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In Europe's waiting-room

*A good man, even in his most gloomy strivings,
is aware of the existence of the unique proper road*

Johann Wolfgang von Goethe

Tiger in the ante-chamber

As Leszek Balcerowicz, a deputy prime minister and minister of finance in Poland stated in July 1998: *Poland may strengthen its present position of the fastest developing large country of Europe, and one of the top of most dynamically developing countries in the world. For many years to come, we may be a healthy 'tiger', as opposed to the sick 'tigers', such as South Korea, Thailand, or Indonesia. We can systematically improve life conditions of millions of people. Within ten years we are capable of doubling our wealth.* Among the important ingredients for implementing such strategy is the access of Poland to European Union structures. Such activities should be preceded by preparing a meticulous and comprehensive register of Polish social, economic, cultural assets and liabilities, alas even in a wider context relating to civilization. Thus a grave mistake lies in the fact that neither the first non-communist government headed by Tadeusz Mazowiecki, nor the governments that followed, whatever political option they subscribed to, have not developed such a register, in a country undergoing such a radical therapy. Also no exhaustive political discussion took place regarding the access to the Union, its beneficial and negative consequences. Probably, its first serious sign will be only the referendum upon whether Poland should join the structures of the Union. In other words, the Polish *tiger* ended up in the Europe's waiting-room, not having a sufficient and full awareness of the assets at hand, not having knowledge about its trumps and potential hindrances. The latter are related in particular to the old-fashioned approach to civilization, which clearly stands out in comparison with the fifteen member states of the Union, including also Portugal and Greece, which rank among its poorest members.

In Polish debates concerning united Europe, which intensified especially after formal negotiations which started (March 31, 1998) with the fifteen member-states, oftentimes serious barriers appear to get neglected, disregarded, or underestimated. There are many such barriers, among the key ones I would list regress in respect of

civilization, the condition and acreage of Polish agriculture, as well as unsolved dilemmas of old industrial regions that cause problems for the country, examples of such regions include Upper Silesia or the Mielec region. In the meantime *Eurostrategists* point out their archaic employment structure, lagging behind in technical and organizational issues, as well as those which concern civilization, along with vital social issues (e.g. new poverty, **absolute** number of clients using the aid of welfare institutions, and the unemployed) or processes of serious restructuring, barely started. All those issues, processes, and phenomena constitute, in the opinion of strategists, a crucial barrier in expansion of the European Union structures to the East. In this context, it is worth mentioning that the mining sector in Upper Silesia employs more people than the mining sector in the entire Western Europe, while steel industry in that region still employs technologies that were given up long ago in the steelworks of Union countries. It seems, then, that in the debate upon 'return' to Europe, upon the advantages and disadvantages, trump cards and burdens, it is worthwhile to consider the role of old industrial regions in that process. At the same time, their social and cultural peculiarities, which add up to their local colour and, perhaps, a unique character, need to be noticed. Of course that unique character will be challenged gravely in a process of possible integration with Europe and uniformization that follows. An example of such a peculiar feature for Upper Silesia would be its frontier character, in the social and cultural sense.

The debate upon the place of Poland within the structures of the European Union should demonstrate to the enthusiasts of *returning* to Europe which troubles may be encountered in the face of unresolved problems of old and archaic industrial regions. From the very beginning, integration of Western Europe has been accompanied by a parallel process of solving the fundamental questions and issues in problem areas there, in proportion. Such problem areas are, for example, the Ruhrgebiet and Saargebiet, or the Nord Pais de Calais region. That process has been going on for a few dozen years and so far its animators do not consider the restructuring a completed process, nor a process that ended with complete success. It is worth to keep that way of thinking in mind, especially in the context of unresolved problems of Upper Silesia.

It also seems indispensable to reject the mythological representations and projections which may be found in thinking of a considerable portion of Polish political classes and social institutions, and which regard the functioning of the European Union. As Antoni Kukliński wrote: *We Poles feed on the illusion that the European Union is one big Saint Francis Association that incessantly keeps thinking how to provide aid to poor regions or social classes...In fact, one has to bear in mind that the European Union is, first of all, a Charles Darwin Association. It is an association that supports the interests of Union's strong partners. It is a machine established in order to provide favourable mechanisms of competition, yet of course it must have also the so-called cohesive funds at its disposal.* One can state, therefore, that the Union in such a shape, not in any other, is the future of Poland. And future is not to be fought against, as William E. Gladstone, a British politician of the 19th

century used to say. One has to prepare for the future, prepare well individually, socially, politically, economically, technologically, and culturally.

The Ten Commandments of Polish under-development

The basic problem that Poland has to cope with on its road to united Europe, besides restructuring the traditional industrial regions, such as e.g. Upper Silesia, is the multidimensional under-development of the country, in the spheres of economy, technology, infrastructure, organization, and social issues. Historically preserved under-development was there at least since the 17th century, and manifested itself in a clear one-sided adjustment of the economy to the needs postulated by the leading states, regions, and towns of Europe, such as: England, Holland, Hansa towns, and later by large continental organizations (the European Union). It also found expression in too slow a rate of establishing new classes, especially the townspeople, that could organize economic growth and development, contributing thus to overcoming the monoculture economy and the poor variety of exported goods (grain, timber, hemp, birch tar, and then coal, sulphur, copper, steel).

