



ENTERPRISE THE POLISH WAY

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Polish Agency for Enterprise Development

KARTA Centre

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Polish Agency for Enterprise Development

ul. Pańska 81/83 00-834 Warsaw

Phone: + 48 22 432 80 80

Fax: + 48 22 432 86 20

biuro@parp.gov.pl

www.parp.gov.pl

PARP Information Point

Phone + 48 22 432 89 91-93

0 801 332 202

info@parp.gov.pl

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On the tenth anniversary of the Polish Agency for Enterprise Development I extend my sincere thanks to all its employees for their efficient work aimed at promoting the Polish economy in the world. I also extend my congratulations to them on their many successes in developing the potential of Polish businesses.

For a decade now the Agency has been assisting micro, small and medium-sized enterprises in their development by providing financial support, rendering advisory services or promoting innovation. This has resulted in more than 11,000 support contracts for a total of nearly PLN 8 billion. This effective assistance has translated into the Agency's results. A total of 25 PARP projects have been awarded and 51 honoured in 12 editions of the Polish Product of the Future Competition.

The Agency acts efficiently and intensively, constantly taking up new challenges. PARP acts as an Intermediate Body and Managing Authority in three operational programmes of the new financial perspective of the years 2007–2013: Human Capital, Innovative Economy and Development of Eastern Poland. The total amount of support in the 28 measures carried out by PARP exceeds EUR 7 billion.

The Polish Agency for Enterprise Development also carries out additional tasks, including: "Innovation Voucher, "Innovation Express", long-term program "Participation of Poland in the Competitiveness and Innovation Framework Programme in the Years 2008–2013" or EXPO 2010 in Shanghai.

The level of enterprises' competitiveness will depend in the coming years on their ability to promptly implement innovative technological and organizational solutions. A skilful conversion of that potential into a commercial success will translate into greater effectiveness of our economic system. I believe that Polish businesses will fully use the assistance offered by PARP.

Thanking you once again for your support extended to Polish entrepreneurs both on the Polish market and internationally, I wish you perseverance, commitment and passion in implementing your current and future tasks.

Waldemar Pawlak

Deputy Prime Minister, Minister of Economy

The Polish Agency for Enterprise Development has been a natural partner of the Ministry of Regional Development in implementing the European funds since the Ministry's establishment. The cooperation between our institutions has resulted in hundreds of implemented projects and subsidized investments. Its effects can be noticed wherever enterprise is in action.

PARP's experience in implementing the programmes financed by the European funds is invaluable. The pre-accession funds followed by the structural funds launched through PARR have translated into the development of a huge number of Polish businesses, improvement of their position, promotion and rooting in international markets.

The Agency's current role is much broader. Its impressive budget of 30 billion makes it possible to effectively accomplish the tasks connected with the function of the Implementing Authority for certain measures under the Human Capital, Development of Eastern Poland, and Innovative Economy Programmes.

In my opinion, the measures supporting entrepreneurs are of particular importance. Contracts for more than PLN 8 billion signed by PARP to date provide substantial support for the Polish business. This money will be earmarked to subsidize investments of great innovative potential, which will strengthen out competitiveness on the European arena. We will also spend it to tighten contacts between business and the world of science: on research and development or applications of research results. The EU funds will also make it possible to support businesses in the area of industrial design and protection of industrial property.

PARP's support in making use of the European funds is of particular importance in our fairly difficult times. That is why the Ministry of Regional Development so highly holds such a reliable partner as the Polish Agency for Enterprise Development. That is why PARP's tenth anniversary is an excellent opportunity to extend our thanks to the Agency for its active and broad involvement in the support extended to Polish enterprise and wish it at least equally successful performance in the years to come.

Elżbieta Bienkowska

Minister of Regional Development

The Polish Agency for Enterprise Development has been supporting Polish entrepreneurs for ten years now. The history of this institution is closely connected with the fates of entrepreneurs who, after the time of transformation of the political system, have been gaining experience in running businesses, learning how to compete at a time of prosperity and economic slowdowns, and gaining experience in running their businesses on the Common European Market.

PARP's activities either responded to entrepreneur's needs or provided impetus to their further development. Poland's accession to the European Union was an event which gave a new dimension to the development of enterprise. The Polish Agency for Enterprise Development not only has been intensely preparing entrepreneurs for new challenges but also has been in charge of distribution of many millions of euros under several EU support programmes. The increase in competitiveness and innovation, regional development, modernization of infrastructure, development of up-to-date staff, higher exports, and Poland's promotion in the world are but a few goals of PARP's activity.

I feel immense satisfaction that our work is reflected not only in the amounts of grants received, numbers of employees trained, kilometres of roads built or universities modernized owing to the support received though PARP. Neither is the Agency's involvement in the development of Polish enterprise evidenced by the awards received by PARP over the decade of its work. The sense of our mission derives from the dynamic development of Polish enterprises which are the flywheel of the economy and give jobs to millions of people.

The Agency's ten-year achievements probably would not have been so significant, if it had not been for the passion, competence and exceptional involvement of the people who have formed its team. Our partners: the institutions from the business environment, social partners, regional authorities and ministries also have contributed to establishing the right direction for PARP activities. The awareness of their high requirements has motivated the Agency and its employees to constantly improve their competence and quality of work.

Our modest jubilee brings back recollections, encourages to make an assessment of our activity to date, and prompts us to take up new challenges.

The publication we offer you is an attempt to put in order the latest history of Polish enterprise and PARP's activity set against its background. Our aim is not to tell the full story of the development of enterprise in Poland. *Enterprise the Polish Way* presents a selection of developments and phenomena making up the history of modern enterprise in Poland.

Bożena Lublińska-Kasprzak

President of the Polish Agency for Enterprise Development

CHRONOLOGY



1944-2010

22 July 1944 – proclamation of the manifesto of the Communist-dominated Polish Committee of National Liberation (PKWN), drafted in Moscow and derived – because of the tactics imposed by the Soviet authorities – of any content pointing to the introduction of Communism in Poland but heralding instead the restitution of property robbed by the Germans and state support for private enterprise.

August 1944 – PKWN decree on compulsory supplies of corn, potatoes, milk and meat by peasants.

6 September 1944 – PKWN decree on agricultural reform providing for the breaking up of landed estates with an area of more than 50 or 100 hectares each (depending on the region).

January 1945 – transformation of PKWN into the Provisional Government of the Republic of Poland; appointment of the Economic Committee of the Council of Ministers headed by Hilary Minc (a pre-war Communist, member of the Polish Workers' Party) who is also appointed the Minister of Industry.

15 January 1945 – establishment of the National Bank of Poland to emit the currency: the Polish zloty. The beginning of currency revaluation, with each citizen being allowed to change only 300 German marks and 500 "occupation" zlotys (private enterprises – 2000 zlotys each), with the surplus being taken over by the state.

10 November 1945 – decree on the establishment of the Central Planning Office (CUP, with Czesław Bobrowski as its president), grouping economists critical of Communist ideas.

16 November 1945 – decree on the establishment of the Special Commission for Fighting Corrupt Practices and Economic Sabotage (headed by Roman Zambrowski) to combat: speculation, corruption, smuggling, trading in foreign currencies, looting, bribery, and crime against state monopolies. The Commission was authorized to fine, order forfeiture of property or send to a force-labour camp for up to two years.

December 1945 – the 1st Congress of the Polish Workers' Party and adoption of a programme which declared the willingness to "nationalize" large and medium-sized industry, railway and banks, while at the same time keeping private enterprise in small industry, trade and craft (80–90 percent of retail outlets at that time were in private hands).

3 January 1946 – act of the State National Council (parliament-like political body) on the nationalization of industry. The act covered all the German and Gdansk-based enterprises, and, out of the Polish ones, all the enterprises from the selected 17 branches of industry (e.g., mining, oil industry, sugar industry, printing) plus those in the remaining trades which were capable of employing 50 people per one shift.

4 April 1946 – government resolution (based on solutions admitted in 1928) on withdrawing concessions and putting 16 private banks under liquidation.

30 June 1946 – referendum staged to "test" the attitude of the people before the parliamentary election planned

by the Communists. According to the official results – completely forged with the help of the Soviets – there were 77.3 percent affirmative replies the second question which read: *do you want the economic system introduced by the agrarian reform and nationalization of the basic branches of the national economy with the preservation of the statutory rights of private enterprise to be consolidated in the future constitution?*



Student teams moving to clear the Polish capital of rubble, Warsaw 1946. Photo by Edward Falkowski / FORUM

1 August 1946 – abolition of compulsory supplies.



May Day march, Warsaw 1946. Photo by Świerczyński / PAP

19 January 1947 – parliamentary election to the Legislative Sejm (Lower House) which "legitimized" the Communist rule.

13–14 April 1947 – during a plenary session of the Central Committee of the Polish Worker's Party (PPR) Minc presents a programme to build socialism providing for the subordination of the private, cooperative, and local-government sectors to a central state economic planning centre. The state begins its struggle against manifestations of private enterprise in trade, craft and services which were tolerated before.

May 1947 – Minc presents his programme of the "battle for trade" in *Nowe Drogi* (an organ of the Central Committee), providing for combating the vestiges of capitalism in the Polish economy.

30 May 1947 – a government resolution on the establishment of a chain of state-owned and cooperative department stores which are to receive loans and supplies on preferential terms.



First post-war Poznań International Fair, Poznań, April 1947. Photo: PAP

2 June 1947 – passing of acts enabling the materialization of the concept of “struggle for trade:” *on fighting high prices and excessive profit in trade (the right to fix maximum retail and wholesale prices), on citizens tax commissions and social controllers, and on concessions to run trade enterprises and carry out professional commercial transactions.* Since then the fixing of prices above the administrative limit or purchasing, hoarding or hiding of goods to achieve “excessive profit” is subject to five years in prison, high fines, seizure of property or sending to a labour camp (24,000 “economic pests” were sent to such camps in the following few months); additionally, county revenue offices are allowed to impose back taxes on private enterprises. The result of such actions was a decline in the number of private shops from 134,000 (1947) to 78,000 (1949).

July 1947 – the government rejects, under the Soviet pressure, the US Marshall Plan – the European Recovery Programme; this strengthens the dependence of Polish economy on the USSR.

2 July 1947 – the Sejm (Lower House) passes the Plan of Reconstructing the Economy (the “Three-Year Plan”, the only fully-accomplished plan in People’s Poland), providing for a relative balance between investments in the heavy industry and the satisfaction of consumer needs of the people.

24 September 1947 – by a decree the government takes over the fixing of prices at state-owned and local government-owned enterprises, which results in the breaking of the dependence of prices on market mechanisms for the entire Communist period.

1 October 1947 – decree on the planned national economy providing legal bases for central planning; in force until 1982.

21 April 1948 – decree amending the pre-war law on chambers of crafts – the Union of Chambers of Crafts is covered by central planning.

15–21 December 1948 – unification congress of the Polish Workers’ Party (PPR) and the Polish Socialist Party (PPS), establishment of the Polish United Workers’ Party (PZPR) with Boleslaw Bierut becoming the First Secretary of its Central Committee.

8 January 1949 – the Council for Mutual Economic Assistance is set up in Moscow grouping the Soviet bloc

states, including Poland; it is to theoretically coordinate joint economic ventures of socialist states.

10 February 1949 – liquidation of the Central Planning Office (CUP) and establishment of the State Commission for Economic Planning (PKPG) headed by Minc as the main body managing the national economy based on Soviet models; simultaneous liquidation of the Ministry of Industry and Trade split into six trade ministries as a manifestation of the Stalinist expansion of red tape.

15 August 1949 – ordinance by the Ministry of National Defence whereby each conscript may be sent for three years in a coal or uranium mine. Detailed instructions indicate that it is to apply to the sons of Home Army servicemen, merchants, craftsmen and artisans, millers, and kulaks.

21 July 1950 – the Sejm (Lower House) passes the Act on Six-Year Plan which provides for the growth of industrial production by 158 percent (against 85–95 percent expected before), means of production by 63.5 percent, and means of consumption by 36.5 percent; the implementation of the plan consists first of all in the development of heavy and armaments industry imposed top-down on the entire Communist bloc by Moscow – which is connected with the war in Korea and the growth of international tension. Everyday needs of the population are pushed into the background, which, combined with repressive measures against private enterprise leads to a considerable decline in availability of many goods and services.



May Day march, Katowice 1951. Photo by Kazimierz Seko / Ośrodek KARTA (OK)

30 October – 8 November 1950 – conversion of currency which resulted in the decline of the population’s cash reserves by 60 percent (the conversion rate 100:3 for pay and 100:1 for banknotes in circulation); a simultaneous ban is introduced on trading in and possessing foreign currencies, gold, and platinum, which is subject to severe repression, including the penalty of death.

1951 – re-introduction of compulsory supplies.

22 July 1952 – adoption of the Constitution, change of the name of the State from the Polish Republic to the People’s Republic of Poland. Article 7 of the new fundamental statute states that: *the People’s Republic of Poland, relying on nationalized means of production, exchange, communication and lending, develops the*

country's economic and cultural life under the national economic plan, in particular through the expansion of the state-owned socialist industry, which is a decisive factor for the transformation of social and economic relations.

3 January 1953 – drastic price increase (“Operation R”) which resulted in the growth of the price of salt from 0.6 to 1.2 zloty and rye bread from 1.45 to 3 zlotys. According to the Central Statistical Office (GUS), the cost of living of a worker family in Warsaw in January increased 45 percent when compared with December 1952. Inspections of market places to trail profiteering hit at buyers who purchase agricultural produce from farmers, who, in turn, are treated more leniently and allowed to trade, provided they have delivered their compulsory supplies; the price rise is accompanied by the abolition of the ration system (introduced for various products in 1951–52).

5 March 1953 – Joseph Stalin dies in Moscow; beginning of a slow process of “thaw” in the Communist countries.

12 March 1956 – Bolesław Bierut dies while on a visit to Moscow.

28 June 1956 – bloody suppression of worker protests in Poznań by security forces and the military.



Protesting workers, Poznań, 28 June 1956. Photo: OK

11 September 1956 – effective date of the Act on Guilds and the Union of Chambers of Crafts – a declaration of greater freedom and respect for private ownership

19–21 October 1956 – the 8th Plenary Session of the Central Committee of the Polish United Workers’ Party appointing Władysław Gomułka the First Secretary on the wave of social commotion; Gomułka promotes the idea of breaking off with the past period of “errors and distortions”. The plenary resolutions also included a call for supporting private workshops; the October transformations and thaw are accompanied by a dynamic growth in the number of private works. The situation of private entrepreneurs is changing – even though their activity still encounters reluctance of the authorities, they begin to be accepted and repressive punishments are replaced with primarily financial ones.

15 November 1956 – liquidation of the Polish Commission for Economic Planning, appointment of the Planning Commission at the Council of Ministers.

January 1957 – establishment of the Economic Council at the Council of Ministers headed by Oskar Lange with a view to giving its opinions on the economic policy pursued by the state; however, it is soon deprived of any significance and the helm of the economy is again assumed by the Party leadership.

1 July 1958 – the Act on Concessions to Carry Out Work in the Area of Industry, Craft and Certain Services for Non-Socialized Economic Units; re-toughening of the provisions softened in 1956. Return to the practice of strict licensing of business activity by state offices.

18 June 1959 – the Act on Criminal Liability for Crime against Social Property, providing for the possibility to pass a death sentence.

31 July 1959 – introduction of “meat-free Mondays” – evidence of growing difficulties with the supply of food for the population and the authorities helplessness with them.

2 February 1965 – death sentence in the “meat scandal” for Stanisław Wawrzecki, one of the directors of the Warsaw-based meat trading enterprise Miejski Handel Mięsem. The defendants accused of embezzlement and corruption when trading in meat got exceptionally harsh sentences, which was to show the people that individual swindlers, and not the inefficient system, were responsible for shortages on the market.

12 December 1970 – announcement of a decision of the Political Bureau of the Central Committee of the Polish United Workers Party on the increase in the prices of meat and other foodstuffs.

14 December 1970 – beginning of worker protests against price rises on the coast suppressed bloodily by the army.

20 December 1970 – Edward Gierek replaces Gomułka as the First Secretary of the Central Committee; the new government propagates the idea of building economic prosperity (in line with the later slogan “For Poland to gather strength and her people live a more affluent life”), thus breaking off with the Gomułka-style saving. The following years see certain slackening of the strict discipline connected with business activity. Market gardeners – fruit farmers, for example, vigorously develop their business.



A propaganda poster. From the OK collections

1 January 1972 – abolition of compulsory supplies of food produce for the state.

14–15 December 1972 – unification congress of the existing central guilds and the establishment of the Central Union of Crafts.

28 October 1974 – ordinance of the Minister of Internal Trade and Services enabling private persons to trade in foodstuffs and imported stimulants.

6 February 1976 – order of the Office of the Council of Ministers allowing for the formation of representative offices of foreign companies with foreign shareholdings: citizens of the People's Republic of Poland could not head such branches, but could be employed by them; in response Poles started to encourage their family members and friends abroad to set up such businesses and entrust them with their branches in the People's Republic of Poland.

24 June 1976 – announcement of price rises; worker protests against that decision begin in Radom, Ursus, and other cities the following day. These protests are brutally pacified by the militia, but the authorities simultaneously withdraw their decision on price hikes.



Dispersing demonstrators, Radom, 25 June 1976.
Photo by Bronisław Duda / OK

12 August 1976 – introduction of sugar ration coupons, one of the first distinct signs of the growing economic crisis arising from Gierek's policies based on western loans to a great extent.

23 September 1976 – formation of the Workers' Defence Committee, an open opposition organization set up to defend repressed June protests participants and give aid to their families.

December 1976 – new more liberal principles of imposing taxes on craftwork and small-scale production, also connected with the progressing economic crisis.

29 September 1977 – transformation of Workers' Defence Committee into the Committee for Social Self-Defence "KOR" calling for self-organization of the people in the struggle against political repression.

November 1977 – introduction of a possibility to give socialized retail outlets and restaurants to private concession holders.

7 February 1979 – resolution of the Council of Ministers allowing for the establishment of not only branches but simply joint ventures; simplification of the procedure for their establishment.

14 August 1980 – beginning of a strike at the Gdańsk shipyard, climax of a national strike wave lasting from July.



From right: Andrzej Karandziej, in the middle: Bogdan Borusewicz, first from the left: Leszek Zborowski, Gdańsk 1980. *Photo by Bogusław Nieznalski / OK*

31 August 1980 – signing of the Gdańsk Agreement between the authorities and the striking workers.

17 September 1980 – formation of the Independent Self-governing Trade Union "Solidarity" on a national scale.

Autumn 1980 – appointment of the Commission for Economic Reform with Solidarity representatives Ryszard Bugaj and Waldemar Kuczyński as observers.

28 February 1981 – introduction of meat ration coupons.

2 July 1981 – introduction of regulations liberalizing taxes imposed on small-scale production.

September – October 1981 – the First National Convention of Delegates of the "Solidarity" Union. The Union's programme adopted on 7 October called for wide-ranging economic reforms and the abolition of red-tape primacy and command-and-distribution system of managing the Polish economy.



Meeting with Lech Wałęsa at the chemical plant, Oświęcim, 10 November 1981. *Photo by Maciej Sochor / PAP*

25 September 1981 – the Law on Combating Profiteering directed against illegal trade developing in the conditions of permanent supply shortages.

18 October 1981 – General Wojciech Jaruzelski is appointed the First Secretary of the Central Committee of the Polish United Workers' Party.

13 December 1981 – imposition of Martial Law.

26 February 1982 – adoption of a package of laws expected to reform the national economy (one of the attempts to legitimize the imposition of Martial Law); introduction of a division into government-regulated prices, prices fixed by socialized sellers and contractual – free market prices (fixed by private craftsmen, tradesmen and farmers); from that year the private sector in practice begins to operate outside the central planning system; its distinct development which follows is connected with the growing inability of the inefficient “socialized” economy to secure the necessary products and services and (especially in the second half of the 1980s) ever stronger ties between the Party members and business people.



Shortage of meat at shops, Warsaw 1982.
Photo by Cezary Langda / PAP

20 July 1983 – amendments of the Constitution, guarantees given to the permanence of private farms.

22 July 1983 – abolition of Martial Law.

1985 – from 1981 production grew 13 percent in the private sector and declined 0.2 percent in the socialized sector.

October 1985 – the *Wprost* weekly begins a series of articles about Polish millionaires.

June 1986 – Poland admitted to the International Monetary Fund and the World Bank.

11 September 1986 – amnesty for all political prisoners. Since then the authorities have withdrawn from prison sentences for opposition activity.

1987 – according to the Central Statistical Office (GUS), private non-farm economy accounts for 4.7 percent of the GDP (compared with 2.3 percent in 1980), but, in fact, that figure can be much higher. There are 530,000 private economy units, compared with 357,000 in 1981.

November 1987 – separation of the PKO BP bank from the National Bank of Poland (NBP) and its re-establishment as an independent bank geared to servicing the population and small enterprises, chiefly cooperative and private ones.

29 November 1987 – propaganda referendum on economic and political reforms; the first question concerning economic reforms (*Are you for the full implementation of the radical economic recovery programme aimed at a distinct improvement of living conditions, which has been submitted to the Sejm (Lower House), knowing that it entails a difficult two- to three-year period of rapid changes*) was given an affirmative answer by 66 percent of the voters (i.e., 44.3 percent of the people eligible to vote). Since the statutory threshold was 50 percent, the result of the referendum was not binding.

December 1987 – establishment of the Society for the Promotion of Economic Initiatives on the initiative of Mieczysław F. Rakowski to help overcome bureaucratic difficulties; at the same time, it makes it possible for the business-oriented Party members to make their first steps in business.

8 February 1988 – order of the Council of Ministers allowing forming private companies based on the property of state-owned enterprises; the “nomenclature” companies are thus established, making it possible for some high-ranking Party members to be given property rights.

April 1988 – establishment of Łódzki Bank Rozwoju, the first bank not owned by the state.

Summer 1988 – national wave of strikes bringing “Solidarity” back to the political scene in Poland.

31 August 1988 – first meeting between Lech Wałęsa and Minister of Internal Affairs General Czesław Kiszczak heralding the Round Table meeting between representatives of the authorities and the opposition.

14 October 1988 – appointment of the Mieczysław F. Rakowski government with Mieczysław Wilczek, a private entrepreneur and one of the richest Poles, its industry minister; liquidation of economic trade ministries and establishment of the single Ministry of Industry to replace them.

23 December 1988 – the Sejm (Lower House) passes the Law on Business Activity: freedom to carry out business on equal footing for all the sectors, the requirement to obtain administrative permit is replaced with a notification for the records requirement; the principle of legalism is treated as a basis; the obligation to obtain a concession only for business in 11 branches of production (e.g., minerals, arms, spirit). The Law brings about the registration of 6,000 private commercial law companies in the first half of 1989 (increase by 14 times against late 1988).

Late 1988 – liquidation of the Planning Commission at the Council of Ministers, restoration of the Central Planning Office (CUP).

1 January 1989 – end of rationed sale of cars and petrol.

31 January 1989 – amendments of the Corporate Income Tax Act: uniform principles for all entities regardless of the form of ownership; softening of fiscal charges; abolition of the super-normative pay tax (blocking the freedom of pay). The Banking Law Act is passed allowing for the establishment of banks by legal persons and individuals.

6 February 1989 – beginning of the Round Table meeting.



Round Table meeting, Warsaw, 6 February 1989.
Photo by Anna Pietusko / OK

15 February 1989 – the Sejm (Lower House) passes the new Foreign Exchange Law providing for the freedom to hold and trade in currencies and the possibility to set up private currency exchange bureaus.

24 February 1989 – the *Act on Certain Conditions of Consolidation of the National Economy* – a possibility to acquire state-owned property through lease, rent, and contribution in kind to a company with mixed capital.

4 April 1989 – conclusion of the debate of the Round Table team for the economy and social policy, adoption of the *Stance on social and economic policies and system reforms*, putting emphasis, first of all, on the development of self-government and employee participation but also announcing the introduction of pluralist ownership structure, reduction of state interference, decentralization, and dismantling of monopolies, as well as the establishment of a stock exchange.

17 April 1989 – re-legalization of the “Solidarity” Trade Union.

4 June 1989 – partly free parliamentary election based on the Round Table agreements ended with a crushing victory of the “Solidarity” candidates.

July 1989 – the G7 Group countries (seven most advanced countries in the world) decide to grant economic assistance to Poland and Hungary (the PHARE Programme later extended to other Central and East European countries).

1 August 1989 – introduction of market prices in agriculture and the food economy with an immediate effect of inflation turning into hyperinflation in the following months; abolition of meat and sugar ration coupons.

24 August 1989 – Tadeusz Mazowiecki is the first non-Communist prime minister in the eastern bloc.

12 September 1989 – the Sejm (Lower House) approves the composition of the Mazowiecki Government with Leszek Balcerowicz as Deputy Prime Minister and Minister of Finance; the Prime Minister announces that *his government will take up measures initiating the transformation into a modern market economy tested by developed countries.*



The Sejm (Lower House) approves the Tadeusz Mazowiecki Government, Warsaw, 12 September 1989. Photo by Tomasz Wierzejski / Agencja Gazeta

19 September 1989 – signing of the agreement for Poland’s trade and economic cooperation with the countries of the European Economic Community.

25 September 1989 – establishment of the Office of Government Plenipotentiary for Privatization.

December 1989 – transformation of the Central Union of Crafts into the Union of Polish Crafts with its statute defining it as a trade self-government organization and an employee union based on free association.

11 December 1989 – the Ministry of Finance rescinds the obligation to apply maximum price growth indices and reduces the number of goods covered by the obligation to notify the intention to increase their prices.

27 December 1989 – the Sejm (Lower House) passes a package of laws making up the Balcerowicz Plan to make it possible to transform the Polish national economy from the centrally planned into a free market one – including, the abolition of guarantees of the existence of state-owned enterprises regardless of their financial performance and preferential credits for the state monopoly in foreign trade, as well as standardization of tax and customs provisions for various entities.

29 December 1989 – amendments of the Constitution. Restoration of the name of the Republic of Poland. According to the new version of the Constitution: *the Republic of Poland guarantees the freedom of business activity regardless of the form of ownership [...] and also safeguards property and the right to inherit and guarantees the full protection of personal property. Expropriation is admissible only for public purposes and against fair compensation.*

9 January 1990 – extensive amendments of the Polish Civil Code. Redefinition of the notion of an enterprise and farm, and introduction of the notion of a firm

and commercial representation. Provisions on legal transactions, including especially those pertaining to the conclusion of contracts, are also amended.

