Why does the state remain an owner of enterprises? State capitalism in post-socialist countries. The case of Poland

(Working paper)

Paper to be presented at the 3 WINIR Conference, Boston, 2-5.09.2016

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Summary:
The state capitalism, its meaning and institutional framework, and the scale of the state ownership in enterprises has been discussed since the 1990s. Despite the waves of privatization a state has remained a significant owner of enterprises in many countries. Moreover, the economic significance of state-owned enterprises (SOEs) on the global and regional markets has increased. A lot of SOEs has transformed their behavior: from the one oriented mostly on the domestic market and of average efficiency, to the one active on international markets and of high/growing efficiency. It is connected mainly with the change of institutions and creating modern corporate governance. A paper aims to explore the state ownership of the largest non-financial enterprises in Poland. A SOE is defined as one in which a state directly or indirectly remains a dominant shareholder which decides about the functioning and development of an enterprise. In Poland a state has remained a significant owner of large enterprises which all are of socialist origins. Based on the case of Poland, firstly a diagnosis of the state ownership in the economy will be presented using the statistical data and the lists of SOEs published by the Ministry of State Treasury. Subsequently on the one side we will try to estimate “revenues” for the state treasure coming from SOEs, e.g. dividends, national security. On the other side we will try to identify “costs” of SOEs such as: financial support from the governance or a distortion of the market competition. Finally we are going to describe the role of the state as an owner in Poland and the direction towards which the state property evolves.

Acknowledgments:
This work was supported by the National Science Centre Poland under Grant number 2015/17/B/HS4/00327.
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Introduction

State capitalism, its meaning and institutional framework, and the scale of state ownership in enterprises have been discussed since the 1990s. Despite the waves of privatization, in many countries the state has remained a significant owner of enterprises. Moreover, the economic significance of state-owned enterprises (SOEs) and state-controlled enterprises (SCEs) on the global and regional markets has increased. A lot of SOEs and SCEs have transformed their manner of operation: from the one of average efficiency and oriented mostly on the domestic market, to the one of high/growing efficiency and active on international markets. This has been connected mostly with changing institutions and creating modern corporate governance.

This paper aims to explore the phenomenon of state capitalism in Poland, as well as contributions and costs which state companies generate for the national economy. In spite of privatization processes in Poland, the state has remained a significant owner of (mainly large) enterprises, all of which have socialist origins.

This paper consists of the following sections: Firstly, we discuss arguments for and against state ownership in the theory of market economics and their contemporary reception. We propose a list of potential benefits and costs generated by state companies for the national economy. Secondly, we present the case of state capitalism in Poland, using various sources of relevant data. Thirdly, we try to discuss potential benefits and costs brought into the Polish economy by state companies. On one side, we estimate contributions which state enterprises make to the national economy, such as: dividends, public safety, and strategic energetic security. On the other side, we identify the “costs” of state enterprises such as: financial support from the government or the distortion they introduce in the market competition. Finally, we draw conclusions and offer some recommendations for the national ownership policy.

1. Arguments for and against state ownership

In the mainstream economic literature, the phenomenon of state ownership has been discussed rather from the perspective of its negative aspects and threats it poses to the free
market and competition. According to Adam Smith’s system of natural liberty, presented in “The Wealth of Nations”, it is a free man with his own property that best contributes to the achievement of the highest economic income. Smith was very sceptical about the direct engagement of the state in the economy. Analysing public goods, he was aware that the state sometimes engages in various “public works and institutions for facilitating the commerce of the society”. But in his opinion, the efficiency of such economic activities, established and managed by civil servants, would be lower than in the case of private owners. Smith is against the state as an owner of economic resources and enterprises because – in his opinion – this may lead to the waste of resources, due to civil servants’ insufficient care about economic interests. He claims that only private property guarantees optimal economic efficiency.

A different argument against the engagement of the state in commercial activities was given by A.C. Pigou in The Economics of Welfare (1920). Discussing monopolies, the author poses a question about what contributes more to efficiency and income growth: the state as an owner of a monopolistic company or as its controller as a regulator? He unequivocally claims that, under the normal peaceful conditions, there are no sectors of the national economy in which the state would have any special rights to be an owner of enterprises and to deal with production (e.g. railway, water, gas and energy supply) [Pigou, 1920, p. 295]. However, he justifies his position in a different way than Smith. He claims the economic performance of private and state businesses is in general alike and – except the incompetence of officials being in charge of companies – finds no significant reasons for differences between them. Rather, he regarded the state as a real threat to the fair competition, due to its preferential position and the facts that as an enterprise owner, the state performs all functions simultaneously: that of an owner and a producer, a legislator and a controller [Pigou, 1920, p. 344-347]. This means that public authorities could be tempted to use non-commercial methods to protect state enterprises. For instance: they can consciously or unconsciously protect such enterprises from more efficient private ones, through methods such as subsidies. In Pigou’s terms it is called “defensive non-commercial methods”. These methods create a conflict of interests between the state as an owner and the state whose objective should be a maximization of economic welfare. As a result, the state interferes with the free market competition by not allowing ineffective state companies to go bankrupt and by wasting public funds [Pigou, 1920, p. 346]. Moreover, the state can apply “aggressive non-commercial

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1 Smith states: “The joint stock companies, which are established for the public-spirited purpose of promoting some particular manufacture, over and above managing their own affairs ill, to the diminution of the general stock of the society, can in other respects scarce ever fail to do more harm than good” [Smith, vol. 2. 1776].
methods” in the form of intentionally introduced legislation favourable for state companies and harmful for their competitors [Pigou, 1920, p. 348]. The double function of the state - as a producer and a legislator - could threaten the fair competition, and finally the national income. Pigou claims that for the income growth it is crucial to have good legal rules and institutions established by public authorities (equal and known to all market participants), and definitely not the engagement of the state in the market as an entrepreneur.

