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VERTICAL INTEGRATION IN POLAND IN THE FIRST STAGE OF ECONOMIC REFORM (Empirical Analysis)

1. Introduction

Due to the highly centralized economic management system operating in Poland till the early eighties companies had little freedom to form their own marketing channels. Decisions concerning distribution as well as those in other areas of the national economy (e.g. production, pricing) were made mainly in an administrative way. The Centre was shaping the market structure - deciding about establishment or liquidation of companies, their size, their equipment with factors of production as well as scope and forms of their activity. In many cases, the Centre would also determine ties of a given company with its suppliers and buyers. Strong centralization of management accompanied by restriction of self-regulation processes in the economy (restricted operation of the market mechanism, absence of competition) led also to a considerable monopolization and unification of market structure and contributed to creation of deep disproportions between supply and demand. In these conditions development of vertical integration based on horizontal links between companies was proceeding very slowly. Despite numerous postulates aiming at creation of conditions that would be favourable for development of vertical integration in the Polish market, and especially at expanding cooperation between industry and trade as well as different concepts of improving the previous integration forms (e.g. [5], [10], [6]) nonintegrated channels held a dominant position in the market of this period.

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Assumptions of the economic reform and the adopted legal acts including Act on state enterprises from November 25, 1981 outlined new principles along which economic units were to function. These regulations restricted centralized management of the economy in favour of greater autonomy granted tp companies in the field of distribution, production, and prices. In the distribution sphere, there was envisaged a greater freedom in choosing partners in trade exchange or ties between companies. Parallelly, a principle of self-financing was introduced.

The aim of this paper is to analyze changes occurring in integration between channel members in the first stage of the economic reform. The initial hypothesis was that owing to introduction of the economic reform, companies obtained favourable conditions for accomplishment of their own strategic and short-term market objectives. In the area of distribution, these conditions should lead to development of vertical integration[1]. The number of vertically integrated marketing channels, particularly of the contractual ones should be growing and their forms should be more and more differentiated. Similarly, companies should be displaying their willingness to embark upon innovations in the field of vertical integration.

2. Research Method

The presented studies on integration processes were carried out within a wider research programme concerning operation of companies in the first period of the economic reform[2]. There were applied two research methods. In the first period, there were used questionnaire surveys. The questionnaires were filled in the presence of the interviewer, what allowed to reduce the risk of misunderstanding of questions and that of passing questionnaires to

[1] Vertical integration enables the implementation of long-and short-term objectives of companies, e.g. improvement of their position on the market, growth of their adaptability to conditions of the environment or reduction of production and distribution costs.

[2] These studies were carried out by the Department of Marketing at Łódź University. Besides the distribution sphere, they concerned among others formation of producers' associations, autonomy of companies in the field of production and pricing, financial system of companies, etc.

incompetent persons. In the second period, i.e. after all results had been collected and conclusions drawn, there were conducted interviews with management of companies under survey.

The studies encompassed 9 companies manufacturing consumer goods and 4 retailing companies in the administrative province of Łódź. The sample included both big and smaller state producers (5 of them have a large share in the domestic market) representing the following industries: textile industry (clothing, knitted goods, and carpets); chemical industry (cosmetics); pharmaceutical industry and food industry (frozen foods and confectionery). The retailers were big state owned or co-operative companies. They were specializing in the distribution of: household equipment, television and radio sets, photographic goods, textiles, fur and leather products, sports equipment, toys and paper products. Altogether there were collected 27 questionnaires - 11 from producers (3 questionnaires were filled in 3 self-governing establishments of a big company) and 16 from retailers (1 in the biggest department store in Łódź and 1 in each of the 15 departments of 3 large state retailing companies operating autonomously and specializing in the distribution of particular products). The same number - 27 interviews were also taken. Out of 56 questions included in the questionnaire for producers, 20 were directly pertaining to vertical integration. For trade companies the appropriate numbers were: 42 and 16. There were used both closed and open questions. The interviews were, to a big extent, formalized, so that the same questions could be asked in all companies.

As the performed studies concerned only one administrative province of Poland and encompassed a rather small number of companies, they should be treated as mainly probing ones. They give the outline of changes that took place in vertical integration in the first stage of the economic reform. Yet, when we take into account the fact that other companies were operating in similar conditions then the results of these studies can be also, to some extent, generalized.

