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System Transformation: Achievements and Social Problems in Poland

During one generation life-span Polish society experienced two complete changes of social order:

– the post-war system transformation which resulted in the shaping of a socio-political system defined as real socialism and lasting for half a century,

– system transformation initiated on the break of the 21st century and lasting to the present moment with a view to formation of a sociopolitical system defined as democratic capitalism.

The post-war rejection of capitalism as a system based on exploitation and social injustice led, 50 years later, to the restitution of the system now claimed to be the best or the only possible one.

A system transformation is defined as a social change that leads to qualitative reshaping of a social order. Edmund Wnuk-Lipiński (1999) distinguishes three types of such a social change depending on the pace of its progression: gradual, radical, and mixed. The first one occurs in case of a consistent, usually long-lasting replacement of the old system elements with the new ones which are characteristic for the emerging social order. The second one ensues when all elements of the old order are exchanged simultaneously and violently. The "mixed" type comes about when "the key elements of the old order are in an abrupt manner replaced with some new elements. This, in consequence, paves the way for more gradual changes

(reforms) of less important components of the old social order" (Wnuk-Lipiński, 1999, p. 23).

Depending on the initiator of the change and on the presence or lack of violence, the same author distinguishes an evolutionary, reformatory, and revolutionary manner of its implementation. A gradual, spontaneous social change takes place in an evolutionary manner. When the governing elite initiates the change, it is referred to as a "reform". If the transformation is accompanied by violence, it is defined as "revolution".

The change of the social order in Poland after World War II was revolutionary and took place in the circumstances of civil war. Violent measures were applied against opponents of socialist regime. As a result of the Yalta Treaty establishing new order in the post-war Europe, Poland found itself in the Soviet sphere of influence, which was an important determining factor for the emergence of the socio-political system shaped here in the following years. Although it was a decisive influence, another fact was also important: the socialist ideology that emphasised values of equality and social justice found followers not only among the formerly underprivileged classes, but also among the intelligentsia of the time. As Paweł Machonin (1999) states, the clue to the success of Marxist ideology success lies in the fact that it heralded and already contained some aspects of modernisation of society. It was especially significant in countries such as Poland that had to face the task of launching the first stage of extensive industrialisation and urbanisation. As the author points out: "the communist regimes in fact stimulated some cultural changes important for modernisation, and in certain aspects favourable for the population. Beside the relative technological progress in the production of goods and the basic consumption standards (including some improvement in housing conditions), a doubtless educational expansion also needs to be mentioned" (Machonin, 1999, p. 50).

The socialist system in Poland had features common to all the countries of the socialist bloc and, in addition, a few unique traits distinguishing the Polish variety of socialism.

The main common features were:

– in the realm of politics: monopolisation of legal power by a single political party (in Poland it was even guaranteed by the Constitution),

– in the realm of economy: the policy of central planning as a regulator of economy based on state ownership of production means,

– in the realm of ideology: adoption of Marxism-Leninism as the official national ideology.

Nevertheless, except for the Stalinist period of the late 1940s and early 1950s, the political system in Poland did not possess any features of totalitarian regime.[1]

The main distinguishing features of Polish socialism were:

– existence of private ownership of production means in agriculture, trade, and services,

– considerable independence of the Catholic Church which throughout the post-war era promoted the ideology opposed to Marxism-Leninism and in the 1980s became an institution offering support for the opposition movement,

– more frequent than elsewhere outbursts of social discontent (1956, 1968, 1976, 1979, 1980, 1988) leading to emergence in 1976 of an official, although illegal, opposition movement and to formation in 1980 of "Solidarity", an independent trade union, which fact was a significant disturbance for the party monopoly.

The fact that socialist system in Poland was constantly "in the throes of change" makes it difficult to define the exact moment when the second transformation began. Undoubtedly, the parliamentary elections of 1989 and formation of the first non-communist government in September of that year contributed substantially to the precipitation of the social change and gave it a new quality. However, some researchers (Poznański, 1996) locate the starting point of the transformation as early as in the 1970s. Therefore, it can be assumed that in Poland we experienced at first a gradual social change within the limits of socialist order and then a radical shift as the non-communist parties took over the power. Some researchers, especially those from the countries of the former communist bloc, stress that the reasons of the transformation – resulting in the downfall of socialism – are to be found as much in the external relations as in the internal ones.