The economic fate of Upper Silesia was shaped somewhat differently. Being a big and important economic centre of Prussia and then of Deutsches Reich during the last centuries, to become such a centre for Poland later, the region lagged behind culturally, did not have any substantial number of well-educated people, especially among the natives of it. This backwardness was illustrated, aptly yet metaphorically, by Johann W. von Goethe, who put down after paying visit to Tarnowskie Góry (1790) the following sentence: *Far away from educated people, in the borderland of the Reich*. That notion of being on the outskirts was not accompanied by, common in such cases, economic marginalization. Economically speaking, Upper Silesia was the second most important, after Ruhrgebiet, industrial area of Deutsches Reich and, after the plebiscite, the main although peripheral coal field of reborn Poland.

Leaving out the phenomenon of Silesia, we can assume that as early as in the 17th century Poland was, to use modern terminology a state that was economically under-developed. Today, as a few centuries have elapsed, the Polish backwardness may surely be described applying numerous indicators and characteristic processes, yet surely among its main manifestations, of importance for the access dialogue, are the following:

1. Outdated employment structure and economic domination of sector two (processing industry) and one (farming and extractive industry), with unproportionally insignificant role of sector three, comprising *traditional* services in the broadest sense of that word (trade or services offered by craftsmen) as well as *modern* ones (services in education, banking, business, health care, insurance, IT, social care, trade in real estate, etc.). Poland still remains an industrial country, although the perspective of reaching post-industrial stage, in which over half of the population will find employment in services, appears indispensable on the one hand, and close

(around year 2000) on the other hand. It should be remembered here that the USA reached that stage around 1949/1950. The crucial differences between an industrial society, instinctively associated with Upper Silesia, and a post-industrial one, may be summarized in a couple of basic points:

- processing industry dominates in the former, services in the latter;
- industrial enterprises, central and symbolic institutions of society so far, are replaced to a large extent by universities and other scientific institutions – centres which provide and verify theoretical knowledge and train specialists, experts, managers, advisers, or politicians;
- semi-qualified or qualified workers are replaced by engineers, experts, scientists, and top class specialists;
- scientific and empirical research is partly replaced with abstract theories and theoretical searching;
- capital-intense technologies are ousted and replaced with science-intense technologies, based upon *Research and Development (R&D) studies*, that is studies which serve the purposes of social development in the broadest sense of that word, technological progress, and removing obstacles in that respect;
- ‘playing games with nature by means of machines’ is replaced, to use a notion coined by Daniel Bell, by ‘games between people’;
- pragmatic activities are replaced by planning for the future and long-term prognoses, which apply to all possible dimensions: governments plan future development and growth of their countries; companies – future capital requirements, changes in the market and in product range; individuals think about their careers and paths.

Table 1. Employment structure by economic sectors in Poland, in the years 1994–1996

Sectors	1994	1995	1996
Total in thousands	14924	14967	15487
Total in percent	100	100	100
Sector I	27.2	27	28.2
Sector II	30.6	30.5	29.9
Sector III	42.2	42.5	41.9

Source: A. Dąbrowska, L. Kuczevska: *Employment in services during the transformation period* (Zatrudnienie w sferze usług w okresie transformacji systemowej). *Polityka Społeczna (Social Policy)*, No 8, 1998, p. 11.

The data quoted in the table justify an assumption that for Polish employment structure to bear similarity to that of the European Union, radical or even revolutionary movements of the work force are necessary. It is calculated that farming will cease to be a source of employment and income for some 2–2.8 million people, the fuel and energy sector for a ‘mere’ 300 thousand employees, traditional heavy industry will part with further 350 thousand employees, while light industry with an-

other 400 thousand. In this context, it would be difficult to disregard the consequences of the demographic explosion from late 1970/early 1980s, for the domestic and continental labour market. In the first years of the new century young Poles shall constitute some 40% of people looking for jobs in the entire Central and Western Europe. One cannot thus include the possibility that the number of unemployed people in Poland, still moderate in comparison with European Union standards, may increase significantly. Pessimists quote some 1 200 000 new people without a job, while optimists say that number will be only half as large. In the labour market balance to be forecasted one should also take into consideration the fact that over 700 thousand Poles worked abroad, as of early 1999, mainly illegally, outside the system of social insurance taxation, and guarantees. Only 200 thousand of them had work permissions, and held positions mainly in those countries of the European Union, which are relatively close to Poland: Germany, Austria, or France.

2. Outdated ownership relations, a significant participation of state ownership in them and, still visible despite numerous, often-positive transformations, underdevelopment of the private sector. The participation of the private sector in generating Gross Domestic Product amounted in 1997, according to the Government Centre for Strategic Studies, to 67% and was lower than in Lithuania (68%), Hungary (70%), Czech Republic (75%), or Slovakia (82%). For the sake of comparison, significantly lower results were obtained in the Ukraine (62%), Russia (55%), Romania (52%), Belarus (35%), and Bulgaria (31%). It is worth stressing that the value of production sold in the group of private enterprises increased by 15% in 1998, whereas in the group of state enterprises it dropped down by 12.5%. In the same year, employment in the private sector increased by 8%, while in the state sector it decreased by 5%. The private sector is more profitable than the state one, and generates more profit at the same cost level. In private enterprises the profitability ratio was assessed to amount to 1.7%, while in state enterprises it was 0.2%. In industry owned by the state half of the enterprises generate profit, in private sector nearly 70%. Of each four dollars earned due to export, three go to private enterprises. One can therefore assume that the rate and scope of privatization processes in Poland, especially as regards big enterprises, are not satisfactory. The reasons why it is so vary, yet among the crucial ones the following may be listed:

- mistakes in privatization processes carried out so far, which result in the phenomenon that for numerous employees that process entails unemployment, catastrophe in the lives of their families and their own lives;
- lack of nationwide coherent and clear privatization policy;
- unwillingness to privatize medium to large enterprises, expressed by communities of employees as well as demanding and conservative trade unions;
- deep and multigenerational relations of employees with coal mines or steelworks which are treated, in line with the rhetoric of real socialism, as owned by the state that is *de facto* by the employees;
- sense of social security and job security in state owned enterprises;

— employees' reluctance to behave competitively, as is demanded in privatised enterprises.