3. Research Findings

The performed studies did not confirm the hypothesis that during the first stage of the economic reform there were created favourable conditions for development of vertical integration. The main barriers, which had been restricting ties between companies hitherto, were not eliminated. Contrary to assumptions of the reform, the distribution sector continued to be still, to a large extent, regulated by the Centre. In the case of producers, most of them obtained greater autonomy in the sphere of prices and production as well as organizational structure, employment and salaries. Yet, they still had no or very little freedom in deciding about integration with other companies (7 producers out of 11), estabishing of their own companies (8 producers) or choosing their trade partners (4 producers) (see enclosure 1 point 4 and 6). In retailing the situation was even worse. State companies were to a very big extent dependent on decisions of central authorities. 15 out of 16 retailers stated that administrative allocation of products in trade sector was the same or bigger than in the period before the reform - (see enclosure 2, point 3). They had no or very little freedom in decision-taking concerning integration with other companies (10 out of 16 retailers), establishment of their companies (11 retailers) and selection of market territory (10 retailers), market segments (9 retailers) and their suppliers (6 retailers) - (see enclouse 2 point 4 and 5). Some reatilers had also no or very little autonomy in fixing prices (3 retail companies), choosing products' assortment (5 retailers) and defining their trade activities (5 retailers) - (see enclosure 2 point 4).

Limited restriction of the command-type management of distribution sector was due mainly to the introduction, in conditions of deep shortages, of government programmes (the so-called "operational programmes") and creation of economic units charged with functions of compulsory middlemen in trade in basic raw materials and industrial products. Producers included into these programmes were administratively equipped with necessary raw materials and other products.

Simultaneously, the directions of production and the distribution of their products were determined by the Centre. In such a situation, companies that were entirely encompassed by operational programmes had no or little autonomy in formation of their own marketing channels. In some cases (e.g. the production of children's clothes) they got even less freedom than they had in the previous period. The Centre was also determining what share of goods turned out by producers could be sold in their own stores.

Although introduction of administrative allocation of products is often necessary in conditions of deep crisis - in this way the Centre ensured production of goods being of primary importance for the society and safeguarded the operation of specialized trade companies in the market (the output of some producers was so small that they could sell it in their own stores), these measures produced also negative consequences. They not only curbed development of vertical integration between companies included into operational programmes but also between the remaining market participants. Operational programmes included all economic units of crucial importance to the country's economy. In the situation of deep shortages and other constraints imposed by the Centre, the remaining companies had therefore very restricted possibilities of changing their marketing channels.

The next factor that hampered the development of vertical integration was high monopolization of market structure. In the period under study, despite a great need for demonopolization, no safeguards of institutional (e.g. antitrust legislation) or behaviourist character (e.g. reduction of market disequilibrium) were created that could protect the market from further monopolization or ensure conditions for its demonopolization[3]. In some cases, due to the introduction of operational programmes and creation of producers'associations according to branch division and formation of only one association of state retailers, the monopolization became even wider. As a result there were still sole or very few producers in some industries, e.g. in the production of household equipment like refrigerators and washing machines or radio and tv sets (this was confirmed by interviews; see also [12]). Retailers which were specializing in the distribution of these products, often according to an administrative division, had thus very little or practically no choice of suppliers (see enclosure 2 point 5). At the same time, due to shortages in the market all retailers held an inferior position in relation to producers - in these conditions producers, even the smallest companies were behaving like monopolists (see [8] and [9]).

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[3] Monopolization of market structure is becoming a more and more difficult problem to solve in the present market situation and it may cause many difficulties in the future.

The first stage in introduction of the economic reform witnessed also the maintenance of unification of market structure and growth of conditions of uncertainty. Just as it was the case in the previous period, decisions concerning establishment of new economic units were left with the centre. In the period under survey, there was not created a network of independent wholesale companies, and thus were missing conditions that would promote development of vertical integration between wholesale and retail units. Companies did not obtain a full freedom in the area of establishing integration between economic units with different forms of ownership (state cooperative and private companies) either. As for the second problem, besides newly introduced regulations, there were in force many regulations from earlier period not adjusted yet to novel conditions. There was also a lack of long-term principles of operation of companies (see enclosure 1 point 17 and 10). This situation led to a big degree of caution shown by channel members and caused that they were often unwilling to take actions, particularly of a strategic character, the consequences of which could not be foreseen.