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[1] According to Frances Millard (1999), this was due to some particularities of Polish socialism described by the author as "a system constantly in the throes of change" (p. 7).

As Witold Morawski (1999) points out – quoting other recognised experts in the field – no system change would have been possible if it had not been for the failure of the socialist system in the military, economic and cultural competition with the Western civilisation. Paweł Machonin (1999, p. 50) states that the collapse of socialism was a consequence of the fact that even the most advanced European socialist countries "were not successful in starting the post-industrial developments". Władysław Adamski (1999), in turn, disagreeing with those authors who place the reasons of the systemic change exclusively outside given society, claims that "neither the totalitarian or quasi-totalitarian system of power as such, nor even the depth of its communist or socialist ideology implementation, but rather its inner contradictions, stemming from the historical uniqueness of the social structures 'designed' by this system, deserve to be taken as decisive factors responsible for the system collapse and the trajectories of the ongoing processes of the 'post-socialist' transformation" (Adamski, 1999, p. 62). According to Adamski, the most destructive factor for the Polish socialist system – especially for the manner of its ideological implementation – was the emergence, in peculiar demographic conditions, of a common sphere of interests for the "new working class" and the "proletarised" intelligentsia. Actually, the historical changes were instigated by the post-war generation of baby boomers, a social group that was fairly significant within the demographic structure of Polish society, relatively well-educated and aspiring to higher goals than career paths offered by the socialist system (Adamski, 1999). The research of Wielisława Warzywoda-Kruszyńska (1985) indicates that prior to the "Solidarity" era two parallel structural principles existed within the Polish society: one, representative for the older generation, was based on the principle of consitance of social status characteristics; the other, typical for the young adults, relied on the principle of decomposition of the status characteristics. That state of affairs led to a deep sense of deprivation among young people who supported "Solidarity" in their masses thus contributing to the important change in the system of articulation of social goals and, in consequence, to the collapse of the socialist rule. In the late 1980s, after the national amnesty of September 1986, many politically innovative institutions were created, e.g. The civil rights spokesman office, the State Tribunal, referendum. All of them contributed the transformation of the Polish political infrastructure.

In the field of economy, the 1980s brought about a rapid increase in the number and importance of private enterprises, both legal ones as well as those operating within black market. Combined with the already existing private sector, this led to an expansion of market relations. The first significant move towards market economy was made by the government of Prime Minister *Mieczysław Rakowski* that, in summer of 1989, "liberated" prices in agriculture, i.e. introduced market mechanisms of shaping prices of farm products, which fact caused a wave of hyperinflation.

Following the strikes of 1988, the government and "Solidarity" trade union signed in April 1989 the Round Table agreement that led to elections for the Sejm and the Senate in June 1989. The formation of the first non-communist government of *Tadeusz Mazowiecki* spurred a process of radical social change not only in Poland but also in the whole "Eastern bloc".

The collapse of socialism surprised both politicians and scholars. No scientific theory existed hitherto that would explain this unprecedented event. Analogies were searched for in other countries and continents. Many researchers claimed that there was nothing special about the processes taking place in Central Europe and that one should treat them as part of "the wave of democratisation initiated in Portugal in 1974" (Di Palma 1993, cited after Adamski 1999, p.59) or, as Samuel Huntington (1993) stated, as the third wave of democratisation (following the Latin American and the Southern European ones). The concept of transition to democracy seemed to be clear, well grounded and easily applicable. Its assumptions appeared attractive as they pertained to a clearly defined objective – replacement of an authoritarian regime with a democratic system. Similarly convincing seemed the idea of an ostensibly uniform and linear path leading all countries of the Eastern bloc to the achievement of this objective. It took time to learn that transition from socialism to democracy was a unique process and each country was about to engage in its own specific kind of transformation. The main difference between the Central European model when compared to the Latin American and South European ones, is that in case of the latter the transition to democracy took place in the context of long existing market economy and in the presence of competing political elites that accepted common values and acting principles. In Central Europe democracy is built simultaneously with market economy while many countries of the region lack any experienced political elite. Therefore,

the system transformation turns out to be very complex and its outcome is hard to predict as qualitative changes occur simultaneously in politics, economy and society. Additionally, the process is taking place in conditions of international competition enhanced by strong globalisation tendencies.