3. Unfavourable structure of exports (low percentage of highly processed goods: raw materials and products of agriculture on offer, along with furniture and clothes) **and of imports** (highly processed goods: machinery and equipment, electronics); a relatively low level of international competitiveness of Polish products, both in the internal market and in export; it is assumed that raw materials, that is goods with low unit price, particularly vulnerable to fluctuations in the market and to setting of protective barriers, accounted for 35% of the total Polish exports in 1997.

4. Wasting the resources and means in the state sector, in particular in heavy industry (e.g. mining) and **grave, also well established historically, degradation of the natural environment, especially in traditional industrial regions** (Upper Silesia, Kraków, Legnica, Wałbrzych, Łódź). It may be worth underlying that in mid 1998 the global indebtedness of coal mining industry, whether it is to blame for it or not) came close to 13.5 billion PLN, which is the equivalent of one tenth of the yearly budget of the state, thus threatening the financial stability of the country. In the end of 1998, the Ministry of Economy assessed the total debt of that branch of industry for as much as 15 billion PLN. That enormous amount consists of nearly 1.5 billion of liabilities towards the state budget, some 4 billion PLN towards Social Insurance Institution (ZUS), Labour Fund and Fund for Guaranteed Services for Employees, and over 5 billion towards national and provincial funds for environmental protection and water management. Among the smaller creditors of the mining industry there are municipalities (290 million PLN) and the State Fund for Rehabilitation of the Handicapped (176 million); the remaining 4.1 billion PLN comprised debts towards suppliers and banks. Those liabilities shall not be covered by the debt restructurization ordained in the law passed in early December 1998. The activities of the traditional sectors of the economy, although not exclusively, bring about severe degradation of the natural environment, as well as air, water, and soil pollution. In some parts of the country, including Upper Silesia, the main threat for air gradually shifts from big enterprises towards household ranges, which use the bottom end type of coal and other low class fuels. According to the report of the Chief Central Statistical Office (GUS) in 1997 some 1.3 million tonnes of dust, 2.4 million tonnes of sulphur dioxide, and 1.2 million tonnes of nitrogen oxide were emitted to the atmosphere. Some 10% of the entire population of Poland live in the area of the so-called *smog alerts*. A mere 0.1% of the Polish rivers have the first class of biologic cleanness, while 3.1% have second class in this respect. Nearly 13% of sewage ends up in modern sewage treatment plants, whereas in Western Europe that indicator amounts to between 70 and 90%. In 1996 Austria recycled 65% of paper and cardboard it used, Finland – 57%, Holland – 77%, Canada – 33%, Germany – 67%, the USA – 35%, Switzerland – 67%, Turkey 34%, Poland recycled only 13% (in 1990 – 46%). It is estimated that Poland needs increased investments

in environmental protection for 25 years to reach the standards of the Union, binding at the end of 1990s.

5. Outdated technologies and a still low level of innovation, especially in state-owned sectors of the economy. That feature of many enterprises owned by the state treasury results not only in their low profitability, mentioned elsewhere in this paper, but also hinders, or even forbids, competitiveness in world markets. When pondering upon the level of innovation, it would hardly be possible to overlook the world rankings which illustrate the participation of various countries in scientific research and publications. It is sure that the quantity and quality of such publications reflect, although not fully, not only the state of research, but also the potential range of implementations and practical solutions provided. Yet, the participation of Poland in the world market of scientific publications keeps on falling, in 1981 Poland ranked 15 in the world in that respect, in 1985 it went down to 17th position, in 1997 dropped further to 19th position, and a year later fell one more step.

6. Low labour efficiency and lack of logical relation between input, qualifications, and salary, especially where the state is the employer. The symptomatic reports of the Chief Central Statistical Office of 1997 cannot be neglected here. A statistical BA/BSc was paid 144% of average salary, a person with elementary technical education – 90% of such salary, while a person with elementary education but 83%. People who are well educated are not afflicted by unemployment, as in the group of university or technical university graduates its level is a vestigial 2–3%. Education also alleviates the individual costs of transformation, people with high education have longer life expectancy, less often are victims of depression, and the private enterprises they have established go bankrupt less often. It seems, then, that the slow process of correlating qualifications and remunerations will be irreversible and durable. Thus, another part of embarrassing heritage of real socialism will be abolished.