- 13 February 1990** – the foundation of the Gdańsk Institute for Market Economics, the first such institution in Central and Eastern Europe.
- 24 February 1990** – establishment of the Anti-Monopoly Office.
- 23 March 1990** – amendments of the housing and letting regulations, since then the owner is free to decide about the use of premises.
- 31 May 1990** – ordinance of the Minister of Finance on exemption of some newly-established enterprises from the sales and income tax.
- 5 July 1990** – the Sejm (Lower House) repeals the Law on Combating Profiteering of 25 September 1981.



Trade at the 10th Anniversary Stadium, Warsaw, March 1992. Photo by Piotr Wójcik / Agencja Gazeta

- 13 July 1990** – the passing of the Law on Privatization of State-Owned Enterprises.
- 28 July 1990** – the passing of the Act on Insurance Activity, breaking the state monopoly of insurance institutions.
- September 1990** – establishment of the Ministry of Privatization with Waldemar Kuczyński appointed the minister.
- September 1990** – formation of the “Cooperation Fund” Foundation established by the State Treasury represented by Witold Trzeciakowski, a member of the Council of Ministers in charge of coordination of foreign assistance. The Foundation’s aim is to stimulate democratic transformations and development of the Polish economy by supporting the activity of government institutions coordinating foreign assistance, including especially the taking and distribution of funds and non-cash contributions coming from the European Union, other international institutions and foreign private or government institutions.
- 5 November 1990** – the US Congress appoints the Committee for Development of Small Businesses in Central Europe with a view to creating institutional forms of assistance to entrepreneurs in Poland, Czechoslovakia and Hungary.

- 22 March 1991** – passing of the Law on Public Trading in Securities and Trust Funds.
- 12 April 1991** – the minister of privatization and minister of finance, representing the State Treasury, sign the foundation act of the Warsaw Stock Exchange.
- 16 April 1991** – the first session of the Warsaw Stock Exchange. Seven brokerage houses taking part in the session offer the shares of five companies: Tonsil, Próchnik, Krosno, Kable and Exbud. WSE sessions are held once a week.



The first session of the Warsaw Stock Exchange, 6 April 1994. Photo by Stanisław Sas / FORUM

- 28 June 1991** – dissolution of the Council for Mutual Economic Assistance (Comecon).
- 26 July 1991** – the law introducing the personal income tax (PIT).
- 16 December 1991** – the signing of *The European Agreement establishing an association between the European Communities and their Member States and the Republic of Poland*.
- 15 February 1992** – passing of the new Corporate Income Tax Act which is still in force.
- April 1992** – presidents of several large Polish companies appoint the Polish Business Council.
- 17 November 1992** – establishment of the Foundation of Small and Medium-Sized Enterprises.
- 8 January 1993** – introduction of the VAT and excise duty.
- 21–22 June 1993** – at its summit in Copenhagen the European Council sets out the criteria (the Copenhagen criteria) of Poland’s accession to the EU.
- Mid-1993** – the private sector generates more than 50 percent of the GDP and employs nearly 60 percent of all the employees.
- 14 September 1993** – the government adopts industrial policy guidelines as a basis for the assumptions of the state policy for the sector of small and medium-sized enterprises.
- 1 February 1994** – the *Europe Agreement* enters into force.

15 February 1994 – the Tripartite Commission for Social and Economic Affairs is appointed by a resolution of the Council of Ministers with representatives of the government, private employer organizations and trades unions sitting on it; the Commission is to serve as a dialogue forum on social and economic policies pursued by the state.

April 1994 – Poland files a formal application in Athens for joining the European Union.

29 September 1994 – passing of the Accountancy Act which qualifies enterprises by size for the first time.



President of the National Bank of Poland Hanna Gronkiewicz-Waltz shows new banknotes, Warsaw, November 1994. Photo by Jacek Marczewski / FORUM

1 January 1995 – re-domination of the Polish zloty at a rate of 10,000 to 1 becomes effective.

6 June 1995 – the Council of Ministers approves the policy programme for small and medium-sized enterprises: *Small and Medium-sized enterprises in the National Economy* in connection with the drafting of prospects for the years 1995–97. The programme does not provide for any funds from the State budget to support the sector.

September 1995 – registration of the Polish Foundation for Promotion and Development of Small and Medium-Sized Enterprises set up by the Minister of Industry and Trade as an institution mostly financed by foreign, chiefly the European Union, funds. The Foundation takes over most tasks in the area of supporting small and medium-sized enterprises from (SMEs) the “Cooperation Fund” Foundation.

8 August 1996 – appointment of the Committee for European Integration, a ministerial body responsible for the process of European integration. In October, the Office of the Committee for European Integration is set up as a state organizational unit to service the Committee for European Integration.

15 October 1996 – resolution of the Council of Ministers on the reform of the administrative and economic centre; liquidation of the Central Planning Office, Ministry of Privatization, and Ministry of Industry and Trade; formation of the Ministry of Economy and Ministry of the State Treasury.

1997 – launch of the Polish Product of the Future Competition with a view to promoting and propagating the

achievements of authors of innovative techniques and technologies which stand a chance of becoming known on the Polish market.

July 1997 – the “Millennium Flood” in southern Poland destroys some 9,000 small and medium-sized enterprises and brings losses of PLN 643 million to the sector. Implementation of the European Union programme developed in August and launched in November to carry out the reconstruction from the natural disaster is entrusted to the Polish Foundation for Promotion and Development of Small and Medium-Sized Enterprises.



Flood in Wrocław, July 1997.
Photo by Tomasz Kizny / Agencja Gazeta

21 August 1997 – passing of a new law regulating public trading in securities, including Over The Counter trading.

12–13 December 1997 – the European Council takes a decision on starting the process of enlargement of the European Union on 30 March 1998 with the accession of Poland and other countries of the region.

August 1998 – beginning of the “Russian Crisis” which results in the collapse of the Polish industries geared for exports to the East.

24 December 1998 – the signing of the financial memorandum for the PHARE 1998 National Programme based on the general priorities outlined in the Partnership for Membership, which is to ensure assistance to Poland in those areas where her needs from the perspective of preparations for the EU membership are the largest. The Programme finances investment projects in transport and environmental protection, as well as institutional development projects. PHARE also includes a programme of integrated regional development which is to soften the social costs of restructuring in mining and metallurgy.

January 1999 – establishment of the Polish Confederation of Private Employers *Lewiatan* representing the interests of private entrepreneurs before state institutions.

11 November 1999 – the Council of Ministers adopts a document mapping out the directions of government actions towards small and medium-sized enterprises by 2002, providing for the use of the State budget funds for the sector’s development (the previous programmes focused on subsidizing state-owned enterprises going bankrupt).

19 November 1999 – passing of the *Business Activity Law*, the first legal act of the Third Republic of Poland including the definition of small and medium-sized enterprises; a small enterprise: employment under 50, net sales revenues under EUR 7 million and the balance sheet total under EUR 5 million; medium-sized enterprise: employment from 51 to 250, net revenues ranging between EUR 7–40 million, and balance sheet total ranging between EUR 5–27 million. A principle is adopted that – in accordance with the 1996 European Commission recommendations – enterprises where entrepreneurs other than small ones hold: more than 25 percent of interests, shares or stock, rights to more than 25 percent of profit or more than 25 percent of voting rights at the shareholders meeting cannot be treated as small or medium-sized ones.



Voting at the Sejm (Lower House) Committee for Public Finance, Warsaw, 14 November 1999. Photo by Robert Kowalewski / Agencja Gazeta

2000 – launch of the PHARE Economic and Social Cohesion Programme. The aim of the Programme is to prepare Poland to use considerably more funds available upon her accession to the European Union, familiarize herself in practice with the mechanisms used under the EU cohesion policy, and form appropriate institutional background ready to implement the cohesion policy. The PHARE ESC Programme extends to three types of projects aimed to develop infrastructure, human resources and small and medium-sized enterprises.

15 September 2000 – passing of the *Commercial Companies Code Act*.

9 November 2000 – the act setting up the Polish Agency for Enterprise Development (PARP) subordinated to the Minister of Economy, managing the State and European funds for the development of small and medium-sized enterprise, and implementing the PHARE 1998 and PHARE ESC programmes.

1 January 2001 – PARP begins its activity.



POLSKA AGENCJA ROZWOJU PRZEDSIĘBIORCZOŚCI
POLISH AGENCY FOR ENTERPRISE DEVELOPMENT

2002 – PARP takes over the organization of the Polish Product of the Future Competition.

March 2002 – PARP takes over the tasks of the Technique and Technology Agency.

May 2002 – PARP takes over the tasks of the Polish Agency for Regional Development.

1 May 2004 – Poland's accession to the European Union.



Wały Chrobrego observation deck in Szczecin, April 2004. Photo by Robert Stachnik / Reporter / EAST NEWS

2005 – new criteria defining small and medium-sized enterprises in the European Union. Medium-sized enterprises are entities employing from 50 to 249 people. Small businesses employ up to 49 people. There are also micro-businesses employing up to nine people. For the purposes of support programmes it is also necessary for a business entity to comply with another two criteria concerning revenues and independence. According to the criterion of revenues, a medium-sized enterprise, in addition to an appropriate size of employment, may not exceed the limit of annual turnover of EUR 50 million or annual balance sheet total of EUR 43 million. The annual turnover or annual balance sheet total of a small business may not exceed 10 million, and that of a micro-enterprise – 2 million.

2007 – beginning of implementation of the National Cohesion Strategy (official name: the National Strategic Reference Framework, NSRF) defining the priorities and areas of use, as well as the system of implementation of the EU Funds: the European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund under the Community budget for 2007–13. The objective is to create conditions for the development of competitiveness of the Polish economy based on knowledge and enterprise.



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ROZWOJU REGIONALNEGO



21 December 2007 – Poland’s entry to the Schengen zone, abolition of border control.



Border crossing in Słubice, December 2007.
Photo by Tomasz Paczos / FORUM

14 June – 14 September 2008 – the World EXPO 2008 is held in Saragossa. The Polish Pavilion prepared by PARP receives the third prize in the category of the most attractive exhibition pavilions. It is visited by some 400,000 visitors.



Polish Pavilion at EXPO 2008 in Saragossa.
Photo by Barthomiej Molga / FOTORZEPA

23 February 2010 – adoption of the Strategic Plan of the Polish Agency for Enterprise Development, including the main theses for the Agency’s activity for the years 2010–13: first of all, to increase the innovation of the Polish economy. The key means of reaching this goal is investment in human capital, i.e., education and training of employees, managerial staff, etc.



A promotional poster, 2010. From PARP archives

March 2010 – launch of a PARP media campaign promoting employee training courses for small and medium-sized enterprises. The aim of the campaign is to convince employers that employees are their capital.



Photo: PARP archives



Training course organized by PARP, Warsaw 2010.
Photo: PARP archives

1 May – 31 October 2010 – World EXPO 2010 in Shanghai. The Polish Pavilion, fully prepared by PARP, is visited by some eight million visitors. Director of the Polish Pavilion Janusz Daszczyński was honoured by the Bureau of the Shanghai World EXPO Coordination for the high quality of national expositions, care for visitors and very good cooperation with EXPO’S leadership. On 31 November 2010, the Polish Pavilion is granted a silver medal for the most creative presentation and an award in the Best Country Promotion category.



Polish Pavilion at EXPO 2010 in Shanghai.
Photo: PARP archives



**PEOPLE'S
REPUBLIC
OF POLAND
(PEEREL)**

1944-1989

Shortly after WWII the country's industrial and commercial infrastructure is in ruins.

For many Poles starting business activity is a precondition of survival. The new authorities for the time being conceal their plans of revolutionary restructuring of the Polish reality.

The manifesto of the Polish Committee of National Liberation (PKWN) proclaimed on 22 July 1944 announces the restitution of pre-war property. It also propagates the idea of rebuilding the country based on three sectors operating on equal footing: state, cooperative and private ones.

From the PKWN manifesto:

The impoverished and hungry country is waiting for tremendous creative effort of the entire nation. The harm done by the invaders must be redressed as soon as possible. The property robbed by the Germans from individual citizens, peasants, merchants, craftsmen, small land medium-sized entrepreneurs, institutions and the Church, will be returned to its lawful owners. German property will be confiscated. [...]

The hated German prohibitions hindering business activity, trade between the countryside and towns will be abolished. [...] Private enterprise, which increases the rhythm of business life, will also find the state's support.

Moscow, 21 July 1944

[96]

Hilary Minc (a member of the Political Bureau of the Central Committee of the Polish Workers' Party) in his speech at the Central Committee's plenary session:

As a democratic country we could not take the entire industrial production, craft and farming production directly under our influence. [...] It would be the greatest mistake if we wanted now to move small entrepreneurs, craftsmen and artisans away from production, take everything into the hands of the state and drag small-scale production, the entire craft with us. It would be wrong. We need to concentrate today on large industrial plants. [...] Łódź, Katowice, Poznań, Bydgoszcz are but dead streets and rows of closed shops today... Can we move it on our own? Are we able to fill all the posts with people on our own? No, we aren't.

Warsaw, February 1945

[64]



Bronisław Pindelski (an ice-cream shop owner):

The Communists propagated a popular idea of three equal sectors: state-owned, cooperative and private ones, on the radio, in the press and on posters. [...]

I have renovated and refurbished the outlet I have obtained. On my order the carpenter, specialist in shop furniture, made beautiful counters, tall shelves and small decorative tables with chairs in a short time. [...] Upon the opening of the shop various delicious things and pleasant service attracted crowds of people avid for sweets after many years of "fast" under the German occupation. [...] I made use of my film camera and film projector. I shot

a film about Santa Claus: how the children get various sweets from Santa Claus, exactly from the "Danusia" cake shop – as my shop was called then. [...]

In spring 1946, I could already afford a car. I bought Opel Olympia in a very good shape at a very advantageous price. A month later the car was confiscated by the secret police. The negotiations had lasted for nearly six weeks before I recovered it. My barrister warned me not to show off my car in front of my home or my shop, because the story may repeat itself. Then, it will be much more difficult.

Krakow, spring 1946

[47]



Warsaw, Marszałkowska Street, 1945.

Photo by Waclaw Żdżarski / Narodowe Archiwum Cyfrowe



Warsaw, Wilcza Street, 1945. Photo: PAP

In the background: Warsaw, Koszykowa Street, 1945.

Photo by Edward Falkowski / FORUM



Poland takes over Soviet economy models.

In spring 1947, Hilary Minc, the Minister of Industry and Trade, launches the slogan of "battle for trade". All business activity is to be subjected to central planning. The six-year plan adopted in July 1950 provides for putting emphasis primarily on the expansion of heavy and arms industry. Access to private businesses and shops is hindered. It quickly brings about shortages in supply.



From the OK collections

Hilary Minc in his May Day address:

Today we are taking to the streets on this May Day with the slogans of struggle for the implementation of the Three-Year Plan, struggle for countering waste, for gathering reserves, to be able to overcome these difficulties in a few months and go further, towards increasing the prosperity of working masses. [...] We want private enterprise to develop, but all those who try to fleece the working people will be fought. We have won the struggle for production, we will try to win the battle for trade.

Katowice, 1 May 1947

[5]



W wyniku rewolucyjnych walk i przemian obalona została władza kapitalistów i obszarników, utrwaliło się państwo demokracji ludowej, kształtuje się i umacnia nowy ustrój społeczny, odpowiadający interesom i dążeniom najszerzych mas ludowych.

The Constitution of the People's Republic of Poland passed by the Sejm (Lower House) on 22 July 1952

Stanisław Tołwiński (President of Warsaw)
**in his report at the meeting of the Warsaw
People's Council:**

Class struggle among the people of Warsaw is a fact. People engaged in trade, often profiteering, have feathered their nests, various organizers of reconstruction of Warsaw on behalf of private enterprise have secured themselves living conditions much better than average living conditions of the working people, profession is often used against public interests and binds its representatives with parasitic classes, organization of retail trade is conducive to exploitation of the working people, lowering of their wages in real terms. Local government must not remain indifferent to these phenomena.

Warsaw 1948

[82]

**From the Law on the Six-Year Plan of Economic
Development and Construction of the Foundations
of Socialism for the Years 1950–55:**

The expansion of the foundations of socialism means: [...] curbing and limiting capitalist elements in those areas of our economy where they are still present and their further gradual driving out, and then eliminating them as classes. [...] It is necessary to: [...]

– ensure the further development of socialist retail chains and sales by systematically driving out capitalist elements. [...]

– improve the organization of and deepen socialist planning methods as a basic tool of management of the national economy and mobilization of its internal reserves.

Warsaw, 21 July 1950

[95]



A “profiteer” detained by People’s Militia (MO) officers,
Wrocław, May 1955. *Photo: WFDiF archives*

In the background: May Day march, Warsaw, 1 May 1951. *Photo: PAP*

The “struggle for trade” becomes a disaster for private entrepreneurs.
 The laws on maximum prices and concessions to carry out business activity are passed.
 The authorities send the Extraordinary Commission for Fighting Corrupt Practices and Economic Sabotage to the front of struggle against private enterprise.
 Mass inspections of shops and workshops begin. The discovery of even the slightest irregularities results in the imposition of ruining back taxes fixed arbitrarily, confiscation of property, or even prison and labour camp terms.

Janina Przewłocka-Okęcka (a weaving shop owner):

A tax office inspection could get to the workshops at any time, and there are five or six people working instead of the one registered. We lived in constant fear. We devised a warning system. We wrote: “Please ring the bell twice” by the name on our door, but we told all our friends to ring the bell three times. On the sound of two rings all of them jumped off their workshops and spinning wheels and seated themselves around the table as if they came “socially”.

Warsaw 1948

[104]

Bronisław Pindelski (an ice-cream shop owner):

Three tax inspectors all of a sudden fell into the shop. One of them, probably the boss, introduced himself, showing the super-inspection order.

– *You will turn out all the customers now, he ordered. – There will be a detailed search. We need to examine your swindles. Each small business owner is a thief and wheeler-dealer. There can be no private shop in the Obrońców Stalingradu [Stalingrad Defenders'] Street. It's a shame for this heroic street.*

[...] Meanwhile, the inspector's assistants started to move the shelves and counters away from the wall.

– *Roll up the sheet flooring, too! Maybe he has hidden dollars there. This is rotten money of the enemies of the working people. If we find it, you will go to jail.*

Suddenly, I noticed that a large shelf full of goods begins to wobble and can tumble down. I also noticed that some mirrors at the back of the shelves, where the bottles of wines were standing, cracked.

– *Be careful, please!, I called. – The mirrors are cracking! You behave like Gestapo officers...*

– *What did you say?!, the inspector shouted – [...] these insults will cost you a lot of money, you small peddler! [...]*

The effect of that super-inspection was a giant back tax.

Krakow, July 1950

[47]



The woman arrested for profiteering in meat is taken out, Warsaw, August 1951. Photo: WFDiF archives

Polish Film Chronicle Commentary to the film titled *Let's all join the struggle against profiteering*:

In the Praga District, at the Piotra Skargi Street, the Social Commission for Struggle against Profiteering discovered a secret meat warehouse owned by the Wysockis, the owners of a butcher's shop. Meat, lard, offal, cured meat... More, and more, and more. A total of two tonnes of meat coming from meat rations for the working people and illegal slaughter was revealed. Dirty and stinking meat, cured meats and lard were travelling to the black market from that place. Do not hide your face! We know your name! We know who you are! Your name is Wysocka! You are a class enemy! All society squared up to profiteering. The enemy will be wiped out.

Warsaw, August 1951

[47]



Requisition of illegal goods, Warsaw, 16 September 1948. Photo: PAP



Badź czujny

WOBEC WROGA NARODU



The strict discipline is slackened after October 1956.

The return of Władysław Gomułka to power and stigmatizing the past few years as a period of “errors and distortions” produce some changes in the situation of private entrepreneurs. They are still a foreign body in the socialist system but begin to be tolerated. The policy pursued towards them takes the form of alternating waves of liberalization and “tightening the screw”, manifesting itself chiefly by fiscal pressure and bureaucratic obstruction.

Adam Wajda (a shoe shop owner):

Kusiak [Jerzy, Chairman of the Board of the Municipal People's Council] has done away with almost all the private shops. I tried to get to Gomułka at that time. My wife's uncles used to play with him in the same backyard [...] ... I was not allowed to see him, but I did manage to get to his economic secretary. I presented my situation, [...] and afterwards I received a letter with a copy of the letter which I can hardly believe was authentic. [...] The letter applied for the examination of Adam Wajda's case and a permit for trading because of occupation and war merits (in fact, I had the Knight's Cross and the Partisan Cross). Kusiak examined the case but did not issue a permit. He fought both trade and craft with exceptional passion. [...]

You need to be a tenacious farmer from the Małopolska region to survive all those years, endure both Kusiak and Szydłak who “has done away with” almost every trader. [...] There were no permanent rules.

Poznań, the 1960s.

[9]



NBP © banknote

In the background: street vendor selling toys made of bottle caps, Warsaw. Photo by Jarosław Taran / OK

Danuta Piontek (an entrepreneur in the textile industry):

I used to employ many people. All my businesses were always run very thoroughly, because my intention was not to make fast and illegal money. There was stability in my businesses. [...] Therefore, I was meticulous in hiring and dismissing employees. With several dozen people the rotation was considerable. The Financial Department assumed the following principle: during a year, for example, 100 people came and went, so every registered person, whether such a person worked for one month, five months or the entire year, was counted as a person who worked 12 months and multiplied by the average work output. And that's it. This was multiplied by a few years and the calculation showed that my sales should have been higher, let's say, 20 times than the actual ones. [...] If I employed a person for three months and that person produced a document that the following day that person took up a job at a state institution, it was no argument for the prosecutors. How to comment? As a result, it turned out that it was a typical smear campaign against somebody who made money, was better, and, therefore, should be brought back to the ground. Therefore, scandals were fabricated and it happened to me, too. It was to be a warning and lesson for others.

The 1960s.

[28]



Leather worker's shop near Konin.

Photo by Maciej Billewicz / FORUM



Mobile knife sharpener's set of tools, 1957.

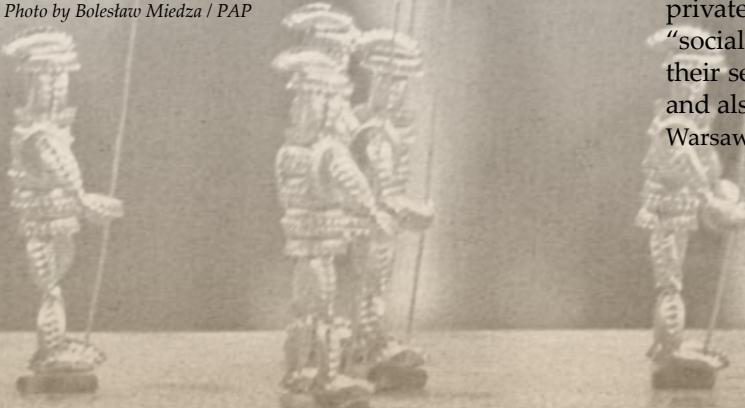
Photo by Bolesław Miedza / PAP

Stefan Kisielewski (a feature writer) in his diary:

There is a fairly authentic dispute about "small business owners", that is private craft and services, in the press. *Kurier Polski* sharply defends them against demagogues' attacks, pointing out that large engineering, shipbuilding and other industrial plants cooperate with them, that they supply precision parts, which could not be otherwise obtained. But the attack had an ideological background, they do not care about production! Klaudiusz Hrabyc, a super-idiot, thunders in *Życie Warszawy* that entire Poland holds small business owners who make "sacks of gold" in contempt, that a market gardener or shopkeeper could never represent the "socialist people" and similar rubbish. Yet, the benefactor has forgotten about private farmers (half of the nation), or that private sellers are working day and night, while the "socialized" employees, after having worked off their seven hours, thumb their noses at everything, and also keep stealing as much as they can.

Warsaw, 23 October 1968

[54]



The meat scandal breaks out.

The government has been wrestling with permanent market shortages from the very beginning. On 20 November 1964 the trial in the case of the "meat scandal" begins. The defendants, chiefly directors in the meat trade and shop managers, are charged with embezzlement and corruption. The hearing turns into a show trial, making it possible for the authorities to "explain" the people why there is no meat at shops. Extremely harsh sentences are passed, e.g., the death penalty for Stanisław Wawrzecki, one of the directors in the meat trade in Warsaw. The sentence is carried out on 19 March 1965.

Jacek Wasilewski (a barrister):

The meat scandal was a cruel affair. The people who were in the dock have committed a large number of minor offences, but they were sentenced for something else. Wawrzecki – for appropriating social property. Meanwhile, all his activity consisted in extorting protection money from shop managers. Since he was a common man, he would pop into a shop, take the manager on the side and say: *listen Wojtek, Zenek, I'm going to a restaurant with my pals in the afternoon, I need some money.* The manager would pull the money out and give it to the director. How was it connected with a fraudulent seizure of public property? A serious lawyer would qualify it as "an offence of active bribery". Yet, the thing is that the law did not provide for a death penalty for bribery.

My client in the meat scandal was sentenced to eight years in jail. He did not serve his term. He died in prison soon after the verdict.

[73]



Delivery to a butcher's shop, Orneta 1963.

Photo by Andrzej Baturo / FORUM



Stanisław Wawrzecki (in the middle) during his trial, Warsaw 1965. Photo by Bolesław Miedza / PAP

From an anonymous letter to the Polish Radio:

I was deeply shocked when I heard the news on the death sentence passed on those meat swindlers. How come, *Fala* [the name of a radio programme – ed.], that people can be beheaded for a few zlotys in Poland now? To me, it is neither fair nor lawful. If people are punished with a death penalty for money only, what will the penalty be for the murderers who took away the money and human life, and health, and orphaned a family. Tell me, *Fala*, where the justice is, where the law, where a bit of humanity? Absolutely no honest man can agree with it. But I was outraged with the voices which try to convince me on the radio and in the press that somebody's life must be taken for the good of society and that society reputedly expects it from the court.

Wola Skarbkowa, February 1965

[66]

In the background: *Trybuna Ludu*
daily of 3 February 1965

Kara śmierci dla St.
skazano



Traffic, Warsaw 1963. Photo by Zbyszko Siemaszko / FORUM

From an anonymous letter to the Polish Radio:

In our vicinity – the village of Nowa Wola Prażmowska, Prażmów cluster, Piaseczno county, Warsaw province – there is one profiteer who has traded in meat for a few years now. He was buying slaughter permits and told the council that he had his own pigs. However, that profiteering was revealed and he fell into the hands of justice, his two piglets were taken away from his household and another one which he was selling at the market and

was enjoying himself and was laughing at the poor people that he was smart. Now, he is mouthing off that he will not do time. He profiteers from what he can, that when you suggest money you can arrange everything. Therefore, the case is to be before court in Warsaw around 10 or 9 February. Could you please, *Fala*, see to this case that he is given a harsh sentence. That profiteer's name is Waclaw W.

