Country public management profile: POLAND

Socio-economic forces: general

Major social developments in the period between the years 1989 and 2005 include the very basic social transformation. The Solidarity “revolution” had a rather limited number of objectives. In the first place Poles wanted freedom from Soviet dominance and ability to govern themselves. Secondly there was a demand for establishment of the Government through a process of free elections in which more than one party would participate. Poles also clearly wanted to be a part of the family of democratic nations governed on the basis of the rule of law rather than the discretion of the party elites. In the initial period there are discussions as to the manner in which these general goals are to be achieved. The socialist economy was also discredited and obviously incapable of providing goods and services even at a rather basic level. The first elected Prime Minister T. Mazowiecki himself admitted that his government had no idea how to organize the economy. Gradually political and technical discussions develop policies designed to introduce political democracy and market economy. One of the preoccupations of the government was development of policies designed to limit inflation which reached alarming levels. Increasing presence of foreign companies selling goods and services in Poland as well as starting production facilities has increasing impact on Polish society. Marketization starts producing “winners” and “losers” and has impact on emerging social cleavages. Governments also had to develop plans too dismantle vast number of publicly owned enterprises. Many (if not most) of state factories had outdated technology and produced goods which had no market. On the international arena Poland articulates policy of efforts to join NATO and EU without really resolving the issue of the possible tensions between being “friend” of the USA and a member of the European Union.

Global economic forces
In that period Poland both benefits but also increasingly becomes judged by global corporations and international organizations designing policies aiming at a global economical order. World Bank and IMF are particularly important in this process. Also Poland is being increasingly judged by the international economical actors on the basis of performance rather than heroic activities aiming at ending the totalitarian order. In this part we will present analysis and evaluations assessing Poland’s performance. Among such evaluations some of the most important are: Human Development Index, Quality of Life Index, Index of Economic Freedom, Global Competitiveness Index, Corruption Perceptions Index, Foreign Direct Investment Confidence Index, Globalization Index and Global Retail Development Index.

The decision of the governing elites to attempt to join NATO and EU also had a profound impact on the Polish society and the development of policies as well as the manner in which those policies are implemented. Polish public administration was evaluated first in terms of capacity to perform within these organizations and later in terms of actual performance as members. Such evaluations are not always positive and very clear expectations and demands towards Polish administrative structures are expressed. Even Polish courts are evaluated by the judicial institutions of the European Union.

**Sociodemographic issues**

Poland has presently population of 38,230,608. Like in many (or most developed countries) women outnumber men.

Poland is experiencing declining birthrate and by 2030 it is expected that its population will be only 35,693,000. The number of people over the age of retirement is also increasing and is expected to reach over 9.5 million in 2030.

There also has been a significant migration from rural communities to the cities. Presently 61.8% of Poles live in the cities. Poland is also highly homogenous in terms of ethnic composition. Census states that only about 3% of the population belongs to ethnic minorities. This is perhaps a somehow low estimate given that it is based on self identification. About 90% of the population are catholic’s, Greek orthodox religion is claimed by 1.6% and Protestantism by 0.4% of the population. Only 7.4% people state that they don’t have any religious affiliation.
We observe significant increase in the numbers of students in postsecondary institutions - from 794.6 thousand in 1995 to 1926.1 in 2004. However the increases in numbers of those attending technical colleges and other non degree institutions are rather slow. Most of those who are employed work in private sector (71%).

Poland is plagued by very high and persistent level of unemployment – presently there are 2999.6 (in thousands) registered unemployed. This is one of the highest rates of unemployment in Europe. As in other countries unemployment is higher among women and in rural areas. What is particularly alarming is the fact that unemployment is exceptionally high among the young. Among those under 25 years of age this figure reaches 24.5% and is even higher among those between the age of 25 and 34 (over 28%) Not surprising given these numbers is the fact that at least 11.8% of Poles live below the government’s poverty line. This also contributes to the emigration to better labor markets.