7. Low level of Gross Domestic Product per capita; in 1996 in Switzerland this indicator amounted to an equivalent of \$ 32100, in Luxembourg – \$ 40 858, in Denmark – \$ 30 930, in FRG – \$ 25 180, in Austria – \$ 24 920, in Sweden – \$ 24 200, in the Netherlands – \$ 23 520, in the United Kingdom – \$ 23 430, in France – \$ 23 180, in Finland – \$ 22 319, in Belgium – \$ 22 270, in Italy – \$ 19 890, while in less rich countries of Western Europe, respectively: Eire – \$ 18 470, Spain – \$ 13 490, Greece – \$ 11 261, Portugal – \$ 10 330; while in Poland it did not exceed four thousand US dollars (\$ 3 480), for the sake of comparison in other countries of Central Europe invited for negotiations with the European Union the GDP level amounted to: Slovenia – \$ 8 824, Czech Republic – \$ 4 656, Hungary – \$ 4 240, Estonia – \$ 2 964. When applying the purchasing power parity, the Gross Domestic Product assessments are more favourable for Poland. For the sake of example, in 1997 that indicator amounted to: \$ 32 900 for Luxembourg, \$ 23 700 for Denmark, \$ 21 000 for FRG, \$ 15 100 for Spain, \$ 13 800 for Portugal, \$ 13 200 for Greece, \$ 9 800 for Eire, while for Poland it was calculated to amount to \$ 7 500. In 1997

a statistical Pole worked out 37% of the GDP in the European Union, thus being clearly behind Slovenia (68%), Hungary (49%), or Slovakia (46%).

8. Unilateral economic, technologic and capital dependency on the most developed countries of the world. Negative experiences of Poland from the period 1944–1989, that is the period of real socialism, resulting from asymmetric and economically, politically and civilization-wise disadvantageous relations with the Soviet Union demand diversification of contacts and international exchange. These should be based on relatively symbiotic although, in some cases, still not equivalent bonds and advantages. Appreciating the role of European integration and its benefits for Poland, it appears worthwhile to strive, for symbolic and awareness-related reasons, as well as for economic and cultural ones, to have the former decision-making centre not entirely replaced by another one, all proportions maintained. Another issue, not discussed here, is the necessary cession of some powers of the state to European structures, thus a reduction of the state political sovereignty.

9. Indicators of civilization-related development that are not put to use, including deformed structure of education, and high level of functional illiteracy (e.g. high infant mortality rate, excessive mortality rate in many age groups, low indicator of life expectancy, modest social and municipal infrastructure). Let us remind here that the education capital of people employed in the economy is lowly. In the late 1998 the education structure of grown-up population of Poland was as follows: 65% people were in the group with incomplete primary, primary or, at the very most, elementary technical education. W mere 27% graduated from secondary schools, while the remaining 8% constituted the exclusive group of university graduates. It is worth noting that in the school year 1997/1998 Poland, for the first time, caught up with the countries of the European Union as regards the percentage of students in complete secondary schools (80%). One can thus assume that, as time goes by, the scope and size of functional illiteracy shall diminish. From the international comparative studies conducted in 1996 in Poland (N = 3000), Canada, Federal Republic of Germany, Holland, Sweden, Switzerland, and the USA one can conclude that as many as four of each ten Poles had the lowest level of understanding simple **texts** (e.g. newspaper articles, advertisements), **documents** (e.g. forms, guarantees, manuals of instructions), and of uncomplicated **calculations** (e.g. bills, bank forms, tax returns).

10. Inequality in regional development which find full expression in distances, or even substantial gaps, between various parts of the country (Central Poland and the so-called 'Eastern Wall') or provinces (e.g. the Mazowieckie province and the Podlaskie one). The new regional map, prepared with such a pain, strengthens and widens those gaps, establishing two provinces which are particularly strong economically: **Mazowieckie** (estimated income: 562 million PLN per year, estimated income per capita: 104 PLN, estimated number of private enterprises: 412 thousand), and **Śląskie** (respectively: 437 million PLN, 89 PLN, 303 thousand); seven of large to moderate economic strength: Wielkopolskie, Dolnośląskie, Małopolskie, Łódzkie, Pomorskie, Kujawsko-Pomorskie, and Zachodniopomorskie (re-

spectively: 101–250 million PLN, 60–70 PLN, 122–250 thousand), and seven weak or very weak provinces: Opolskie, Lubuskie, Świętokrzyskie, Warmińsko-Pomorskie, Lubelskie, Wschodniomałopolskie, and Podlaskie (respectively: 50–150 million PLN, 46–60 PLN, 70–100 thousand).

Ten Polish trump cards in respect to access to Union

In the discussion upon the access to the European Union the register of trump cards in the hand of Poland during integration dialogue cannot be overlooked. While the *ten commandments* in the sphere of weaknesses and drawbacks ought to be perceived and described as *long lasting*, the trump cards are, in the first place although not exclusively, related to the recent processes of transformation. References to history play an important role in a few items, for example in relation to the internal market, geopolitical placement, entanglement in the *European system* or the craft-farmer traditions, but in other cases the phenomena have been established in the 1990s. If, for the purpose of comparison and without any reference to the Bible, we were to write down Polish *trump cards in respect to access to the Union in another ten commandments*, that decalogue would be as follows:

1. Large internal market, coupled with internal convertibility of Polish złoty. This key trump of a nearly forty million nation with demographic, productive, and purchasing potential coming together and being unique in Central Europe, is weakened by numerous negative macroeconomic indicators, among which the, still high although diminishing, inflation rates as particularly valid (14.5% in 1997, to compare with 6.1% in Slovakia, 8.4% in Slovenia, or 8.5% in the Czech Republic), along with negative balance of trade, high public debt (huge internal indebtedness and debts abroad), indebtedness of certain branches of industry which may threaten the stability of public finances (e.g. the indebtedness of coal mining, for which the industry itself is guilty or not). According to agreements signed by Poland with its creditors, the debt repayment before the year 2000 will be rather of symbolic nature (in 1997 – 1% of the Gross Domestic Product, in comparison with 5% in the Czech Republic or 20% in Hungary). Only after that year shall the debt repayment increase substantially, although it must be pointed out that already in 1997 the ratio of foreign debt to GDP is high (48%) and, among the candidates to join the European Union, is second only to that in Hungary (64%). Among the macroeconomic indicators, the unemployment ratio cannot be overlooked, in mid-1998 its value was 10.5% and, despite being lower than that in the Union (11.1%), in Central and Eastern Europe only Slovenia (14.8%), Bulgaria (13.5%), and Slovakia (12.5%) have a higher unemployment rate. It is, however, also probable that some countries (e.g. Czech Republic) owe the low unemployment rates at least in part to certain manipulation with statistics. Among the factors that efficiently diminish the economic attractiveness of Poland, the level and scope of corruption ranks among the major ones. The ranking prepared in 1998 by *Transparency International* for 52 countries of the world one can gather that the intensity of corruption in Poland is higher than

in other post-socialist countries which aspire to be accepted to the European Union. In the ten-point scale, the higher the score the lower the corruption, Poland scored only 4.6 points. In comparison: Czech Republic (4.8), Hungary (5.0), Estonia (5.7). Scores in the range of 9–10 points have been traditionally achieved by Scandinavian countries: Denmark, Finland, Sweden, Norway, Iceland, as well as by New Zealand, Canada, Singapore, Holland. Somewhat lower scores (8–9) was attributed to: Switzerland, Australia, Luxembourg, the United Kingdom, and Eire. Other states such as Germany (7.9), Austria (7.5), the USA (7.5), France (6.7), Spain (6.1), Japan (5.8), Belgium (5.4), and Greece (4.9) were assessed lower yet better than Poland. Among the states that got worse score than Poland there were, for example: South Korea (4.2), Brazil (4.0). Slovakia (3.9), China (3.5), Turkey (3.4), Mexico (3.3), Argentina and Romania (3.0), Bulgaria (2.9), India (2.9), the Ukraine (2.8), Latvia (2.7), Pakistan (2.7), Vietnam (2.5), Russia (2.4), and last but not least Indonesia (2.0).

2. Comparatively cheap, yet only in comparison with the Union, labour force and other factors related to labour and production, land in particular. This trump card, in turn, is effectively diminished by other features of Polish work force. Among those in the first place I would list low qualifications coupled with modest, yet constantly increasing, level of formal education and poor knowledge of foreign languages. Assessment indicate that not more than 12% of adult Poles can communicate in one of the languages used in the Union. Additionally, a drawback is also in, to use the notion coined by Piotr Sztompka, *incompetence related to civilization*, which entails inadequate knowledge of the latest technologies and a restricted, even in comparison with other countries of Central Europe that aspire to join the Union, access to Internet, computer networks, and personal computers in households. Cheap labour force may not be perceived solely as an asset, as this feature usually attracts investors who offer technologies already outdated in leading countries, technologies that generate a small number of intelligent jobs, technologies that aim at mass standard production.

3. Advantageous location in respect to geography, communication, and transport, near many routes in Europe (e.g. North-South, East-West, bearing in mind in particular that Union opened to the East and North-East of the continent through *Via Baltica*: Warszawa–Suwałki–Kowno–Rīga–Tallin). Also the geopolitical location at the border of the future European Union is not without importance, as it may be an asset in trade, transfer of culture and civilization, as well as a disadvantage in extreme or conflict-generating situations. *Our borders will move to the East, yet Europe does not end where the European Union does*, said Mr Jacques Santer, President of the European Commission, in an interview for the *Wprost* weekly. He added: *We need to establish partnership relations also with Russia, Ukraine, Byelorussia, and other countries. It would be good if a certain division of roles took place; we expect Poland and other new members of the community to be important links in that process.* The consequences of the *Law on foreigners* and the so-called *sealing* of the eastern borders of Poland (with Belarus and Russia) in early 1998 make one ponder gravely upon the balance of profit and loss in relation to the

location of Poland at the frontier. Those decisions, made largely due to pressure by the Union, restricted the possibilities for legal and *semi-legal* profit making for large groups of producers and small merchants on both sides of the border; they also accelerated to fading of *bazaar and market-place prosperity* near the borders of Poland and in its centre, in such market-places as Tuszyn or Rzgów. Perhaps, the unfavourable consequences of *sealing* borders will be alleviated by the decision on reducing the price of single entry visas for Byelorussians and Russians, which became valid on August 01, 1998.