In such conditions, no major changes were observed in the field of vertical integration. There took place only an insignificant increase in the number of corporate channels and a growth of interest of retailers to establish contractual ties with producers (see enclosure 1 point 1 and 12). The studies, on the other hand, did not confirm the hypothesis that introduction of the economic reform paved the way for differentiation of vertical integration forms or that companies revealed their inclination to innovations in this field (see enclosure 1 point 7 and enclosure 2 point 2). Corporate ties continued to assume a form of producers' own stores with production companies being integrators of these channels. No new forms of corporate channels were introduced. The main motivation for establishing of these structures was the takeover of trade margin by the producer (see enclosure 1 point 10). The basic variable that influenced the development of these channels was thus the introduction of the self-financing principle. Similarly, in the area of contractual ties there was preserved a form of franchising agreements. Like in the previous period, these ties encompassed only integration between producers and retailers (no new forms of contractual integration were introduced - see enclosure 1 point 7, 9 and enclosure 2, point 2) and were initiated by the latter (see enclosure 1 point 6, 13 and enclosure 2 point 8). Retailers were also aiming at expanding the number of their suppliers (see enclosure 2 point 1). The main reason why retail companies were interested in the establishment of these channels was their wish to ensure own sources of supply and reduce risk in their activity (see enclosure 2 point 13). However, in the period under study, there was not recorded any expansion of these ties. In the present conditions, production and trade companies found it difficult to determine their common short and long-term objectives. As a result, even big trade companies, e.g. department stores did not conclude new agreements with producers. They could exert also an insignificant influence on decisions made in the sphere of production, e.g. concerning commodity and assortment structure of goods.

Due to the economic situation, the scope of existing agreements between production and trade companies was quite narrow. The agreements covered mainly the product, its price and the structure of deliveries in each quarter of a year. In some cases the companies did not negotiate at all the trade margin (10 out of 16 retailers), quality (3 retailers) or even the price of products (1 case) - (see enclosure 2 point 12 end enclosure 1 point 15). In choosing their suppliers they often did not take into account such factors as e.g. profitability (4 retailers), image of the supplier on the market (3 retailers) and previous conflicts with him (5 retailers) - (see enclosure 2 point 5). Under pressure of deep market disequilibrium, trade companies wanted only to receive "any products". They sometimes even agreed to major concessions to keep the agreements with suppliers. For example, some agreements would stipulate only the total value of goods to be supplied to stores without any more detailed description of their assortment structure or time of delivery. In cases where they could not have any formal agreements with producers, they often tried to establish informal contacts with them. The behaviour of these companies confirmed, thus, a thesis, that in conditions of self-financing integration ties are usually initiated by the companies whose survival in the market or maintenance of their position are threatened or such which through integration may obtain substantial financial benefits. Just like in the period preceding the reform, companies did not use any joint marketing strategy either. None of market participants, neither production companies holding a superior position in the seller's market nor trade companies performed typical functions of the market channel leader such as determination of channel's aims, allocation of tasks among participants and management and control of the channel. Despite strong monopolization of trade, the phenomenon of backward integration did not appear in the Polish market either[4].

The development of vertical integration mainly for financial reasons arouses a number of doubts. First of all, a question arises whether in the current situation integration promotes bigger adaptability of these channels to their environment. The answer to this question is largely negative. Consumers' preferences and requrements exert a weak influence on their activity in the market. Companies forming these channels did not create any additional utilities for consumers, e.g. adjustment of assortments to their needs, detailed information for consumers, etc. Companies did not apply either any joint strategy aiming at minimization of marketing costs and consequently, reduction of prices, what was confirmed by introduction of mechanisms curbing excessive growth of prices, e.g. tax system and price control. Particularly, the formation of corporate channels by producers seemed to have a very small social justification in the analyzed period and was strongly criticised by retailers (see enclosure 2 point 7). Producers' own stores were offering a narrow range of products with a poor choice of assortments, sizes and colours. They were also providing little information for producers about changes occurring in demand. Such information was often of an accidental character. These companies did not have a qualified personnel, who would be prepared to conduct market studies with application of different methods and techniques, e.g. experimental studies. Retailers often stated that this form of integration would find justification only under conditions of better supply of goods in the market (see enclosure 2 point 7 and enclosure 1 point 10). In the present situation, it would be more advantageous for consumers and producers to open joint stores, e.g. within the framework of an association or by companies belonging to different industrial branches.

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[4] In market economy countries, all these vertically integrated channels are strongly differentiated. See e.g. [13] and [14].