The decision to introduce democracy marked not a final, but a starting point for the tasks to be performed in the post-socialist countries. Frances Millard (1999) points to five such vital tasks:

1. Introduction of new principles for the functioning of institutions, principles based on law and respect for the rights of Minorities. It requires creation of qualitatively new relations between the legislative, executive and judicial authorities as well as formation of new institutions designed to mediate between the people and the state. New mechanisms to regulate responsibilities of state institutions toward its citizens are needed too.

2. Elimination of institutions of central planning and price fixing; implementation and assurance of the right to private ownership; introduction of a tax system and other financial regulations typical of market economy.

3. Implementation of all necessary transformations in the social structure and in the system of social security. The necessary social changes should lead to establishment of a middle class, transformation of peasantry into a farming class and formation of "a class of service professionals". The burden of social security must be transferred from work provider to specialised institutions whose existence will be indispensable in the context of new forms of social inequality. The Church and other organisations must engage once again in their traditional social practices.

4. Modification of political culture leading to the development of a civil society. It is a long lasting and complex process accompanied by unavoidable contradictions that must be resolved.

5. Introduction of new trade relations in response to the ongoing global integration processes; membership in the agencies of international economic/monetary systems and in the new defence institutions.

Nikolai Genov (1999), while pointing out that along with political, economic and cultural reconstruction also technological reorganisation takes place in the post-communist countries, presents the following outline of the four dimensions of the Central European system transformation and its possible effects:

Table 1

Four dimensions of the Central European system transformation and its possible effects

Dimension	Task	Potential effect
Technological reorganisation	Computerisation	Adaptation to global information technologies
Economic reorganisation	Free market expansion	Adaptation to global markets
Political reorganisation	Democratisation	Adaptation to global rationalisation of politics
Cultural reorganisation	Openness to universal trends	Adaptation to global innovations in the field of culture

Source: Genov, N. (1999). *Managing Transformations in Eastern Europe.* Paris, Sofia: UNESCO-MOST, p. 22.

The complex situation in the countries of East-Central Europe is caused not only by simultaneous yet differently paced transformations in many dimensions of social life. It is also due to the fact that the change is realised on various levels: it affects people (individual and collective actors), organisations and institutions – each at a different speed and time. As Andrzej Rychard (1995, p. 27) states: "… 'old' actors often function in newly emerged organisations, whereas new institutional regulations sometimes do not find their organisational projection so they have to be applied by individual actors. In this case it often happens that 'new' actors function in old organisations". According to Rychard we are dealing with decomposition of the process of transformation manifested by differences in the logic of functioning and rationality of each of the elements of the triad (people, organisations and institutions) as well as by a different degree of their 'transformational advancement'.

In result, system transformation involves emergence of new social actors and elimination of the old ones. It is accompanied by creation of new social relations and decline of the former ones. The new actors are primarily private entrepreneurs, public functionaries liable to democratic procedures,

and structures of the civil society developed out of new forms of social and economic organisations. The emergence of these leads, in turn, to problems of convergence and divergence of individual and organisational interests and creates a need to keep the balance between the interests of national and foreign institutions.

The process of forming new social relations manifests itself in the shift of the weight from distribution of political power to economic reproduction and from hierarchic relationships to relationships based on voluntary membership (associations). As Genov (1999) points out, there is no doubt that transformation inspires a great variety of co-ordination and conflict relations that arise both from the existing hierarchy and from the negotiated polyarchy.[2]

The emergence of new actors and relations is a process that brings about various expectations, aspirations, actions, and results. Some tensions appear between long and short term objectives, i.e. Those that have only local importance and affect some specific groups or communities – and those of regional (continental) or global range. Starting with "components" of the transformation process, Genov (1999) constructs the following operational scheme:

Table 2

Operational scheme of the transformation process

Dimension	Tasks	Effects
Actors	Initiative and responsibility	Competitiveness
Relations	Maintaining the balance between hierarchy and polyarchy	Meritocracy
Processes	Effective allocation or resources	Innovative character of the system

Source: Genov, N. (1999). *Managing Transformations in Eastern Europe.* Paris, Sofia: UNESCO-MOST, p. 24.