4. Quick growth of the Gross Domestic Product and increasing wealth of a substantial percentage of Poles, which allow favourable prognoses regarding adaptation in the Union structures which reduce, however, to a certain degree the possibility of abrupt, uncontrolled, and unfavourable transfer of cheaper Polish labour force, especially the well qualified one, to the states being members of the Union, particularly those located at the border before new states joined the Union (e.g. Germany, on behalf of which the candidate for the office of chancellor, Mr Gerhard Schroeder, expressed the concern, or Austria for which the *porte-parole* was Wolfgang Schlüssel, a vice-chancellor and minister of foreign affairs). It is worthwhile to mention here that in 1997 the growth of GDP in Poland amounted to 6.9% (for the sake of comparison: Belarus: 9.0%, Estonia: 9.0%, Slovakia: 6.5%, Latvia: 4.5%, Lithuania: 4.0%, Hungary: 3.7%, Czech Republic: 1.0%, Russia: 0.4%, Romania: 3.0%, the Ukraine: 3.5%, and Bulgaria: 8.0%). One of the derivatives of the GDP growth and stabilization of the economy is the increasing amount of internal savings. In the end of 1996, the official savings of Poles were estimated to amount to 88 billion PLN, in 1997 they increased to 118 billion PLN, while in 1998 they reached the amount of 148 billion PLN (of which deposits in Polish złoty amounted to 109.58 billion PLN, deposits in foreign currencies amounted to 24.47 billion PLN, treasury bonds to 7.15 billion PLN, shares to 5.19 billion PLN, and deposits with trust funds to 1.78 billion PLN). Over a half of the citizens of Poland do not place means anywhere, even if they happen to have them, while every third Pole has no contacts with the banking system, whatsoever. One cannot forget, at the same time, that the indicator of GDP growth shall fall considerably in the next years, and shall not exceed 4.5% in 1999, for example. What is also worth stressing is the fact that the spectacular increase, in percent, of GDP in previous years had been initiated at a relatively low value of GDP, in comparison with Union member states, per capita. Of significance was, however, the relative and absolute dynamics of nominal salary growth in the production sector; in 1997 a man-hour cost \$ 3.20 in Poland (\$2.80 in 1996), which brought about the highest indicator in that part of Europe) for comparison: Czech Republic – \$2.03, Slovakia – \$ 1.51, Hungary – \$ 1.58, Estonia – \$ 1.50, Lithuania – \$ 1.39, Russia – \$ 1.15). To understand things in proportion, one should point out, however, that the same indicator in Germany was six times as high as in Poland; while growth of GDP and increasing wealth enjoyed by part of the society are accompanied by increasing pauperization of substantial social groups, their political or cultural marginalization. There appear, in many places in a spectacular form, phenomena which accompany the so-called

underclass associated with the new poverty (post–state–farm locations, areas where traditional industries are closed down). The people that constitute it were employed not so long ago, and at present are usually without jobs, or have pensions that do allow for normal functioning in market economy conditions. The World Bank assessments state that in 1998 some 15–17% of Poles suffered poverty.

5. Access of Poland to NATO and the presence of that country, with restrictions relating to the time when Poland was partitioned and when its political system was that of real socialism, in the *European system*, along with participation in important European or worldwide institutions or organizations, e.g., the Organization for Safety and Cooperation in Europe, or OECD. It also deserves mentioning here that on July 16, 1998, the Belgian parliament ratified the incorporation of Poland, Hungary, and the Czech Republic in the NATO structures. Similar decisions were taken in September of the same year in the United Kingdom and Portugal, and in October in Turkey. Thus, the ratification process came to an end, while a ceremonial acceptance of the new members of the Treaty took place on March 12, 1999.

6. Relative stability of the democratic system and legal validation and legitimization of political power, in the Weberian sense, joined together with laborious reconstruction of parliamentary traditions. An important role in the democratization of the country and in restricting its centralization and limiting the heritage of real socialism was played by the *municipal reform*, while its effects may be synergistically strengthened by the new system of territorial organization of the state (reform of regions and districts). The stability of the democratic system, and the unquestionable economic successes of the state are favourable for foreign investments. Poland, with the estimated level of investments amounting to \$ 20.5 billion was second only to Russia (\$20.6 billion), but if per capita figures are taken into consideration, Poland is far behind Hungary (a total of \$ 16 billion) and Czech Republic (\$ 6.8 billion).

7. Paradoxically, a strong point of Poland in the access process may lie in the old-fashionedness of Polish farming, although to a limited scope and degree. A chance opens for the agriculture to develop agro-tourism, ecologic farming and production of natural products (e.g. of linen or wicker). Similar possibilities are open for Polish craftsmanship, a branch of the economy with substantial traditions, in spite of being in crisis and suffering from disappearance of many a relict profession, which at present appear to be attractive for market and tourists (e.g. artistic smithery, gunsmithing, wood-carving, baking). One cannot neglect the fact that Polish agricultural products, often ecologically clean, appear to be biologically contaminated, while the situation of the Polish dairy industry is a significant example here. The hygiene and attempts to improve it, as well as rural investments in infrastructure shall probably decide about the fate of that segment of the Polish economy before and after joining the Union. In the opinion of the Union experts, the gravest problem which that sector of the Polish economy faces is the substantial overemployment. As many as 26.7% of all professionally active inhabitants of Poland work in the farming sector, that is much more than in the fifteen member states