**National socio-economic policies**

All governments after 1989 have been introducing policies (mostly in statutory form) creating necessary framework for the operation of the market economy. One can name as examples introduction of modern banking system, accounting laws and laws dealing with the establishment and operation of corporations. There are ideological disagreements as to the extent to which market entities should contribute to the budget and legal framework in which economical activities are conducted. Business (as in most countries) claims that taxes and other rules make it very difficult to conduct economical activities and create anti investment climate. Frequent change of laws in this field creates climate of uncertainty. Secondly significant activity has taken place in order to dismantle the economical inheritance from the previous era. Privatization laws and methods not always produced good results. This process has been a source of corrupt deals and inefficiencies. Some argue that the public purse has been constantly losing by selling assets below their market value. At the present about 82% of the state enterprises are in some stage of privatization. On the whole it is generally stated that the process is taking too long but the issues are very complex and in many instances the only solution is acceptance of significant loses by simply closing factories. Former state farms (PGR) are among some of the more troublesome enterprises in this respect. It should be noted that privatization in
many instances carries significant social costs. Significant effort have been made to attract foreign investors. Political left is frequently criticizing policies creating to favorable (in their opinion) conditions for foreign capital. Membership in the EU forced government to create both national and regional plans of development for the period 2007-2013. Significant efforts have been made to harmonize Polish economical rules with those of the Union. Also many policies have been introduced in order to take advantage of the EU funds available for economic development.

The political system

1. Over the period 1989 and 2005 Poland developed or adapted (the already existing institutions) a set of political structures compatible with the notion of a democratic polity based on the notion of democratic governance based on the rule of law. Presently the basic problems are not with the institutions per se but with the manner in which these institutions work. The one additional factor is (which is acknowledged by all authorities on the subject) very poor quality of legislative draftsmanship and the frequency with which new legislation (or significant amendments to the existing laws) is introduced contributing to the difficulties in developing consistent and rational practice. Both lawyers and public servants frequently comment that it is practically impossible to keep up with the changes even in a specific field. As in most civil law countries such institutional changes have been introduced mostly by enactment of statutory instruments. Foundations for such institutional developments are stated in the Constitution adopted by the national referendum in 1997 and to some extend in its predecessor the so called Small Constitution of XXXXX. Thus Poland has a two chamber Parliament, cabinet government and the office of the President who to some extent shares power with the Executive. The President of the Republic of Poland shall be the supreme representative of the Republic of Poland and the guarantor of the continuity of State authority.

The President of the Republic shall ensure observance of the Constitution; safeguard the sovereignty and security of the State as well as the inviolability and integrity of its territory.
The President shall exercise his duties within the scope of and in accordance with the principles specified in the Constitution and statutes.

In addition to the Supreme Court and the Supreme Administrative Court there is also a Constitutional Court. There is a continuing debate on the (as some maintain) necessity of reforming the Electoral Laws. Some of the problems with the manner in which the Parliament and the Cabinet operates (stated by both political commentators as well as academics) are unclear and not yet fully developed. Rules governing the behavior of the MP’s are also confusing to most people; since they are not completely bound by party discipline. The manner in which the Prime Minister is chosen also is not based on voter’s decision. On several occasions it is not the leader of the Party with the largest number of seats who becomes the Prime Minister but a person of his choice. In such a manner relatively unknown politician suddenly becomes the Prime Minister and the actual leader of the government is not even a member of the Cabinet. Party system is also in a process of development – with large list of registered parties. In most instances emergence of a “new party” amounts to nothing more than a change of name. Almost without exception there is no emergence of new faces in either the leadership or the party elites. Simply parties emerge as a result of internal conflicts or on the basis of negative public opinion polls. In such instances some members decide to separate from their colleagues and establish a new party. In one instance even the Prime Minister appointed as a “political technocrat without any party affiliation” became a part of leadership of a newly formed party. This all amounts to a form of “musical chairs”. Programs or policies of the parties are difficult to ascertain and frequently prospective voters are told only that the new party or the party in opposition stands for justice, good government and in opposition to corruption. It is not surprising that the level of trust in political elites is extremely low and so is the citizen’s participation in elections. The two issues most commonly raised by the parties vis a vis each other are; accusations as to the behavior of the party elites in the communist era and corruption. This is combined with most distasteful arguments ad hominem – which sometimes even resort to racism. Levels of political patronage and corruption are extremely high and governments which promise to “clean the house “end up behaving even worst then their predecessors. Sociological research points out to
problems with the development of democratic political culture both on elite and mass level. Poland also established a system of local governments and accompanying electoral laws. Some of the most important new social policies will be discussed in the later part of this report.

New management ideas

Poland is continuously reorganizing management systems in the public sector. NPM had its impact on polish administration. There is recognition of the need to modernize polish administration and at the same time reducing its size.