Nowa Wola Prażmowska, February 1965

[66]



Meat unloading. Photo: OK archives

k w
tów
sie
ych
Wawrzeckiego, czterech oskarżonych
na dożywotnie więzienie

Edward Gierek's times dawn in December 1970.

The new team promotes the idea of building prosperity and improving society's living standards, which takes place with the help of western loans to a large extent. The strict discipline for private entrepreneurs is slackened to some extent: in November 1977, a possibility arises to give socialized retail outlets and restaurants to private concession holders, and, in February 1979, to establish joint ventures (expatriate capital companies).

However, the old bureaucratic habits still remain, and small business owners are subject to harassment all the time.



Cafes during the *Trybuna Ludu* festival, Warsaw, 16 September 1972. Photo by Roman Kotowicz / FORUM

Stefan Kisielewski (a feature writer) in his diary:

In Warsaw, absurd problems with the flat, incessant haggling with painters and new gas fitters. As a result there is chaos in the flat and the flat is awfully cold, because we have gas heating in our radiators, which must not be used until the chimney checking "commission" permits. That commission, in turn, is likely to take some time before it permits it, because the chimneys are renovated by a private entrepreneur (the state-owned ones are busy) who has no cement, because private entrepreneurs are not allotted cement, so... a typical socialist story with no way out.

Warsaw, 15 October 1974

[54]

Mieczysław F. Rakowski (the editor-in-chief of the *Polityka* weekly) in his diary:

[...] I had a chance to watch the work of the First Secretary of the Provincial Committee. He used to say: "When comrades are coming to me, demanding a decision, I keep telling them: I am not in charge, dear comrades. You are in charge." It was about the city president. And then, when we were going along a street, he pointed to a small private shop and said: "We still have a few small business owners, but we are already doing away with them. There was a small business owner over there, he was selling ice-cream. There were always queues standing in front of his shop. I ordered to impose a back tax of half a million on him. He paid without a murmur. So I ordered to add another half a million. He could not stand it. And he is gone now." This is how our nice little secretary is ruling. Goddammit!

Wrocław, 13 March 1975

[105]



Party conference, Radom, February 1980.

Photo by Aleksander Jatosiński / FORUM



Photographer at a parish fair, Piekoszów, summer 1979. Photo by Krzysztof Wójcik / FORUM



Henryk Tkaczyk (the owner of a business producing electro-technical equipment) in the *Kulisy* paper:

I manufacture more universal [watch] testers than the Swiss, but I lose with them even in my own country. Polish office workers who decide about their purchases support western companies. What more, they inform those companies about my solutions. [...] Why? Don't ask naïve questions, Sir. You better go to the Poznań Fair. Why? For example, to find out that the rattles of glasses much too often drowns out the sound of conversation. Too many toasts are raised there in honour of representatives of foreign companies.

1979

[48]

Starting from 1982 the private sector begins to be independent.

The authorities begin to ever more often depart from their faithfulness to ideological principles, but red tape still is capable of making entrepreneur's life difficult. In Poland, true millionaires are beginning to emerge, their fortunes built on business activity (e.g., expatriate capital companies).

Przemysław Czekajo (a tyre dealer):

I called Marek (my future son-in-law) again to pick as many tyres as he could. He managed to find 12 used but intact Żuk tyres. He bought it for next to nothing from the drivers he knew. Six tyres for half a litre. I took back seats and the right front seat out from my small car, put a roof rack on the roof and went to Malbork. I took them all and supplied my closest relatives. I took 3,000 zlotys per tyre and they added another 500 zlotys for the favour. [...] It happened so that I bought a "bald" tyre from somebody for 200–300 zlotys, I had it re-treaded, which cost me 500 zlotys, and then sold the same tyre, but already with a tread, to the same man for 5000 zlotys.

Malbork, the early 1980s.

[27]



Private car repair shop, Warsaw.

Photo by Chris Niedenthal / FORUM

Irena Eris (a cosmetic company owner):

Sanepid (the Sanitary and Epidemiological Station) wanted us, for example, to have a fume hood. It is such a closed glass space with a special ventilating hood, where toxic substances are handled. It is extremely expensive, so there was only one such hood at the Polfa pharmaceutical enterprise. And we were told to have it at a cosmetic manufacturing company. Total abstraction. Fortunately, it ended up with a small fan which we had fitted into the window. We needed a fire brigade's certificate. They came. A fireman looked into the electric cabinet. Everything was new, just replaced. And he says that the fuses were "wired", or used. Yes, he will issue the certificate, but only if I pay a mandatory fine. I became irritated. I said I would not pay any mandatory fine, because there was no "wired" fuse there! [...]

I came back home terribly resigned. I did not want to carry out any business any more. I complained to my husband, and he said: "Listen, you should have paid the mandatory fine, you would have had the certificate now, and the fireman? The fireman has a plan to fulfil and must issue a number of mandatory fines." I obeyed my husband, paid the fine, and the fire brigade gave me the certificate.

Gołkowo near Piaseczno 1982

[115]



Sale of white goods, Warsaw 1983.

Photo by Jerzy Koźnik / FOTONOVA / EAST NEWS

In the background: Jawiszowice-Brzeszcze 1983.

Photo by Piotr Dylak / OK



Craft fair, Warsaw, February 1981.

Photo by Roman Kotowicz / FORUM

Ignacy Zenon Soszyński (the owner of the largest expatriate capital company Inter Fragrances – La Foret) in his unpublished autobiography:

A certain *Prawo i Życie* reader deprived of economic knowledge accused Soszyński of having the audacity to make 1,417 times more money than the prime minister and 50,000 times more than an average citizen of the People's Republic of Poland. It was an idiotic accusation at the very least, because no prime minister of any state in the world is in business – at least when he is in office. Besides, I can bet that my living standards are not higher than the living standards of the prime minister who does not invest a penny of his earnings in the development of market and export production, just like an average citizen of the People's Republic of Poland. And, finally, the most important thing: Soszyński and his company did not steal the money which keeps others awake. He earned it legally in the conditions of the most stringent tax regulations of all known to him in the world which allow the state to collect 4/5 of his income. Should Soszyński scatter the rest travelling around the country in a folk dress from Łowicz in a hayrack wagon?

Poznań 1983–84

[46]



Ignacy Zenon Soszyński, the owner of Inter Fragrances – La Foret, 1984.

Photo: Inter Fragrances – La Foret archives

Economic crisis becomes a background for private enterprise in the 1980s.

The poor economic condition of the state is evident in every aspect of everyday life. Inefficiency of the centrally-planned economy becomes obvious also for a large part of Party leadership.

The authorities have been promoting the idea of reforms since the time of Martial Law.

Even though some of the reforms are introduced (e.g., contract prices determined by the market), most of them remain in the sphere of declarations.

Piotr Andrzejewski (a journalist)
in an article in the *Wprost* weekly:

Our tragedy is that in spite of a few years spent on talking about the reform, or even introducing its institutional foundations, we are not able to put human enterprise and business activity into the mechanisms being developed. [...] Unfortunately, [...] we use moral indignation and propaganda lambasting to get usually serious matters over and done [...]. There are many areas of economic life, where organizers of that life move like drunken children in the mist. From the housing industry constantly falling apart to bread trade, everywhere there are plenty of people who imagine that the complicated reality can be straightened up by administrative orders. The absurdity of their actions sometimes makes us think about the Tuwim-style peak of practicality: the purchase of tight shoes by a man who has found a corn plaster box in the street.

Poznań, August 1985

[24]

From a memorandum by Jerzy Urban, Stanisław Ciosek and General Władysław Pożoga to General Wojciech Jaruzelski:

Society does not believe in our concepts, programmes, socio-economic plans, or announcements. It is not willing to take actions that we encourage, or the more so sacrifice, because we have taught it that our concepts and announcements end with words to a large extent. [...] Society senses that the managers of the economy themselves do not believe in what they preach or announce, because they give in to the philosophy of inability, the conviction that very little can be really done. Solving the simplest matters, overcoming nonsense or simple ills drags on for years, gets into the self-blocking mechanisms. [...]

One should elaborate on the thought derived from Comrade General's New Year's address, which, in fact, includes a slogan: grow rich but only in a manner consistent with community interests. [...] However, specific initiatives stimulating self-resourcefulness, as well as production and its good quality, are necessary. For example, it would be worthwhile considering a thought about worker companies as something similar to the team system but going further. [...] One can also imagine mixed state-private capital in those companies.

Warsaw, January 1987

[84]



Maria Reiss-Suchanek (a bookkeeper) in her diary:

General Jaruzelski has promised great changes and has kept his word. Today, a new thing has been announced – but basically it could have been expected, because we live from one price hike to another. This time a very serious increase of 21 percent in the prices of leaded petrol. At the moment, I am watching *Trybuna Sejmowa* and hearing that the new prices will support the introduction of the second stage of the reform. We have been plied with the reform for the seventh year now... I am terrified. My new pension will again be too low to meet my needs. I am tired of it all, not only I. How are the people who earn very little money going to live? People submissively accept all the changes and keep waiting – but what for? Probably for a new price hike.

Warsaw, 28 March 1987

[107]



Butcher's shop, Warsaw, 19 June 1989.

Photo by Sławomir Sierżputowski / Agencja Gazeta



Street stand, Częstochowa 1982.

Photo by Krzysztof Paweł / FORUM

Queue in front of a shop, Warsaw, January 1982.

Photo by Aleksander Jajosiński / FORUM



Trading trips turn out to be a major branch of small enterprise.

“Trading trips” are practiced by Poles on a large scale starting from the late 1970s. Trips are taken to both western countries and other people’s democracy states. Even though such practices remain illegal, they are treated lightly until the end of existence the People’s Republic of Poland.

Jerzy Mazgaj (a German studies student):

We lived with my wife at a student hostel, our daughter was just born, and we did not have the money for anything. [...] I completed a course for Orbis couriers on package tours abroad and started going to Vienna. I was terribly stressed when I was to tell the tour participants about the history of that city, about the Habsburg family, but they would say: “Easy, Jurek, we are going to Mexico Platz, we will be trading. This is an envelope, you go and arrange it with customs officers, this coffee must go.” Slowly I came to understand that it was enough to bring something from Vienna to Poland, send 50 parcels with denim jeans from Hamburg, and sell them wholesale here to make your first money. The late 1970s.

[77]



Cars of Polish vendors, Berlin, 25 February 1989.

Photo by Erik-Jan Ouwerkerk / Hollandse Hoogte / EK Pictures



Market at Krempelemarkt also known as Polenmarkt, Berlin 1989. Photo: Ullstein-Bild / BE&W



Berlin 1990. Photo by Sławomir Sierżputowski / Agencja Gazeta

An anonymous student:

One should know that our “tourists” can be roughly divided into three groups. The first and largest one consists of those who go outside the country once a year and apprehensively try to smuggle some frocks or a radio-cassette recorder. These risk little and gain little. The second group is composed of wholesalers. You go usually once, maximum twice a year and take for example 200 fox furs from Romania. Then, you need to bribe at least the couchette attendant. As a result, either you get a lot of money or the forfeiture of goods and a stamp “zarubiezhniy speculant” at the very least. There is also a third group, to which I belong. In my case only lawfulness can be taken into account, a large number of trips and a meticulous knowledge of markets.

May 1986

[98]

Piotr Andrzejewski (a journalist):

Krzysio has a 100 percent profit on oranges bought in Hamburg at 1.6 marks. Of course, we may not like Krzysio, as a money-grubber and an unpleasant man. I must admit, however, that I even more do not like the fact that the bureaucratic machine of our trade cannot solve the problem of supplying our market with citrus fruits. And when that behemoth announces with bangs that it will flood the Polish market with citrus fruits, and then, lets a half of the fruits decay before reaching the shops, I keep asking where the worker-peasant inspection is? Who should it deal with in the first place: Krzysio or the guy responsible for the lemon scandal?

Poznań, July 1986

[91]

Private enterprise becomes fully legal in 1988.

In September 1988, the newly-appointed Prime Minister Mieczysław F. Rakowski takes everybody by surprise appointing Mieczysław Wilczek, a private entrepreneur and one of the richest Poles, the Minister of Industry. On 23 December 1988, the Sejm (Lower House) of the People's Republic of Poland passes the law on business activity drafted by Wilczek. This time, the changes are revolutionary – the law, in fact, breaks away with the entire previous economic order, making private enterprise equal in legal terms with the activity of the state. That act along with the later ones (unification of the tax system, admitting free trade in foreign currencies) results in the starting up of many private businesses and companies.



1989. Photo by Ireneusz Sobieszczuk / PAP

From the Law on Business Activity:

Article 1. Taking up and conducting business activity is free and allowed for everyone on equal rights, while complying with the conditions set out by the legal regulations.

Article 2. [...] An entity carrying out business, hereinafter referred to as the "business entity" may be an individual, legal person or an organizational unit without legal personality, established in accordance with the legal provisions [...].

Article 4. Business entities may, as part of their business activity, perform acts and actions which are not prohibited by law.

Article 5. A business entity may employ an unlimited number of employees without the agency of employment authorities.

Warsaw, 23 December 1988

[31]

Mieczysław Wilczek (the Minister of Industry 1988–1989):

Nobody, even "Solidarity", [...] wanted to introduce capitalism. They all wanted socialism with a human face. When I told them that a socialism like that had to be always broke, they were all smiling with disbelief. Privatisation was not on the agenda at that time but the employee share ownership. I used to say: OK, I would agree to the employee share ownership. I would then sell all those factories from under the hammer, because they would go bankrupt; they did not need employee shares but money. In general, I did not expect privatization. I expected new companies to be set up, because the old ones were good for nothing, and it was useless to sink money into them.

August 2007

[89]

Zmysła

O JUTRZE!



Currency exchange in Aleje Jerozolimskie, Warsaw, December 1989. Photo by Aleksander Jatosiński / FORUM

Roman Kluska (the founder of Optimus):

To learn how to run a company at that time, it was enough to read a few acts: the Commercial Code, Tax Law, Customs Law, and Labour Code. I did it overnight. There were tens of thousands of people like me in Poland at that time. Each of them set up a small business, and let's get down to work. Work and mental powers were the only

things which counted. Those were beautiful times. No clerk had a lot of say. And the tax law was so simple that, when there was an inspection, I did not even have to offer a cup of tea to the inspector. He only checked if the tax was paid in accordance with the law and went further on.

Warsaw, early 1989

[63]

In the background: Textile factory shop, Łódź, 7 June 1990. Photo by Tomasz Wierzejski / Agencja Gazeta

BREAKING FREE



1990-1994

New Year 1990 greets Poles with free market reality.

In the last days of December 1989, the Sejm (Lower House) passes a package of laws today known as the Balcerowicz Plan. After Christmas the laws are already passed, and the reform is signed by President Wojciech Jaruzelski one day before the end of the year.

Leszek Balcerowicz (Deputy Prime Minister in the Tadeusz Mazowiecki government):

We need to give up the false game where people pretend to work and the state pretends to pay them. The alternative which we are proposing is a good life instead of a life pretended to be good.

Warsaw, 17 December 1989 [111]

On the New Year's Eve it was all over. My plan was adopted by the Sejm (Lower House) and signed by the President. I went to the theatre with my wife, but I could not stop thinking what was going to happen after 1 January. I kept thinking what would come next.

Warsaw, 31 December 1989 [3]

Lech Wałęsa to a press conference:

We will certainly make a Japan. Nobody will want to leave Poland.

Warsaw, September 1989 [128]



Leszek Balcerowicz, 1990.
Photo by Chris Niedenthal / FORUM

Stefan Tomczak (the head waiter at the Magnolia restaurant):

I have been working in the catering business for more than twenty years now, but I do not remember a New Year's Eve like that. For the first time I saw so many free tables. [...] People are in no mood to enjoy themselves. [...]

We want to put a trailer with chips and hot-dogs by the entrance – you need to earn some extra money. We have got rid of eight full-time jobs – you need to save somehow.

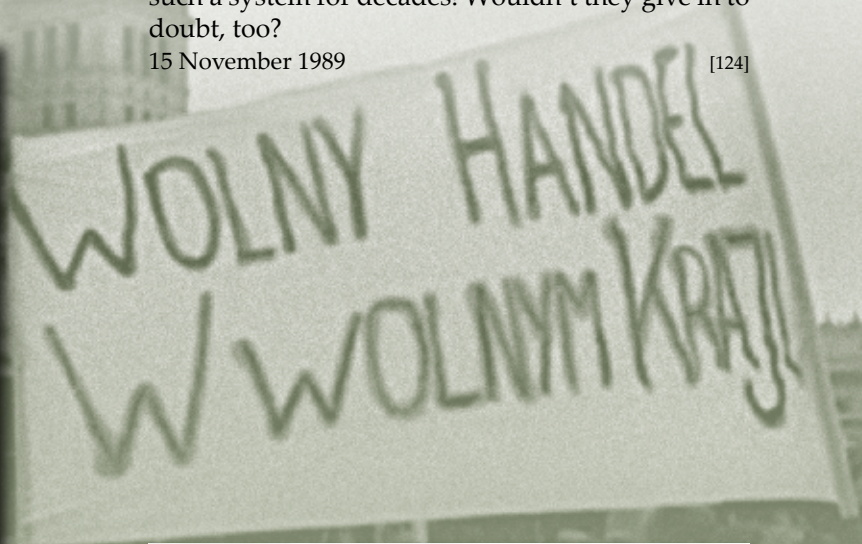
Poznań, January 1990 [45]

Lech Wałęsa addresses a joint session of the US Congress:

Poland has entered a new road in an irreversible way. The sense of the work and struggle which we are waging in our country is that we create such a situation and such prospects that no one look for a place in exile, but find the sense of work and hope for a better future in one's own country and at one's own home.

Sometimes you can hear that people do not want to work well in Poland. But even those who say so know that Poles work well and effectively wherever they can see a sense and benefit resulting from that work. [...] The economic system which surrounds them is absurd. Even worse, for a long time, every few or a dozen or so years the country experienced a new crisis, a new collapse, which revealed that the previous efforts were wasted. [...] Show me the people who would work well in such a system for decades! Wouldn't they give in to doubt, too?

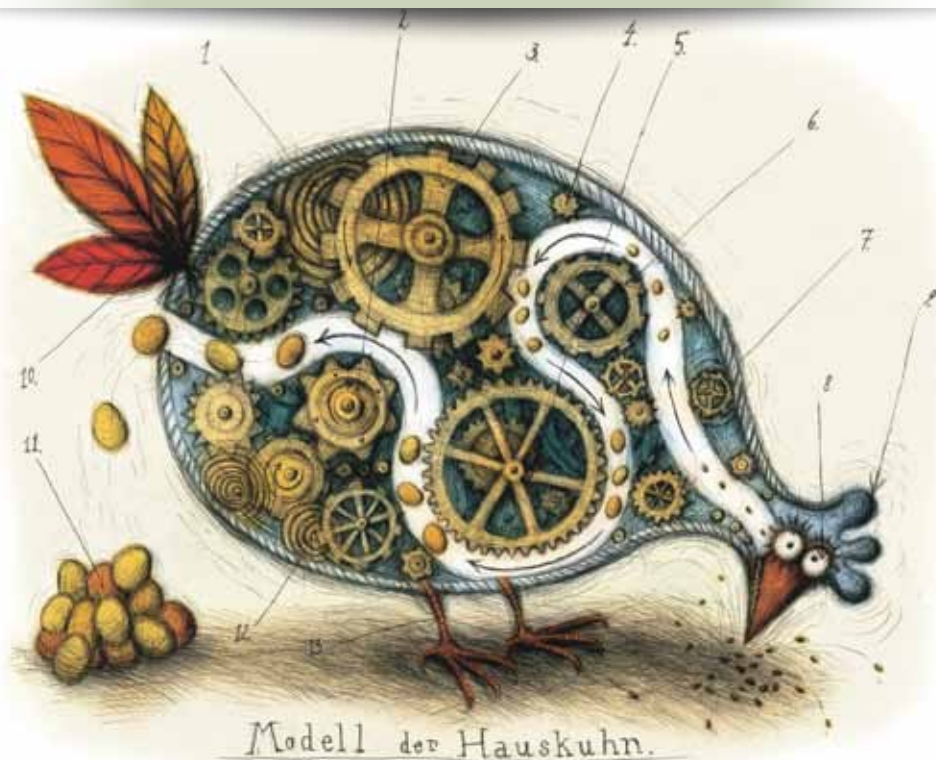
15 November 1989 [124]



Election poster. From the collections of Polish Senate's Archives
In the background: demonstration in front of the Palace of Culture and Science, 21 March 1991.
Photo by Sławomir Sierżputowski / Agencja Gazeta



At long last people are allowed to set up businesses and earn money legally.
 The first fortunes are emerging and – what more – work on one's own account often turns out to be fascinating.



Jarosław B. (in his letter to the editor of the *Kobieta i Życie* women's magazine):

I was an average ordinary clerk in one of the central institutions in Poland's capital. I was sitting behind a desk, putting papers from the right to the left, participated in long conferences which resulted in nothing, from time to time I got small pay rises, which made me extremely proud, and – as a man over forty – I started to long for a pension. When the decision to disband my office was made, I was sure it was the end of the world. [...]

By coincidence, tramcar No. 15 in Warsaw put a friend of mine from the technical college on my way. Wituś was dressed in the latest fashion and started conversation by complaining that he has just left his Volvo car in the garage and must be crashed

in such a crowded tram. Naturally, I showed interest in what my former mate was making his living on. And he was simply making his living on his knowledge. He reminded me that we were economist technicians and that I also graduated from a sociological college. [...]

I started very slowly, cautiously, with my heart in my mouth, but somehow step by step everything developed as I intended. I took my economy books out of my divan bed, hired two bookkeepers from my former central state office, and, it turned out that work on my own account was simply fascinating.

Warsaw, October 1990

[56]

**Cement staniał o połowę ● Pośredniczy
 dzi na nasz rynek materiałów budowlanych**

Wreszcie ko



Roman Kluska, Optimus' boss, Warsaw.

Photo by Piotr Mołęcki / Agencja Gazeta



Optimus employees, Nowy Sącz, the 1990s.

Photo by Aleksander Jatoński / FORUM

Below: *Gazeta Wyborcza* of 8 February 1990

Margaret Thatcher (a former Prime Minister of the British Government) **in an interview for the Polish Television:**

Do make use of your talents and skills. Start your own businesses, develop as industry did in its early days...

October 1991

[28]

Roman Kluska (the founder of Optimus):

I knew that the information about how much the plant earned on production or how much material was used was available only after a month and a half. I came to the first plant I saw and said: "Director, I will develop such software for you that you will know, on a daily basis, what is going on at your company, what your costs are." He said: "Yeas?" And I did. He showed it to his friends, then the next order came and the next one. And the company was growing.

We must have been good. We started to enter a higher level than we could have dreamt of. Almost all the people from the industry in the world wanted to see me. As a man without a penny, I developed my own company which sold more computers in Poland than all the American companies taken together. And it should be remembered that IBM, Dell, Packard, Compaq were conquering the world. They were entering a country and killing the competition. There were only two countries where they fell. Japan and Poland.

1989

[63]

y zmniejszają marże ● Zagranica wcho-
nych.

onkurencja

**At the turn of the 1990s trade goes out to customers in the street.
The country's image is changed by the signs of market freedom
which have been hidden or semi-legal so far.**

BA.BA. in a feature article in the *Kobieta i Życie* women's magazine:

Markets are popping up like mushrooms, flooding from their squares, administratively sectioned off, to pavements in city centres. Market trade – until not long ago characteristic for weekends the Polish way – is mushrooming also on other days of the week. Against repeated myths that as a nation we have no talent for this competition, traders have been recently springing up out of nowhere! Wonders never cease: private enterprise was joined by state enterprise (rushed by the spectre of bankruptcy): factories, plants, and cooperatives of all descriptions, which bypass the trade paralysed by internal settlements and send their products straight to market places, fairs, or even streets...

Warsaw, May 1990

[55]



Kiosks at the market place in front of the Palace of Culture and Science. Photo by Maciej Zienkiewicz / Agencja Gazeta



Warsaw 1990. Photo by Chris Niedenthal / FORUM

**Stanisława D. in a letter to the editor
of the *Kobieta i Życie* women's magazine:**

What strikes the foreigners visiting Poland are the mushrooming large and small kiosks in which enterprising Poles are trading in what they can. In front of my block of flats in the Ursynów District of Warsaw there are already four of them, and it looks as though there is going to be a fifth one. If the phenomenon itself should be treated as positive, the aesthetic side of that kiosk reality is haunting me. I am afraid that those architectural monstrosities – like every lash-up – will remain in our landscape for years. [...] Business is thriving, the kiosk reality is gathering strength.

Warsaw, September 1991

[57]



Roasted chestnut vendors, Warsaw, 13 April 1992.

Photo by Sławomir Kamiński / Agencja Gazeta



Trade at the 10th Anniversary Stadium,
Warsaw 1994. *Photo by Piotr Malecki / FORUM*

In the background: *Photo by Roman Kotowicz / FORUM*

Bogdan Tomaszewski (the President of *Damis* which administers the 10th Anniversary Stadium):

Businessmen from the West are shocked that it is possible to gather such masses of sellers and buyers at one place. The stadium is visited by some 20–30,000 buyers coming and going every day. I saw market places and bazaars abroad: in Delhi and Bombay. In my opinion, there is no such other place in the world as the Warsaw stadium.

Warsaw, April 1993

[83]

Competition compels creativity.

On a free market the clients choose the best offers and the seller must accommodate to it. Small business owners from the time of the People's Republic of Poland (Peerel) hardly knew competition. Private entrepreneurs must come back to pre-war rules now.



Advertisement of a cheese shop, Warsaw 1993.

Photo by Sławomir Kamiński / Agencja Gazeta

Jacek Fedorowicz (a satirist):

Features considered ugly in free society, such as greed, egoism, self-interest, are working to the advantage of that society in the conditions of free competition in a simply unrivalled manner.

[38]

Wojciech Janik (the Acting Director of the Pewex chain of hard-currency shops):

We had no chance at all in our competition with much cheaper goods which could be bought from camp beds. Cigarettes and alcohol bought for millions of dollars were filling the Pewex warehouses. Unable to sell them quickly we had additional costs. Things were very much the same with electronic appliances. For the past two to three months the enterprise got rid of most of its stocks at sales. We often sold them 40 percent cheaper than their original price.

Warsaw, December 1991

[60]

Artur Dołęgowski (a co-owner of Lider S, a sweets producing company):

Our company was established not long ago, but we managed to launch cakes which quickly gained recognition among consumers. We called them *Tygryski* (Little Tigers) because of two chocolate strips they are decorated with. It turned out after some time that our product was faked. It was done by a big company with a position established on the market for years. The faked cakes appeared in its retail chain. We have suffered considerable losses because traders keep buying the little tigers from them as a company which is known better. Fortunately, we have submitted the name and shape of those cakes for registration by the Patent Office and will keep fighting for our rights.

