and soon. Only we hope the consideration about the Czech Republic prosperity into European Union political by statesmen gives new chance for co-operatives and social economy after all. The situation seems to be very similar in every post-totalitarian European country, but some differences.

Interesting it is recognisable, that contrary very unfriendly legal framework, politic pressure and identity losing the (Czech) co-operative could demonstrate the vitality of co-operative movement.

Co-operatives not only change their legal form, fragment and are tunnelled, but also often newly arise from transform fermentation. Vitality can demonstrate also the producing Co-operatives of Handicapped being active as a protected workshop thanks to active politics of employment and thanks their executive and managers capability to endure on present market.

Regardless, the Czech co-op is considerable as a social enterprise and a democratic economy.

CONCLUSION

The research demonstrates an inaccurate condition among the Czech co-operative bodies and uncovers the confusion in their present legislature. The Czech authentic co-operatives used the specific law from **1873**, and a revision one from **1903**. After **1948**, the old Co-operative law was abolished and co-operative ownership became to be the socialistic type. The government obstructed the Czech co-operatives once again after **1991**. They lost their mutual and self-help dimension afterwards and almost the binary one, and their social dimension. The private (collective) ownership was obligatory transformed to the (individual) private one. The Czech co-ops remain as an open legal body with bylaw and some democratic principle in control of capital.

The social economy phenomenon and practice is recognised in the present Czech Republic in both its wide and narrow concept. Politics, economists, and researcher learn to understand this phenomenon only now. The very serious step has been done in 2002 as the international conference on topic «Social Economy Enlargement» was held in Prague to be the first activity on that theme in Central and East European countries. This conference has been organised by the European Commission, the CECOP-EST and the Czech Co-operative Alliance. We hope the situation shall go to be better after our accession to Europe Union now. Though the civil direct democracy and a democratic economy are still undeveloped here, and co-operative and NGO's legislature is not friendly, co-operatives have demonstrated their vitality. We can see social enterprises alive and arise beside to governmental service agencies. Special view could be given to social enterprises as protected workshops built by productive co-operatives or other (civil economic) bodies, non-profit ones including. The short case study on a protected workshop of KARKO co-op in Ústí nad Labem will be presented at the lecture.

Résumé: The position of the social economy in the Czech Republic at present. The Social Economy is a new phenomenon in the Czech Republic. It means the economy with its social effects that is being supported within public politics. Some analyses have been done at J.E.Purkyně University in Ústí nad Labem during the last years. The topics of this research were the transformation of public administration, non-profit sector (respectively the civil mix sector), co-operatives, and social enterprises, and it is still ongoing. We can recognize a dual deformation of participative, democratic and social economies in last half of the 20th century in the Czech Republic, but also some development appears after our accession the European Union.

Key words: Social economy, social enterprise, co-operative, protected workshop, welfare triangle, civil society, transformation, public services, and empowerment of citizens

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ADDENDUM**Some figures about the cooperatives in the Czech Republic
(1997, 1998, 2002)⁹**a) As of 31 December **1998:**

	Housing co-operatives	Consumers' co-operatives	Producers' co-operatives	Agricultural co-operatives	Credit co-operatives
Unions and associations	<i>SČMBD</i>	<i>SČMSD</i>	<i>SČMVD</i>	<i>SZDS</i>	<i>ČAZ</i>
Number of co-operatives	1.045	69	402	827	75
Number of members	*	517.657	23.700 and 53 other body by law	*	62.300
Number of employees	*	23.549	34.200	75.979	*

b) As of 31 December **2002:**

Unions and associations	<i>SČMSD</i>	<i>SČMSD SMBD SDLBD</i>	<i>SČMVD</i>	<i>ZDS</i>	<i>ČAZ</i>
Number of co-operatives	764	63	335	698	46
Number of members	*	397.031	14.400 and 40 other body by law	*	14.200
Number of employees	*	17.184	27.500	45.000	*

*) Not monitored.

⁹ Briefing about Czech co-operative movement in 1998, The Czech Co-operative Association, Prague 1999, and Briefing about Czech co-operative movement in 2002, The Czech Co-operative Association, Prague 2003.

1. Housing co-operative system (SČMBD, SMBD, SDLBD)

	1997	1998	2002
Number of members	*	*	*
Number of co-operatives	996 ¹⁰	1.045 ¹¹	1.764
Number of commenced flats	366	363	1.246
Number of flats under construction	756	771	2.195
Number of completed flats	168	152	807
Total number of flats	801.530	718.511	733.851

*) not stated

2. Agricultural co-operative system

	1997	1998	2002
Number of co-operatives	1.011	827	698
Number of workers	89.480	75.979	45.000
Agricultural land in hectares	1.364.000	1.234.455	988.000
Number of member organizations of SZDS*)	1.090	1.020	1.018
including: agricultural co-operatives	795	617	510
joint-stock companies	167	237	456
limited companies	113	126	52
others etc.)	15	40	1349

*) And agricultural enterprises united in Association in it

Consisting of 437 small housing co-operatives created by means of separation of the part of a bigger co-operative or, as a new possibility, by sale of municipal flats and houses — this data are constantly being changed given the privatisation of co-operatives and municipal housing and house-holding property. At the same time, part of newly created co-operatives or societies stays out of Union.