Introduction of IT into the public sector has been one of the priorities of the all governments and it is recognized as a necessary component of modernization. This is combined with improvements of both quality and quantity of information available to the public although administrative secrecy is still too high. Significant attention is given to the introduction of cost benefit analysis into policy making and policy implementation process. The Supreme Chamber of Control in its reports evaluating different structures conducts economical analysis. Concepts of good governance include the notion of prudent fiscal management. New policies have to identify both costs as well as sources of financing. It should be stated that the tools of cost benefit analysis still have to be significantly improved. Given the high level (particularly in public perceptions) of corruption each government attempts to introduce new tools of combating this “disease”.

This has been one of the most important issues in the electoral campaign of the present government. So far the results have been very disappointing. Attempts are made to improve the manner in which services are delivered and pro consumer – citizen orientation is also on the management agenda.

It should be stated that in citizen’s perceptions management of the public sector is viewed as highly corrupt and inefficient.

Pressure from citizens
Poland has experienced significant development of citizen groups which actively attempt to participate in co-governance of the country. Some of the NGO’s have acquired already a strong position in the system and have high visibility. We can divide these organizations into three main groups – international, national and local... Several international organizations have established polish chapters. This has been done with significant help from organizations already well functioning on global or regional level. Among such organizations one can mention Transparency International, Amnesty International, The Greens and several women organizations with lately highly visible the most controversial organizations of sexual minorities. These organizations provide significant critique of government policies, demands for new policies or results of monitoring existing programs. In many fields such organizations participate in policy design and even delivery of social programs (notably in provision of services for the poor, homeless etc). There are also many organizations which have domestic origin – either local or national. Several national and local organizations have established permanent offices and persist over time. We also can notice emergence of ad hoc organizations which frequently focus on a single issue.

It is impossible to asses combined impact of such citizen’s activities on the system as a whole. It also should be stated that such activities are limited to only certain groups in society but they are viewed as a necessary element of the development of a democracy on a societal level.

**Party political ideas**

Party platforms as it already has been indicated are rather limited. Given the concentration of parties on obtaining power there is limited effort (on their part) to develop coherent policies. Still assessment of the past and means of dealing with peoples activities during the communist regime is one of the more prominent issues dividing political parties. Given that it is already almost sixteen years since the abolishment of the mono-party system these issues are less and less relevant – particularly for the young Poles. Past behavior of candidates is used in elections – frequently only as an accusation, in order to discredit candidates. Yet as the numbers of former communist activists among political activists decline the elites increase their demands to deal with the past. In
retrospect the “deal “made at the round table had some significant long term negative consequences.

Party platforms concentrate on the necessity of combating nepotism and corruption. Unfortunately neither the proposals nor their credibility in this area promise quick results. Each government uses its power of appointment to reward their friends without much attention being given to qualifications and experience. There are two issues on which there is some ideological debate. Given the very high unemployment and large number of people living below poverty line ( particularly among elderly ) there is a division of opinions as to the extent to which Poland should be an welfare state and provide greater degree of assistance to the citizens in the form of services and income security. Debate on this issue is however confusing and there is a lack of consistency in party positions. At the present moment parties which could be classified as constituting political conservative are in favor of greater state assistance to the citizens in need. Another emerging division is emerging euro-sceptism in opposition to the general enthusiasm connected to joining the E.U.

These positions are more of election strategies rather than well thought out ideological differences.

**Chance events**

Poland is continuously experiencing charges against members of political elites including Prime Ministers and even the President. These charges range from accusation of espionage for the Soviet Union (in the past) to charges of corruption including illegal stock transactions and tax evasion or falsifying documents. One of the techniques used to allegedly expose corruption are Parliamentary Investigative Committees. Several members of such committees rose to prominence as a result of their role in such investigations which are nationally televised. Several MP’s and high ranking civil servants have been charged (and some have been convicted) with criminal offences related to their official functions. Some members of practically all Cabinets have been facing vote of non confidence. Mr. Balcerowicz – President of the National Bank has been under attack by the present Government over the monetary policies. There have been also several cases (some ending in convictions) of bribery charges. There have been
also cases of natural disasters (flood) with which the governments according to the critics didn’t deal appropriately.