The findings of Smith and Pigou concerning the arguments against state ownership were discussed and strengthened by economists from the public choice theory (e.g. J. Buchanan, W.C. Stubblebine, G. Tullock), who applied the rational choice theory to analyse political behaviour and bureaucracy. They strengthened the anti-interventionist position by identifying the existence of government failures, such as: rent-seeking, the growth of bureaucracy, or corruption. They widely discussed negative consequences of state ownership and were incredulous about glorious achievements of public authorities directly engaged in the economy.

An argument for state ownership can be found in the works of Friedrich List (particularly The National System of Political Economy, 1841). He claims that what justify the state’s obligation to interfere with the economy is the differences in the levels of economic development between countries and the lack of necessary production potential which could lead to transition into the stage of industrialisation. In such circumstances, the state is an important agent initiating the process of industrialisation of the economy. There is a gap between individuals and the state [Bolsinger, 2004]. The first ones do not have a long-term perspective of the production potential development in a nation because they only see individual benefits, not national ones. List claims that when it comes to commencing the process of industrialisation, the market fails. In his opinion, only the state has a sufficient vision of the future development and thus – in the interests of the whole nation – it should behave paternalistically and take appropriate actions. The state should directly engage in establishing new companies and new industries, both in terms of capital and initiative. Such enterprises contribute to creating the production potential and generate incomes. It is worth emphasizing that List’s perception of the market is realistic – he notices its failures and the effects of the disproportion between the levels of development of nations – but his perception of the state is unrealistic. He idealizes it as an omniscient entity, able to correctly identify new promising industries and quickly and properly react to changes in domestic and foreign markets.
List’s argument about stimulating industrial development in a situation when the national economy is underdeveloped has been further discussed. Particularly, it became a subject of reflections of the structuralist economics, dealing with the theory of underdeveloped countries (the works by Raul Prebisch, Hans W. Singer, Paul N. Rosenstein-Rodan, Jan Tinbergen, in the period 1950–1980)\(^2\). A distinguishing feature of this approach was emphasizing the individual characteristics of particular economies, i.e. the context in which a given policy is implemented. They introduced the idea of the so-called “developmental state”. The state was dedicated to identify and create “infant industries”, by establishing state enterprises and applying special protection policies (e.g. export subsidies). Later on, however, contemporary economists started to doubt if public authorities would really be able to appropriately perform such activities [Irwin, 2008] and the process of world trade liberalization limited the application of protection policies. Nevertheless, there are some good examples of using state ownership as a vehicle of development or “agents of development policies”\(^3\). However, whenever it happened, it was made possible by a coincidence of government effectiveness, a proper identification of developing sectors and good corporate governance. For example, in Brazil state enterprises were not as effective as their counterparts and their performance improved only after privatization, but without the government’s decision and financial engagement they probably would not have been established at all [Musacchio, Lazzarini, 2014].

In the 1980s-90s the economic debate was dominated by negative thinking about state ownership. On the one hand, it was connected with the waves of privatization processes in the developed and transition countries, justified by the belief that only private ownership guaranteed efficiency. On the other hand, the negative perception of state ownership resulted from the experiences of socialist and developing countries, where state enterprises were treated as vehicles of industrialization and economic development but in reality appeared to be highly inefficient due to overemployment, lack of incentives to develop, the fact that they did not produce goods demanded on the market. State enterprises faced the soft-budget constraint problem (Kornai, 1986), due to which their managers were not motivated to any pro-efficiency behaviours. Moreover, authorities often failed to identify promising sectors of the economy. All this led to numerous bankruptcies of state companies in postsocialist countries at the beginning of the economic transition.

\(^2\) The overview of the theories of economic development, with an emphasis put on the role of the state, see: Boyer, 2006.

\(^3\) See: about it more [OCED, 2015a].
Since the beginning of the 21st century, there has been yet another change in the attitude towards state ownership. State ownership started to be widely discussed because state enterprises came to be significant players in the global market. This is confirmed by the growing number of such enterprises on the world lists of largest enterprises, mergers, takeovers, and transnational corporations. For example, on the “Forbes Global 2000 list” in 2011 there were 204 state enterprises (Kowalski et al, 2013) and in the ‘Fortune Global 500 list’ in 2012, 95 out of 500 enterprises were state-owned (Augustynowicz and Kwiatkowski, 2013). The majority of the largest state enterprises represented the sectors of natural resources and public utility services. According to the OECD (2011), there were 2,057 active state companies in OECD member countries, employing more than 6 million people, and with an estimated market value of almost 1.9 billion USD. In 2010 UNCTAD [2011] identified 650 non-financial transnational state-owned or state-controlled corporations, 19 of which were on the list of 100 greatest corporations with respect to the value of foreign assets. The process of growing significance of state enterprises has been best visible in the BRICS countries (Brazil, Russia, India, China, and the RSA) and in countries which are crude oil exporters. All of them concentrate on creating national champions and are averse to the privatization of the largest enterprises. In China, India and Russia large state companies have grown partly from the past socialist development models adapted to the present reality.