of the Union (5.1%) or countries aspiring to join the Union (Hungary – 8.2%, Czech Republic – 4.2%, Slovenia – 6.3%, Estonia – 9.2%). Also the participation of Polish agriculture in the state revenue is of interest, as in 1997 it was assessed for 6% (European Union – 1.7%, Hungary – 4.4%). Another problem of the whole sector is, besides the technological old-fashionedness, a considerable dispersion of farms. The average acreage of a farm amounted, in 1997, to 9.2 hectares, and was significantly smaller than in the *fifteen* member states of the Union, such as the United Kingdom (70.1), Luxembourg (39.9), Denmark (39.6), France (38.5), Sweden (34.4), Germany (30.3), Eire (28.2), Finland (21.7), Spain (19.7), Belgium (18.8), Holland (17.7), or Austria (15.5). Only Greece (4.5), Italy (5.9), or Portugal (8.7) have average farms with smaller acreage than Poland, whereas the average output per hectare is three times higher. Statistically, agricultural production in the Union member states exceeds that of Poland seven times. It needs to be pointed out here that every fourth for the 2.1 million Polish farms produces for its own consumption only, having very loose connections with the market. Only 1.5 million farms comply with the criterion of minimum yield of marketable agricultural produce, while for a mere 700 thousand farms agricultural activity is the main source of income. A modest 200 thousand farms are considered developmental, with broadened reproduction and investment-oriented. One can assume, on the basis of statistics relating to the entire rural population of Poland, that nearly half of the 4.1 million Polish farmers (pension premiums are paid by 1.6 million people) finished their education at the primary level (44.6%), sometimes not even completing it. 28.0% graduated from elementary technical schools, while others graduated from secondary schools (14.2%), colleges (1.3%), or universities (1.9%). In terms of **full time jobs**, the number of Polish farmers (3.4 million) is very high, in comparison with the states belonging to the European Union. For comparison, the number of farmers in Italy is assessed to amount to 1.81 million, in Spain – 1.08 million, in France – 1.01 million, in Germany – 0.71 million, in Greece – 0.61 million, in Portugal – 0.58 million, in the United Kingdom – 0.38 million, in Holland – 0.21 million, in Austria – 0.18 million, in Finland – 0.18 million, in Denmark – 0.11 million, in Sweden – 0.09 million, in Belgium – 0.08 million, and in Luxembourg – 0.05 million.

8. Growing educational and professional aspirations of a considerable number of Poles, particularly the younger generation, the *homo novus* educated in Polish universities, business schools, and technical universities after 1990. One cannot, however, neglect the fact that attitudes and motivations related being promoted at work and having a professional career are still alien to a large group of Poles, who are unwilling to continue education or be perpetually trained, and who are very reluctant to change jobs from the *surplus* labour market to those in the *deficit* one.

9. Progress in the unification of Polish law and making it comply with that of the European Union (the so-called *screening*). It appears worth indicating that some 8 thousand legal acts are already comparable with those binding in the Union states, and a further 12 thousand await unification. It should be remembered at the

same time that the legal 'output' of the European Union, the *acquis communautaire*, comprises some 20 thousand various legal acts, which take up 80 thousand standard pages. Unification processes apply to 31 areas of negotiations, such as: science and research; education and youth; small and medium size enterprises; industrial policy; culture and audio-visual policy; joint foreign policy and security; telecommunications and information technologies; Zollverein; external relations; company law; consumer and health protection; statistics; policy regarding competition; free movement of goods; economic and monetary union; fishing; social policy and employment; free movement of capital; power; freedom in providing services; taxes; free movement of people; transport; environmental protection; agriculture; regional policy; finances and budget; justice and internal affairs; financial supervision; institutions and others. So far, the *screening* process has been successfully completed only in the first three areas of negotiations. Successive governments of Poland, in particular the government headed by Jerzy Buzek, design and attempt to implement also other reforms aiming at complying with the standards of the Union: reform of education, social insurance system, health care, and pension system.

10. Social support for access to the Union. On the basis of opinion polls one can assume that some 55–70% of adult Poles support the access to the European Union, whereas among the remaining portion, some (10–15%) have no opinion regarding that issue, and a mere 10–15% oppose the integration with the Union. Such substantial, yet decreasing, support for European aspirations is surely connected with insufficient knowledge of the Polish society about multidimensional, positive and negative, consequences of access to the Union, including the future of Polish agriculture, mining industry, steel industry, or fishermen. Most probably, as the knowledge of those aspects increases, social support for aspirations will decrease, although not in a radical manner. In this context, the moderate assessments of the Union expansion within the populations of the fifteen member states also need not be disregarded. The studies and soundings carried out there indicate domination (over 50%) of opponents of accepting Poland to the European structures. The studies carried out in mid-1998 and ordered by the European Commission indicate, for example, that Polish attempts to join the Union enjoy the support of only one third of adult Germans (37%), almost the same percentage of Belgians (36%), and only 29% of the Austrians. Among those who approve the Polish membership in the Union, the leading nations are: Danes (71%), Swedes (70%), the Dutch (67%), Fins ((61%), Spaniards (57%), and Greeks (57%). The candidacies of Hungary, Slovenia, or the Czech Republic have clearly met with more approval. Probably, of importance for the perception of Polish access to the European Union, which cannot be disregarded by European politicians, is the stereotype picture of a typical Pole, well established in the West, a negative picture that may be summarized as a 'smart' type seeking illegal employment and drinking too much alcohol. Also the picture of Poland in Europe is disadvantageous, no wonder then that the new authorities in the Committee for European Integration declared to engage strongly to change it. As Maria Karasińska-Fendler, a newly appointed under-secretary of state in the Com-

mittee stated on July 29, 1998: *We aim to have Poland perceived in the way it deserves to be perceived, to have its unfair picture replaced by a realistic one.*

