

# Whether Said in Polish or English, “Resilience” Best Describes the Country and its Credit Union Movement

## POLAND



Baker Maciej Radzimowski (left) became not only a borrower at SKOK Stefyczka, but also became part of the credit union's marketing efforts (right.)

# Sitka

By Michael Muckian

**M**aciej Radzimowski knew early on that he would follow in his father's footsteps. The 22-year-old Gdansk, Poland native had worked in his father's bakery, planning to someday have a bakery of his own. Radzimowski studied hard, attended baking school and joined an entrepreneur's group. He had the skills and enterprising spirit necessary to succeed. Like many young entrepreneurs, however, he lacked the capital.

Enter SKOK Stefyczka, Poland's largest credit union, which offered Radzimowski a startup business loan. The young baker, who specializes in tarts, tortes and other sweets, now runs a busy shop in Pruszcz. Radzimowski's father still has his own bakery, but these days Maciej's mother and three other employees work for him.

Grzegorz Bierecki, who grew up in neighboring Gdynia and is president of the National Association of Co-operative Savings & Credit Unions (NACSCU), also followed in his father's footsteps, but his journey occurred two decades earlier and took a decidedly different path. Without the efforts of Bierecki, 45, and his compatriots in the Solidarity movement, Poland today probably wouldn't have its young entrepreneurs.

Poland also would have no financial cooperatives which, despite their overwhelming success, may soon find themselves fighting for survival in the regulatory arena. Bierecki's commitment, and that of the Polish credit union movement, may again be tested. But the young credit union executive is the first to say that resilience in the face of oppression is something programmed into his DNA.

### A Legacy of Resistance

Bierecki's father Teodoryk was a Polish Resistance fighter who waged an underground war against Nazi occupiers during World War II. He was eventually captured and sent to nearby Stutthof, the first Nazi concentration camp established outside of Germany and the last to be





*Grzegorz Bierecki, president of the National Association of Co-operative Savings & Credit Unions, lectures members of WOCCU's Engagement Program about the structure and growth of the Polish credit union system.*

# A PRZETRZEWANIA



*A rainy afternoon greets shoppers in downtown Krakow.*



liberated by Allied forces. An estimated 65,000 people died at Stutthof, but Teodoryk Bierecki was not one of them.

After the war, Teodoryk Bierecki started a transportation and shipping company. In 1948, he criticized a Polish parliamentary election he believed was rigged by the country's post-war Soviet occupiers. He was imprisoned again and stripped of his company, which was "nationalized" by the government. Once released, he returned to work at his former firm, but at a much lower rank.

Teodoryk Bierecki died in 1975 when Grzegorz was 12 years old, but not before teaching his son how to make Molotov cocktails while they watched Communist tanks rumbling through streets of Gdansk.

In 1980, when Grzegorz Bierecki was 17, Poland's Solidarity movement rose up against its Soviet occupiers. Still in school, Bierecki helped found the Solidarity student movement. When martial law was declared a year later, Bierecki, like his father, took his activities underground. In 1984, he was imprisoned for three months and eventually set free with other political prisoners in exchange for renewed U.S. economic aid to Poland—"swapped for a bag of chicken feed," as he tells it.

In 1988, a 25-year-old Bierecki was selected by Lech Walesa to formally join the Solidarity team and participate in round-table talks aimed at establishing private church and association-based schools. In 1989, through Solidarity's success, Poland was the first Soviet satellite country to gain its freedom.

Thanks to what Bierecki calls *siła przetrwania*—the "resilience" of the Polish people—the task of rebuilding the Republic of Poland had begun. And in 1990, thanks to joint efforts between World Council of Credit Unions (WOCCU) and the Solidarity movement, the Foundation for Polish Credit Unions was established to foster the rebirth of the country's credit unions.

## History Regained

Poland's financial cooperatives, jointly represented by the acronym SKOK, which stands for *Spółdzielcze Kasy Oszczędnościowo-Kredytowe*, constitute the world's fastest growing credit union movement and, after a little more than 15 years of existence, one of the most successful.

Currently, NACSCU represents 62 affiliated credit unions serving 1.8 million members through 1,708 points of service. Poland's several hundred small credit unions that developed after Solidarity have merged into a relatively powerful few—SKOK Stefczyka alone has nearly 300 branches with a goal of topping 500 outlets nationwide by 2012. Consolidated assets in the NACSCU system total US\$4.1 billion and continue to grow.