1993

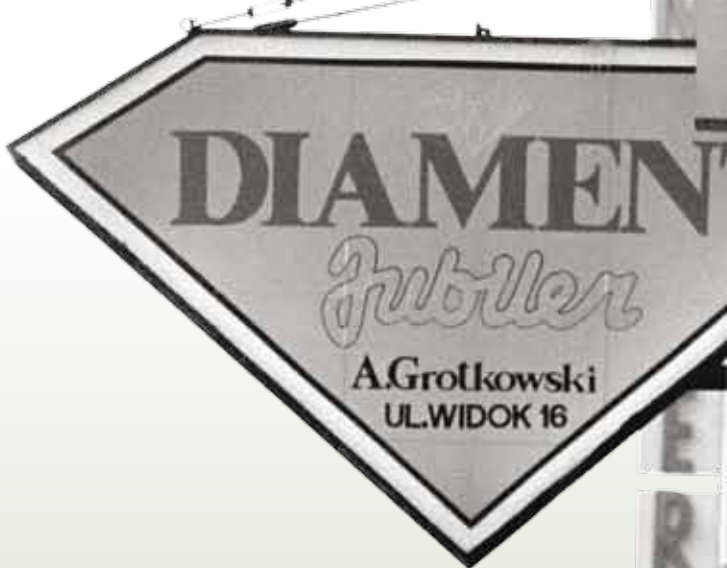
[123]



Warsaw 1992. Photo by Sławomir Kamiński / Agencja Gazeta

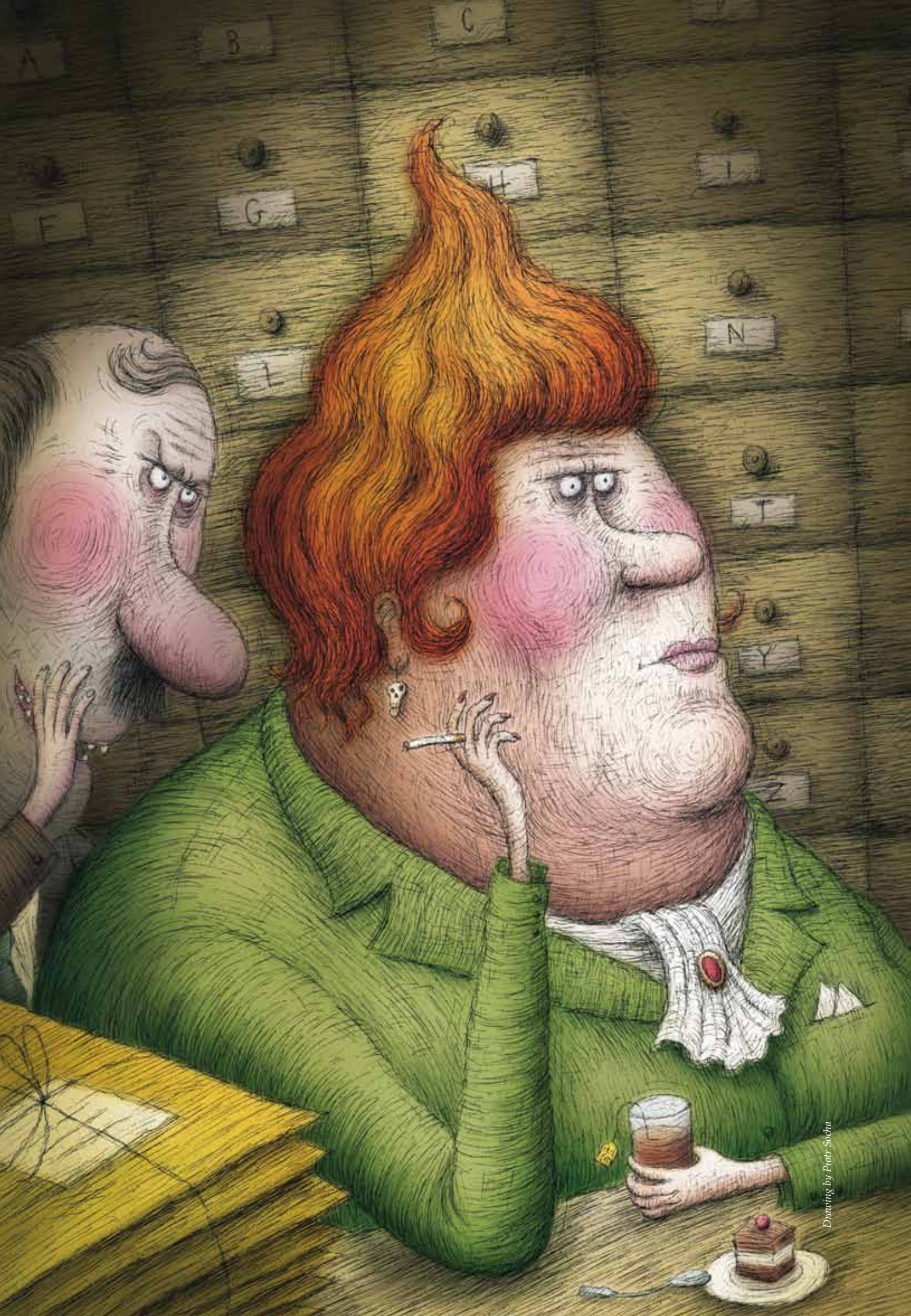


Warsaw 1992. Photo by Sławomir Kamiński / Agencja Gazeta



Warsaw 1993. Photo by Sławomir Kamiński / Agencja Gazeta





Drawing by Piotr Socha

Enterprise continues to breed suspicion, and the law fails to keep pace with reality.
 The old way of thinking rooted in society makes life difficult for entrepreneurs.
 Legal loopholes, contradictory directives, curious tax system, envy...

Piotr Bykowski (the President of Drewbud, a wooden house producing company):

Well, if you want to do a new thing, you need to reckon to have a squabble with the people thinking in the old way. It is as natural as the resistance of air against a moving car.

Warsaw 1989

[44]



Tax Office. Poles are filing their tax returns for the first time, Warsaw 1993. *Photo by Kuba Atus / Agencja Gazeta*

Jerzy Głus (an entrepreneur):

Wałęsa calls: open businesses, act! I am running a small clothes shop now. [...] I have signed a contract with Handpol. In accordance with that contract, all the financial settlements were to be made with, and taxes paid to, that company's cashier's office. My wife, as a shareholder (but with no pay) helped me with the shop [...]

The Tax Office waited seven months. After that period I was kindly asked to lend them a copy of my contract with Handpol. After they had read the contract, I was told that since I did not pay taxes to the local office, did not buy books, did not pay income taxes for my wife (even though my wife did not receive any pay), I would be punished so that I would regret the moment I signed the contract with that company.

November 1989

[68]

Henryk Adamus (an entrepreneur):

Craft is collapsing, people are getting poor, state industry does not want co-producers, exports are declining. Imported tool steel is cheaper than that bought from the Warsaw Steelworks. It is better to deposit one billion zlotys with the PKO bank for one year and get more than 800 million zlotys than to invest in development...

Szczecin 1991

[36]

From the Tax Office archives:

Mr. L. W. has recently bought 40 pigs and, additionally, has a shop. Please inspect his business.

This is to inform you that my neighbour from my block of flats, Mr. P.L., repairs TV sets at his flat without paying taxes. What more, he does it poorly. I think that our pays are low because of exactly such people, because I am working for the health service.

In W., at A.L.'s property, a garage, body shop and spray shop have been operating for three years now with no taxes paid. Please, be advised about it.

This is to advise you that the owner of X is cheating the state out of large sums of money and has been getting away with it for many years. When I started to talk loudly about his swindles, I was fired from work. Mr. Z. treats people very badly, pays them very little. He does not reveal his true income to the authorities. When we were working he was cruising around in his Mercedes car to restaurants and massage salons. You have to take care of that nomenklatura, crack down on those Bagsiks and thieves, because the jobless and pensioners have nothing for the pot, while Z. has bought special pots for his wife for 20 million.

1992

[134]



Tax Office, Warsaw 1993.

Photo by Kuba Atus / Agencja Gazeta

Privatization Act is passed in July 1990.

The terms “privatization” or “liberalism”, unfortunately, quickly begin to have negative connotations, because it happens that property right processes are not model ones.

Witold Zaraska (the President and co-owner of Exbud SA):

Exbud was in the first group of candidates for privatisation. [...] On 27 September 1990, notarial deeds establishing a joint stock company, Exbud Spółka Akcyjna, were signed. [...] I was afraid that there could be no typewriter. I was afraid, if the notary public would come, because, then, you now, everything would fall apart. Just in case, I asked a notary public from Kielce to come to Warsaw. My employee took her into the car and they both waited in front of the ministry, in case anything went wrong. In our country, you should have always expected the worst. [...] Yet, the notarial deed was signed without the help of our notary public. Champaign, congratulations!

Warsaw 1992

[132]

Krzysztof A. Lis (the Government's Plenipotentiary for Privatisation):

It was a total misunderstanding with that sale of national property. That property will remain intact, it may even grow. We are only going to sell enterprises. Collect money and allocate it for the construction of hospitals, schools, and public facilities. [...]

The most important thing with privatisation, however, is to strictly observe the rule of equality of all citizens, openness, and general unrestricted availability.

Warsaw 1989

[131]



Warsaw 1992. Photo by Sławomir Kamiński / Agencja Gazeta



Photo by Marcin Stępień / Agencja Gazeta

An anonymous board member:

Our company was “of no value” for the NFI [National Investment Fund]. So, the president called the entire workforce in and said: “I will buy it.” He submitted an offer and his offer was accepted... a tasty morsel for the NFI was the real property worth millions, but we did not let them take it over like that.

We sent a better offer to the NFI. We wrote that if a lower offer was accepted, we would treat it as abuse and would report it to the State Treasury and the Prosecutor’s Office. I sent that offer of ours with a covering letter also to the Minister of the State Treasury. Then, NFI said that it was not like that, because it was only examination of offers, and we were not credible...

We set up an employee-owned limited liability company and raised a solid capital. The minimum share was 500 zlotys, the maximum one: as much as you wanted. Each of us paid as much as one could afford. Already as a company – not as private persons – we entered a tender against our president’s company – their share capital was only thirty thousands something. We were more than 200 people of the workforce. We had a quarter of a million zlotys...

For us, the people who considered honesty and simple friendship the most important thing in that struggle..., NFI was one of the most unfair measures taken by the government in the 1990s. We bought out and saved our plant, but how many workforces did not manage to do it...?

2010

[79]

Jerzy Templin (the Head of the Department of Agriculture, Forestry and Food Industry of the Supreme Audit Office – NIK) **in the Report on the outcome of a reconnaissance inspection of the operation of the IGLOOPOL farming and food conglomerate in Dębica and its transformation into a joint stock company:**

The agreement concluded between the Minister of Agriculture, Forestry and Food Industry, K. Oleksiak, and the Company’s Management Board, concerning the terms and conditions of handing over the Conglomerate’s property to the Company did not sufficiently protect the interests of the State Treasury. [...] Reservations are aroused by the transfer of ownership of state property with a book value of 59 billion zlotys to the Company. [...] The personal representation of the founding body towards the Company was contrary to regulations, because persons authorised to represent the State Treasury were also the Company’s shareholders and Management Board members in the period April–September 1989.

Warsaw, October 1989

[118]



Dębica. Photo by Ryszard Mazur / Agencja Gazeta

Reprivatization is not passed.

The reprivatization bill voted in 2001 encounters President Aleksander Kwaśniewski's effective veto. The status quo from the times of the People's Republic of Poland is maintained. The law passed in the 1950s is in force.

Jacek Fedorowicz (a satirist):

At a place where, at one time, several hundred private tenement houses were standing, today we have – as it was proudly stressed – the largest square in Europe with one building in the middle, namely the Palace of Culture and Science.

Should the bits of the Palace be distributed among those aggrieved? I would not mind, provided everyone takes one's bit far away, but this is, unfortunately, infeasible because of the costs, and also because many people have already got used to the palace and have a sentimental attachment to it.



Vicinity of the Palace of Culture and Science, Warsaw 1990.

Photo by Roman Kotowicz / FORUM

[38]



Warsaw, Żłota Street. The Palace of Culture and Science is standing in this area today. Poster from the interwar period from Robert Marcinkowski's collection

Teresa Pomorska (of L. Pomorski i syn):

We have been trying to get our factory back again since 1989. Successive governments keep admitting that our company was taken away against the law. In 1991, there was even a decision restoring the factory to us, but we soon got another letter annulling the previous one.

May 1998

[114]



Tenement house at 55–55a Kolejowa Street in Poznań – in the 1930s. The seat of Feliks Pomorski. *Photo: Wikipedia*

Jan Jabłkowski (of Bracia Jabłkowscy):

In 1996, we managed to have the company [Bracia Jabłkowscy] re-entered into the Commercial Register under the same RHB number as before WWII and until 1950. It means that since 1996 we have been dealing with exactly the same company, not its legal successor. [...] Another step, such a milestone, was the restitution of two real

properties adjacent to the company. One of them was an undeveloped plot of land and an extremely damaged tenement house in a critical condition at 21 Chmielna Street. [...] As a titbit I can tell you that perhaps four retail outlets out of six in the yard were occupied by the members of the services who have not passed the vetting procedure.

[49]



The Jabłkowski family archive



Photo: NAC

New social class is slowly coming into being.

In Poland in the mid-1990s it was extremely difficult to maintain the status of a businessman. There are no positive historical models or common systems of functioning in society.

Zbigniew Niemczycki (an entrepreneur):

After two years of fundamental economic transformations we still do not have a genuine class of business people. We do not have the ethos of business meaning that if I invest my money in my country, my business will be the more stable the more affluent my country is, the more affluent society is.

Warsaw 1991

[42]



Jan Kulczyk, 1995. *Photo by Radosław Nawrocki / FORUM*

Anna Wyka (a sociologist):

It is also worthwhile giving some thought to whether that group has any models to follow. In Polish literature basically there is only Wokulski and three images of the first Polish capitalists in the *Promised Land*. Later on there was only a wave of detective stories which portrayed small business owners, market gardeners, black market money changers or nouveau riches. An equally repugnant picture of the rich was depicted in films and newspapers. At least two generations of Poles have been trained in disdaining such values as wealth, getting rich or career in general.

Warsaw 1994

[92]



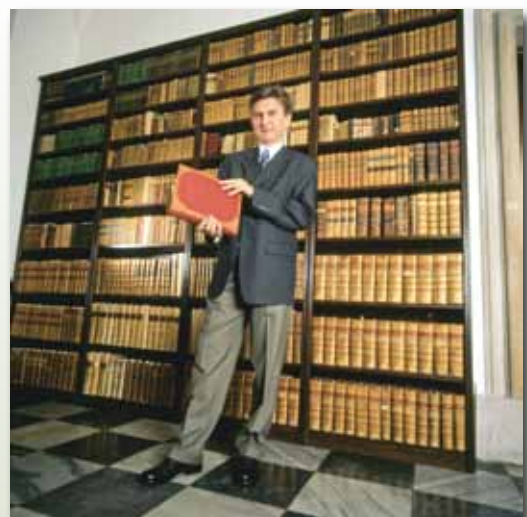
Witold Zaraska, the President of Exbud, the 1990s. *Photo by Marek Szymański / FORUM*

Xymena Zaniewska (a stage designer):

Let us start with saying that I can see no evil in wealth. [...] After all, what does it mean? It means interest in higher goods!

Warsaw 1994

[1]



Czesław Apiecionek, the owner of the Odeon bookshop, 1990. *Photo by Marek Szymański / FORUM*



Still from the *Promised Land* movie directed by Andrzej Wajda. Photo by Renata Rajchel / FilMOTEKA Narodowa

The first financial scandals emerge.

The best-known ones are those connected with Lech Grobelny's Safe Savings Banks (BKO by its Polish initials) and the Art-B operations. Condemning the people connected with those scandals is to be a warning for others, but their trials uncover the lack of consistency of Polish law with the new reality.

A resident of Warsaw:

People were coming, kicking in the door of the currency exchange bureau, were throwing smoke into the staircase. Out of rage perhaps? We were writing letters everywhere: to militia, to the housing cooperative, to the people's council, to Warsaw's president to close the currency exchange. No use!

Warsaw 1990

[133]



People cheated by Lech Grobelny. Only 15 percent of the money paid into BKO has been recovered.

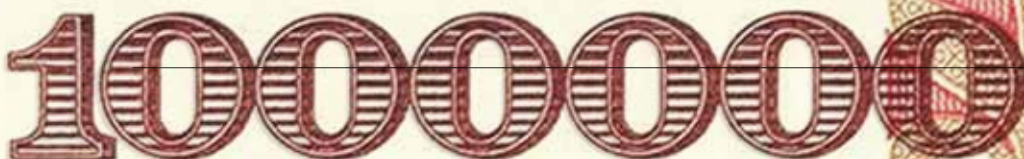
Photo by Stawomir Sierzputowski / Agencja Gazeta

In the background: NBP © banknote



Queue to BKO cashier's counter. More than 11,000 people have deposited their savings with BKO. The payments totalled nearly USD 3 million.

Photo by Tomasz Wierzejski / Agencja Gazeta



Drawing by Julian Bohdanowicz



Bogusław Bagsik, the founder of Art-B. in the dock, 26 February 1998. Photo by Witold Skotnicki / FORUM



Lech G.:

I don't give a shit about those people. The point is that I gave my word that I guaranteed their deposits with my own property. And I never break my word. On the other hand, out of that group of 11,300 people nobody has set up a Lech Grobelny Friends Club. Nobody has acted in the firm owner's defence or their money's defence. Excuse me, then, but I have no moral obligations towards those people.

Warsaw, remand, December 1992

[88]



Lech Grobelny in the dock. The Court sentenced Lech G. to 12 years in prison for... acting to the detriment of the company, Warsaw 1995.

Photo by Andrzej Iwańczuk / Agencja Gazeta



Grey zone develops.

After a few years of freedom social moods begin to change. Many Poles, tired of the social costs of reforms, are losing hope for positive results of political transformations. People are taking matters into their own hands.

Jacek Fedorowicz (a satirist):

The basis of the grey zone is formed by hundreds of thousands or even millions of people who try to conceal a section of their income from the tax office.

Usually, they do not do it either for sport or inborn bad tendencies, but because the state wants to deprive them of too big a part of the money they earn.

[38]

Jan Czyż (the head of a customs department in Głuchołazy):

There are already such people who live off importing alcohol from the South. They do not necessarily breach the law. You are allowed to bring half a litre of vodka, five litres of beer and two litres of wine at a time from Czechoslovakia for your own use. In this way professionals from the borderland can bring many bottles to Poland in one day making several trips a day.

Głuchołazy 1992

[30]



Plastic bags with smuggled spirit.

Photo by Jarosław Stachowicz / FORUM



Russian traders in Poland, September 1992. Photo by Michał Mutor / Agencja Gazeta



Intercepted contraband, Warsaw, August 1995. Photo by Wojtek Stein / PAP

A customs officer from Kostrzyn:

You can put eleven video cassette recorders under the bonnet of the Polonez engine, and four mini-radio receivers or forty boxes of cigarettes in the tubeless tyres pumped up to the limits.

Kostrzyn 1997

[4]

Robert Gwiazdowski (the Adam Smith Centre):

Smuggling on a large scale always means an increase in delinquency and a risk of corruption. On the other hand, excessive taxes, and customs duty is a tax, always hamper economic growth. Smuggling permits to reduce taxes in real terms, to correct mistakes in the state policies. It is a pity that the price for it is a general disrespect for the law. However, if the state puts up excessive tax barriers, the market always defends itself in this way. It is a mechanism of economic instinct of self-preservation.

Warsaw 1997

[4]



Beer carrying across the Polish-GDR border, Gubin 1990. Photo by Tomasz Wierzejski / FOTONOVA / EAST NEWS



Tubeless tyres can accommodate forty boxes of cigarettes. Photo by Andrzej Sidor / FORUM



CONSTRUCTION

1995-1999

From the beginning of political changes the US government and EU structures have been supporting the development of Polish enterprise.

Assistance is extended to individual entrepreneurs and to the economy. As the market gets stronger Americans ever more often think about withdrawing from giving assistance, but amounts provided by the European partners are growing. The European funds under the PHARE programmes are at the disposal of the Cooperation Fund, which is a state institution.



Photograph by Marek Lapis / FORUM

Wojciech Kruk (the owner of a jeweller's shop chain):

We started thinking about developing the company's strategy for the coming years. Only two variants were feasible: either to contend ourselves with the stage we have reached, i.e., two or three shops, a large or small workshop, and a strong position of a jeweller highly regarded in Poznań, or to take up a challenge and become a significant company in Poland. Such a Polish Cartier. It is my dream. I realized that if I did not do that somebody else would. [...] The partner we found [the Polish-American Enterprise Fund], which had a lot of experience in this field, combined with the inflow of capital turned out to be very favourable for the company. As a result, in recent years we could have opened a number of new shops in Poland, privatize Rytoszka and start a company and the first shops in the Czech Republic. [...] When I was starting business I would have never believed that I would be able to do what I am doing.

Poznań 1995

[9]

Stanisław Sobczak (a co-owner of SASS):

We have been cooperating with the Business Support Centre [an institution subordinate to the Cooperation Fund] for a long time now. The Centre has rendered a number of services for us so far: it has drafted a business plan for our bank credit, prepared credit applications and marketing and financial analyses. Recently the business Support Centre in Mielec has prepared a business plan for a restaurant for us, for the purposes of a grant from the STRUDER Fund Programme. That the business plan was prepared properly and competently is evidenced by the fact that we have received the grant.

Mielec 1995

[18]



Wojciech Kruk. Photo: Magic Media / FORUM

Sarah S. Olds (Director of USAID – United States Agency for International Development – Mission to Poland):

The United States Government assisted Poland through its USAID Mission from 1990. The progress made by the Polish economy and Polish society is truly extraordinary. The US Government, however, is under continuous pressure to limit budget spending and change its purpose. It is becoming necessary to end the US aid programme for Poland as Poland gets out of the transition period. Before it happens, the USAID, in cooperation with many partners, will continue to focus on supporting the sector of small and medium-sized enterprises, which we believe will prepare them for full and fast integration with the EU structures.

1996

[19]



Thomas Heanne, America from Boston, owner of Indiana Foods, Łódź, 25 August 1993. Photo by Chris Niedenthal / FORUM

In 1995, the Polish Foundation for Promotion and Development of Small and Medium-Sized Enterprises is set up.

It continues to carry out the tasks of the Cooperation Fund, set up a few years before, in the area of supporting the development of the SME sector and is a predecessor of PARP. In the mid-1990s the sector of small and medium-sized enterprises gives jobs to about 60 percent of Poles. Businesses begin to make use of both consultations and funds provided through the Foundation.

Jerzy Kwieciński (Deputy Minister of Regional Development 2005–2008):

The main spur to set up this institution was provided by the beginnings of the support channelled to Poland by the European Union, which was still operating as the EEC at that time. In 1989, the PHARE Programme was established to support the development of free market and development of democracy in Hungary and Poland. Later the programme was extended to the remaining countries of the former Eastern bloc associated or striving for being associated with the EEC.

[67]



National System of Services Conference, May 1997. Photo: PARP archives

Tadeusz Donocik (the first PARP Supervisory Board Chairman):

If I had had my current experience back in 1989, before starting the restructuring of state-owned enterprises, I would have first created tools to support small and medium-sized enterprise. In this way assistance would have been extended to the people who were laid off, because restructuring primarily means the streamlining of employment. The appearance of the Foundation was slightly delayed, but it created an important tool of investigating human enterprise.

[29]



National System of Services Conference, May 1997. In the middle: Grażyna Gęsicka. Photo: PARP archives

NAUCZĄ BRAĆ OD UNII

W foyer auli Uniwersytetu Mikołaja Kopernika w Toruniu odbędzie się dziś konferencja „Środki pomocowe Unii Europejskiej - jak z nich korzystać”.

Imprezę organizuje Kujawsko-Pomorski Urząd Wojewódzki, a udział w niej weźmie kilkuset urzędników, samorządowców i biznesmenów z regionu oraz - jako wykładowcy - przedstawiciele m.in. Komitetu Integracji Europejskiej, Polskiej Agencji Rozwoju Regionalnego, NFOŚ, Agencji Restrukturyzacji i Modernizacji Rolnictwa, Fundacji Promocji i Rozwoju Małych i Średnich Przedsiębiorstw.

Gazeta Wyborcza Bydgoszcz
of 28 June 1999

Danuta Hübner (Undersecretary of State at the Ministry of Industry and Trade):

We are no longer at the stage of developing assumptions but at the stage of implementing specific programmes. The Council of Ministers [...] has approved the industrial policy programme for 1995–1997, “*The international competitiveness of Polish industry*,” and the policy programme for small and medium-sized enterprises, “*Small and medium-sized enterprises in the national economy*.”

December 1995

[18]

Izabela Plichta (CEO of Runo):

Our company is a medium-sized private company in the clothing industry having about an 80 percent share in the Polish market. We mainly produce woollen bedding and clothes made of high-quality woollen fabric. [...] We have developed a promotion strategy for our company for the markets we intend to export our products to. [...] We have learnt about the EXPROM programme [a PHARE programme] and realized that it was addressed exactly to such enterprises as ours. [...] [A foreign] consultant convinced us to launch the mail-order sale for our products. What more he said that we could sell our blankets in this way with the use of credit cards. That idea seemed absurd to us and to the bank’s management, too. How come, blankets, mail-order sale, and credit cards? However, the consultant’s persistence made us take the risk and now this type of sale produces excellent results for Runo.

1997

[20]



Runo products. Photo: Runo archive



Marek Mikuśkiewicz, the owner of the MarcPol retail chain, Warsaw 1995.

Photo by Andrzej Iwańczuk / REPORTER / EAST NEWS

In the background: *Gazeta Wyborcza Zielona Góra* of 27 April 1999

Jak dostosować swoje przed-
siębiorstwo do funkcyjono-
wania w Unii Europejskiej
– mogą dowiedzieć się zarzą-
dzający małymi i średnimi
firmami w woj. lubuskim na
konferencji organizowanej
Go-
a pod
ospo-
maja
otelu
będą
m.in. podsekretarz stanu w
Ministerstwie Gospodarki
cik, prezes
gospodarczej
arski, Krysty-
ktor Polskiej
ocji i Rozwo-
perci z Mini-
darki i Insty-
utu Badań nad Demokracją
i Przedsiębiorstwem Prywat-
nym KIG. Udział w konfe-
rencji jest bezpłatny.

In 1997, a tremendous flood strikes southern Poland.