[2] Polyarchy – the term describing relationships between different partners (e.g. institutions, organizations, individuals) where each partner shares the same amount of power.

While claiming that the system transformation is a historical form of Central Europe's adaptation to global trends, the author states that the incorporation of this region into the "global village" requires competitive actors, social relations based on knowledge, and effective allocation of resources that will make the system innovative.

According to Genov, the common feature of social transformations in the countries of Eastern Europe countries is the resulting transfer of institutional patterns that have already proved effective in other industrial societies. This transfer applies basically to four types of orientations and related institutional structures which include the main tendencies in the development of modern societies, namely:

– instrumentalisation of values,
– individualisation,
– organisational rationality,
– universalisation of the system of values.

These trends permeate all contemporary societies though with differing intensity and to varying extent. They percolate through such channels as global transfer of technologies, commercial and financial transactions of world-wide scope, transnational political processes and diffusion of cultural patterns via telecommunication media.

Instrumental values (effectiveness, productivity) constitute vital forces of modern production and economic exchange. They invigorate political systems based on competition and contribute to entrepreneurial culture and dependability. They have dominated all spheres of life in advanced societies and are in the centre of their "secularised religion". Acting in accordance with these values, the West has managed to ensure its domination over the rest of the world. That is why the driving forces and effects of the instrumentalisation of actions are now at the heart of the problems that stimulate but also plague modern civilisation.

Individualisation, i.e. widening the range of possibilities of an individual's development and self-realisation is an evolutionary trend gradually encompassing new areas of the globe. Innovations in market economy, policy based on competition, and a pluralistic culture have made individualisation a fundamental feature of social development in advanced industrial societies. However, the increasing autonomy of individuals has

some implications such as anomie (breakdown of social norms) leading to various forms of disorientation and deviation accompanied by pathologies of organisations. Despite all the uncertainties and responsibilities which the individualisation places upon an individual, it is believed to be one of primary values in advanced societies. It is so, because industrial societies have developed effective institutions and organisations designed to reduce these uncertainties. Thus the tendency of individualisation springs from the motives related to the system of values as well as from the support provided by a great variety of organisations that reduce the uncertainty 'from the cradle to the grave' and help an individual to cope with life risks.

Another global trend determining developments in Eastern Europe is modernisation of organisational rationality, i.e. Diversification of social structures and their functions combined with strengthening of social integration. In modern societies both tasks are realised mainly by official organisations which originated in Western Europe. Undoubtedly, the wave of democratisation in Eastern Europe is a historically significant example of modernisation of rationality in organisational structures and processes, including the state itself.

Over the last decades the global civilisation has experienced a rapid universalisation of the system of values. While this tendency was initiated and effectively enhanced by the electronic media, its deeper causes have their root in the dissemination of universal technological standards, in the globalisation of economy, in global political interdependence, and in the globalisation of culture and lifestyles. Without doubt, the same technological problems brought forth by identical technologies eventually create and support the same cultural patterns of problem solving.

The universality of new orientations and values provokes a collective cultural trauma (Sztompka, 2002). The post-socialist breakthrough brings about disintegration of the existing culture (values, norms, canons, ideals). At institutional level, this causes disorganisation and at the level of personality, cultural disorientation, that is "uncertainty about the appropriate patterns of conduct and a sense of 'incompetence in civilisation' understood as the lack of habits necessary to make use of the newly created institutions" (Sztompka, 2002, p. 461).

Each country of Central Europe realises its own unique system transformation stemming from the country's cultural background, the manner of rejecting the socialist system, and from external circumstances.