The main reason that the state intentionally hold shares in enterprises is its national economic policy. Governments recognize some sectors of the national economy as strategic and do not want to sell state enterprises operating in these sectors. The State Treasury wants to hold supervision in them, either by being the majority shareholder or by being a minority shareholder but still with a corporate supervision, or by introducing a system of government authorizations and licenses which controls the economic activities in a given sector [Report from…, 2013]. Typical strategic sectors are those involving natural resources or energy supply. In this case, the argument is no longer about natural monopoly, but concerns the strategic resources necessary to maintain national security.

It is important to see that large state enterprises have changed: from the ones operating mostly on domestic markets and of average efficiency to the ones active on international markets and of high efficiency. Nowadays, these enterprises compete with their private counterparts for resources and customers both on domestic and foreign markets. This is in contrast to the strong belief of economists in the superiority of private over state ownership, which comes from Smith’s and further researchers’ concerns about the quality of management of state companies by civil servants. Nowadays, researchers claim that under
some circumstances such enterprises can operate efficiently (e.g. Bortolotti et al., 2013; Borghi et al., 2016).

Firstly, one important issue is the increase of the quality of political and economic institutions – good institutions promote efficiency of state enterprises. Secondly, the quality of management of state enterprises has changed significantly due to the propagation of corporate governance rules established by national authorities and international organizations (e.g. OECD). Applying these rules in market economies requires more responsible, predictable and profitable activities. Besides, some of these new state enterprises are publicly-listed, which demands from them pro-market behaviour.

Though state companies can be better governed, some threats to their impact on the economy still remain. Here comes the important role of national competition authorities, which should hold the same standards for state enterprises as for private ones regarding the control of anticompetitive behaviour. As it was emphasized by Pigou, the former should not be a source of market distortions and should not be specially treated by public authorities. Nevertheless, there will always be doubts whether all economic agents are really treated equally, especially that state enterprises do, in fact, enjoy some privileges from the state. At the level of declarations, public authorities claim no partial treatment of state enterprises. For instance, in the EU countries state aid is available for all agents under the same rules and state enterprises cannot have any privileges. The state creates and enforces competition law, trying to balance both sides of the market and to provide efficient competition. But in practice - doubts remain.

Bearing in mind the aforementioned arguments, a picture of contributions and costs of state enterprises to the national economy seems to be quite complex and multifaceted. In the Table 1 we sum up potential contributions and costs of state enterprises.
Table 1. Potential contributions and costs of state enterprises to a national economy

<table>
<thead>
<tr>
<th>Potential contributions</th>
<th>Potential costs</th>
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<tr>
<td>− property income – dividends;</td>
<td>− expenses for financial privileges for state enterprises like: direct subsidies, concessionary financing, guarantees;</td>
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<td>− taxes paid by SOEs to the national state treasury (because they do not transfer incomes abroad);</td>
<td>− distortion of competition in the market as a result of preferential treatment of state enterprises by the government (e.g. preferences in the access to public procurement);</td>
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<tr>
<td>− maintaining the stability of employment in periods of recession;</td>
<td>− negative impact on allocative efficiency;</td>
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<tr>
<td>− ensuring national security through control over strategic sectors (energy, natural resources);</td>
<td>− lower efficiency of companies because of: self-budget constraints, low incentives to develop, multiple objectives (not only economic ones) and political pressure (agency problem, clientelism);</td>
</tr>
<tr>
<td>− creating new comparative advantages;</td>
<td>− rotation executives in state companies, depending on results in political elections and clientelism - partiality in awarding jobs and other advantages to trusted colleagues;</td>
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<td>− promotion of good governance - good practices in the field of employment and wage policy;</td>
<td>− limits on employing and dismissing personnel.</td>
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<td>− mutual assistance of state enterprises in difficult economic situations;</td>
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<tr>
<td>− Increasing the competitiveness of state enterprises related to the high probability of support from the government at times of economic crises, which could result in reducing debt costs or increasing confidence in business relations.</td>
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</table>

Source: own elaboration.

Ultimately, the net effect is important, even if it is not easy to estimate it. Some contributions and costs can be directly measured e.g. dividends or state aid, but the majority of them are difficult to calculate, e.g. the efficiency of resource allocation or the stability of employment. Some other results can only be assessed in a qualitative way, e.g. ensuring national security or supporting the competitive position of state enterprises. Despite these difficulties, the net effect should be estimated as a whole. Only then it is possible to assess the impact of state enterprises on the economy.

2. State capitalism in Poland

In the CEE postsocialist countries the ownership structure that has been formed resulted from the privatization processes (completed or still in progress) and the national strategy of the state's engagement. In 2014, according to the EBRD large-scale privatization indicator [EBRD 2015-16], the largest privatization has been already accomplished in all
CEE4 countries, except Slovenia. In this country, only about 25% of large-scale enterprise assets are in private hands or in the process of being privatized, but possibly still with major unresolved issues regarding corporate governance. In the other 9 countries (except the Czech Republic, which since 2007 has been regarded as a country that had reached the same economic and institutional development as industrialized ones) more than 50% of former state enterprises are in private ownership and significant progress in corporate governance of these enterprises has been made. Nevertheless, the state remains an important owner of enterprises and it seems unlikely to change.