Losses are put at billions of US dollars. Nine thousand small and medium-sized enterprises are destroyed. The losses of the SME sector are put at hundreds of millions of zlotys. Funds for reconstruction from the European Union are channelled to enterprises through the Polish Foundation for Promotion and Development of SME.

Ewa Nowak (Regional Development Agency in Zielona Góra):

In Zielona Góra province before the flood there were 48,397 small private businesses and 1,517 private medium-sized businesses. [...] In many places huge losses were sustained by small service centres, such as vulcanization shops, garages, hairdressing salons, tailor's, turner's, bricklayer's, show repair or knitting shops. [...] Many enterprises have suffered losses even though they were not flooded in a direct sense. For instance, companies have lost their clients because of the inability to keep delivery dates, because the roads or raw material suppliers were flooded. [...] Another reason for losses suffered by entrepreneurs is the fact that employees living in the flood-stricken areas had to be evacuated and were not present at work. Blackouts were also oppressive. Unfortunately, offices do not help the harmed people to get out of that situation: The Social Insurance Institution (ZUS) turns down their requests for postponing the payment of contributions, likewise the tax office. Municipal councils limit themselves only to issuing certificates on the flooding of buildings, but fail to mention the amount of losses.

Zielona Góra 1997

[21]



A resident of Racibórz:

The element has made us weak, but that weakness gave rise to a strength which helped us and our neighbours. Strength in weakness...

Racibórz, July 1997

[10]

Krystyna Gurbiel (General Director of the Polish Foundation for Promotion and Development of SME):

The ["Reconstruction"] programme is supervised by the Secretary of the Committee for European Integration. The funds for that programme were obtained from other PHARE programmes. [...] These funds will be used for grants for the reconstruction of the destroyed local infrastructure: public buildings, roads, bridges, gas pipelines, sewage system, flood control facilities, as well as the repair of damage in small and medium-sized enterprises and farms.

Warsaw 1997

[21]

RYŻYWA I OWOCE



DZIEWIARSKA
KONFEKTY
ART PRZET

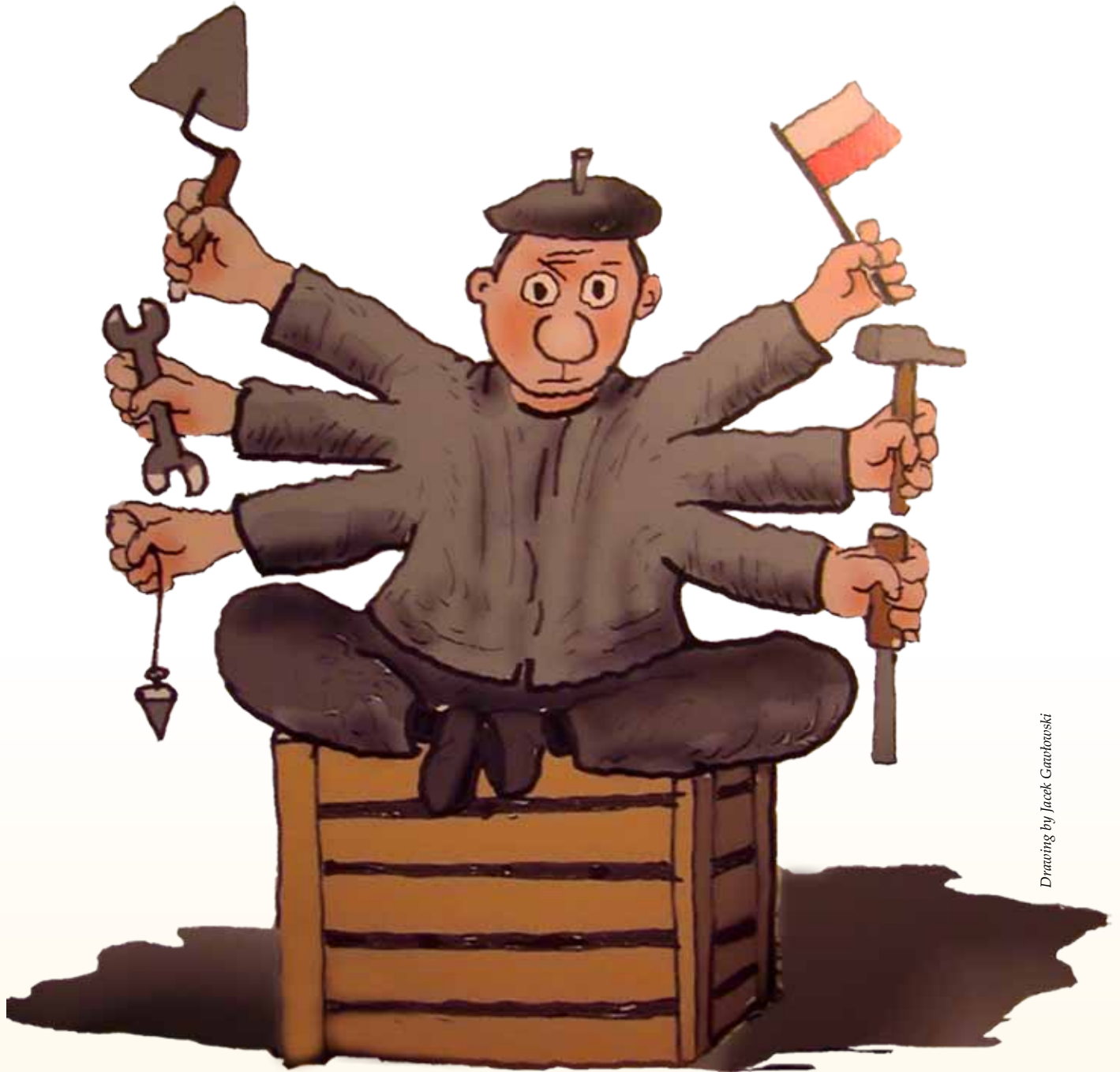
Wrocław after the flood. A paint shop at Traugutta Street after the water went down. *Photo by Adam Hawalej / PAP*



Opolanka knitting factory in Opole. Four state-of-the-art automatic knitting machines were started before the flood. *Photo by Krzysztof Świdorski / PAP*

Polish goods at home associate with mediocrity.

It is the outcome of the economy from the times of the People's Republic of Poland, when product quality really left a lot to be desired. A large section of new producers respond to consumer ideas by failing to mention the country of origin of their product on its label.



Drawing by Jacek Gwarantowski



Europejski Hotel in Warsaw. Poster of the “Poland Now” Competition, 27 April 1994. *Photo by Sławomir Kamiński / Agencja Gazeta*

Bogdan Chojna (the architect of the “Poland Now” Competition):

People should be encouraged to buy those Polish products which are really good, just because they are Polish. If a Polish and foreign product have a similar price and their quality is similar, it is better to buy a Polish product, because it is more profitable for all of us.

1993 [120]

Iwona Michałowska (Marketing Department Manager at Americanos):

At the early stage of our company’s operation association with foreign countries was undoubtedly helpful, because consumers perceived Polish products as bad and a synonym of poor quality. On the other hand, everything of foreign origin aroused consumer trust and desire.

1997 [78]

Jędrzej Wittchen (a producer of elegant leather products):

At the time when foreign products on the Polish market were considered to be better than Polish, our products were also considered foreign; people believed they were from Austria, England or Italy.

We organized women’s focus group interviews. First, we asked them about product quality, and all the women voiced their positive opinions, then, we asked about their origin, and all the participants were convinced that the products were foreign. When we told them that the products were Polish their enthusiasm immediately cooled; they withdrew from their admirations, started to say “well, for a Polish product, it is not bad at all.” It was a warning for us to wait with making a show of our Polishness. Poles do not trust Polish companies and products.

1997 [78]



Neon light of Moda Polska. *Photo by Jacek Marczewski / Agencja Gazeta*

Meanwhile, Polish design gains recognition abroad.

It can hardly find its way to Polish manufacturers, because there are no tested methods of cooperation between designers and industry yet. Consumers are also used to buying what is on the market and not demanding better offer. However, it is changing.

Beata Bochińska (President of the Institute of Industrial Design in Warsaw):

In 1992, I saw some utility glassware at a gallery in the Netherlands. I was delighted. I had never seen anything like that before. The gallery owner explained to me that it was a typical example of Polish glass and that they had been exhibiting it for years. Upon my return home I decided to get a degree in it from the art history faculty – the first degree in design from the Warsaw University. I travelled across Poland. It turned out that the glass design was all amateurish activity, done in secret at glassworks with the designer's money and taken away from the country. We were famous for it abroad, but,

in Poland, nobody knew anything about it. A year later I organized a competition for glass designers and encouraged the Irena steelworks to make a prototype. Its president told me: *We would be willing to cooperate with the designers but we cannot reach agreement with them. Please, help us.* This is how I set up Wzornik, a company which delivered designs to enterprises. For ten years I was going to factories and explaining Rysio from the production department what the designer said, and the designer what Rysio said. It was a true school of hard knocks.

[87]



Amateurish Glass Making Exhibition, the Institute of Industrial Design, designed by Stanisław Borowski, Warsaw 1994. Photo: the Institute of Industrial Design archive

Anna Bogucka (Marketing Director at Irena Glassworks):

We want to change the image of our products, promote glass which will suit the contemporary Polish interiors.

December 1995

[102]



Glassworks. Bogdan Smolcho is making a special bell for the *Oratorium Pańskie* concert by Jan Kanty Pawluśkiewicz, Siemianowice Śląskie, 18 March 1999.
Photo by Eliza Oleksy / Agencja Gazeta

Joanna Pruszyńska in an article in *Gazeta Wyborcza*:

During its formation at glassworks glass is but some burning, hot, fluid mass. Its colour can then be only guessed, sensed. This living glass has become passion for Beata Bochińska, a young art historian. She hit up on the idea of illustrating her thesis not with photographs but with an exhibition. She is interested in the glass which difficult to classify: on the borderline of art and industry. Glass ornaments produced in small batches are similar to one another but never the same. Artists do not like to talk about that mini-production, for years now they have been taking glass abroad where they are all the rage.

Warsaw, September 1994

[116]



Advertising in new conditions becomes a must.

It is a new challenge for the entrepreneurs wrestling with the phenomenon of competition since not long ago. Its form is different, at times professional, at times clumsy, but everything has to be advertised.

Katarzyna Chwedoruk (an entrepreneur):

I believe in the power of advertising. I advertised my services in *Życie Warszawy*. Next, there was an article by a journalist from *Kobieta i Życie* who found me and underwent several treatments. After that article I had a few more customers. I also made use of Radio Zet. I try to use different forms of advertising. I ordered folders, which I am going to distribute at places where many people gather, e.g., in the Old Town of in front of the Domy Centrum shopping centre. A few nice guys or young girls in the company T-shirts will certainly draw attention. Persons who are satisfied after their visits and pass on the information to others are my advertising.

1996

[28]

Irena Eris (an entrepreneur in the cosmetic industry):

In the mid-1990s we decided to make a certain experiment. As the first Polish company we developed a series of exclusive cosmetics for demanding women. We had prepared for that very carefully. We even hired the brand's face. It was a new thing on the Polish market at that time. [...]

Ms Małgorzata [Niemen] was 40. She looked very well, like a beautiful mature woman. Today, some cosmetic companies hire teenagers to advertise cream for mature women.

[115]



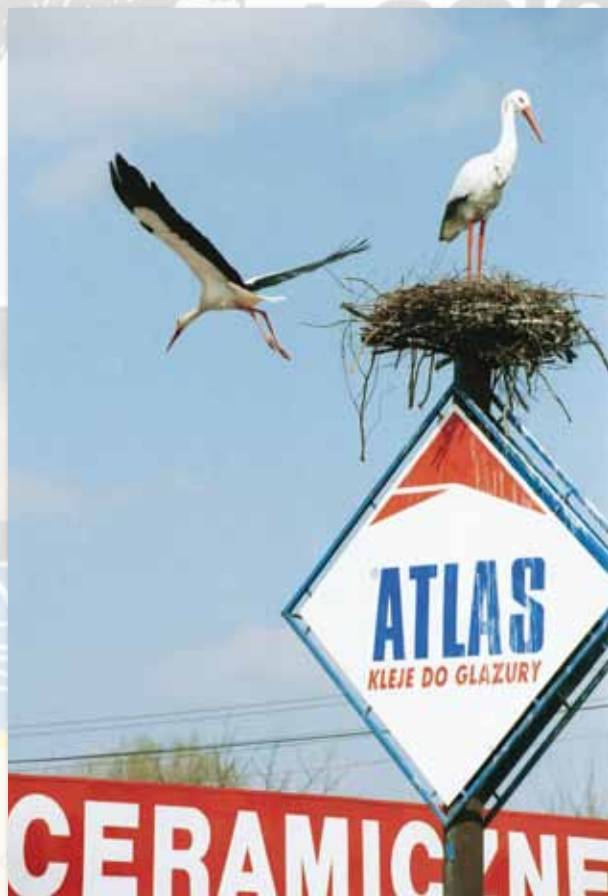
Model presenting fur coats in a shop window at Grodzka Street in Krakow, 28 July 1999.

Photo by Paweł Ulatowski / Agencja Gazeta



Warsaw, Hoza Street, an M1 living advertisement, 7 September 1999. Photo by Arkadiusz Cichoński / Agencja Gazeta

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nie.



Advertisement of Atlas products, Poznań 1998.
Photo by Tomasz Kamiński / Agencja Gazeta



Grójec, 4 February 1999. Photo by Kuba Atys / DIG XFS
In the background: Photo by Wojciech Duszenko / Agencja Gazeta

Aleksandra Stelmach in an article in *Gazeta Wyborcza*:

Cheap and to be bargained – is the prospective slogan of the 10th Anniversary Stadium's advertising campaign. [...] The advertising campaign is to help the Stadium to recover from the several-month long trading collapse caused by the Russian crisis. The campaign was organized by Damis which manages the Stadium [...]. The vendors are hoping that residents of Warsaw and its suburbs will be attracted by low prices (also to be negotiated), which will help improve the situation.

Warsaw, November 1998

[100]

Free market is also enjoyed by the youngest.

They are learning it in theory and try their hands in practice. The sooner they get to know its secrets, the better they will be prepared for acting in their adult life.



Photo: FoKa / FORUM

Maciej Duszyński in a letter to the editor of the CASH magazine:

My name is Maciej Duszyński and I am ten years old. My Dad reads CASH and that is why it falls into my hands. I wish there was such a scrap of paper which would be devoted to kids in full, which would teach economy and capitalism to the kids and thus how to make money honestly. Also their rights to make money.

Toruń 1993

[23]

In the background:

Photo: Corbis / FotoChannels



Second hand textbook sale, Wrocław, Dominikański Square. Photo by Grzegorz Hawalej / FOTORZEPA

Ewa Repsch (Ministry of National Education):

Small school shops are in a majority of secondary and many primary schools. They buy wholesale goods and sell them with a small margin. Pupils themselves decide about the use of profit. Sometimes it is quite a lot of money. A record profit was recorded by a cooperative at a catering college in a town at the sea coast – several dozen million [old Polish zlotys] a month. They sold salads which they made themselves, with different prices for students and different to take away. Mostly for trips. At one school this money was used to pay for lunches for less well-off children.

1996

[121]



Small shop at the State Art College in Supraśl.

Photo by Wojciech Jakubiuk / FORUM

Magdalena Bąk (President of the Oświeceni i Romantyzm school cooperative, a grammar school student in Płock):

We produced lamps made of jars and cardboard shades and napkin holders made of vacuum cleaner pipes taped with colour paper. Our firm employed 18 people. We elected the management board, president, and marketing and administration managers. The founding capital came from our own pockets: enterprise members invested 10 zlotys each. We sold our products chiefly at school, especially before Women's Day or Mother's Day. We won the Grand Prix at the International School Firm Product Fair and received notebooks as prizes.

December 1997

[129]



Small shop at the State Art College in Supraśl.

Photo by Wojciech Jakubiuk / FORUM

Hanna Szczecina (Enterprise Development Foundation in w Suwałki):

The easiest way to learn is in practice. Running their own businesses young people get to know the secrets of business, begin to understand market economy mechanisms and distinguish the role of banks, tax offices and other institutions. That was exactly what we wanted to achieve.

Suwałki, October 1998

[130]

Artistic communities also adapt to free market.

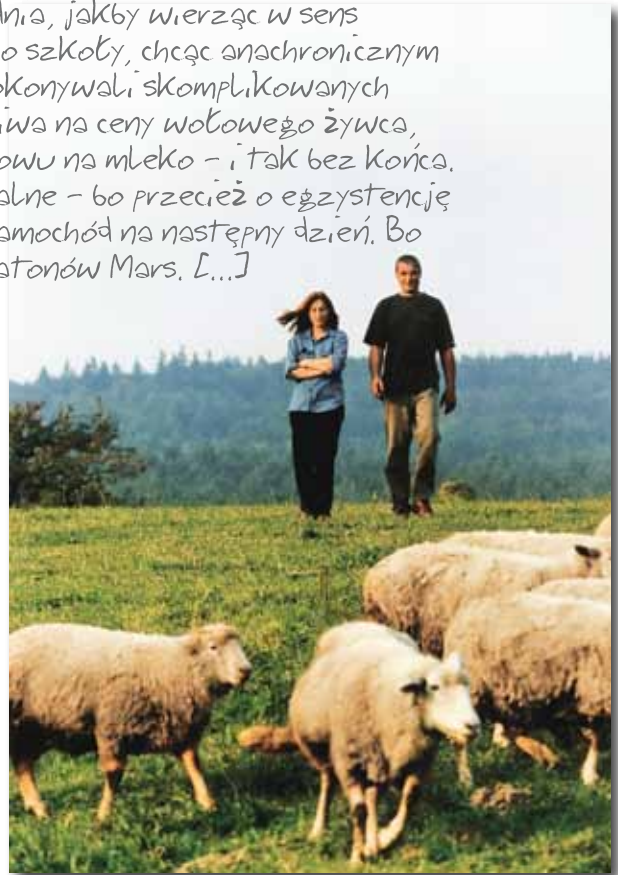
What more, to the same extent as former employees of large state-owned farms (PGRs) which are being liquidated. Artists help business to mature. Their offer carries entirely different values than earthly possessions.

Władek pochwylił jakiś boczny wiatr, który nigdy przez te doliny nie wiał. Sprzedał co miał, kupił syrenkę, wydzierżawił kiosk i wszystkie te blaski i cuda zaczął przywozić gdzieś z Rymanowa. Żona jeszcze w lesie spędzała pół dnia, jakby wierząc w sens monotonii ruchów i stwardniałych rąk, a dzieci chodziły do szkoły, chcąc anachronicznym sposobem zdobywać świat. Inni wieczorem przy stołach dokonywali skomplikowanych przeliczeń cen mleka na ceny paliwa do traktora, cen paliwa na ceny wołowego żywca, żywca na paszę, paszy na prąd, prądu na wełnę, wełny znowu na mleko - i tak bez końca. Kiedy za każdym razem wychodziły im absurdy egzystencjalne - bo przecież o egzystencję chodziło, Władek po prostu liczył utarg albo ładował samochód na następny dzień. Bo już nie jedna wieś, ale cała okolica miała poznać smak batonów Mars. [...]

Andrzej Stasiuk, *Opowieści galicyjskie*
[*Tales of Galicia*], 1995 (excerpt)

Monika Sznajderman (Czarne Publishing House):

We did not have anything to live by, and it turned out that books written by my husband [Andrzej Stasiuk] were generating income. The idea came from one of our friends, a director at the Wydawnictwa Szkolne i Pedagogiczne publishing house, who asked us: "As a matter of fact, why don't you publish books yourselves?" It never occurred to me. But we did not delay. Very soon we published Andrzej's volume *Przez rzekę* [*Across the River*]. [...] 1999 [122]



Monika Sznajderman, Andrzej Stasiuk, Wołowiec, 30 January 1999.
Photo by Piotr Janowski / Agencja Gazeta



Grzegorz Linderberg (an entrepreneur in the publishing industry):

It is very pleasant to watch how decent people are becoming business people. Probably they [Prószyński i S-ka Publishers] could be doing better, if they closed unprofitable magazines, but they have something more valuable: the principles. 1999 [126]

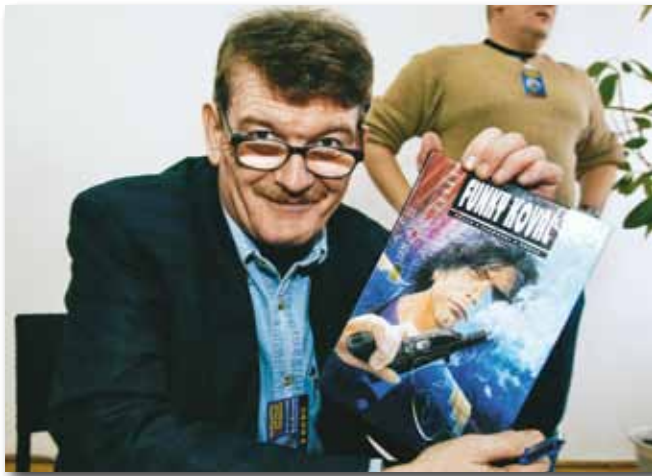
Founders of Prószyński i S-ka; from the left: Tadeusz Winkowski, Zbigniew Sykulis, Mieczysław Prószyński, Jacek Herman-Iżycki. Photo: Prószyński i S-ka archives

Maciej Parowski (an editor and writer):

The world changed after 1989, so, if magazines were sinking, it was for other reasons than before. [...]

We found the publisher: Prószyński i S-ka (at that time, they were called IMM KANT [Sp. z o. o.]). [...] Young scientists, businessmen, Mieczysław Prószyński and his pals (Zbyszek Sykulski, Jacek Herman-Iżycki, Tadeusz Winkowski) grew fond of the magazine before, especially Prószyński dreamt about buying it and becoming the rightful owner of *Fantastyka*.

[71]



Maciej Parowski. Photo by Krzysztof Pacuła / FORUM



From *Fantastyka*'s collections

Advertising billboard,
Warsaw, Chełmska Street.

Photo by Wojciech Duszenko /
Agencja Gazeta



The 1990s is the time of great economic boom but not for all.

According to official statistics, in the middle of the decade, a majority of Poles live on the brink of poverty. According to economic experts, it is the price which society pays for the years of neglect in the People's Republic of Poland. Governing the state begins to resemble managing an enterprise. Its financial performance is ever more dependent on the private sector, including small and medium-sized enterprises.

Sarah S. Olds (Director of USAID – United States Agency for International Development – Mission to Poland):

I have no doubts whatsoever that, if it had not been for brave decisions taken by many people to set up their own business, the process of Polish reforms and integration with the world economy would not have been so advanced as it is at present.

September 1996

[19]



Cora clothing factory. Production is underway despite competition from the Far East.

Photo by Krzysztof Miller / Agencja Gazeta

Jeremi Mordasewicz (Polish Confederation of Private Employers *Lewiatan*):

Usually, emphasis is put on the inhuman side of employers: how inhuman they were for their employees. I want to say that on a mass scale the employees were the ones who were not adapted, did not comply with the standards of work, and were often dishonest. In the socialist economy we got used to the principle: "No matter what you do, your monthly pay is due."

[76]

An entrepreneur's voice:

To create a business like that on your own you need to work all day long, this is the main principle. [...] No one has such a capital to put it aside and make it work. You need to create it. And to create it you need to work and work. This was exactly the role of our post-Communist activity, where nobody, well, hardly anybody had the money to increase the capital.

Pińczów

[17]

An entrepreneur's voice:

It all evolved. It seems to me that the years 1992–93 were the time of very savage, rapacious capitalism, when things somehow exacerbated, but later on those early aggressive contacts turned into some stage of acquaintance.

Dąbrowa Tarnowska

[17]



The vicinity of the ZOO in the Praga District of Warsaw, 1998. Photo by Grzegorz Gałęzia / FORUM

Wojciech Morawski (President of Atlantic):

Those companies which behaved in a savage way were very quickly eliminated. It was a time of market development. It is true that some people did not behave ethically, but those people were very quickly removed from the market. I am not saying all of them. A Polish entrepreneur at that time was not much different from the rest of society – in terms of principles.

[75]

Next page: Stalls at Marszałkowska Street, Warsaw 1998.

Photo by Grzegorz Gałęzia / FORUM

Look to the future

ATHLETIC

Sklepy firmowe:

Al. Jerozolimskie 42 ul. Wilcza

Policja





DEVELOPMENT

2000-2010

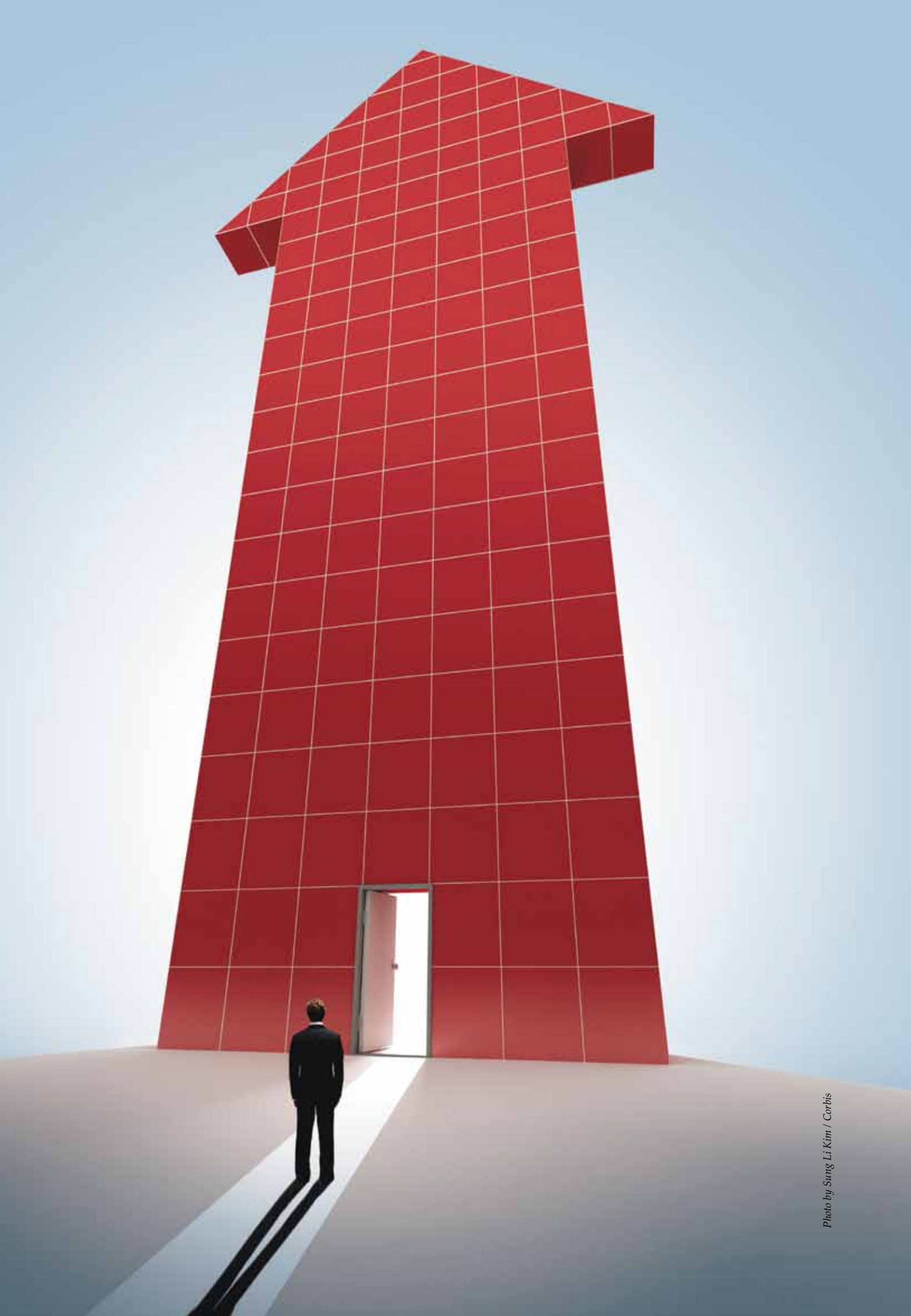


Photo by Sung Li Kim / Corbis

The Polish Agency for Enterprise Development is established under the first government programme of support for the SME sector funded by the State budget.