Polish model of transformation is closely linked with the creation of a unique institution of the Round Table (later repeated in Hungary). In April 1989, representatives of the socialist government and opposition jointly adopted a number of resolutions that considerably influenced the subsequent events. The Round Table agreement legalised "Solidarity" trade union.[3] The agreement introduced a four-year transition period (one term of office of the Sejm) during which the opposition was to learn the parliamentary ways and the communist party was to prepare itself for participation in the free elections. The second parliamentary chamber established then, the Senate, was to be elected straightaway in fully free elections. Elections to the Sejm were also free but only partially based on competition so as to secure the Majority for the communist party members. The Round Table established the office of the President chosen by both parliamentary chambers. It also instituted the independence of courts and freedom of mass media. In the June 1989 elections, however, the deputies from the communist party obtained only 38% of votes. The Prime Minister appointed by the President wasn't able to form a government. The President thus decided to entrust the mission to an opposition member, *Tadeusz Mazowiecki*, who led the coalition composed of parties with "Solidarity" background as well as some representatives of the communist party and its two satellite parties. The Communist members of the government supervised the Ministry of Defence and the ministry of Home Affairs. The Soviet army was still stationed on Polish territory and the reaction of USSR to the political changes in Poland was not entirely known at the time. When Michaił Gorbaczow accepted the result of Polish elections, it became clear that the Soviet Union did not intend any form of intervention. This opened way for further changes. *Leszek Balcerowicz*, the author of the so-called shock therapy, was appointed Deputy Prime Minister and Minister of Finance. Poland entered the path of economic transformation in a very

[3] The union was legalised once in 1980 and delegalised soon by the decree of the martial law in December 1981.

poor economic condition. In 1979, for the first time in the post-war Polish history, there was a decrease of production and domestic product that dwindled to the level from the beginning of the 1970s. Although this decrease of GDP was halted throughout the 1980s, the year 1989 brought a new crisis. There were shortages of goods and services on the market. Prices went up. In the autumn of 1989 hyperinflation came, caused by an introduction of market prices for agricultural products and by indexing of wages guaranteed in the Round Table agreements. Growing foreign debt made the situation even worse. In such circumstances, on 1 January 1990 the Balcerowicz Plan was introduced. Its aim was to stabilise the economy and to make structural changes in its functioning. The Plan is still a controversial issue. Its supporters believe that it contributed to faster economic growth and made the transformation successful; the opponents claim that by way of indiscriminate implementation of neo-liberal conception that favoured private ownership and an 'invisible hand of the market' as a mechanism of economic regulation, the Plan led to the collapse of state-run firms and thus contributed to the sale of national property and to uncontrolled unemployment.

The basic element of Balcerowicz's strategy was lifting of state control over prices, i.e. Their fixing according to supply and demand fluctuations. This liberalisation of prices was to be counterbalanced by another element of the strategy: opening of the consumer market to foreign products. A similar function was ascribed to the elimination of state subventions for consumer goods. Simultaneously, real (inflation dependent) interest rates were introduced for bank loans, which was a shattering blow for businesses and people who started to modernise their firms in the 1980s. It also caused huge obstructions of payments and ruined many enterprises. Unemployment became a traumatic experience for Polish society. Introduction of market economy rules according to the Balcerowicz Plan caused the real abolition of the principle of full employment that constituted one of the main characteristics of the socialist society. Already in the spring of 1990, there were 400 000 unemployed registered and their number tripled by the end of that year. The deterioration of living standards also stemmed from the lowering of real income, which in turn resulted in a decrease of

consumption demand. Although black market and long queues in shops disappeared, hardly anybody felt any improvement of living conditions.

The governmental strategy encountered resistance from both workers and managing staff. The uncertainty caused by high inflation rate, the inaccessibility of bank credits, and the lack of clear rules of privatisation enhanced "wait-andsee" attitudes in enterprises. A sense of disappointment about the economic policy of the government led to social protests and strikes. The process of privatisation of big industrial concerns faced great difficulties, mainly in the heavy industry sector where trade unions were particularly strong. Smaller enterprises were privatised very quickly and often fell into the hands of *nomenklatura* (former party officials). The first victims of market reforms were workers who had done so much to overthrow socialism in Poland. Their enormous disappointment found its outlet in the results of the September 1993 elections when a coalition of post-communist parties took over the power after a three-year rule of changing governments with Solidarity background. However, socialism was not restored. The direction of economic change set by the Balcerowicz Plan proved to be decisive for the further development of the country. Corrections introduced by subsequent governments could not and did not alter the basic outline of economic policy implemented in 1990.