Baltowski and Kwiatkowski [2014] indicate 6 models of state ownership and governance according to 2 criteria: historical background of the existence of state ownership and economic, political and social justification for state enterprises. The models are: Anglo-American, European (continental), post-socialist, Russian, Chinese and emerging markets. Poland (alongside other EU new member states: the Baltic States, Bulgaria, Croatia, the Czech Republic, Hungary, Romania, Slovakia, Slovenia) belongs to the post-socialist model. The distinctive features of this model are the socialist origins of state enterprises, which are very large and active in network sectors, where infrastructure is essential. The state can be the only, majority or minority owner of enterprises. In the latter case, the state holds corporate supervision of a company. The main reason for maintaining state ownership is the national economic policy. Governments want to have control over strategic resources (e.g. natural resources, energy supply) necessary to maintain national security. Some sectors of the national economy are treated as strategic ones and governments do not intend to sell enterprises or privatize them fully.

To present and compare public ownership in the new EU member states we use Product Market Regulation (PMR) indicators developed by the OECD5. PMR indicators measure the economy-wide regulatory and market environments in 34 OECD and 22 non-OECD countries and are mainly based on the responses of national governments to “The OECD Regulatory Indicator Questionnaires”. The indicators include formal regulations in the following areas: state control of business enterprises; legal and administrative barriers to entrepreneurship; barriers to international trade and investment. The first of these areas, can be used to assess the degree of state ownership. The index of state control includes the scope of state enterprises, government involvement in network sectors, direct control over

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4 We consider: Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, and Slovenia.
5 Product Market Regulation: www.oecd.org/economy/pmr
enterprises, governance of state enterprises and involvement in business operations (price controls, command and control regulation).

The average state control of business operations in OECD countries was 2.18 in 2013 and decreased by 0.24 over the previous 10 years. Poland has the highest government influence in firms’ operations among the new EU members (see Figure 1). The state control is high in Romania and Bulgaria, too. Only 5 surveyed countries have a higher index of state control than Poland: South Africa, Russia, Turkey, China and India (the highest 4.02). Poland ranks among countries perceived as economies with state capitalism. However, it is worth noting that in comparison to 2003, the index of state control in Poland decreased by 0.51.

Figure 1. State control of business operations in 2013 in new member EU states

Source: own elaboration based on OECD PMR database.

In the case of Poland, the scope of state enterprises is especially high, namely 5.65. It is the second highest value among 56 countries surveyed, after China. The scope of state enterprises means pervasiveness of state ownership across 30 business sectors measured as the share of sectors in which the state controls at least one company. The index “Government involvement in network sectors” is also worth mentioning. It covers government stakes in the largest firms in 6 network sectors: electricity, gas, rail transport, air transport, postal services and telecommunication. If we compare the values of index, Poland differs less from the OECD average. Three countries from among the new EU member states have higher values of this index than Poland.

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6 The latest available; the research is conducted every 5 years.
In comparison to other new EU member countries, the Polish state remains a significant owner of enterprises and is engaged in network sectors. This is due to the purposeful policy of government authorities. The privatization of the largest enterprises in Poland has been definitely completed, and according to the latest Polish government’s announcement, the remaining state companies will not be privatized.

The OECD indicators presented above are only some approximations which can be used to compare public property in different countries. However, as many authors outline, it is quite often the comparison of incomparable data. Reasons are obvious and connected to different legal structures functioning in particular countries, definitions of state enterprises, the scope of governmental and local properties, finally – a different terminology and classification applied by regulators and national statistical offices.

The case of Poland seems to be very interesting, as it is a post-socialist country, which - in comparison to other CEE countries - has a significant state ownership in the economy. It is not easy to collect information about the scope of state ownership in the economy, as data are dispersed and not fully comparable. We use data and reports published by the Central Statistical Office (GUS) in Poland and the Ministry of the State Treasury.

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The Polish legal system defines many types of business entities that are fully owned or co-owned by the State Treasury. This is reflected also in the official statistics. But for the sake of clarification, in our analysis we deal only with state enterprises defined as follows:

1) the State Treasury holds a direct or indirect ownership stake of more than 50.01%; it means that the state is a majority shareholder and decides about the directions of operation and development of a given enterprise; an indirect stake means that the State Treasury is the majority owner of an enterprise that has a majority stake in another enterprise; it is a so-called “state-owned enterprise” (SOE); or

2) the State Treasury holds a minority but dominant stake within 25%-50%, what enables corporate supervision by the State treasury; it is so-called “a state-controlled enterprise” (SCE)⁸.

Property rights and obligations in SOEs and SCEs are represented by various entities and institutions of public authority. They could be governmental authorities (e.g. ministries, agencies), local government units or other entities established by special laws. In Poland, a centralized model of state ownership and governance is applied, in which one entity represents the State and is responsible for companies. The role of this entity in Poland is played mainly the Ministry of State Treasury⁹, which supervises the largest and most important enterprises. If enterprises are supervised by ministries, the situation is paradoxical, as the same entities which establish rules for all enterprises in a country are at the same time market players and owners of companies. In such case, the ministry faces a difficult trial to separate the function of an owner from the function of a regulator. Apart from that, quite often a ministry must combine financial objectives of a company with other objectives such as economic security of a country, particularly when it comes to energy security. On the declarative level, public authorities highlight impartiality of their decisions. However, as it was already indicated by Pigou, such a problem always remains.

Table 2 (except the last line) shows data about all entities owned or controlled by the Polish State (its various representatives – on the governmental and local levels) that are registered in the REGON system (National Official Business Register provided by the Central Statistical Office in Poland). The data includes also companies, with a pending liquidation or

⁸ According to law: Act of 3 June 2005 on Special State Treasury Rights and their Exercise in Companies of Key Importance to Public Order or Public Safety.