Development of vertical integration in the conditions described above may also lead to growth of market monopolization. This refers especially to corporate and contractual ties established by companies holding a monopolistic or semi-monopolistic position in the market. Similarly to market-oriented economies, formation of such channels should be restricted by law through introduction of acts regulating ties between industry and trade (see antitrust regulation in the U.S. and the E.E.C. counties, e.g. [7], [1], [3] and [4]) and through the introduction of other corrective mechanisms. One of them might be an increase in the share of small and medium-size companies in the market attained through their facilitated entrance into the market, application of tax reliefs, easier access to credits, placing government orders with those companies (e.g. [11]) or development of integration between them. Along with reduction of the market disequilibrium, different systems of integration created by these companies may become an important form of competition for strong production and trade companies.

Development of vertical integration between companies is also dependent upon degree of preparation and adaptation of the management to operation in new conditions. The system of management through commands which has been in force for a long time, has caused that companies are not always able to utilize their activities in the sphere of distribution as one of elements in the marketing strategy determining success or failure of a firm. In one of the analyzed companies included into operational programmes, it was found, for example, that the company did not see any need, both now and in the future to change the hitherto employed forms of distribution or increase its degree of independence in this field (this answer was given by the manager of the trade department in this company and was not caused by any misunderstanding of the question - see also enclosure 1 point 5). It is worth stressing that not all companies were able to determine for what type of products the formation of corporate or contractual channels was profitable for them (see enclosure 1 point 10 and enclosure 2 point 7). These critical remarks concern fortunately only a part of the management. In the majority of analyzed companies, there was observed a high adaptability of managerial staff to operate in changing conditions. These companies were also aware of benefits for consumers and economic units flowing from development of vertical integration in the future when the market disequilibrium was reduced and competition in the market appeared.

4. Conclusions

Development of vertical integration is dependent upon creation of appropriate system and market conditions. During the first stage in introduction of the economic reform, there was still maintained, to a large extant, the command-type management of the distribution sphere by the Centre, and there were not abolished other barriers hampering integration processes, mainly market disequilibrium, monopolization and unification of market structure and uncertainty. These conditions did not allow for any more pronounced development of vertical integration. As the described barriers are closely interrelated, the sole growth of companies' autonomy is also not a sufficient condition for creation of such structures. It is necessary to remove all the constraints. In the present market conditions unrestrained development of vertical integration based mainly on the profit criterion may lead, moreover, to a further monopolization of the market and poor adaptability of these channels to the environment.

Enclosures

Enclosure 1

Results of the Questionnaire Survey Carried Out
in Production Companies
(altogether 11 respondents)

1. Has the number of firms cooperating with your company, as compared with the period before the reform?

Increased	Decreased	Remained the same
-	2	9

2. If the number of cooperating firms has decreased, please state the basic reasons:

- inclusion into operational programmes - 2
- lack of raw materials - 2

3. Assuming that the economic reform is consistently implemented do you think that in future it will be justifiable to increase the number of buyers;

Yes No

4 7

a) reasons if yes:

- in order to increase turnover and profits - 2
- it is necessary to increase exports - 1
- because there should be an increase in output - 2

b) reasons if no:

- to decrease distribution costs - 6
- the company is too small - 1

4. Please state the actual level of your company's autonomy for each of the mentioned spheres:

Sphere of decision-making	Level of company's autonomy				
	very big	big	medium	small	none
Selection of buyers	1	4	2	1	3
Volume of output	-	7	2	2	-
Assortment	-	8	3	-	-
Price-fixing	6	-	2	3	-
Integration with other companies	-	1	3	3	4
Selection of market territory	-	4	4	1	2
Selection of market segments	-	4	4	2	1
Establishment of companies	-	-	3	2	6
Organizational structure of company	1	9	1	-	-
Salaries and wages	-	7	3	1	-
Number of employees	-	5	3	3	-

5. Do you consider it necessary to increase companies' freedom to select their buyers?

Yes No

5 6

a) if yes, should it be?

significant - 3

moderate - 2

6. Which factors played decisive role before the reform (1) and are playing now (2) in selecting the buyer?

Factors	Rate of influence									
	(1)					(2)				
	very big	big	medium	small	none	very big	big	medium	small	none
1	2	3	4	5	6	7	8	9	10	11
Producer's initiative	3	-	2	2	4	3	1	2	3	2
Buyer's initiative	1	5	3	1	1	3	6	1	-	1
Decisions of central authorities	5	2	-	2	2	2	2	1	1	5
Restrictions of companies market territory imposed by the Centre	4	-	1	1	5	2	2	1	2	4
Suggestions of central authorities	3	1	4	2	1	2	-	3	4	2
Long-term cooperation with the buyer	4	5	1	1	-	4	5	1	-	1
No conflicts with the buyer	-	4	4	3	-	-	3	4	2	2
Fortuity	-	-	-	4	7	-	-	-	4	7

7. Does cooperation between production and retail companies take new forms?

Yes	No
-	11

a) comments:

- if there is no competition, nothing will change; the producer will keep his superior position in relation to trade companies;
- direct cooperation between production and retail companies is hampered by operational programmes and decisions of producers' associations.