Although the advancement of market economy in Poland seems irreversible, privatisation of the biggest enterprises such as mines, railways, and steelworks has not been completed yet. Solutions proposed by consecutive governments did not gain the acceptance of trade unions. Since the enterprises in question incur deficit, they generate losses and thus influence significantly the state of public finances.

The "decommunisation" programme adopted by "Solidarity" encompassed not only limiting the state intervention in economy but also in administration and social work. The idea of creating a local self-government (*gminy*) was brought into life as early as 1990. Further changes in the state administration system came nine years later, when the coalition of post-Solidarity parties regained power. Currently, three levels of self-government exist independently of each other: a commune (*gmina*), a district (*powiat*) and a province (*województwo*). In provinces, the state authority is represented by the office of *wojewoda*. Each of the self-government levels has its

own responsibilities. For example, communes are in charge of nurseries, primary schools and grammar schools (*gimnazja*), districts run secondary schools while self-governments of provinces are responsible for institutions of high schools. The process of creation of local self-government was based on the principle of subsidiarity which requires that social needs be satisfied by institutions "close" to the people. The emergence of self-government was accompanied by controversies about the number of particular administration units and the range of their competencies.

Even though the decentralisation of the state is an irreversible fact, the manner of financing self-governments remains an unresolved issue. The decentralisation of responsibilities did not come along with decentralisation of public finances. Neither the post-Solidarity government which was in power when the local self-government was constituted nor the next one has decided to give the local authorities some share in taxes so the financing is performed basically through grants and subsidies from the central budget. Such state of affairs causes constant shortage of means and – what is even more important with regard to local political elites – some problems with the shaping a sense of responsibility for the tasks assigned to each of the local authority levels. It primarily applies to the fight unemployment, poverty and social exclusion, to health protection, education, housing etc.

The central government claims that decentralisation of public finances is impossible as yet because of the so-called stiff budget expenses which are too high at the moment. These expenses result from the statutory obligations of the state toward its nationals and institutions. For example the state budget covers invalid and eldery pensions, social care allowances, education expenses, unemployment benefits etc. Sick-benefits and pensions constitute a considerable part of the central budget expenditure. Although Poland is a country with a lower percentage of senior citizens than countries of Western Europe, which should have a positive influence on the general state of health, it turns out that the number of people entitled to invalid pension is bigger than in Germany. This situation is related to the fact that neither the first post-communist government nor the succeeding ones conceived a method of dealing with unemployment which grew rapidly in years 1990–1993 and ranged from 6.6% to 16.4% affecting over 3 million employable people. Among the methods applied to protect the popu-

lation's income and to lower the unemployment rate were liberalisation of applicability criteria for invalid pension and promotion of early retirement amidst employees of the firms threatened with bankruptcy. This solution was advantageous for enterprises since it did not oblige them to pay compensations that would be due in the case of collective layoffs; it seemed to be beneficial for the individuals as well since it assured a steady income and did not stigmatise them as unemployed.

Agricultural population also receives pensions covered in 95% from the state budget. Representatives of some professions (e.g. policemen, militaries, employees of judicial system) do not pay insurance premiums at all and yet they are entitled to receive pensions; others acquire retirement benefits after a shorter period of employment than 'ordinary' employees. Attempts to regulate the system of pension granting have not been entirely successful because retirement privileges are strongly defended by political parties and trade unions. In 1999, however, the reform of the retirement insurance system was introduced. It is based on three pillars: a compulsory insurance, a collective insurance in retirement funds, and a private insurance. The most advanced in age employees will receive their pensions according to the rules binding before the reform whereas the youngest workers are additionally obliged to choose a retirement fund. Besides, everybody has a right to buy a private insurance policy. The system is relatively new and its effectiveness will be evaluated in the future. The issue of insurance for agricultural population has not been solved, which leads to frequent abuses as it is enough to possess only one-hectare of land to be entitled to membership in the agricultural insurance fund financed in 95% from the state budget.