**Elite decision-making**

Elite interaction can be characterized by a high degree of personal conflicts. Necessity of forming governments without clear majority but by the party with the highest number of seats (or a coalition) in the Parliament frequently leads to significant tensions between parties and their leaders. Parties are also experiencing significant internal problems resulting in a rather weak position of party leaders. Many members of the party, parliamentary and government elites attempt to increase their standing by individual actions rather than working through the party. Media are continuously speculating as to the relative power of particular individuals. This was very evident in the last presidential election and the behavior of different groupings supporting various candidates. Some of the parties acting on the national arena have practically no local organizations. What is rather alarming is the fact parties (regardless of their place on political spectrum) when they form the government use very extensively power to appoint “their people” to a very wide range of positions which should be occupied by specialist with proper education and experience. This prevents to a large extent the development of professional civil service and causes a high degree of politicization of the civil service particularly on a management level. Frequently members of political elites attempt to act as technocrats with very negative consequences for the law making process, design and implementation of the policies. On the whole there is a rather low level of integration of the national and local elites. This given the significant degree of regionalization of EU policies will increasingly cause problems for Poland.

**The administrative system**

There is no point to provide the reader with the details of large number of statutes which in great detail describe the components of Polish administration. One has an impression that the specificity of legislation in many instances prevents public servants from properly managing the system without contributing to the notion of the rule of law as a basis for every decision undertaken by the administration.
Administrative system of Poland finds its basis in the Constitution and several statutes dealing with the basic administrative structures. There are basically two components of the system. In the first place there are administrative structures which are part of the centralized national system of administration. Such agencies (for the most part ministries) operate under the direction of the Cabinet under the leadership and direction of individual ministers who are heads of such units. It should be noted that ministers have statutory powers independently from the Prime Minister or the Cabinet. There are also some sixty or seventy central agencies which are under the supervision and are responsible to the Parliament, the Prime Minister or designated Ministers such agencies are not part of the unified national system of administration. National administration has also regional branches in all the territorial units which are acting under regional director called Wojewoda. The most important part of administrative reforms was new division of the country into 16 territorial units (instead of the earlier division into 49 units).

Territorial administration has been established on 3 levels: wojewodztwo, powiat and gmina with the last one being the basic one. Local elective bodies have been also created on each level. There are some 2500 gmina,s in Poland. The middle level- powiat has been received with greatest objections and it is commonly viewed as an unnecessary and artificial part of the system. Gmina's vary significantly in the level of economical and political development. Some already created fairly modern administration which is relatively well functioning and providing a wide range of services for the citizens. However large number of gmina's still is underdeveloped in terms of administrative capacities. On the whole this system provided some means of equalizing services and compensation for economical underdevelopment. There is also a hope that with time local political elites connected to the self government will increase the levels of citizen participation and have a positive contribution to the development of democracy on a local level. Another significant reform of the administration resulted from the generally recognized need for “depoliticization” and professionalisation of the civil service. In 1996 an act of Parliament established civil service on national level and subsequently Civil Service Commission was created. In 1998 due to problems with the earlier legislation a new Civil Service Act came into force. It should be noted that till today only small percentage of public servants holds their positions in the civil service. Vast
majority of public employees are appointed under (although with some amendments) legislation inherited from the communist past. Particularly lacking are the rules under which public servants of the local governments are hired and employed.