⁹ But there are some exceptions, when other ministries possess shares in companies and represent the State Treasury. These cases are defined by special regulations in such sectors as: coal mining, defense industry, railways, postal services, export insurances, special economic zones. Agents representing state ownership are other ministries (e.g. of Economy, Development, Finance, National Defense), agencies of properties, National Forest Holding “Lasy Państwowe” (“State Forests”) and 3 state real estate agencies. However, the scope of ministries' supervision changes continuously.
process bankruptcy, and not performing any operations. Therefore, the real number of operating state enterprises in given years is lower.

Tab. 2 State-owned and state-controlled enterprises in Poland

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<tbody>
<tr>
<td>Total</td>
<td>6058</td>
<td>5845</td>
<td>5434</td>
<td>5075</td>
<td>4999</td>
<td>4931</td>
<td>4844</td>
<td>4806</td>
<td>4822</td>
<td>4795</td>
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<td>in sector:</td>
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<tr>
<td>Manufacturing</td>
<td>1669</td>
<td>1556</td>
<td>1335</td>
<td>1117</td>
<td>974</td>
<td>915</td>
<td>844</td>
<td>785</td>
<td>738</td>
<td>711</td>
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<tr>
<td>transport</td>
<td>772</td>
<td>761</td>
<td>727</td>
<td>695</td>
<td>613</td>
<td>601</td>
<td>586</td>
<td>564</td>
<td>558</td>
<td>552</td>
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<tr>
<td>Energy</td>
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<tr>
<td>Supervised by the State</td>
<td>1092</td>
<td>1023</td>
<td>981</td>
<td>977</td>
<td>902</td>
<td>740</td>
<td>642</td>
<td>566</td>
<td>491</td>
<td>434</td>
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<tr>
<td>Treasury – operating</td>
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<td>companies</td>
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Source: Central Statistical Office in Poland (GUS) - Local Data Bank, Ministry of Treasury – “Reports on the Ownership of State Treasury” (various years).

In 2005-2014 the number of SOEs and SCEs steadily decreased. More importantly, the share of these companies in all registered enterprises was low and decreasing, until it reached the level of 0.1% in 2014. In the analysed period, the number of state enterprises in manufacturing sector was significantly reduced - by about 57%, while the number of total enterprises was reduced by only 21%. This was a result of the restructuring processes in the state manufacture sector and of the deindustrialization of the whole Polish economy. In the transport sector, the number of enterprises dropped by 28%. In this sector, the share of state entities in the total entities has not changed and remains 0.2%.

The last line in Table 1 shows a decreasing number of operating SOEs and SCEs supervised by the State Treasury. They are large enterprises. Over the last 10 years, 658 entities have been privatized or closed (a decrease of 60%). The Polish government declares a will to maintain its role as the owner or a co-owner of some companies, mainly for strategic reasons.

The next tables and figures present data concerning state non-financial corporations (state-owned and state-controlled ones), where property rights are exercised by various state units. Unfortunately, national statistics do not provide data about state property that would distinguish between various representatives of the Polish State Treasury, between the governmental and municipal level in particular. Table 3 shows the employed in state non-financial corporations where the number of employees exceeds 9 (micro enterprises are excluded). This is the only kind of statistical data gathered in Poland but we can assume that small state non-financial corporations are very uncommon.

10 The largest group of entities recorded in the registry is natural persons conducting economic activity (more than 70%). The dominant legal form of state company in economic activity is commercial law company. The share of state commercial law companies in all commercial law companies amounts to 1.1%.
Tab.3 Employees in state non-financial corporations (as of 31 December)*

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<tbody>
<tr>
<td>Total in thousands</td>
<td>985.2</td>
<td>963.3</td>
<td>940.1</td>
<td>911.2</td>
<td>865.7</td>
<td>825.2</td>
<td>782.3</td>
<td>741.1</td>
<td>712.3</td>
<td>674.5</td>
</tr>
<tr>
<td>Share in total non-financial corporations in %</td>
<td>19.8</td>
<td>18.6</td>
<td>17.4</td>
<td>16.5</td>
<td>16.0</td>
<td>14.9</td>
<td>13.8</td>
<td>13.1</td>
<td>12.5</td>
<td>11.7</td>
</tr>
</tbody>
</table>

* Data for entities in which the number of employees exceeds 9 persons.

Source: Central Statistical Office in Poland (GUS) – “Employment, wages and salaries in national economy” (a series of yearbooks for various years).

In 2005-2014 the number of the employed in the sector of state non-financial corporations declined systematically. In 2014 it was lower by 310.7 thousands, it means a decrease by about 1/3. Its share in the total employment also decreased (by 8.1 percentage points). Most people are employed in industry\(^\text{11}\) and transport (in 2014, 41.0 and 35.4% respectively). In the industry section, the share of state corporations' employees in the total employment is 10.9%, while in the case of the transport section - it is 48.0%. It is worth noting that one of the biggest employers in Poland is the Polish State Railways PKP Group\(^\text{12}\), which belongs to the State Treasury.