The Polish Foundation for Promotion and Development of Small and Medium-Sized Enterprises continues to operate.

From the Act on the Establishment of the Polish Agency for Enterprise Development:

Article 1.1. The Polish Agency for Enterprise Development, hereinafter referred to as the "Agency", is established. [...] Article 4.1. The object of the Agency's activity is to participate in fulfilling economic development programmes, including, in particular in the area of supporting:

- 1) development of small and medium-sized entrepreneurs;
- 2) exports; and
- 3) socio-economic cohesion of the country. [...]

Article 17. 1. The Polish Foundation for Promotion and Development of Small and Medium-Sized Enterprises, whose sole founder is the State Treasury, hereinafter referred to as the "Foundation", is liquidated as of the effective date of the Act.

2. Upon the liquidation of the Foundation:

- 1) the Agency shall assume the obligations and debts, as well as the funds and the remaining property of the Foundation, and the documents held by the Foundation;
- 2) the Agency shall become a party to the agreements binding the Foundation.

Warsaw, 9 November 2000

[32]

Małgorzata Stachowiak (Polish Foundation of Small and Medium-Sized Enterprises):

As of 1 January, a new institution begins to act with a view to supporting enterprise. In accordance with the Act [...], the Polish Agency for Enterprise Development will be set up on the grounds of the Polish Foundation for Promotion and Development of Small and Medium-Sized Enterprises and will take over its current programmes.

Autumn 2000

[22]

Tadeusz Donocik (the first PARP Supervisory Board Chairman):

Today, I can say from the perspective of those ten years that the establishment of PARP, launching of many billion-European and State budget funds to, first of all, support enterprise: innovation and new technology [...] has introduced high technology, modernity and progress for small enterprise.

Warsaw, October 2010

[29]



Trade 2000 Conference. Photo: PARP archives

Polish companies are struck down by the “Eastern crisis”.

In the second half of the 1990s, Eastern markets experience a rapid decline of business climate termed as the Eastern crisis. The recession which follows affects almost all of Europe. Polish entrepreneurs feel the recession with some delay, at a time when the EU economy is already out of the woods.

Voice of an entrepreneur:

At present, employment does not go up. To the contrary, it is further rationalized. It is not as perceptible as when 200 or 300 people are laid off in a large company and the papers report it on their front pages. When Mr. Kowalski lays off one person, it is not reported in the press. When small businesses start laying off one person each, it seems it is not much. But when 500–1000 such businesses go bankrupt...?

Krakow 2002

[17]

Voice of an entrepreneur:

Eastern markets have staggered, some crisis has emerged there. [...] We have lost a large Eastern customer who used to take two TIR lorry loads of goods. There was consternation what to do? You need to strike the West and go into other products. If we cannot sell to the East, we will be selling to the West, and at the same time we will think what to do about the costs. Drastic decisions were made in respect of costs.

Warsaw 2004

[58]



Going through announcements at an employment agency, Warsaw, Ciotka Street, 29 March 2000.

Photo by Michał Gmitruk / FORUM

Below: Queue to the District Employment Agency, Warsaw. *Photo by Michał Gmitruk / FORUM*





Łódź, Piotrkowska Street, 12 November 2002.
 Photo by Marian Zubrzycki / FORUM

Voice of an entrepreneur:

We were struck down by the first crisis when we were not prepared for it, after the first few years of euphoria. When everything goes well and it seems that things must be like that all the time, that it is not going to be different. [...] Recession also matters. These factors have overlapped, and it is no use blaming external situations. On the other hand, one should think what one has done wrong. [...] The least efficient persons were laid off, and brief restructuring took place.

Warszawa 2004

[58]

Wojciech Morawski (President of Atlantic):

The [Eastern] crisis gave me a great deal. It affected other companies, especially Western ones, present in the East. It made my expansion to that market easier. I was not struck down by that crisis. The advantages outweighed the disadvantages.

August 2009

[75]



Polish enterprise gets gradually improved.

Elegance and tradition begin to count again. When urban market places are supplanted by hypermarkets, shopkeepers and craftsmen again become the suppliers of luxury goods.

Lukasz Rogiński (a ceramics manufacturer):

Brickyards make mass-produced bricks, but sometimes, for example, 60 chequer bricks are needed to be made for a cornice according to conservator's requirements. The bishopric in Pelplin imported Gothic bricks from the Netherlands priced 20 zlotys a piece, and my price is only 8 zlotys.

Gniew 2004

[106]



At the Nedó family workshop making clay pots in the Kaszuby region of Poland, Chmielno, 26 June 2002. Photo by *Lukasz Glowala / FORUM*

**Jan Kielman** (the owner of shoemaker's company Jan Kielman i syn):

The advantage of making a shoe to order is that every detail can be discussed and decided in consultation with a client. We use many hides of different quality, colour, thickness, and texture. We buy leather from the best tanneries in the world, even the rarest of skins, such as python and pink alligator from the U.S., or kangaroo from Australia. Most of our shoe models are named after towns — Vienna, London, Valencia — or because of their characteristic features, for example, "low heels with comb." [...] The hand production of our footwear follows a century old procedure to a tee. Only the manner of advertising has changed. For the past few years we have been using the Internet to win more clients. About 10 percent of all orders come electronically, even from such distant lands as Japan and Singapore.

Warszawa 2007

[108]



From the right: Jan II, Maciej, third and fourth generation of the Kielmans.

Photo by *Marcin Łobaczewski / FOTORZEPA*

Jerzy Miecznik (the owner of engraver's decorative handicraft manufacturing company W. Miecznik):

Our workshop is now the only bronze company in the city, registered with the Warsaw Guild of Goldsmiths, Watchmakers, Opticians, Engravers and Bronze Workers. It is a disappearing trade. The last bronze workers work on their own. I warded off this work for a long time. I worked as a geologist for a half of my career. Finally I understood that if I did not take over the business its achievements would be squandered. When I decided to get a master bronze worker diploma there was no one who could test me. That is why I am a master engraver. [...] I do care about single products but of top quality. We have been cooperating with outstanding sculptors, such as Wiktoria Czechowska-Antoniewska or Tadeusz Tchórzewski.

Warsaw 2007

[108]

Eugeniusz Bocer (a cured meats producer):

I always liked talking with elderly people who remember how cured meats were made in the past, how they were seasoned and cured. I love to restore forgotten tastes even today. I listen to others and add my own experience to, but I am most satisfied when I manage to reconstruct an old prescription.

Trzmiel, Lubuskie province, 2008

[70]



Hand production of traditional Bolesławiec ceramics, Bolesławiec, 3 March 2010.

Photo by Paweł Kozioł / REPORTER / EAST NEWS



Customers get ever more demanding.

Imagination becomes necessary to make money in the service sector. Farm tourism turns out to be an important branch of Polish enterprise. Owners of boarding houses quickly become convinced that the accommodation offer alone is not enough any longer.

Danuta Olejnik (the owner of the Janczary farm in Barczewko):

I have been engaged in farm tourism for 15 years now and have ever more guests every year. During integration trips we most often organize blitzka rides followed by a common feast. We have been hosting not only employees of companies from the Warmińsko-Mazurskie province but also from Warsaw, Poznań, or even Germany. We already have permanent customers who have a good time at our place every year.

2007

[117]



Darek Dąbrowski's agritourism farm on the Biebrza River in the buffer zone of the Biebrzański National Park. The farmer – an archaeologist hobbyist – has reconstructed a Stone Age settlement. You can learn how to strike fire without matches. Szostaki, Jedwabne District, August 2005.

Photo by Michał Koś / REPORTER / EAST NEWS

Below: Dom nad Stawami (House on the Ponds), Węgorzewo, July 2004. *Photo by Darek Redos / REPORTER / EAST NEWS*



Photo by Tomasz Wawer / FORUM



Wojciech Oberkoch (Andersland Group):

Ever more companies organize all sorts of attractions for their employees. You need to be up to date with it, because customer tastes keep changing by the day. Not long ago quad biking was very popular and now is slowly getting out of fashion. This makes us look for new solutions, e.g., glider flights, parachuting, etc. It is not an easy task, but it also helps us not to go round in circle. When the guests are happy with our services, they will certainly come back.

2007

[117]



Horse riding is a special attraction at the Ritowisko agritourism farm. *Photo by Piotr Męcik / EAST NEWS*

Internet advertisement of the Bieszczadzka Agencja Aktywnego Wypoczynku active leisure agency:

Attention!!! Krzych's gang is prowling in the Bieszczady Mountains [...]. Passengers of the Bieszczady narrow-gauge railway are in particular danger, because that nasty bunch has developed a special taste for it.

They are attacking, robbing, intimidating, apparently also raping, but there are no witnesses to it – their potential victims, instead of going to law enforcement bodies, go to bars to buy the brave bandits a round.

VAT invoices are issued for the stolen things and valuables [...]. The price of the basic type of assault is PLN 800 (extra charges for rape).

2010

[7]



TURYSTYKA

“New traditions” are being introduced – with varying marketing effects.

Three sentences said by Pope John Paul II about Karol Hagenhuber’s cake shop in June 1999 are enough to incredibly increase demand for cream cakes in Wadowice. On the other hand, the “zygmuntówka” – a cake which was to replace the allegedly compromised “wuzetka” (a chocolate cake layered with cream)” is not accepted.



Lovers of “papal” cream cakes in front of the church in Wadowice.
Marian Zubrzycki / FOTORZEPA

*A tam była cukiernia. Po maturze chodziliśmy na kremówki.
Ze myśmy to wszystko wytrzymali, te kremówki po maturze...*

John Paul II, Wadowice, June 1999



The longest cream cake – 87 metres long – arranged to mark John Paul II’s 87th birthday, Rzeszów, 20 May 2005. Photo by Franciszek Mazur / Agencja Gazeta

Grzegorz Spisak (a journalist of the *Gazeta Krakowska* daily):

[Cream cake] eating techniques: “amateur with no tools” – by taking the French pastry pieces between the teeth and clenching your jaws; “philosophical” or the one “from Kant” – by gnawing individual corners of the cake. There is also the “correct” method: with a silver spoon on china. Just like at Karol Hagenhuber’s cake shop where Karol Wojtyła used to have cream cakes in 1938 after his school-leaving exams...

Wadowice 1999

[74]

They thought all the world of those cream cakes. I was walking among those elderly ladies and gentlemen, mucky with cream, because they did not know how to eat it. “Where are you from?” I asked. “From Grudziądz,” they replied and came back to eating. I was taking pictures but they did not pay attention to me. I had an impression that by eating a cream cake they are performing a mystic act. As it was a prayer through the stomach.

Wadowice 1999

[74]

Paweł Trochimiuk (Federation of Marketing Communication Unions):

Somebody wanted to dethrone the *wuzetka* cake by force and it did not work. There was no promotion strategy for that cake. There are no advertisements, it is not available at all cake shops in Warsaw. Meanwhile, if a cake is to be accepted, it must be promoted well, easy to make, inexpensive, tasty and widely available.

August 2010

[135]

Krystyna Grochowska (a resident of the Żoliborz District of Warsaw):

It is irresponsible. On Sunday, I invited guests from Silesia for a *zygmuntówka* from Warsaw. I wanted to treat them to our cake. But what the waitress brought made me lose appetite. There was a miniature fairy cake on the plate with a twisted cracked meringue which fell from the cake. Instead of having a sweet cake I had a great deal of shame!

Warsaw, October 2009

[135]



Pastry cook Ewa Haderek, Wadowice, 8 October 2005.

Photo by Jakub Orzechowski / FOTORZEPA



Zygmuntówka cake, Warsaw, 23 April 2009.

Photo by Marcin Dławichowski / FORUM

The organizer of the competition for a “New Warsaw cake”:

Residents of Warsaw deserve not only new bridges, roads and buses, but also a small, sweet titbit.

2009

[61]

One can succeed by expressing new content in a traditional form.

In 2003, young embroiderers from Koniaków come up with an idea to crochet G-strings. The idea turns out to be excellent and not for one season only. The original and at the same time extravagant product continues to attract customers.



It has not been possible so far to find out who came up with the idea to crochet underwear.

Photo by Bruno Fidrych / Agencja Gazeta

Ania from Koniaków:

I do not wear them myself. But the women who buy them praise them for being very comfortable. Recently one woman brought six pairs of my strings.

Koniaków, August 2003

[99]

Józef Zawada (Lace from Koniaków. Production, purchase, sale):

I was hoping to get a handicraft seal of approval for the G-strings. I could then sell them with a 3-percent VAT rate instead of 22 percent. However, the National Arts and Crafts and Ethnographic Commission decided that [...] panties could not be an artistic product because they are not meant to be watched.

Koniaków, October 2003

[43]

Elżbieta (a shop assistant from Pikotka, Wielkopolskie province):

We have decided to order them, because customers kept asking about exactly such panties. Hand-made G-strings became fashionable after the recent appearance of lace makers from Koniaków in the Silesian Beskids on television [...]. But our G-strings made in Greater Poland are equally pretty!

2003

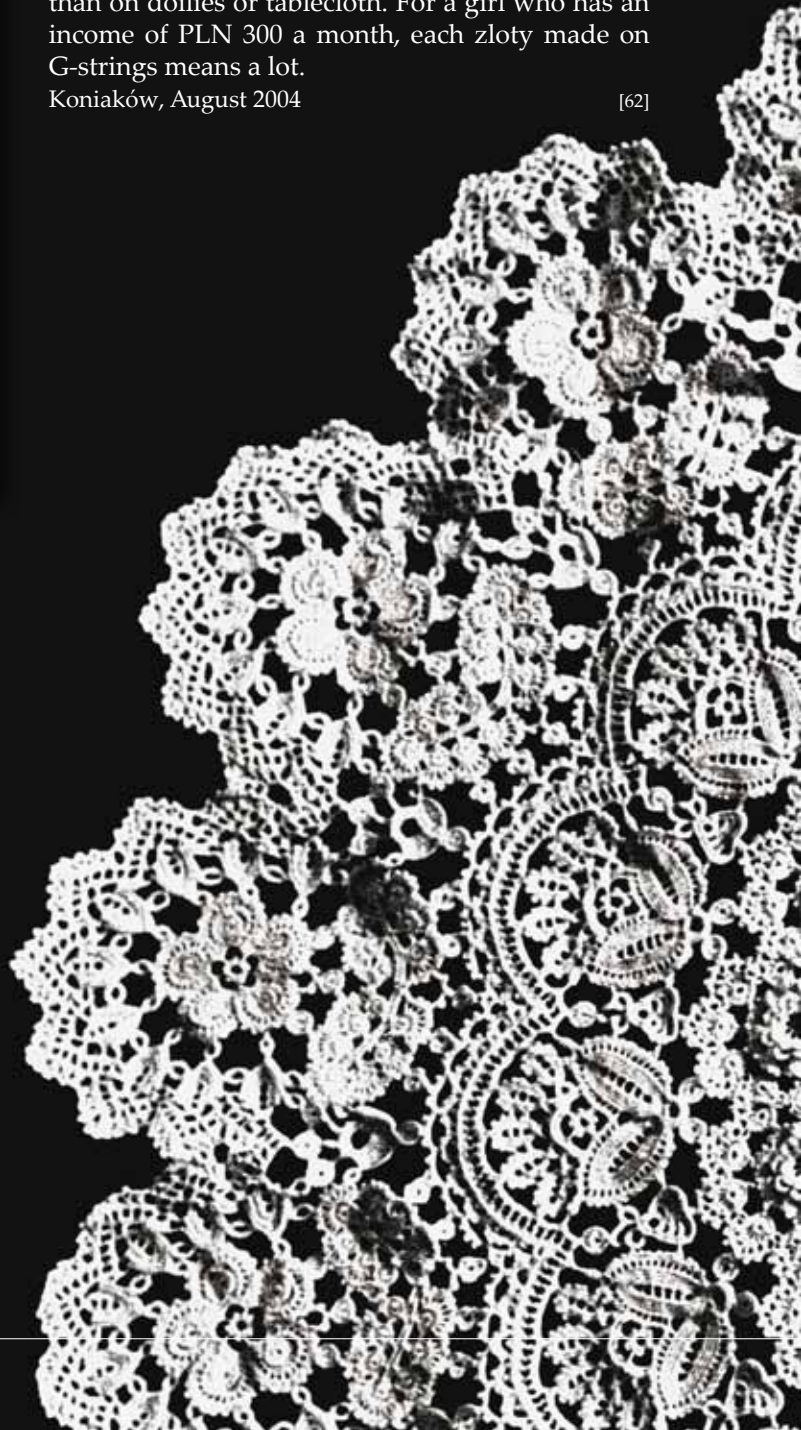
[53]

Father Jerzy Kiera:

You can make a higher profit on G-strings than on doilies or tablecloth. For a girl who has an income of PLN 300 a month, each zloty made on G-strings means a lot.

Koniaków, August 2004

[62]



Helena Kamięniarz (President of the Folk Artists Association in Koniaków):

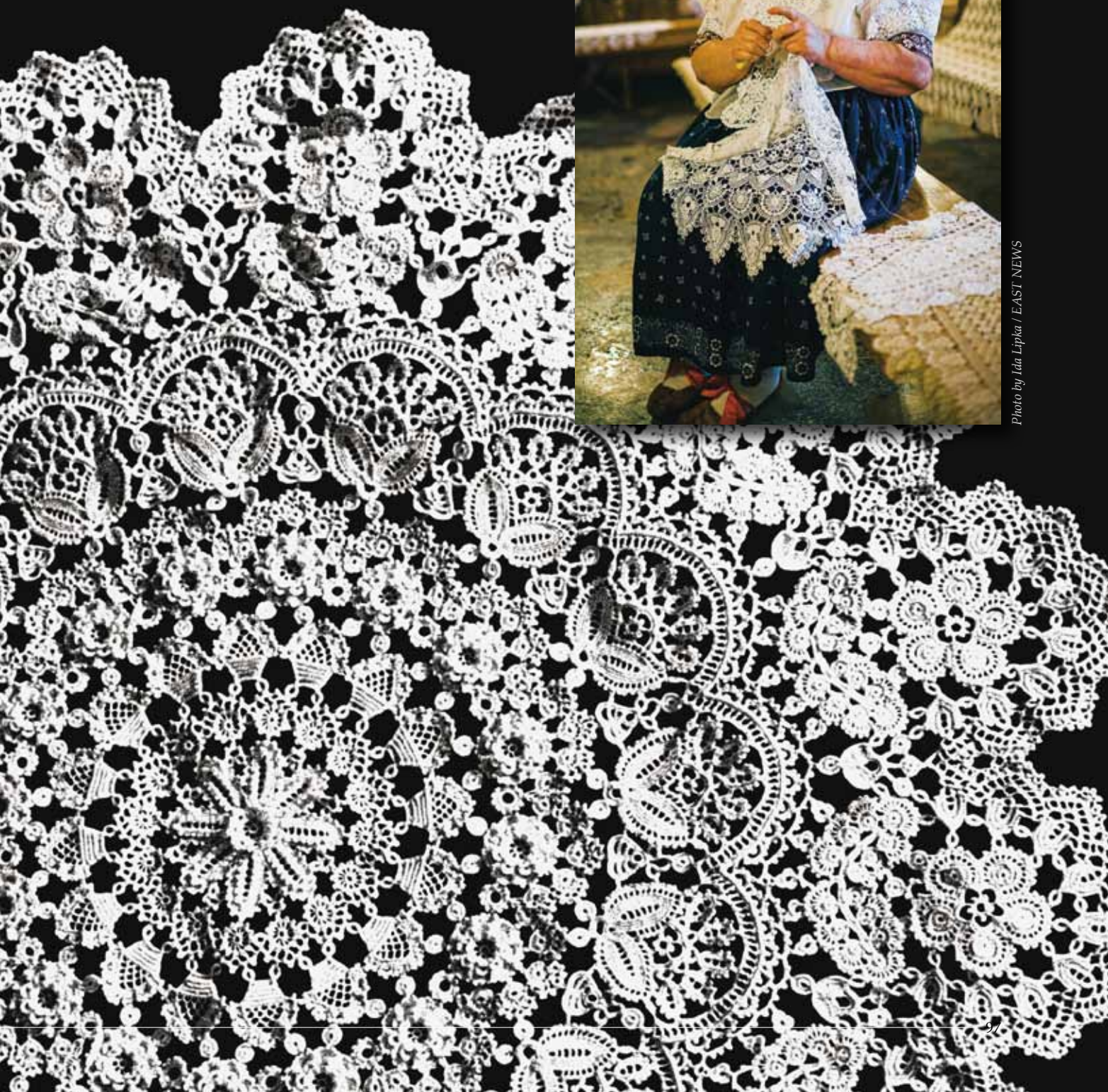
It degrades the Koniaków lace, which is not made according to fashion but according to old patterns .

Koniaków, August 2003

[6]



Photo by Jada Lipka / EAST NEWS



Church is an enterprise, too.

The Roman Catholic Church has a legal personality consolidated for ages. Business initiatives taken within these circles after 1989 are a natural thing then.



Photo: www.dominikanie.pl

Cezary Łazarewicz (a journalist):

In Gdańsk, parish priests must pay a portion of profits from the lease of BTS antennas on church towers to the Curia. In Warsaw, on the other hand, Archdiocese officials are making money on renting office buildings, with the best example being the Roma Office Centre built at USD 24 million, which was blessed by Primate Glemp 10 years ago. The building, with an area of almost 12,000 square metres standing at Nowogrodzka Street, was built on a plot of land which the Archdiocese received from the city. In addition to offices there shops, restaurants, and service centres.

Warszawa, October 2010

[25]

Father Maciej Zięba (a Dominican friar):

There are not many firms capable of surviving so many crises. When we were opening a bank account, a bank clerk asked about the year when the firm was established. We replied that it was 1216, because it is the date of establishment of the Dominican Order. The lady looked at us with respect. Warsaw 2009

[63]



Photo: www.benedicte.pl



A shop selling Benedictine products, Warsaw 2009.

Photo by Magda Starowiejska / FOTORZEPA

Father Eugeniusz Włodarczyk
(the abbot of an order in Szczyrzyc):

We want to adjust the recipe [for beer] which is almost four centuries old to the contemporary production requirements. We will not disclose it, because we are afraid that the competition could copy it.
2003 [16]



Photo: The Sanctuary of the Blessed Virgin Mary in Leśniów

Bartłomiej Kuraś in an article
in Gazeta Wyborcza:

In addition to the brewery the Cistercian monks are planning to build a hotel, an inn, a tavern and a brewing museum. Together with private businessmen they devised the Szczyrzyc Dominion project. The company of monks and managers has already developed a combined mark of the brand of the Spring of Cistercian Fathers from Szczyrzyc, registered with the Patent Office. The mark depicts a monk in a habit against the backdrop of the monastery in Szczyrzyc. Mineral water with that symbol is now being launched.
2003 [16]



Photo: The Sanctuary of the Blessed Virgin Mary in Leśniów



Photo: www.bonifratrzy.pl



A Knights Hospitallers Chemist, Warsaw 2009.
Photo by Marzena Hmieiewicz / Agencja Gazeta

Many old businesses must expand activity to prevent bankruptcy.

Some of the businesses, founded more than ten years ago, are now large plants with sales of billions of zlotys which no longer fit into the definition of small and medium-sized enterprises. Others could have hardly stand the test of time.

Andrzej Jacek Blikle (President of A.Blikle):

In 1990, it was a single bakery with 42 employees. Now we have 16 retail outlets in Warsaw and more than eight franchised cake shops outside Warsaw. [...] we employ some 250 people.

Our development was not similar to that of some businesses which started in a garage and ended with billion-zloty sales. Our company is 140 years old. Old companies grow slowly but last longer.

Warsaw, September 2010

[11]



Inside A.Blikle Coffee House, Warsaw, October 2008. Photo by Piotr Malecki / FORUM



A.Blikle cake shop, Warsaw, Nowy Świat Street, 2005.

Photo by Maciej Nabrdalik / EAST NEWS

Wojciech Morawski (President of Atlantic):

When going as a tourist to the Far East you had to sell a number of jeans to get the money spent on the ticket back. As it turned out, those jeans could have earned not only the ticket, but also something more. And then, when you had that something more, why not to invest that something more in more jeans, in more products. And that's how it all began.

[...] When the business started going well, I thought: maybe it would be worthwhile having

one's own collections. When it is worthwhile having your own collections, you need to have a designer, sellers... So, you need to organize a company. You need to hire people, a warehouse, have an accountant, register the company. You don't believe your eyes – wait a minute, something which seemed to be done on my own account for myself, "in a rucksack", all of a sudden turns into an enterprise, a group of people you are responsible for...

Warsaw, July 2009

[75]



Atlantic shop window. Photo: Wojciech Morawski's archive

Zbigniew Grycan (the owner of Grycan – Lody od Pokoleń, an ice-cream company):

We have 87 outlets all over Poland. There will be 90 of them this year, but I would like to reach a hundred. [...] When I sold Zielona Budka, I kept the outlet at Puławska Street in Warsaw, where we had been serving ice-cream since 1980. My wife still ran it, selling Zielona Budka ice cream. She was ever less satisfied with it year by year.