**Contents of the reform package and The implementation process**

Reforms in Poland can be divided into 4 groups: political, legal, administrative and socio-economic. We have already outlined the basic political and administrative reforms and analysis of the political institutions is beyond the scope of this report. Many of the changes in the legal system outside administrative law have significant impact on the way in which administration performs its duties. Without going into details it will be sufficient to only indicate the most obvious ones. New laws dealing with corporations, the law of contracts, laws dealing with privatization, procurement rules, statute dealing with non-profit organizations, accounting rules and labor law or freedom of information legislation all can be examples of legislation which sets important boundaries within which both national as well as local (self government) administration discharges its duties. What should be stressed time and time again that in practically every field legislation is being continuously amended (in only one parliamentary session the Civil Code has been amended over seventy times). It is unfortunately quite often that amendments are both unclear and contradict basic principles of the statute which is being amended. It seems that frequently if there are problems with administering a particular statute instead of analyzing the causes of the problem decision makers change the law without even knowing what was wrong with the previous act. It also appears that such decisions are very frequently based on purely normative reasoning without even an attempt at gathering and evaluating empirical evidence. (A good illustration of this approach can be seen in the recent decision to create programs training legal draftsmen without any analysis of the reasons for poor quality of legislation). Significant efforts had to be made in adapting Polish laws to the requirements of the E.U. That part of the reforms is going relatively well and a system has been established to provide systematic analysis of all bills as to their conformity with EU binding legislation. Creation and or modification of the court system have been completed from an institutional perspective. However performance of the courts is subject of significant critique by both academics as well as
practitioners. Business community is particularly concerned with unacceptable delays and lack of consistency in rulings. There also is a tension between the Constitutional Court and the Supreme Court given that all courts are obviously bound by the Constitution and have to interpret the frequently unclear constitutional norms. There are also problems with the relationship between statutory law and inferior legislation. Frequently statutes give very limited direction as to the manner in which they are to be implemented. Orders in Council or Orders of Ministers and other inferior laws in such instances either performs function which properly belongs to the Parliament or repeat what is already in an Act of Parliament? Thus administration has significant problems in translating laws into administrative policies or individual decisions. It would require an encyclopedic treaty to enumerate all reforms undertaken in Poland in the last fifteen years. This is certainly beyond the scope of such a short report. Even monographs and textbooks on public administration or administrative law designed for polish students have not yet catalogued all of the reform and certainly there is no overall analysis of all changes. The three most important reforms in the public sector dealt with pensions, healthcare and education. There is no point in describing details of these reforms. Instead one can point out the principles on which these reforms have been constructed. There are four common ideas on which these reforms are based. In the first place in all three areas several options have been introduced and to some extent it is up to the citizens which option they chose. So for example there are three different types of retirement plans which can be utilized pending on income and perceived need for providing for ones economical security upon retirement. All of these reforms have provided for mixture of public services and services delivered by private entities. The private providers are delivering the specific service either for profit or through non profit organizations. Educational reform added to the public institutions of higher learning also schools which provide degree granting education for profit, some are involved in such activities as not for profit activities. The same principle governs delivery of health services. The most important principle is providing choices for citizens. It has to be stated that such choices are to a large extent based on economic status of individuals and as in every private market economy ability to pay determines ones options.
There is also an attempt to decentralize the delivery systems as well as the responsibility and development of implementation plans. This has created problems for local governments – particularly in the field of health services. These governments have responsibilities frequently beyond their financial means. Given the significant variance in economical base some regions have problems in providing adequate services. The rich regions have much better and varied services giving citizens more options to choose services they want. One of the major problems in implementation of all of the major reforms is the very poor quality of data collection and data analysis systems. This is particularly evident in the system of financing retirement plans. Given that employees have a choice of a pension plan it is crucial that there is a good information about both the employer and employee contributions and that the monies is deposited with the appropriate pension plan. This unfortunately frequently is not the case.

All of the major reforms have initially created a significant confusion among citizens. People simply didn’t know the new rules and where not accustomed to making choices on their own. Administration of the pension system, financing of hospitals can be primary examples of fields which till today suffer from lack of clarity as to some of the basic rules governing administration of these programs. Directors of hospitals frequently run out of monies and are unable to secure that appropriate testing of patients is done or that some of the more expensive procedures are administered. In some instances there are no monies to pay nurses or doctors. Although prohibited by law some hospitals resort to deficit financing other simply suspend admission of patients or refuse to perform elective surgery. Private medical insurance systems contribute to the problems with health services delivery and in many instances patients pay twice for the same service.

Private schools on every level are subject to administrative control supposedly assuring appropriate level of instruction however from all quarters one hears complaints about significant variance level in standards. It is perhaps assumed that with time market place will eliminate inferior providers of services .Given very high level of demands this is not likely to happen in a near future ( if at all ).In some fields we already have signs of the poor providers being eliminated an example of that can be reduction of private post secondary institutions.
Reforms actually achieved

All of the major reforms are at least in part functioning and over time citizens are more and more aware of the available options. (Still there is evidence that each year some 200000 people are not aware of the possibility of choosing future provider of their pension). There is improvements in data collection systems although there are some systems which are totally inadequate (f.e. land title information). The two additional problems other than lack of clarity in legislation is the high level of corruption. Lack of clear rules and financial difficulties in which providers of services frequently find themselves feeds corruption. Given the decentralization of the EU public servants of the local governments will increasingly have increased responsibilities. That part of the public service is very poorly prepared to perform such tasks. Political patronage also prevents development of human resources appropriately educated and with adequate experience given the frequency with which public sector managers are replaced by new governing elites. As somebody noticed – it is surprising that the public system works as well as it does.