Much of the drive behind Polish credit union growth can be credited to Bierecki, who serves as treasurer for WOCCU, and fellow pioneer and NACSCU board chair Adam Jedlinski, an educator and attorney whose financial and in-kind support aided the growth of a movement that literally caught fire overnight. Those



*Visitors gather to celebrate the grand opening of SKOK Stefczyka's new branch in Gdynia.*



*Andrzej Duda, Poland's undersecretary of state (left) and Piotr Kownacki, head of the Chancellery of the President of the Republic of Poland, the equivalent of the presidential chief of staff (second from left), discuss the fate of Polish credit unions during the Poland visit in September with (second photo from left) Mike Mercer, president of Georgia Credit Union Affiliates; Grzegorz Bierecki, president of NACSCU; and Brian Branch, executive vice president and COO of WOCCU.*



efforts began in September 1992 as a WOCCU development program, funded by the U.S. Agency for International Development, stepped in to work with the country's struggling credit union movement. Within a matter of a few years, the movement rapidly outgrew its need for development assistance.

"When people heard about credit unions, their services and rates, they lined up to join," Bierecki said.

NACSCU also grew as word spread of a renewed credit union movement, which prior to World War II had successfully served Poland's lower to middle-income population. The new trade association became a supervisory, regulatory and audit agency for its member credit unions and developed a central liquidity fund to support credit union lending efforts.

In July 1995, Georgia Credit Union Affiliates (GCUA) established a relationship with NACSCU through WOCCU's International Partnerships program to help the country's movement grow.

Today, NACSCU provides deposit and life insurance and investment services to credit union members through subsidiaries. The association also supports advanced financial education for





credit union staff, produces some of the leading financial publications in Poland and, through the Foundation for Polish Credit Unions, helps strengthen fledgling credit union development in Belarus, Lithuania, Moldova, Russia and Ukraine. WOCCU aided NACSCU in its development efforts in Belarus and Moldova.

“Poland’s credit union system is a cornerstone of the global credit union movement and one we point to with great pride,” said Brian Branch, WOCCU’s executive vice president and chief operating officer who brought U.S. credit union and league executives to Poland as part of a joint education and advocacy effort in September. “Its strength and ability to continue serving members must be protected if SKOK is going to continue to grow.”

### A Unique Proposition


To support that growth, NACSCU in June took the unusual step of creating a for-profit entity, the Credit Union Financial Society (TF SKOK), which the association listed on the Warsaw Stock Exchange. Funds earned from the sale of 5 million TF SKOK shares, all of which were purchased by credit union members, will help underwrite further development of credit and debit cards and an ATM program. The services are critically needed to migrate Poland’s primarily cash economy, an economic relic left over from decades of Soviet occupation, into a 21st century financial system capable of helping members increase their wealth.

“We wanted to open up another method to raise capital to support Poland’s credit unions,” Bierecki explained. “The shares were very easy to sell.”

Unfortunately, the initial public offering in June corresponded with the introduction to the Polish Parliament of potentially harmful legislation from a banking group intent on limiting credit unions’ ability to grow and serve. Loss of permanent membership status, a reduction in NACSCU’s ability to regulate its credit union members and the limiting of income resources are caveats that could seriously curtail credit union growth.

The U.S. advocacy delegation led by Branch met with Polish senators, Parliament officials and members of Polish President Lech Kaczyński’s office to support NACSCU’s opposition efforts to the pending legislation. Fortunately, bolstered by President Kaczyński’s continued support and favorable counterproposal to Parliament, the mood among Polish lawmakers paints an optimistic picture for the future of Poland’s movement, one that clearly won’t go down without a fight.

“The 1.8 million ordinary people interested in keeping and developing the credit union system is the most important strength of that system,” Piotr Kownacki, head of the Chancellery of the President of the Republic of Poland, the country’s equivalent of the U.S. presidential chief of staff, told the delegation. “I think it will be impossible to destroy credit unions in Poland.”

That’s good news for Maciej Radzimowski, who plans to open three more bakeries over the next two years. As part of the new generation of Polish entrepreneurs, he expects his credit union to be there when he needs help. As part of the previous generation of resilient, committed credit union advocates and champions of Polish independence, Bierecki vows neither Radzimowski nor any other credit union members will be disappointed in their expectations. 

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*Grzegorz Bierecki cuts the ribbon on the new SKOK Stefczyka branch.*



*Sławoj Leszek Głód, archbishop of Gdansk, speaks to the crowd before opening the SKOK Stefczyka branch.*



*WOCCU’s Poland Engagement Program met with officials at Warsaw’s presidential palace. Participants include (back row, from left) James McCormack, Pennsylvania CU Association; Grzegorz Bierecki, NACSCU, Poland; Bill Cheney, California & Nevada CU Leagues; Mike Schenk, CUNA & Affiliates, Wis.; Mike Mercer, Georgia CU Affiliates; (front row, from left) John Radebaugh, North Carolina CU League; Brian Branch and Victor Miguel Corro, WOCCU, Wis.; Barry Jolette, San Mateo CU, Calif.; and Joe Bergeron, Vermont CU League.*