8. What are the basic forms of establishing contacts with buyers and what is their importance?

Forms of establishing contacts	Rate of importance				
	very big	big	medium	small	none
Organized meetings of buyers and sellers, trade fairs	6	1	-	3	1
Written offers	1	5	1	1	3
Personal contacts (informal)	1	5	2	2	1

9. Are there any changes in the forms of establishing contacts with buyers as compared with the period before the reform?

Yes No
2 9

10. If your company possesses its own retail units, would you like to enlarge their number?

Yes No No answer
6 4 1

a) if yes, what are the reasons:

- to take over trade margin - 5
- to receive quick information about changes occurring in demand - 2
- for all products - 1
- for some products, eg. confectionary, men's wear - 2

b) other comments:

- yes, but under conditions of full supply with raw materials;
- it depends on the possibility to increase the output;
- it depends on the reduction of conditions of uncertainty.

11. Do you think that producer-owned retail shops constitute a form of competition for other trade companies now and will constitute it in the future?

Time	Yes	No
Now	2	9
In future	7	4

12. Are buyers interested in establishing franchising agreements with producers?

Yes No
9 2

13. Who initiated the establishment of franchising agreements?

retailer - 8
producer - 2

14. What are the benefits for industrial companies of having franchising agreements?

- the company receives prompt information concerning demand, consumers' opinion about products, etc. - 5
- they help to promote company's trade mark - 3
- they help to increase consumers' loyalty to company's trade mark - 2
- they give the possibility to divide trade margin between the producer and retailer - 2 (e.g. 75 per cent of wholesale margin for the producer and 25 per cent for the retailer)

15. What are the basic elements of contracts negotiated with suppliers (1) and buyers (2)

Elements of contracts	Scope of negotiations									
	(1)					(2)				
	very big	big	medium	small	none	very big	big	medium	small	none
Assortment	3	7	-	1	-	3	5	2	1	-
Volume of supply	3	6	1	1	-	5	4	2	-	-
Products quality	1	2	7	-	1	5	1	2	1	1
Time of delivery	3	7	3	-	1	3	6	1	-	-
Frequency of deliveries	1	1	6	1	2	-	5	8	2	-
Price	2	4	2	1	2	5	1	1	3	-
Trade margin	1	3	1	1	3	1	3	2	3	-

16. Mention 3 elements of contracts that you consider to be the most important;

assortment - 8
quantity - 6
quality - 5
time of delivery - 6
frequency of deliveries - 0
price - 6
trade margin - 0

17. What are the basic conditions necessary to increase producers' interest in establishing franchising agreements and other contractual forms of vertical integration?

- reduction of market disequilibrium - 3
- appearance of competition on the market - 4

- long-term principles of operation of companies - 2
- companies' freedom to establish contacts with suppliers and buyers - 4

Enclosure 2

Results of the Questionnaire Survey Carried Out in Retail Companies (altogether 16 respondents)

1. Do you consider it beneficial for your company to increase the number of your suppliers?

Yes No
15 1

a) if yes, why:
- to broaden the assortment of products - 4
- to improve the quality of products offered to consumers - 3
- to select the best suppliers - 2
- to initiate competition between suppliers - 3

2. Does cooperation with producers take new forms?

Yes No
1 15

3. Has administrative allocation of products, as compared with the period before the reform?

Considerably decreased	Decreased	Remained the same	Increased	Considerably increased
-	1	9	5	1

4. Please state the actual level of your company's autonomy in each of the mentioned spheres

Sphere of decision-making	Level of company's autonomy				
	very big	big	medium	small	none
1	2	3	4	5	6
Selection of suppliers	2	3	5	2	4
Selection of assortment	3	2	6	3	2
Defining of trade activities	1	3	7	2	3
Price-fixing	1	6	6	2	1
Setting of trade margin	1	2	2	6	5
Integration with other companies	3	2	1	3	7

1	2	3	4	5	6
Selection of market territory	1	1	4	5	5
Selection of market segments	1	1	5	1	8
Establishment of companies	1	2	2	1	10
Organizational structure of company	3	5	4	3	1
Salaries and wages	4	5	3	3	1
Number of employees	4	8	3	-	1