Tab.4 Revenues from the sale of products, goods and materials, and export of state non-financial corporation*

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Revenues from sale in billions PLN</td>
<td>235.7</td>
<td>246.1</td>
<td>257.1</td>
<td>137.5</td>
<td>266.4</td>
<td>261.8</td>
<td>273.5</td>
<td>276.2</td>
<td>228.9</td>
</tr>
<tr>
<td>Share of export in revenues from sale in %</td>
<td>11.8</td>
<td>11.6</td>
<td>10.5</td>
<td>10.2</td>
<td>7.5</td>
<td>9.2</td>
<td>9.6</td>
<td>9.9</td>
<td>10.3</td>
</tr>
<tr>
<td>Share of state sector revenues from sale in %</td>
<td>15.6</td>
<td>14.3</td>
<td>13.1</td>
<td>13.1</td>
<td>12.2</td>
<td>11.3</td>
<td>10.4</td>
<td>10.1</td>
<td>8.1</td>
</tr>
<tr>
<td>Share of state sector export in %</td>
<td>10.8</td>
<td>9.1</td>
<td>7.5</td>
<td>7.4</td>
<td>5.3</td>
<td>5.7</td>
<td>5.2</td>
<td>4.9</td>
<td>3.9</td>
</tr>
</tbody>
</table>

* Data for entities in which the number of employees exceeds 9 persons.

** For 2013, no data available.

Source: Central Statistical Office in Poland (GUS) – “Financial results of economic entities” (a series of yearbooks for various years).

The same diminishing trend can be observed in the shares of revenues from the sale of products, goods and materials, and export in the total revenues and the total export (see Table 4). In 2014 it is 8.1% and 3.9% respectively. It is worth noting that the share of SOEs and

\(^{11}\) In detail: 14.6% employed in mining and quarrying; 7.8% in manufacturing; 6.7% in electricity and gas supply; 11.8% in water supply.

SCEs in the total revenues is by several percentage points lower than their share in employment. It confirms a stylized fact that employment in state corporations is relatively higher than in private ones. The indicator of revenues from the sale of products, goods and materials to revenues from the total activity is usually lower (by a few percentage points) in the state sector than in all enterprises. It could mean, that state corporations receive more extra revenues from other sources. The share of export in revenues from sale kept falling until 2009, after which year it started to increase and reached 10.3% in 2014. This decline might suggest a problem with competitiveness on the global market. In a ranking presenting the list of 100 largest Polish exporters in 2014 there were 12 state companies. The biggest one is KGHM (copper mining).

To complete this picture of state non-financial corporations in the Polish economy, we compare the share of output and the share of gross value added produced by them in the total values of non-financial corporation (Figure 1). In 2013 (the latest available data), the share of output was 9.3% and the share of gross value added 10.8%. Both shares have fallen systematically since 2005. In the case of state non-financial corporations, the share of gross value added was higher than the share of output for each year. It can be interpreted positively, as gross value added is an increase in the value of goods as a result of the production process. Unfortunately, (see Figure 3), the share of the cost of employees in state corporations (though diminishing) was even higher. Diminishing shares of state non-financial corporations in the global output, gross value added and the costs of employees are coherent with the diminishing number of state companies.

Figure 3. Share of state non-financial corporations in total non-financial corporations

Source: Central Statistical Office in Poland (GUS) – “National Accounts by Institutional Sectors and Sub-Sectors” (a series of yearbooks for various years) and own calculations.

13 It was published in issue 24/2015 of the "Wprost" weekly.
14 Unfortunately, no other information about state non-financial corporations, like for example about export, are available (not even to order).
Other measures of the scope of SOEs and SCEs in the Polish economy could be their presence among the top enterprises in the region or in the world. In 2015 on the list of ‘Forbes Global 2000’ (the largest public companies in the world) there were 5 SOEs and SCEs from Poland, therein: 2 financial companies (PKO Bank Polski, PZU) and 3 non-financial (PKN Orlen, PGNiG, PGE). Among 500 largest non-financial enterprises in the CEE postsocialist countries15 (the ‘List Top 500 CEE’ published by Coface) in 2014, there were 176 companies from Poland, which had the share of 39.6% in the total turnover. Nineteen companies out of 176 were state-owned, while 5 were state-controlled. As for the industries, the companies mainly represented the following sectors: utilities (9) and minerals, chemicals, petroleum, plastics and polypharmacy (8). The share of the turnover of SOEs and SCEs in the total turnover of 176 largest Polish enterprises was 35%.

State corporations are also listed on stock exchanges. In 2014, 18 companies out of 471 listed on the Warsaw Stock Exchange (WSE) were owned or controlled by the Polish state. Their share in the turnover of the WSE reached 57.7% and the share in capitalization was 40.4% (see: Table 5). Two companies out of 18 operate in the finance sector and they have a huge influence on results recorded in the turnover (from 7.3 percentage points in 2007 to 23.1 in 2014) and capitalisation (from 10.3 percentage points in 2007 to 16.0 percentage points in 2013 and 12.3 in 2014). Even without these two companies, the other state companies have a large impact on the stock market.

Tab.5 State companies on the Warsaw Stock Exchange

<table>
<thead>
<tr>
<th>Categories</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share in turnover, %</td>
<td>25.9</td>
<td>37.4</td>
<td>39.6</td>
<td>51.3</td>
<td>58.2</td>
<td>58.8</td>
<td>57.6</td>
<td>57.7</td>
</tr>
<tr>
<td>Share in capitalization, %</td>
<td>26.0</td>
<td>28.2</td>
<td>39.1</td>
<td>43.9</td>
<td>45.8</td>
<td>47.8</td>
<td>40.4</td>
<td>40.4</td>
</tr>
</tbody>
</table>

Source: Warsaw Stock Exchange data (www.gpw.pl) and own calculations

3. Contributions and costs of state enterprisers for the national economy – a case of Poland

The Polish government declares the completion of the privatization processes. The remaining state enterprises are treated as national assets that should be held for the next generations and as a tool ensuring public security. Bearing in mind the list of potential contributions and costs of state companies to the national economy, we proceed to analyse

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15Bulgaria, Croatia, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Serbia, Slovakia, Slovenia [List Top 500 CEE, 2015].
them in the Polish case. For this purpose, we use statistical data (if available) and examples of decisions or activities undertaken by Polish public authorities. The analysis is to a large extent limited, due to the complexity of the problem and numerous difficulties. Finally, we offer some recommendations and indicate directions for further research.