And that's how it all started – I decided to make ice cream for her outlet. I built a factory. [...] Now [the company] has about one thousand workers. Until not long ago I managed that present company by myself together with my wife and daughter. Only this year we were joined by other people.

Warsaw, September 2010

[112]



Grycan – Lody od Pokoleń ice-cream shop, Warsaw, 2008. Photo by Dariusz Gryżewski / EAST NEWS

On 1 May 2004, Poland joins the European Union.

New opportunities are emerging again for entrepreneurs. First of all, in terms of financing. Amounts earmarked for capitalizing small and medium-sized Polish enterprises that will soon start flowing from the European Union exceed those coming in the early years of market freedom more than a hundred times.

Jerzy Kwieciński (Deputy Minister of Regional Development in 2005–2008):

The first assistance – by the current standards – was really very small. The annual subsidy of about EUR 200 million. In the present financial perspective we have EUR 67 billion to spend under the cohesion policy in nine years.

Warsaw, September 2010

[67]

Jacek Fedorowicz (a satirist):

The European Union means more capitalism, that is even more fortunes around me, less socialism, which was so great after all, because, even though I was not well-off, I was not badly-off, because we all were more or less like that, and many people were worse-off than I, and, if you had more than I, you had to thoroughly hide it. What a difference it makes me that we all will be better-off in the European Union, if others are better-off than I?

Warsaw 2007

[38]

Gerhard Schröder (German Chancellor):

Poland and another nine countries situated in the centre of Europe are members of the European Union as of today. Thus, we are finally overcoming the division of our continent and entering a new era of common European history. We have a unique chance to make the European social model a basis of peace and well-being for our citizens.

May 2004

[33]

Michał Frąk (a journalist):

Most changes are to the advantage of entrepreneurs. There is more flexibility in granting funds. All the organizational competences are on the side of Member States. Limits of subsidies to be applied for also look more favourable. In structural funds they range from PLN 10,000 to 1,250,000 million. The absence of the notion of aggregate amount of subsidy is another advantage. This means that an enterprise may apply for several subsidies without any limitations.

2004

[101]



The Polish-Russian border is the European Union's border, Goldap, 22 July 2004.

Photo by Kacper Pempel / Reporter / EAST NEWS

In the background: Warsaw, 22 July 2004.

Photo by Darek Redos / Reporter / EAST NEWS



The trading formula becomes civilized but at the expense of jobs.

In 1999, on the initiative of a number of merchant organizations the Warszawa Centrum municipality sets up Kupieckie Domy Towarowe (KDT) merchant department stores. In 2001, a provisional merchant hall accommodating more than 5000 business entities is built in front of the Palace of Culture. In 2008, the company loses its right to lease the land. The merchants – in fear of losing their jobs – start a protest action. In July 2009, merchants are removed from the Defilad Square by security guards on the bailiff's order.



Kupieckie Domy Towarowe (merchant department stores), Warsaw, 18 May 2005. *Photo by Maciej Jeziorak / FORUM*

Seweryn Blumsztajn (a feature writer):

The closing down of the KDT hall means the end of the entire epic on the transformation of the centre of Warsaw. From street stalls and camp beds with rags made in Turkey to – we hope – a Modern Arts Museum and elegant shopping arcades. None of the previous city stewards had the courage or determination to break off with the rule that in the most expensive square in the Polish capital Polish merchants were to trade in Chinese rubbish.

Warsaw, 21 July 2009

[119]



Demonstration of merchants, Warsaw, 16 July 2009.

Photo by Maciej Biedrzycki / FORUM



KDT (merchant department stores), Warsaw, 20 July 2009. Photo by Tomasz Paczos / FORUM

Grzegorz Lisicki (a journalist):

The brawl started when the security guards tried to force the barricaded entrance to the hall from the side of the Palace of Culture. They were braking bullet-proof glass with hammers, the merchants were pouring water on them from the hose inside. Somebody sprayed gas. [...]

Another storm, the crowd is throwing bottles and stones at the municipal guards cordon and the security guards capturing the hall.

After 10:00 a.m. the police finally enters. It cuts off the side entrances into the hall from the side of the Palace of Culture and Science. A final storm begins at noon. Clouds of bluish smoke are shooting up as the merchants are letting fire extinguishers off.

The crowd is throwing paving blocks at the uniformed. Security guards are breaking the door, dismantling barricades. They are entering the hall. Warszawa, 22 July 2009 [8]

A KDT hall employee:

I have recorded it all. I will put it on You Tube. Let the world now what is going on here. Warsaw, 23 July 2009 [41]

Janusz M. Kowalski in a letter to Gazeta Wyborcza:

I was at the KDT. I was there to demonstrate that there are also voices of the city residents – like me – who do not want to have a real cheesy tin shed in the city centre! I heard a shower of abuse, but in spite of threats I was not whacked, even though it was a close shave! Only two people from a nearly 50-strong crowd around me stood up for not so much my view but the right to express it. All the sides committed mistakes in this case, but the hostages are: the city, its residents, authorities, and the poor merchants. Where is the voice of the city inhabitants? Are we not part of that conflict? I would like to know if the noisy minority is for KDT or perhaps – judging from many opinions of my friends – the silent minority is against?

Warsaw, 23 July 2009

[41]



Eviction of merchants from the Defilad Square, Warsaw, 21 July 2009. Photo by Maciej Biedrzycki / FORUM

Gas sprayed during the eviction, Warsaw, 21 July 2009. Photo by Maciej Biedrzycki / FORUM



Cultural institutions modified by private administrators are getting a new life.
The success of these institutions derives from founders' enterprise and passion stronger than the fear of taking a risk.

Krystyna Janda (Chairperson of the Board of the Krystyna Janda Foundation for Culture):

If it hadn't been for the breakthrough of 1989, there would have been no Polonia Theatre. As a matter of fact, the theatre came into being a bit out of anger that there was a free Poland already for some time, and I had to submit to the tastes of the decision-makers on culture who think that they know better, that the audience is more stupid than I think. First of all, it was a protest against television where I felt like a petitioner.

When we were starting [at Polonia], it was freezing, and the actors were changing on the con-

crete, completely without light [...]. And nobody protested. Performances were delayed, because the driver who used to bring concrete did not have a watch. He came half an hour before the performance, the workers unloaded, were running with wheelbarrows, and I was coming out to the audience and saying: "I do apologize, but we need to unload the concrete. The difference is that you will not harden, and the concrete will."

Warsaw, October 2009

[52]



Krystyna Janda with her husband Edward Kłosiński in the former Polonia cinema, Warsaw, 4 February 2005.

Photo by Robert Kowalewski / Agencja Gazeta



Krystyna Janda during the a rehearsal of *Biała bluzka*, a performance based on a story by Agnieszka Osiecka – in Och-teatr, Warsaw – 1 June 2010.

Photo by Albert Zawada / Agencja Gazeta



The Kamienica theatre started to operate in 2009, exactly one hundred years after the building was built and after nearly ten years of Emilian Kamiński's efforts, in the picture taken in 14 February 2007.

Photo by Donat Brykczyński / Reporter / EAST NEWS

Emilian Kamiński (Managing Director of the Kamienica Theatre):

Krysia [Janda]? For me she is a hero, a friend, a wonderful woman! I am watching her and learning. Just like from Wojtek Trzciński, the owner of Fabryka Trzciny. Competition? How many people are going to theatre? How many of them can be seated in one evening? A thousand, two thousands? No, this place can seat 280 people, the other 100, and that's it. There are many spectators, but you need to make them interested in you performance. That is why I am making a social theatre, where everybody is treated individually. [...] I have risked a great deal. The worst thing, however, was what was going on in my head, when I was alone and imagined that I could get no subsidy and really lose everything. In such torment I thought what was going to happen to me, if the worst came true. What would I tell the workers who invested a great deal of work into the construction of Kamienica? I would say: "we stop working"?

Warsaw, April 2009

[2]



The repertoire includes works referring to the history of Warsaw. *A Memoir of the Warsaw Uprising* by Miron Białoszewski was premiered on 24 September 2009. *Photo by Filip Błażejewski / FORUM*



PARP



The Polish Agency for Enterprise Development is a state agency subordinate to the Minister of Economy but cooperating with other units

The newly-established agency was thrown into the work bringing Poland closer to the European Union. This work included assuming responsibility in implementing the PHARE Economic and Social Cohesion Projects launched in 2000, earmarked for small and medium-sized enterprises and development of human resources. The aim of PHARE ESC was to get a practical knowledge of the mechanisms applied under the EU cohesion policy, as well as to reduce delays and inequalities in regional development by promoting economic enterprise.



President Bożena Lublińska-Kasprzak at the Educational Forum for Small and Medium-Sized Enterprises 2010, Warsaw 2010. Photo: *PARP archives*

Jerzy Kwieciński (Deputy Minister of Regional Development in 2005–2008):

Almost all the developed countries of the European Union follow a similar rule. The French have a separate agency, the Dutch and the UK, too, which means that the model of a fairly autonomous institution, operating on business principle to a large extent, is simply good.

The institution, not only as programme administrator but also as a think tank, consultative base for the government, is and will be certainly necessary. Ministry officials are too far away from practice. People at PARP have daily contacts with entrepreneurs and manage programmes and projects, which means that they have more practical experience.

Warsaw, September 2010

[67]

Tadeusz Donocik (first PARP Supervisory Board Chairman):

PARP cannot be viewed as an enterprise employing 515 or 530 people in a rented building, a four- or five-strong Management Board with its President and many competent, especially young people. It is all true, but for me PARP, confronted with the idea which accompanied the preparations for and adoption of the Act on PARP, means guarding, creating impulses for, and gathering money. Back in 1999, we did not know when Poland would join the European Union. We did not know the size of the pool of funds we would have access to.

Warsaw, October 2010

[29]



A poster from the PARP collections



Educational Forum for Small and Medium-Sized Enterprises, 2008. Photo: PARP archives



Educational Forum for Small and Medium-Sized Enterprises, 2008. Photo: PARP archives

Upon Poland's accession to the EU the first billions of euros came from Europe to implement sectoral operational programmes under the National Development Plan 2004–2006. Small and medium-sized enterprises, both old and newly-established ones, also took advantage of the five sectoral operational programmes and the Integrated Regional Development Operational Programme (IRDOP). Of more than EUR 17 million – almost 13 million came from the EU funds.



FOS Polmo automotive accessories factory manufactured engines for the cult Junak motorcycle. *Photo: FoKa / FORUM*

Mirosława Ozdoba (Secretary of the Supervisory Board of the FOS Polmo Łódź SA automotive accessories factory):

In recent years FOS Polmo has been the winner of many prizes, including the Economic Prize of the Łódź Provincial Governor in 2006 in the “Exporter” category or a prize in the European Company competition in the Łódź Province Innovative Product category. We have the Innovation Certificate awarded by the Polish Academy of Sciences (PAN), we have been cooperating with the technical universities in Łódź and Poznań. We have been introducing the principles of the UN Global Compact initiative which the company joined in 2007.

The ownership changes taking place between 2002 and 2004 led to the formation of a joint stock company 100 percent-owned by Polish private shareholders (the main shareholders being the former and current employees of the company). A pre-accession subsidy received in 2003 made it possible for us to get the EN ISO 9001:2000 certifi-



FOS Polmo SA is the winner of many prizes and distinctions, including the Economic Prize of the Łódź Provincial Governor 2006 in the Exporter category. *Photo: FOS Polmo Łódź SA archive*

VOLVO lorry subassemblies are manufactured in a production hall in Łódź. *Photo by Lukasz Król / FORUM*

cate. Our pro-export policy pursued for the past ten years has made our company an important supplier of the three international giants on the market of braking systems.

The company has been using PHARE subsidies, Structural Funds and Regional Funds for the SMEs. Our cooperation with PARP has been valuable in preparing applications and in consultations, and thus getting subsidies. If it had not been for subsidies, our company would have developed very slowly – being unable to keep pace with new orders – we would have been fighting a losing battle.

Łódź, October 2010

[90]

Tomasz Niedźwiedziuk (the owner of NETWORK SERVICE in Terespol):

I wanted to start business activity. I had some funds of my own, I also had some funds from my parents, but it was not enough. I started browsing websites [...] and I found the Lublin Development Foundation. My investment project started in 2006: renting IT infrastructure and corporate IT services. The funds from the subsidy were spent on the purchase of servers and aerials. Masts were financed from our own funds. The project was finally settled in 2008, so [the developed infrastructure] continued to self-finance for more than another two years. It is not a bad result, especially that the IT equipment is aging every quarter of a year. I started thinking about developing the company. I started participating in the Business Sunrise programme. It was a series of training sessions which made it possible for me to go into employment issues. Now, I am starting to cooperate with PARP. I must say that you can get answers to your questions within a day. Perhaps these questions are trivial for the employees, but for a person applying for a credit of 60 million they are very essential. A mistake can be really expensive.

Warsaw, October 2010

[81]

FOS Polmo cooperates with technical universities in Łódź and Poznań. *Photo: FOS Polmo Łódź SA archive*



Foreign service of goods is one of NETWORK SERVICE's areas of business. *Photo by Tomasz Niedźwiedziuk*



The following years bring more billion euros from the EU budget.

Between 2007 and 2013, the National Cohesion Strategy in Poland is to cost some EUR 85.6 billion, of which more than EUR 67 billion is to come from the EU. Three out of five operational programmes: Human Capital (HC OP), Development of Eastern Poland (DEP OP) and Innovative Economy (IE OP) are dedicated to the development of small and medium-sized enterprises. The funds earmarked for enterprises are administered by the Polish Agency for Enterprise Development.



Agnieszka Kapciak (the head of the Supra-regional Programme Department at the Ministry of Regional Development):

Development potential is a major strength of Poland's eastern regions. The natural resources existing in those areas, cultural and scenic values add to the tourist attractiveness of the region.

2010

[35]

Rafał Szmytke (President of the Polish Tourist Organization):

We want to encourage Poles living in western Poland to go to the east more often and show in this way that there is no Poland B. [...] In promoting Poland abroad we are assisted by such institutions as: the Polish Information and Foreign Investment Agency, Foreign Ministry or the Polish Agency for Enterprise Development. In addition to seasonal tourists we also want to attract business people to Poland. [...] Business people account for some 30 percent of our foreign guests, but generate as much as 50 percent of income from tourism. [...] They spent about USD 600 a day on average. One can imagine how it accelerates consumption. And if they like the country – they come back to invest.

Warsaw 2010

[94]



Photo by Seweryn Soltys / FOTORZEPA

Tomasz Soliński, PhD (Marketing and Development Director of the Institute of Economy of the University of Information Technology and Management in Rzeszów):

Business conducted in Poland's eastern provinces is already now profitable for many reasons, such as lower labour costs, lower capital expenditure to start an enterprise, or availability of qualified staff. [...] I believe that PARP's Eastern Poland's Development Operational Programme will effectively support this process in this area and eliminate division into "Poland A and B."

Rzeszów 2010

[35]



Photo: zielonyrower.pl

Tomasz Niedźwiedziuk (the owner of NETWORK SERVICE in Terespol):

Enterprises operating in Eastern Poland are still monopolists in any sector. There is no competition. It is obvious, if you have some grocery shops you have competition, but if you have any better ideas: whether it be information technology, gardening, medical or hotel services... [...] Every investment in Eastern Poland is connected with higher profitability, provided there are customers.

Warsaw, October 2010

[81]



Photo by Seweryn Soltys / FOTORZEPA

The Development of Eastern Poland Operational Programme means primarily investment in future generations.

That is why nearly a half of the entire amount earmarked for the development of the five provinces in Eastern Poland will be channelled to the local universities conducting research in the area of technical sciences, mathematics and natural science.

Krzysztof Hetman (Deputy Minister of Regional Development):

Universities in eastern Poland have never had such huge funds. More than 200 projects of a total value of PLN 3.4 billion that are now being implemented create a tremendous opportunity for the development of universities and the entire region.

Lublin, October 2010 [97]

Subsidies:

Podkarpackie province – PLN 345 million:

East European State Higher School in Przemyśl
State Higher Vocational School in Krosno
Ignacy Łukasiewicz University of Technology
University of Information Technology and Management in Rzeszów

Warmińsko-Mazurskie province – PLN 318 million:

State Higher School of Vocational Education in Elbląg
University of Warmia and Mazury in Olsztyn
Higher Police School in Szczytno

Lubelskie province – PLN 560 million:

Catholic University of Lublin
State School of Higher Education in Chełm
Lublin University of Technology
Maria Curie-Skłodowska University in Lublin
Medical University of Lublin
University of Life Sciences in Lublin
Department of Physical Education in Biała Podlaska of the Józef Piłsudski University of Physical Education in Warsaw
Pope John Paul II State School of Higher Vocational Education in Biała Podlaska
State School of Higher Vocational Education in Zamość
University of Economics and Innovation in Lublin

Świętokrzyskie Province – PLN 237 million:

Kielce University of Technology
Jan Kochanowski University of Humanities and Sciences in Kielce

Podlaskie province – PLN 178 million:

State College of Computer Science and Business Administration in Łomża
Białystok University of Technology
Medical University of Białystok

Professor Elżbieta Skrzydlewska

(Dean of the Faculty of Pharmacy of the Medical University of Białystok):

The purchase of state-of-the-art apparatus under the Development of Eastern Poland Operational Programme make it possible for the university to cooperate with the best Polish and foreign scientists and carry out research on international level.

Lublin, October 2010 [97]



Molecular Diagnostics Laboratory of the Department of Biology of the University of Warmia and Mazury.

Photo: www.uwm.edu.pl

Agnieszka Gašior-Mazur (President of the Lublin Business Club):

To be successful it is necessary to adapt and transfer university knowledge to the world of industry and business.

Lublin, October 2010 [97]



Students of the University of Information Technology and Management in Rzeszów. Photo: archives of the Ministry of Regional Development



Kielce Fair hall partially funded
by Development of Eastern Poland
Programme. *Photo from the collection of the Kielce Fair*

PARP

In 2009, PARP earmarked tens of millions of zlotys – under the Human Capital Operational Programme – for funding university educational programmes all over Poland. Its beneficiaries include the most reliable Polish universities, among them the Leon Koźmiński Academy of Warsaw.



At the Leon Koźmiński Academy.
Photo by Bartosz Krupa / EAST NEWS

Professor Andrzej K. Koźmiński

(Vice-Chancellor of the Leon Koźmiński Academy):

There is only one way – large investment in education and science.

Warsaw, November 2010

[26]



Future entrepreneurs in classes.

Photo by Bartosz Krupa / EAST NEWS



Professor Andrzej K. Koźmiński.

Photo by Piotr Waniorek / FORUM

From an article on www.kozminski.pl:

The *Financial Times* has published its annual ranking of the best undergraduate management studies in the world. The Leon Koźmiński Academy ranks 30th in that ranking and first in terms of graduate careers. Graduate careers are evaluated three years after graduation, while taking into account the graduates' professional promotions, that is how high-ranking positions they occupy and the size of the company they are working for.

Warsaw, October 2010

[65]

Professor Andrzej K. Koźmiński

(Vice-Chancellor of the Leon Koźmiński Academy):

We bet on enterprise, and that is why many our graduates set up their own businesses soon after graduation and successfully develop them. There are also children of Polish entrepreneurs studying at our Academy, and they often take over family businesses. I suppose this is the reason why we have become an international leader in the career category. The economic crisis of the past years has cut able and ambitious management graduates off corporate careers and this certainly has lowered the evaluation of western universities in terms of professional promotion. We can say that our success was decided by the Polish enterprise and the world crisis made it possible for us to outpace competitive universities from Western Europe.

Warsaw, October 2010

[65]

PARP's activity extends to family businesses.

There are 219,000 such businesses in Poland, accounting for 36 percent of active enterprises in the SME sector. Since Brussels stakes on their development, the Polish Agency for Enterprise Development carries out a comprehensive survey of family businesses in Poland under a pilot project.

Jacek Jakubowski (Psychological Laboratory TROP Group, Chief Methodologist of the PARP Family Business Project):

TROP was established in 1995. I was vice-chairman of the Polish Psychological Society then and my wife launched an original project called Seminarium tropy (Tract Seminar). We drafted in representatives of different psychological trends and organized such seminars. Everyone could buy a ticket, sit down and listen to somebody dealing with psychoanalysis, family therapy... We tried to choose the leading representatives: some gave lectures, others conducted mini-workshops. [...] And then my wife started business activity – Pracownia TROP.

The things which I used to do at the beginning as a hippie, then as prophylaxis with young people, I still keep doing the same things – exactly the same, but in business: one thousand zlotys per hour.
Warsaw, September 2010 [50]

Krzysztof Jakubowski (the owner of the KTD shop with car accessories):

A family business is a blessing and a curse. I separated from my wife and, then, divorced her. I left the business to my wife and built another one here. [...] Family connections. [...] After various perturbations I went to a family psychologist. When the psychologist learnt what was going on here, he clutched his head in disbelief. [...] Such a situation: I am at work, doing something. My mother pops in all of a sudden and treats me like a child. And finally I am becoming a child as a managing person. When others are watching they are getting lost.
Warsaw, September 2010 [51]



A business psychology class.
Photo: TROP Group's archive



KTD shop with car accessories.
Photo by Maciej Kowalczyk / OK

Jacek Jakubowski (TROP Group psychological laboratory, chief methodologist of the PARP Family Business Project):

Family businesses have these peculiar characteristics that it is extremely difficult to find out who is in business and who is not. There is always an uncle, an aunt or someone like that in every family business. I think it is in line with the latest trends in business, because you will not fire them, whatever happens... It would not be dismissal, it would be parting. You cannot get fired from your family. A family may fall apart, or a child may move out but it will always be a family member. There are these problems in the family.

Warsaw, September 2010

[50]



Photo: Blue-Sails archive

Maciej Olszewski (Blue-Sails sailing boat charter services):

Everything is brought to work. Family misunderstandings are also felt at work, and this, of course, does not help. Positive emotions also translate to the atmosphere at work and at home.

Warsaw, September 2010

[86]



Agnieszka Zarzycka and Przemysław Kluge – TROP Group coaches. *Photo: TROP*

Under the Human Capital Operational Programme the Polish Agency for Enterprise Development organizes, together with the Family Business Initiative, special courses for family businesses.
 During such training courses family enterprises are offered assistance in solving specific problems (succession, conflicts, or in-service training). The project is funded by the European Union's structural funds in full.



Andrzej Jacek Blikle. Photo by Krzysztof Pacuła / FORUM

Andrzej Jacek Blikle (President of the Family Business Initiative association):

Family Business Initiative is an association set up by a group of enthusiasts in February 2008 to fulfil its main objective of integrating the community of family businesses and supporting their development. We also mapped out our supplementary objectives, such as ethics in business, state of law, and free market economy.

Warsaw, September 2010 [11]

Jacek Jakubowski (TROP Group psychological laboratory, chief methodologist of the PARP Family Business Project):

Owing to their specific nature [family businesses] can count on greater involvement of family members, greater identification with the firm. At the same time, there is a risk of inappropriate post filling, blocking the development of those employees who are not family members, bringing family conflicts to work and many other such risks.

Warsaw, April 2010 [50]

Andrzej Jacek Blikle (President of the Family Business Initiative association):

What really motivates people to work is the need for dignity satisfied through fulfilling such values as truth, good, honesty, solidarity. [...] If we want people to work efficiently, we first of all need to provide them with the right social environment for work, which to a large extent means [...] that they need to have a feeling that they are building their own dignity. [...] This type of management must be based on a system of values. In families, in family businesses, such a system of values is taken in with mother's milk.

Warsaw, September 2010 [11]



TROP Group team. From the right: President Dorota Szczepan-Jakubowska sitting, Jacek Jakubowski standing. Photo: TROP Group archive

Agnieszka Olszewska (Blue-Sails sailing boat charter services):

Two worlds are meeting: the business one and the family one in one firm with all the home and business problems at one place. The programme which PARP has developed with the Family Business Initiative is the first one in Poland. The people taking part in it realized all of a sudden that they were not the only ones and this gave them strength and faith that some problems could be overcome, but you had to know how. And that “how” is often being worked out at training sessions on specific examples.

Warsaw, 2010

[85]



Justyna Kiedrowska, a chemist. *Photo by Arkadiusz Lawrywaniec*

Małgorzata Mączyńska (Family Business Project coordinator at PARP):

At some point we realized that there was a large group of businesses in Poland, which, in addition to features typical for the sector of micro, small and medium-sized enterprises, had one more essential characteristic – they were family businesses. Discussions with experts dealing with this group of enterprises confirmed our conjectures that family businesses need additional forms of support.

Warsaw, April 2010

[39]



Representatives of Nawrot, a beneficiary of the Human Capital Operational Programme. *Photo: PARP archives*

The Innovative Economy Project supports innovative technological and scientific solutions having a chance of market success.

Nitrides (gallium nitride -GaN, indium nitride-InN, aluminium nitride -AlN) currently form the most promising group of semiconductor materials used in electronics and optoelectronics. Poland plays a major role in the development of nitride materials.

TopGaN and Ammono participate in many European projects, one of them being the matrix-related laser project carried out under measure 1.4-4.1 monitored by PARP.

Professor Sylwester Porowski (Director of the Institute of High Pressure Physics of the Polish Academy of Sciences):

Gallium nitride crystals do not occur in nature, and obtaining them in laboratory conditions, unfortunately, turned out to be very difficult. Similarity of thermodynamic and structural properties of diamond and gallium nitride created hope that high pressure methods would be equally effective for obtaining GaN crystals as they had been for diamonds before. In the early 1990s, after nearly 15 years of research, we developed the first high-pressure technology for obtaining monocrystals of that semiconductor.

Without the cooperation of the state and private investors the development of state-of-the-art

technology is impossible. Potential gains for entire society are tremendous. Scientists' job is to invent and companies' to manufacture. A scientific institute cannot manufacture or sell anything. Globally, scientific research is consumed exactly in this way, in private businesses. The shareholders in such projects are both scientific institutes, scientists themselves and private capital. Without the latter the results of our research would have remained on paper. Besides, before the government gave the money, we had to prove that the industry is interested in our work.

Warsaw, October 2009

[80]

Michał Boćkowski, D.Sc. (Deputy President of TopGaN Sp. z o.o.):

TopGaN was established in late 2001. At that time the authorities of the Institute of High Pressure Physics of the Polish Academy of Sciences (IWC PAN) decided that the scientific and technological results of the work carried out on the blue laser at the Institute were advanced enough to be successfully transferred to a new spin-off start-up company. Owing to private investors, based on the results transferred by IWC PAN, TopGaN started developing its own technology of obtaining ultra-violet, blue and green semiconductor lasers. [...] The main task of TopGaN is to develop production technology for semiconductor lasers based on nitride materials. The work is carried out in the area of the latest knowledge-based technology.