5. Which factors played decisive role before the reform (1) and are playing now (2) in selecting the supplier

Factors	Rate of influence									
	(1)					(2)				
	very big	big	medium	small	none	very big	big	medium	small	none
Central decisions (administrative distribution of products)	7	4	-	1	2	7	2	1	2	2
Restrictions of companies' market territory imposed by the Centre	1	6	5	1	3	3	4	3	-	4
Profitability	1	2	2	5	4	1	4	1	4	4
Image of the supplier on the market	1	5	1	3	4	2	3	2	4	3
No conflicts with the supplier	-	2	2	5	5	-	2	3	4	5
Tradition	4	6	3	-	1	4	6	3	-	1
Trade company's initiative	4	5	3	1	1	6	5	2	-	1
The supplier's initiative	3	2	1	4	4	1	1	-	6	6
Fortuity	-	-	1	6	7	-	-	1	6	7

6. What are the basic forms of establishing contacts with suppliers and what is their importance for the company?

Forms of establishing contacts	Rate of importance				
	very big	big	medium	small	none
Organized meetings of buyers and suppliers, trade fairs	6	6	4	-	-
Witten offers	1	3	4	5	3
Personal contacts (informal)	11	3	2	-	-

7. Do you consider it justifiable to develop corporate channels integrated by producers?

Yes No

1 15

a) comments:

- they have no social justification because they don't provide any benefits for consumers;
- not in conditions of deep shortages of products;
- a producer should concentrate on the sphere of production and not on distribution;
- yes, for some products, e.g. foodstuffs.

8. Who initiated the establishment of franchising agreements?

producer - 2

retailer - 11

9. If franchising agreements were initiated by trade companies, was it difficult to persuade producers to establish them?

Rate of difficulty				
very big	big	medium	small	none
4	-	3	2	1

10. What is the current performance of tasks by producers stipulated in franchising agreements?

Rate of performance			
very good	satisfactory	unsatisfactory	none
-	4	3	1

11. Is fulfilment of producers' tasks stipulated in franchising agreements as compared with other - simple contracts concerning the purchase of products?

Much better	Better	Similar	Smaller	Much smaller
2	2	2	1	-

12. What are the basic elements of contracts negotiated with producers?

Elements of contracts	Scope of negotiations				
	very big	big	medium	small	none
Assortment	2	4	5	3	2
Volume of supply	5	3	4	4	-
Product's quality	-	1	6	6	3
Time of delivery	1	4	9	2	-
Frequency of deliveries	1	3	4	6	2
Price	2	9	-	4	1
Trade margin	-	1	3	1	10

13. How do you assess retailers' benefits, in the present situation, of having franchising agreements with producers?

Retailers' benefits	Possibility to achieve these benefits				
	very big	big	medium	small	none
Profitability	-	4	4	1	-
Conformability of supply with orders placed by retailers	-	4	2	2	1
Freedom of choosing assortment	-	2	4	1	2
Conformability of supply with consumers' demand	-	3	2	3	1
Preferential treatment by producer	1	4	2	1	1
Division of trade risk with the producer	-	2	1	3	2
Bigger choice of assortments	-	1	3	4	1
Producer's assistance, e.g. in opening a franchising unit	-	1	1	2	5
Regular training for retailer's personnel	-	-	1	-	8

14. What are the basic conditions necessary to increase producers' interest in establishing franchising agreements with buyers?
- decrease of market disequilibrium - 5
- freedom to select suppliers and buyers - 4
- full supply in raw materials and other products - 3

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INTEGRACJA PIONOWA W KANAŁACH RYNKU
W PIERWSZYM ETAPIE WPROWADZANIA REFORMY GOSPODARCZEJ
(wyniki badań)

Jedną z cech kanałów rynku w Polsce jest niewielki rozwój integracji pionowej. Podstawowymi czynnikami, które ograniczyły te procesy w okresie powojennym były: wysoki stopień centralizacji zarządzania gospodarką, nierównowaga rynkowa typu ssania oraz znaczne ujednolicenie i monopolizacja struktur rynku. Celem tego artykułu jest zbadanie czy wprowadzenie reformy gospodarczej w Polsce stworzyło warunki dla rozwoju kanałów zintegrowanych pionowo. Wyniki opierają się głównie na badaniach empirycznych. Autorka zwraca uwagę również na konsekwencje, jakie może wywołać niekontrolowany wzrost procesów integracyjnych w obecnej sytuacji rynkowej.