'Substitute' population

A discussion on broadening the European Union and Polish membership in it should take into consideration numerous dimensions and aspects, including also if not first of all the sublime political, legal, or social contexts. The negative perception of Polish candidacy to join the Union can, what may hardly be univocally assessed, be influenced (especially in Germany) by lobbying from various organizations of the *expelled*, which address various economic and political revindications to Poland. Under such pressure, the German Bundestag passed on May 29, 1998, by the majority of the leading CDU/CSU-FDP coalition, a resolution entitled: *The expelled, displaced persons, and German minorities as a bridge between Germany and its eastern neighbours.* The document states: *The German Bundestag hopes that, in relation to Poland and Czech Republic joining the European Union, the taking over of the Union's tenure shall simplify solving those bilateral issues which still remain open. Among those issues is the right of free movement and settlement of people...These are crucial and proper elements that may aid in overcoming the consequences of the war and expulsion...Expulsion may not be an instrument of politics. That is why the German Bundestag shares the opinion of the federal government, and all preceding federal governments, which invariably treated the expulsion of Germans from inherited motherlands, related to the end of World War II, as a great harm/lawlessness (Unrecht) and something contradictory to international law, and did thus define that act. Bundestag appeals to the federal government to continue, in the dialogue with governments of the eastern neighbours of Germany, to defend the justified interests of the expelled...* On July 3, 1998, in reply to the resolution of the German Bundestag, the Parliament of the Republic of Poland issued a statement which includes the following: *The Parliament of the Republic of Poland states that the resolution of the German Bundestag...does not serve well the purpose of successfully developing cooperation of Poland and Germany. It contains some ambiguities which we cannot treat indifferently. The Parliament of the Republic of Poland considers such European cooperation to be the basis for durable and lasting peace, which does not infringe the international legal system. Which, in particular, does not shake the territorial order in Central and Eastern Europe...* The Polish reaction, apt in a few points, contains statements which are pointless and inadequate in relation to the statements of the Bundestag resolution and numerous, sometimes irresponsible, pre-election speeches of CDU and SCU politicians, delivered in mid-1998. First of all, it is a misunderstanding to, in this context, take up the issue of infrangibility of the post-war borders, as the German resolution did not question them at all. The ambiguity of the German document lies in the statement that there are justified and redressable demands of the *expelled* in relation to Polish western borderland, supposedly: property they had left there. The case of Heribert

Wehry and his revindications of the family property in Mosiny, taken up by the *Polish substitute population*, as he defined it, is a symptomatic yet by no means a representative example. What is incomprehensible in the Bundestag resolution is the expectation that Poland will respect the law of the Union, including the freedom of movement of the *expelled* to the private motherland they left after World War II. It is incomprehensible as joining the European Union structures *per se* implies acceptance of the laws binding in the Union, and recalling that obvious fact by Bundestag is a manifestation of political officiousness. The law mentioned also settles the issue of translocation and, again, applies to all the inhabitants of the Union, thus shall become applicable also for the citizens of Poland if Poland becomes a member of the Union. Therefore, both the displaced (*expelled* as the German document labels them) will have the freedom to settle in Poland, and the inhabitants of western borderland of Poland will be able to settle in Germany. In that context, the more striking are the declarations made by Mr Gerhard Schroeder, a candidate for the office of the chancellor of Germany, who announces intensified pressure upon protection of national interests and restrictions in the access of new Union member states to the German labour market within 15–20 years. The ambiguity of the document, which completely disregards the ‘bridging’ role of Poles living in Germany, lies in expecting some, unspecified in the document, privileges for those *expelled* in the process of translocation in Pomorze, Warmia, Mazury, and Śląsk (Silesia). That fundamental issue was not taken up, for reasons completely beyond understanding, in the statement by the Parliament of the Republic of Poland. Yet, the Bundestag resolution reminded once again how important are the regulations, preceding the access agreements, concerning ownership rights of *perpetual tenants* all over the part of the country once labelled the *Regained Territories* (*Ziemie Odzyskane*). And, even for that reason only, the political dialogue between the German Bundestag and the Polish Parliament can hardly be labelled *paper war*, as the influential newspaper *Frankfurter Allgemeine Zeitung* described it (FAZ, July 23, 1998). There is no war, but just the real issues to be settled, which would guarantee the perpetual tenants a minimal level of peace and psychical comfort.

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In the access process, which is symbolic for the efforts to establish a post-industrial order, it is of particular importance to look for precedences within the Union, which had been made for certain countries (e.g. restrictions in the purchase of land for recreational purposes in Denmark and Austria), or apt presentation of the country’s true trump cards. One cannot, of course, expect that Poland will move from the *antechambers* to the parlours of the Union under exceptional conditions. Still, one may and should try. As Benjamin Franklin used to say, *God helps only those who help themselves*.

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In Europe's waiting-room

Summary

Among the important ingredients for implementing Polish strategy of development is the access of country to European Union structures. Such activities should be preceded by preparing a meticulous and comprehensive register of Polish social, economic, cultural assets and liabilities, alas even in a wider context relating to civilization. Thus a grave mistake lies in the fact that neither the first non-communist government headed by Tadeusz Mazowiecki, nor the governments that followed, whatever political option they subscribed to, have not developed such a register, in a country undergoing such a radical therapy. Also no exhaustive political discussion took place regarding the access to the Union, its beneficial and negative consequences. The latter are related in particular to the old-fashioned approach to civilization, which clearly stands out in comparison with the fifteen member states of the Union, including also Portugal and Greece, which rank among its poorest members.

Paper discusses the register of trump cards in the hand of Poland during integration dialogue (i.e. large internal market, quick growth of the Gross Domestic Product, growing educational and professional aspirations etc.). While the *ten commandments* in the sphere of weaknesses and drawbacks (i.e. outdated employment structure, outdated ownership relations, wasting the resources etc.) ought to be perceived and described as *long lasting*, the trump cards are, in the first place although not exclusively, related to the recent processes of transformation. References to history play an important role in a few items, for example in relation to the internal market, geo-political placement, entanglement in the *European system* or the craft-farmer traditions, but in other cases the phenomena have been established in the 1990s.

Key words: *Poland, European Integration, Polish Transformation, European Community.*