The most crucial financial contribution of state companies is property incomes, namely dividends received by the State Treasury. Table 6 shows dividends paid by state corporations to the State Treasury; they become part of the central budget revenues. They share ranged from 1.31% (the lowest) in 2008 to 2.85% (the highest) in 2012.

Tab. 6 Dividends and profit-sharing payments* received by the State Treasury

<table>
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</tr>
</thead>
<tbody>
<tr>
<td>Value in m PLN</td>
<td>3161.5</td>
<td>4045.2</td>
<td>3622.5</td>
<td>3319.8</td>
<td>8326.5</td>
<td>4977.1</td>
<td>6122.9</td>
<td>8208.0</td>
<td>7052.9</td>
<td>4213.5</td>
</tr>
<tr>
<td>Share in budget revenues in %</td>
<td>1.76</td>
<td>2.05</td>
<td>1.53</td>
<td>1.31</td>
<td>3.04</td>
<td>1.99</td>
<td>2.21</td>
<td>2.85</td>
<td>2.53</td>
<td>1.49</td>
</tr>
</tbody>
</table>

* Income specified in the budget as dividends and profit-sharing payments includes payments from profit of state-owned enterprises and sole shareholder companies of the State Treasury and the dividends from the shares in companies held by the Treasury.

Source: Ministry of Finance – Execution of the State Budget (various years) and own calculations.

In the case of enterprises in which the State Treasury is the dominant shareholder, a dividend policy is on the one hand determined by financial results of a company and on the other hand – by the financial needs of the government and its budget policy. The majority of publicly listed state-owned and controlled enterprises regularly pay dividends on a yearly basis. In 2009-2012 the State Treasury requested higher dividends than the ones recommended by a board of directors [Adamczyk, 2015]. But although it contradicted the management board’s policy, it complied with the dividend policy of the company.

The indicated contribution – maintaining the stability of employment in periods of recession – is impossible to verify at this moment. Such verification would require employment data from a fixed cohort of state and private enterprises for each year. We hope to receive it from the Central Statistical Office on request.

The next potential contribution is ensuring national security through control over strategic sectors (energy, natural resources). This policy is implemented in Poland through a group of the so-called “strategic enterprises”. The Polish Ministry of State Treasury defines enterprises with a strategic significance for the national economy as such which (1) play a crucial role in the process of building a strong economy (which means they provide huge revenues for the State Treasury and/ or employ a lot of workers) and contribute to the national
economic security or (2) fulfil a public mission, i.e. the Polish Radio and the Polish Public Television (MSP, 2014b). They are under a special supervision of the State Treasury, which means that the State Treasury is either the majority shareholder or a minority one, but in either case enjoys the dominant position and has the biggest impact on the company's functioning. Specific regulatory powers are attributed to the State Treasury and defined in two Acts aimed at protecting the public policy and security. In 2014, 22 strategic enterprises were registered, out of which 3 were financial enterprises (2 banks and 1 insurance company) and 13 operated in the following industries: mining, transport, energy, the oil and gas sector, the arms industry and the chemical sector. Nine of the strategic companies are listed on the Warsaw Stock Exchange. But a question remains whether activities in ensuring national security are successful or not. This requires a separate analysis.

Also, the Polish authorities declare initiatives to create new comparative advantages and conduct a specific economic policy. In 2016 the new government announced its economic programme, the so-called “Morawiecki’s Plan” (whose name comes from the author of the plan - The Minister of Development). In the theoretical background, it refers to the New Structural Economy, which on the one hand stresses the market allocation of resources but on the other hand - recommends the state to play a facilitating role to support companies in the process of creating new comparative advantages, particularly in the industry. In the programme, the government declares reindustrialization, enhancing and developing new comparative advantages and specializations. New specializations based on advanced technologies are to be promoted, for example in aviation, the shipyard industry, transport and IT. Moreover, the government wants to strengthen the national economic potential by investing in the maritime industry and inland waterways. All these activities are to be supported by the Polish Development Fund, which is intended to invest its financial resources in the construction of energy and gas power plants, gas pipelines, and transport infrastructure. It was established on the basis of other existing national development institutions in Poland\(^\text{16}\).

The following two theoretical positive contributions, i.e. the promotion of good governance in the field of employment and wage policy and the mutual assistance of state enterprises in difficult economic situations, are present, at least in a declarative way. For instance, in 2005 and 2013 “Principles of corporate governance over the State Treasury companies” was published by the Polish Ministry of State Treasury. This and other

\(^{16}\)Export Credit Insurance Corporation (KUKE), The Industrial Development Agency, Polish Agency for Enterprise Development (PARP), Polish Information and Foreign Investment Agency (PAIiIZ) and Bank Gospodarstwa Krajowego (BGK).
documents, like: “Good practices in management remuneration”, “Good practices in ensuring balanced participation of women and men in the bodies of companies”, “Good practices in the selection of candidates for managers” are based on the OECD guidelines. Unfortunately, these principles are not established by law, but represent the expected standard of consistent and transparent rules to be followed. Apart from that, rules define the objectives of corporate governance in companies with Treasury shareholding, they do not, however, define the criteria for solving any conflicts between two sometimes contradictory objectives, e.g. the implementation of economic policy on the one hand and increasing the company's value on the other.