Including 500 small housing co-operatives, likewise.

Out of 75 credit unions in 1998, 38 were members of Association till. 2005.

3. Credit co-operative system¹²

	1997	1998	2002
Number of credit unions	70	75	46
Number of members	25.533	62.300	14.200
Total of deposits (savings) of members in mil. CZK	1.126	4.200	959
Total of provided credits to members in mil. Kč*	372	1.900	576

*Kč ... means CZK

(Notice: Credit cooperatives number is only 21 in 2006).

4. Producers' co-operative system

	1997	1998	2002
Number of members	30.000	23.700	14.400
Number of co-operatives	419	402	335
Number of workers	40.000	34.200	27.500
Number of non co-op bodies	0	53	40
Wage resources	3.940 mil. Kč	3.673 mil. Kč	3.785 mil. Kč
Average monthly earnings in CZK	8.208	9.000	11.500
Economic result	680 mil. Kč	430 mil. Kč	394 mil. Kč
Turnover	21.000 mil. Kč	19.007 mil. Kč	21.100 mil. Kč
Volume of exports	3.900 mil. Kč	3.674 mil. Kč	4.780 mil. Kč
Value added	*	5.758 mil. Kč	5.942 mil. Kč

Consisting of 437 small housing co-operatives created by means of separation of the part of a bigger co-operative or, as a new possibility, by sale of municipal flats and houses — this data are constantly being changed given the privatisation of co-operatives and municipal housing and house-holding property. At the same time, part of newly created co-operatives or societies stays out of Union.

Including 500 small housing co-operatives, likewise.

Out of 75 credit unions in 1998, 38 were members of Association till. 2005.

Apprenticeship education system of producers' co-operatives:

	96/97	97/98	00/01	02/03
Number of apprentices	996	863	297	250
Number of training institutions	31	29	6	5

5. Consumers' co-operative system

	1997	1998	2002
Number of members	555.499	517.657	397.031
Number of co-operatives	69	69	63
Number of employees	24.932	23.549	17.184
Total retail trade turnover in mil. Kc of current prices	27.932	28.866	26.887
Including: total number of shops	27.810	27.735	26.826
Catering establishments	164	131	61
Number of retail shops	4.004	3.834	3.062
Including: supermarkets	49	60	138
Department stores	7	4	3
Shopping centres	170	126	34
Grocery shops	3.060	2.942	2.544
Discount shops	76	90	50
Number of catering establishments	76	55	28
Wholesale turnover in mil. Kc of current prices	13.887	13.378	11.246
Number of wholesale warehouses	90	64	39
Gross storage capacity in m ²	256.537	228.895	138.002
Volume of grocer's production in mil. Kc	532	549	375

Educational system of SCMSD and co-operatives:

	No. of schools			No. of students			No. of employees		
	1997	1998	2002	1997	1998	2002	1997	1998	2002
SOU, SOŠ a OŠ	16	15	11	6.181	4.322	4.869	706	605	584

SOU = Co-ops apprenticeship Training School

SOŠ = Co-ops professional High School

OŠ = Co-ops professional School

Comment:

- Czech credit unions association (ČAZ) is not a member of the Czech co-operative association (DAČR), and some of credit unions are not members of the CAZ.
- Czech Co-operatives Association (DAČR) is an association of co-operative unions of all types except for credit co-operatives; some housing bodies are also separate.
- Co-operatives schools are established as Ltd. (s.r.o.)

Used abbreviations:

- SČMBD — Czech-Moravian Housing Co-operatives Union
- SMBD — Union of Small Housing Co-operatives
- SDLBD — Union of «Folk» Housing Co-operatives
- SČMSD — Czech-Moravian Consumers' Co-operatives Union
- SČMVD — Czech-Moravian Producers' Co-operatives Union
- SZDS — Agricultural Co-operatives and Societies Union
- ČAZ — Czech Association of Credit Unions

Framework of the Czech co-operatives Association**CO-OPERATIVE ASSOCIATION OF THE CZECH REPUBLIC****General meeting of the DAČR****Board of directors of the DAČR****Supervisory Board****Chairman of the Board of Directors of the DAČR**

Union of the Czech and Moravian Housing Co-operatives	Union of the Czech and Moravian Consumer Co-operatives	Union of the Czech and Moravian Producer Co-operatives	Union of the Agricultural Co-operatives and Companies
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