Warsaw, 28 September 2010

[13]



Semiconductor laser generates more power than single laser diode. *Photo: Unipress / TopGaN*

Leszek P. Sierzputowski (Deputy
President of Ammono Sp. z o.o.):

[...] The three of us (I, Robert Dwiliński and Jurek Garczyński) tried to find a convenient method of obtaining gallium nitride. Various methods were taken into account, and after some time an idea emerged to try to make gallium nitride in supercritical ammonia. Soon later we were joined by Romek Doradziński and, thus, all four of us started making powder gallium nitride at the University [...].

We decided to set up a company which would continue research focused not on making powder but gallium nitride monocrystals. [...] Robert contacted Shuji Nakamura, who, while working for Japan's Nichia at that time, developed the first blue laser in the world. Shuji came to Poland and met with us. He offered us cooperation without a moment of hesitation. In this way the first joint research project with Nichia was born. On 1 June we started to work, we rented laboratories, employed people and it has been going on until the present day. [...] We were giving knowledge and ideas, they financed it, and the patents are common. We are working on obtaining ever better monocrystals.

We have always dreamt about transforming Ammono from a scientific-research firm into a research-production one. Three years ago we built a special production complex in Stanisławów Pierwszy in Nieporęt District. The whole infrastructure was designed to meet our special needs.

Warsaw, September 2010

[110]



Unipress is capable of generating pressures and temperatures occurring inside the Earth in laboratory conditions. *Photo: Unipress / TopGan*

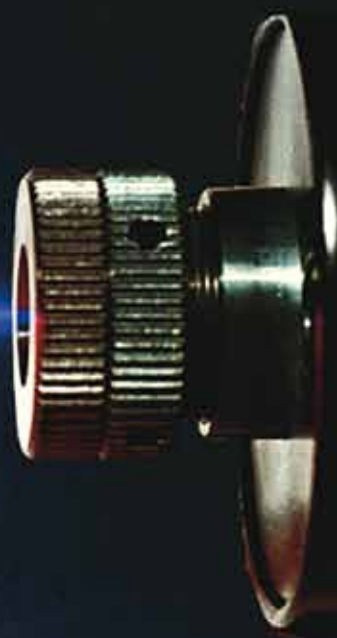


Photo: Unipress / TopGan



Photo: Unipress / TopGan

E-services are another area examined and supported under the Innovative Economy Project. Passenger aircraft pilots can already be trained online, and a personal cell phone can become a city guide in Łódź. The winner of the PARP competition for innovative e-service 2009 is AB Industry SA with its online data base and application project for optimising the utilities consumption. In the same year, De Art, a kitchen designing firm, wins the competition for an innovative B2B (business to business) technology.

Jacek Szempliński (President of the Management Board of AB Industry SA):

Each production facility uses raw materials, half-finished products and utilities to manufacture its products. Based on the knowledge and experience of AB Industry SA in introducing automatic systems in many international corporations, we decided to introduce a service which is to provide information in the form of, e.g., reports on the actual utilities consumption by production lines or entire plants. Such information makes it possible to reduce costs.

2009

[125]

Leszek Ratus (General Director of De Art):

The kuchnieonline.pl site is the first design and purchase portal in Poland using the B2B technology. The uniqueness of the solution consists in the possibility of simultaneous designing and visualizing 3D kitchen interiors and purchasing them – at a price reduced even to 50 percent. [...] The typical kitchen interior designing software is not supplied with the simultaneous design pricing and sale functions, which our portal can do comprehensively online at any geographical location. Another difference is that the client, when designing a kitchen, is capable of constant monitoring of its purchase price.

2009

[125]



Work at GET IT. Photo: GET IT archive



WEB.GOV.PL

WSPIERAMY E-BIZNES

Grzegorz Sanetra (President of the Management Board of BUHSAG):

The first reaction of people from the aviation community is surprise, but, after explanations of how it works, the e-course – and innovative teaching method in Airline Transport Pilot License (ATPL) training – finds its supporters. In Poland, it is the first fully professional training of this type, making it possible to acquire knowledge of passenger aircraft pilotage. [...]

The project has the support of the authorities and groups centred around the Certified Pilot Training Centre of the Bielsko-Biała Aero Club and its superior institution, the Civil Aviation Office. [...] The participants in the course who pass the e-training tests get certificates confirming the completion of the course which are recognized by the Civil Aviation Office. The certificate provides a basis for starting complex practical training.

2009

[125]



Agata Zysiak (Promotion Manager at MobileMS):

It is enough to have a mobile phone to explore Łódź with the help of our system. [...] Photo codes have been placed on 26 monuments in Łódź. Under the photo code you will find information about a given monument in Łódź, a map and cell phone screensavers, you can also hear a reader (the phone changes into an audio guide). All in three language versions. [...] The idea of the system is based on technology, and the knowledge, development and modification of such technology provided a key to success.

Łódź 2009

[125]



PARP prize in the competition for Innovative B2B Technology 2009. Photo: PARP archives

Agnieszka Wolska (Deputy President of GET IT, a company providing translations):

Making use of the subsidies we decided to improve our customer service process and developed a contract supply chain integration and automation project (linking GET IT, customers and contractors, that is translators, proofreaders, and area or linguistic experts).

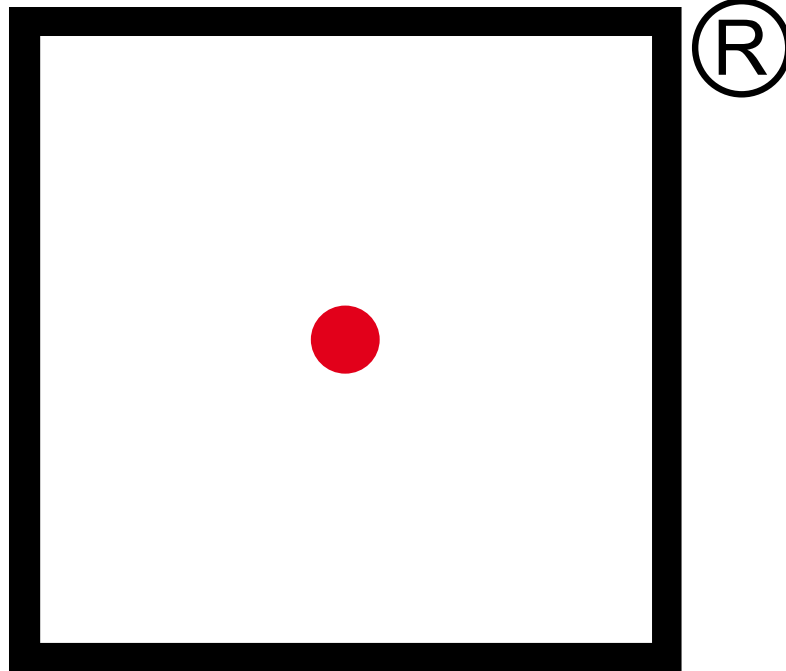
We will achieve several business goals at the same time: customers will be able to communicate with GET IT more efficiently and faster in order to place orders and collect the work, make complaints and – which is equally important – will be able to monitor the progress of their orders. In addition, both our customers and translators involved in fulfilling their orders, will be able to make use of special terminological resources made available by GET IT.

Warsaw, September 2010

[127]

The Polish Product of the Future Competition has been organized annually since 1997 – by PARP since 2002.

Since 2008 both the competition itself and the promotion of its winners have been co-funded by the EU's European Social Fund. The aim is to promote and propagate the achievements of authors of innovative techniques and technologies, which have a chance to become known on the Polish market.



Polski Produkt Przyszłości



The prizes awarded in the 13th edition of the Polish Product of the Future Competition. The Magnesium Sulphate Granulated Fertilizer Grade MagPlon®MgS Project, developed by the "Ciech" SA Capital Group and the Chemical Company "Alwernia" SA in Alwernia, and the power controllers with power quality analyser project of the Television and Radio Technology Institute in Warsaw were the winners in the Product of the Future category. The anti-cancer therapy based on modified *Salmonella* strain of the Centre for the Innovation, Technology Transfer and University Development (CITTRU) of the Jagiellonian University in Krakow and the technology of imatinib manufacturing of the Pharmaceutical Research Institute in Warsaw were the winners in the Technology of the Future category. *Photo by Radosław Nawrocki / FORUM*

Bożena Lublińska-Kasprzak (Chairperson of the Award Committee of the Competition, President of the Polish Agency for Enterprise Development):

This year's edition has confirmed that the Polish economy has tremendous innovative potential. The awarded projects often present solutions which have never been used in the world so far. They are environment-friendly, make use of recycled materials, and reduce emission of noxious gas and dust, including CO₂, to the atmosphere.

[103]



Gala of the Polish Product of the Future Competition 2010. Photo: PARP archives

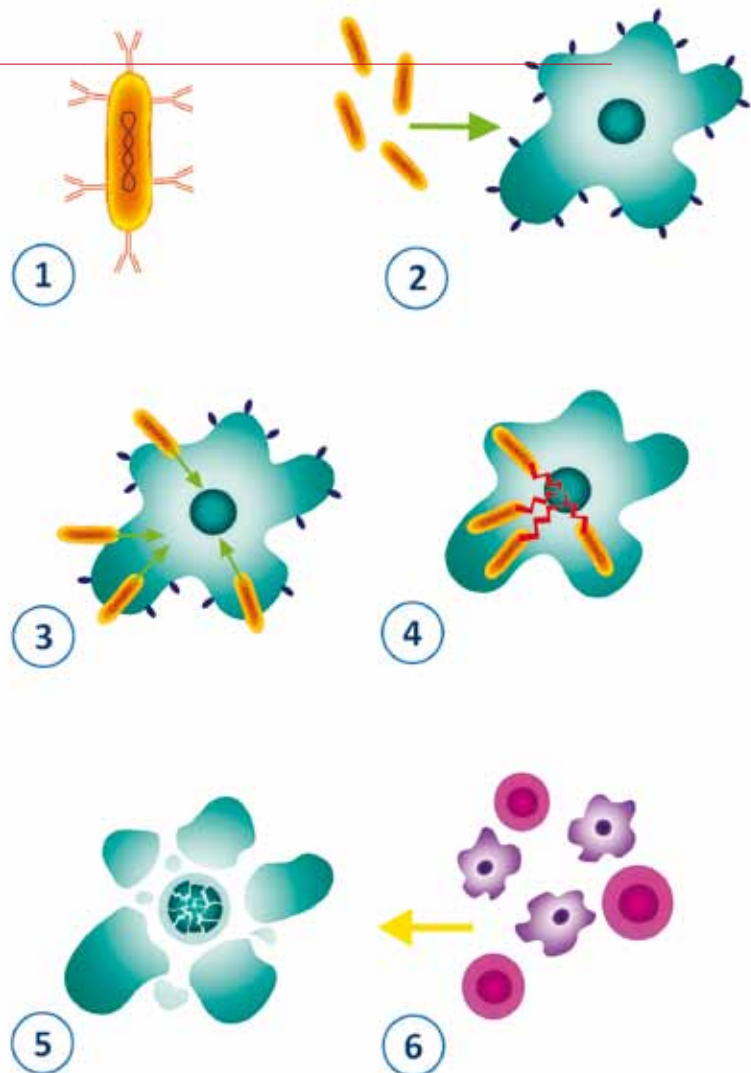
Józef Gromek (Director of the Television and Radio Technology Institute awarded in the 13th edition of the Polish Product of the Future Competition):

The Television and Radio Technology Institute is a R&D unit with a tradition of more than 80 years. [...]

Our latest development – power controllers with power quality analyser for operation in extreme conditions MUPASZ 710 and 810 extreme – are based on the long-standing experience of our R&D staff [...].

Distinct features which set them apart from similar solutions primarily include an integrated power quality analyser, arc protection, autonomous over current protection, supplied by fault current, operating also at the absence of power supply and operation in extreme conditions (from -40°C to +55°C).

[103]



The anti-cancer therapy based on modified *Salmonella* strain. Bacterial cell expressing tumour-specific antibody fragment (1) is administered intravenously and accumulates within the target tissue (2). Using natural mechanism of invasion the bacteria enter tumour cells (3), where they start to express a pro-apoptotic protein (4) causing the target cell to undergo apoptosis (5). This attracts immune cells (6) and leads to systemic tumour-specific response.

Fig. from PARP archives



Power controller with power quality analyser MUPASZ.710, the winner of the Polish Product of the Future Prize – at the implementation stage.

Photo: The Television and Radio Technology Institute in Warsaw

Among many projects entrusted to PARP there is also Poland's participation in EXPO 2010 in Shanghai.

It is the most spectacular World Expo in history. It was joined by almost 250 countries and international organizations and visited by 70 million visitors. The preparation of the Polish Pavilion and organization of the exhibition turned out to be a success.

From the information on the Polish Pavilion at EXPO 2010:

Poland's answer to the theme of EXPO 2010 "Better city, better life" will be a story of a country where optimistic and creative people constitute the greatest strength and value of cities. The slogan of Polish participation is "Poland is smiling". We show that behind each monument, edifice or technological solution stand people with their positive energy, courage and constructive strength. [...]

The slogan "Poland is smiling" is part of a long-term strategy of promoting the national brand "Poland", in which the creative and dynamic human factor is emphasised as our country's greatest asset.

2010

[37]



The authors of the design of the Polish Pavilion are architects from the Warsaw-based WWA Architects studio: Marcin Mostafa and Natalia Paszkowska, in cooperation with Wojciech Kakowski. The choice of material and type of structure was dictated by, among other things, the possibility of recycling the building after end of the exhibition. *Photo: PARP archives*

Dariusz Bogdan (Undersecretary of State at the Ministry of Economy):

Poland is a country of young people, 50 percent of her population is under 35. Poles account for more than 10 percent of university graduates in the EU. Poland encourages investing and establishing Research and Development centres with her 14 special economic zones. Polish export specialities will be created as part of the economic promotion programme. We want information technology to become one of such specialities, because the IT market is one of the most dynamically developing sectors of the Polish economy. At present, that market is put at some EUR 13 billion and the telecommunications market at EUR 17 billion. Cooperation with Polish companies in this area opens up opportunities for Chinese co-operators to expand on the EU market.

October 2010

[72]

Rafał Baniak (Undersecretary of State at the Ministry of Economy):

Poland treats her participation in EXPO 2010 as an excellent opportunity to promote our country in China. The main goal of Poland's participation in the World Expo is to show the Chinese a different face of Poland – a modern country with a dynamic pace of development and an active member of the European Union, whose strong economic foundations made it possible to victoriously go through the economic crisis in 2009.

May 2010

[59]

Bożena Lublińska-Kasprzak (President of the Polish Agency for Enterprise Development):

Entrepreneurs participating in symposia and meetings promoting investment have been carefully selected. [...] Representatives of companies operating in the area of environmental protection, technological parks, maritime, ICT, and banking industries, as well as, representatives of craft and mining rescue services went to China.

A day after the end of EXPO we signed a letter of intent on cooperation with Shanghai Small Enterprises Production Development Service. It is a Chinese counterpart of PARP. Our cooperation will consist in exchanging experiences and supporting Polish and Chinese entrepreneurs in establishing contacts and conducting business activity.

November 2010

[59]

Krystyna Wróblewska (the Head of the International Cooperation Department of the Marshall's Office of Pomorskiego Province):

We are showing that Pomerania is not strange to the Chinese. We have both Chinese companies and students from China. We draw attention to long-term contacts linking our cities and regions.

Shanghai 2010

[37]

Kong Lingjun (a journalist) in an article in the Chinese daily ChAL-W:

Out of all the pavilions I most often visited the Polish one, and that is why its employees are particularly close to my heart. [...] describing the Polish pavilion at EXPO the Chinese media say with one voice that it is full of attractions. This phrase not only means that the organizers have put many items in the calendar of events but is also an expression of appreciation for their quality. [...] Entrepreneurs taking part in symposia and meetings promoting investment have been carefully selected.

Shanghai, 7 August 2010

[59]

PARP has organized the “Training – It pays!” social campaign.

The aim of the campaign is to convince entrepreneurs that employees are the greatest capital of a modern company, and their training is not expensive. Since 2006, a free e-learning platform, www.akademiaparp.gov.pl, has been operating. The project, partially funded by the European Union, is also addressed to the people planning their own business activity.



DOOR Poland Sp. z o.o.’ training – “Development of competence of Nutricia Polska and Nutricia Zakłady Produkcyjne staff”. *Photo: PARP archives*



Henryka Bochniarz (President of the Polish Confederation of Private Employers Lewiatan):

Investment in human resources is today the best way to develop enterprises. With relatively low expenditures on employee training, companies gain highly qualified, motivated and efficient teams. Do you know any more effective way to build lasting competitive advantage?

[12]

Classes at MBA courses at the Business School of the Warsaw University of Technology. *Photo: PARP archives*

Krzysztof Jakubowski (the owner of the KTD shop with car accessories):

When you are climbing a mountain, you can see – ah! what a great mountain. You want to climb the peak. However, it turns out that the higher you get, the less interesting it becomes, but the summit is till tempting... Training courses are important because you can meet many true specialists at them. Certainly, a great deal de-pends on the instructors. I was lucky to have met only those who were really open, wanted to share their knowledge, and, most important of all, had something to share.

Warsaw, August 2010

[51]

Jacek Jakubowski (TROP Group training firm):

I have already had orders like that: “I want to send my vice president for coaching,” I ask “why?” “Because I want him to be able to stand up to me. Because I am a visionary and he is a financier. I need someone to tell me “no!” It gets on my nerves, but I don’t want us to take a reckless drive, because we can overturn in a minute.”

Warsaw, September 2010

[50]



Preparations of a “Training – It pays!” campaign spot.

Photo: “Aparatki: W. Wróblewska, M. Ostrowska” / PARP



Training course at the Technology Transfer Centre of the Łódź University “Preparations for introducing innovative projects.” Photo: PARP archives

Training course of the BPH SA bank’s credit analysts conducted by the Warsaw Banking Institute. Photo: PARP archives

Polish economy is getting stronger and investing in development.

In the 1990s, the European Union and the United States pumped tens of millions of dollars into the development of the Polish economy. After 20 years of transformations, when our position in the world is incomparably stronger – public funds for the implementation of the EU operational programmes are 100 times greater. By 2015 Poland should spend almost EUR 100 billion on investment at home.



Reconstruction of the destroyed hydro-technical infrastructure and stream regulation near Karpacz. *Photo: PARP archives*



Improvement of the public transport system in Białystok – stage II, under the DEP OP. *Photo: PARP archives*

Tadeusz Donocik (the first PARP Supervisory Board Chairman):

The 19th century was a century of steam engine. The 20th century of World War II, but also space research, computers, first laptops, and the nuclear bomb. We have the 21st century. What is this new technology supposed to mean for man? In what direction should it be developed? More space research? Or maybe how to convert CO₂ into food. How Poland wants to play its role in the 21st century? Poland is the 6th European state in terms of size of its population.

Warsaw, October 2010

[29]

Jerzy Kwieciński (Deputy Minister of Regional Development in 2005–2008):

I am of the opinion that there is potential in Poland, but the conditions are not fit for the development of innovation yet. Our expenditure on science and research is very small when compared with what should be spent on it – our expenditure is three times lower than the average expenditure in the European Union, and five times smaller than in the developed economies in the world. There certainly must be further institutional changes, but we need to create frames for the development of innovation, first of all, in the private sector. Scientists will always prefer primary research to commercial one. With primary research there is always a possibility of having an article or a conference speech to one's credit. When you are involved in commercial research, companies often do not want anybody to know it. The most valuable technologies and solutions are not published at all, or even patented. The interests of the world of science and business are not always common.

Warsaw, October 2010

[67]



Construction of a western ring road in Mrągowo.

Photo: PARP archives

Jeffrey Sachs (a former advisor to Leszek Balcerowicz in the Tadeusz Mazowiecki government):

Poles, as the people, regardless of their broad political spectrum, should be exceptionally proud of what their country has accomplished. [...]

Poland, like all of us, must become part of the world economy based on knowledge. I think that governments should invest more in science and technology, advanced farming technologies, advanced energy technologies, pure coal, and carbon dioxide storage. Poland has competence, engineers and technology in those areas. [...] I would like to see Poland reaching for the world leadership in the technologies which would count in the world in future, Poland supporting the development of sustainable energy, sustainable food production, sustainable water resources management, and sustainable transport urbanization. Poland can play a significant role in all this.

2008

[34]



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inwestycja**

www.efs.gov.pl

Adam Góral (an entrepreneur):

I am dreaming about one or two global brands developed by Poles. It is a phenomenal promotion for the country where such brands have grown. I would like such brands to be in high technology. This requires promotion of enterprise, so that higher ambition could play in us, the business people, so that we stop being satisfied with only being better than our mates. Let's not be happy with being in the third or fifth ten.

2009

[14]

At the time of economic slowdown of 2008–2009 the recession affected all, including the sector of small and medium-sized enterprises – hence, conclusions for the future.

The most important statistical phenomenon of the SME sector in Poland is the permanently growing number of enterprises, which – in spite of significant burdens – survive more than one year. They give jobs to more than a half of Poles. However, the Polish economy will be competitive for the developed economies only when it becomes an innovative economy based on knowledge. It will not happen without investment in human capital. It is included in the PARP strategic plan for 2010–2013 and underlined in the government report Poland 2030.

Donald Tusk (President of the Polish Council of Ministers):

We are opening a public debate on our future. Right now, after twenty years of changes, it is time to concentrate our energy on a new civilization project. It is time to turn the next page of Polish history. We still need to learn freedom which we regained on 4 June 1989, and, at the same time, think responsibly about future.

May 2009

[93]

Bożena Lublińska-Kasprzak (President of the Polish Agency for Enterprise Development):

Small and medium-sized enterprises base their financing mainly on their own funds, they do not take out loans. That is why the effects of economic crisis, including poor credit availability, have not

affected their operations to any significant extent. A half of Polish companies do not think about their development or new markets at all. Nearly three quarters of enterprises have no risk management procedures making it possible for them to operate in crisis. It is said that crises can be permanent, it is important that enterprises begin to slowly learn strategic thinking, devising plans. A major role is played by the European funds which force entrepreneurs through their requirements to plan several years in advance and encourage implementing innovative projects.

Poland is a country of creative people, we need to release this potential, this human capital, and put it on the right track. This is exactly what the Agen-



cy is doing. We are implementing projects aimed at development of innovation and modern competence of human resources at Polish enterprises. This new competence, organizational culture, is of particular significance in knowledge-based economies, they decide about ability to introduce innovation. Polish innovation is delayed in many dimensions, its development is a necessary condition for the development of the Polish economy.

Warsaw, October 2010

[69]

Dariusz Bogdan (Undersecretary of State at the Ministry of Economy):

Poland was the only member of the European Union which recorded economic growth during the crisis. It testifies to the strength of the Polish economy and good condition of small and medium-sized enterprises. In 2011, we expect distinct acceleration of the growth rate of investment in general. The Polish economy, standing out against the European background, has added to the attractiveness of our country in the eye of foreign entrepreneurs. This should bring about new projects. An additional impetus for the flow of foreign investment will be provided by changes connected with the improve-

ment of conditions for conducting business. The Ministry of Economy is working on an innovation and effectiveness strategy for the national economy to be mainly focused on creating conditions for increasing its competitiveness.

Warsaw 28 October 2010

[72]

Jeffrey Sachs (a former advisor to Leszek Balcerowicz in Tadeusz Mazowiecki government):

I am waiting for a day when Poland becomes a donor of assistance for the states that are still poor, so that Europe, as a whole, could help the world, which is still stuck in poverty, get out of it. Transformations in Africa can also draw on the Polish experience and build on it. Poland can help those countries in the same way in which other European countries were helping Poland. This is how I see Poland's role of a leading country and, at the same time, a sign of hope, a proof of what reforms can mean.

2008

[34]



Warsaw's financial district, August 2010.
Photo by Rafał Milach / FORUM



The Polish Agency for Enterprise Development (PARP) is a government agency subordinate to the minister competent for the economy. It was established under the Act of 9 November 2000. The Agency's task is to manage State Budget and European Union funds earmarked to support enterprise and innovation and development of human resources.

The purpose of the activity carried out by the Agency, which marked its 10th anniversary in 2010, is to implement economic development programmes supporting the innovative and research activity of small and medium-sized enterprises (SME), regional development, growth of exports, development of human resources and use of latest technology.

In the financial perspective covering the years 2007–2013 the Agency is responsible for implementing activities under three operational programmes: **Innovative Economy, Human Capital and Development of Eastern Poland.**

One of the Agency's priorities is to promote innovative attitudes and encourage entrepreneurs to apply state-of-the-art technology in their companies. To this end the Polish Agency for Enterprise Development runs an internet portal devoted to innovation: www.pi.gov.pl, and organizes annual competitions of the **Polish Product of the Future**. Representatives of SMEs may participate in cyclic meetings of the **Innovative Enterprises' Club**. The aim of the educational portal, **PARP Academy** (www.akademiaparp.gov.pl), is to promote access to business knowledge among micro, small and medium-sized enterprises in the form of e-learning. PARP supports the development of business through its www.web.gov.pl site. The Agency has a centre of the Enterprise Europe Network which provides entrepreneurs with information on the European Union's law and the principles of conducting business activity in the Common Market.

PARP has initiated the creation of regional networks of SME support centres, i.e., the **National SME Service network, National Innovation Network, and Consulting Centres**. These institutions provide information, consultancy, training and financial services, either free of charge or at preferential rates. **Regional Financing Institutions (RFIs)** are the Agency's regional partners, cooperating in the area of implementing selected measures.

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Managing Editor:

Aleksandra Janiszewska

Texts selected and chapters edited by:

Łukasz Bertram – Chronology, People’s Republic of Poland (Peerel)

Maciej Kowalczyk – Breaking Free, Construction, Development, PARP

Graphic design:

Danuta Błahut-Biegańska

Cooperation and consultations:

Mirosława Płyta Polish Agency for Enterprise Development

English translation:

Aneta Dylewska

Preliminary textual research:

Małgorzata Kudosz, Adriana Sakowska, Paulina Siwicka

Drawings on chapter title pages:

Jacek Gawłowski

Photo Editor:

Agnieszka Kaczmarska, Ewa Sularz

Interviews recorded by:

Joanna Urbanek

DTP:

Piotr Suwiński

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Bartosz Bobkowski, Grażyna Jaworska, Przemek Jendroska, Sławomir

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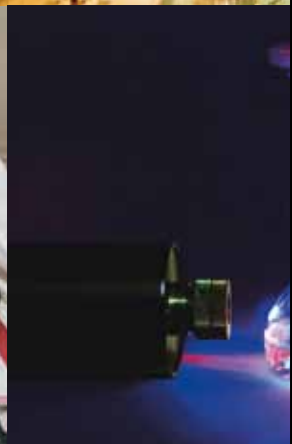
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