During the first ten years of transformation over 5 million employable people drifted from the sphere of domestic product creation to the sphere of redistribution and social care; about a half of this group retired or applied for invalid pension (2.8 milion) and the rest became unemployed (Kabaj, 2000).

The unemployment rate that rose successively until 1993 (16.4%) declined in the following years to reach the rate of 10.5% in 1997, only to increase again up to 18.7%, which amounts to nearly 3.3 million unemployed in 2002. High unemployment rate and poverty are definitely the greatest

social issues in Poland. The unemployment is chronic and long lasting and, what is extremely significant, no effective social aid is provided. Only one in five of the unemployed is entitled to unemployment benefits. The rest are maintained by their families and receive some meagre support from the social assistance system. They often work illegally when their health or circumstances permit it. Some engage in criminal activities. The unemployment rate is higher among women; the problem affects more often young people who enter the age of procreation and matrimony rather than the older ones. The fact that young population leaving schools (recently the institutions of higher education as well) is not able to find work is particularly alarming. Entering the adulthood without any possibility of achieving self-reliance has a negative impact on marriage and procreation plans and lengthens the period of dependence on parents. The unemployment among the young would be even higher if were not for the proliferation of nonpublic post-secondary schools which operate on commercial terms. They have become a sort of depositories for the young people whose parents can afford to pay tuition fees and other costs related to studying. Even though some of these schools do offer education services of acceptable quality, many are merely selling illusions that their graduates will find jobs more easily. Only until recently a college diploma was bound to ensure one a job. Nowadays, even graduates of recognised Polish universities have difficulty finding work since no vacant positions are available. They have been taken by slightly older (and luckier) colleagues. Fairly recently a number of Poles of different professions started to search for jobs in EU Countries.

High unemployment is caused by scarcity of available jobs (the net job loss rate is estimated by mieczysław Kabaj at 1.7 million), by mismatch of qualifications versus demands of the job market, and by low mobility of workforce in Poland. In addition, the workforce is distributed quite irregularly across the country.

The persistence of unemployment in the first place, but also the remuneration policy which limits employees' pays while rising salaries of the managing staff enhanced the income inequalities in Poland.[4] The Gini's

[4] Daily newspapers in Poland often mention the problems of disproportionately high earnings of managers in state enterprises that are in the process of bankruptcy or incur deficit.

coefficient rose from 0.28 to 0.33 reaching higher value than in the Scandinavian countries.[5] Many Polish families are experiencing poverty. It is estimated to affect 6.5 million people living in households with income per capita lower than 50% of the average national wage. Within the population of the poor there is an overrepresentation of children and young people, which validates a claim that Poland experiences a phenomenon of juvenalisation of poverty. Children and adolescents under 18 years of age constitute 24% of overall Polish population but as much as 44% of the poor. The poverty rate among children (29.5%) is almost twice as high as among the population in general (16.2%). Unfortunately, neither the government nor the opposition has come up with a feasible program of combating unemployment and poverty. In fact, the measures proposed so far are limited to some attempts to reduce the public social expenditure and recurring proposals to lower taxes. The conviction that lower taxes will automatically increase the number of jobs is rather disputable. Poland's accession to the European Union and the necessity to submit regular reports on employment and the range of poverty will at least evoke a common dispute about the strategy for improvement of living standards, the improvement that should strengthen the effectiveness of Polish economy.

When spectacular achievements such as accession to the NATO or to the EU are set aside and one measures the results of system transformation according to welfare of the population, the image of Polish achievements of the first decade is not so obvious as it would have seemed just a few years ago. The political division into post-communist and post-Solidarity camps has not been eradicated, which makes it difficult to find common priorities and realise them consistently. While politics is the key to economic transformation, it should take into account the fate of ordinary people who become overshadowed by macroeconomic indicators.

Translated by Justyna Niedzielska

[5] Gini's coefficient (ranges from 0 to 1) is used to describe income inequalities. The lower value represents the smaller differences in the level of income.