The mutual assistance of state enterprises in difficult economic situations could be advantageous, but it could also have a negative impact on the allocative efficiency. It depends on an individual situation. This brings up the question about the goal of such assistance and whether it is possible to achieve it. If a company has temporary problems, e.g. liquidity problems or goes through a difficult period in relation to problems in the whole sector, but generally has a potential, the effects of such assistance can be positive. Otherwise, it is a waste of public funds and only delays the ultimate bankruptcy of the company. Lately, in Poland's energy sector, three state companies (PGE, Energa and PGNiG) under the government’s acceptance have announced that they are ready to invest 1.5 billion PLN in the Polish Mining Group, provided that the mines will agree on restructuring. Currently it is difficult to assess this situation. The future effects will depend on the scope of the expected ‘restructuring’.

The last contribution of state ownership is increasing the competitiveness of state enterprises due to the high probability of support from the government at the times of economic crises. That could result in reducing debt costs or increasing confidence in business relations. Unfortunately, this assumption is practically impossible to verify.

In the case of potential costs of state companies, we should start with expenses for financial privileges for SOEs like: direct subsidies, concessionary financing, and guarantees. But in general in Poland (like in all the EU countries), the competition law forbids such privileges to be offered to enterprises only on the criterion of ownership. Based on the regulations in the EU, all companies can apply for state aid. State aid is defined as any advantage granted by public authorities through state resources on a selective basis to any enterprises that could potentially distort competition and trade. ‘An advantage’ can take many forms. It is anything which a company could not get on the open market; for example: subsidies, loans, guarantees, tax breaks, the right to use a state asset free of charge or at a
price lower than the market price. These could be forms of state aid: sectoral, regional, horizontal or other.

We present the volume of state aid received by Polish state corporations, because the government sets priorities and aid rules, and they can be adapted to "their" companies. The value of state aid granted to state-owned and state-controlled enterprises varied over the years, ranging from 818.9 million PLN in 2007 to 7983.0 million PLN in 2014, which represented 12.5% and 31.6% of the total aid respectively (Figure 4). In 2004-2014 the aggregate value of state aid granted to SOEs and SCEs was 41479.8 ml PLN (1/4 of total aid). It was a big share when compared to the number of existing state entities.

Figure 4. State aid for SOEs and SCEs

Source: Office of Competition and Consumer Protection – Report on state aid in Poland given to enterprises (different years) and own calculations

Generally, state aid in Poland (for both private and state companies) was granted mainly in the form of subsidies or tax breaks; their total share exceeded the level of 90% in the last five years. However, a huge assist was sometimes granted in another form, for example in 2014 it was the free allocation of greenhouse gas emission for companies in the energy sector17.

Ten largest beneficiaries of the state aid are listed in Table 7. Only one company is private – the power plant Elektrociepłownia Nowa Sarzyna Sp. z o.o.. Nine state enterprises from the list received about 57.7% of total state aid (without the de minimis aid18). Among the

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17 Aid in this form contributes to the modernization of the Polish power sector, because the receipt of this aid is conditional upon capital expenditure in improving energy infrastructure, implementing clean technologies and diversifying energy mix and the sources of energy supply.

18 The de minimis aid is intended mainly for medium-sized and small enterprises. Regulation allows for aid of up to €200,000 over a rolling three-year period. Data about de minimis for state owned or controlled enterprises
biggest beneficiaries is also the mine restructuring company Spółka Restrukturyzacji Kopalń, which received assistance under the program designed for the mining sector, aimed at the liquidation of mines, the repair of mining damage and the payment of benefits to employees of the liquidated mines. Also Polish airlines Polskie Linie Lotnicze LOT received aid, mainly in the form of rescuing and restructuring\textsuperscript{19}.

Tab.7 The largest beneficiaries in 2005-2014 (with the de minimis aid)

<table>
<thead>
<tr>
<th>Company</th>
<th>Ownership form</th>
<th>Sector</th>
<th>Value of aid in million PLN</th>
</tr>
</thead>
<tbody>
<tr>
<td>PGE (listed on the WSE)</td>
<td>SOE</td>
<td>energy supply</td>
<td>6880.28</td>
</tr>
<tr>
<td>Polish television Telewizja Polska SA</td>
<td>SOE</td>
<td>TV</td>
<td>3682.91</td>
</tr>
<tr>
<td>Mine restructuring company Spółka Restrukturyzacji Kopalń SA</td>
<td>SOE</td>
<td>mining</td>
<td>3124.45</td>
</tr>
<tr>
<td>Tauron (listed on the WSE)</td>
<td>SCE</td>
<td>energy supply</td>
<td>2992.86</td>
</tr>
<tr>
<td>PKN Orlen SA (listed on the WSE)</td>
<td>SCE</td>
<td>oil&amp;gas</td>
<td>2990.38</td>
</tr>
<tr>
<td>power plant Elektrociepłownia Nowa Sarzyna Sp. z o.o.</td>
<td>Private</td>
<td>energy supply</td>
<td>1225.63</td>
</tr>
<tr>
<td>LOTOS (listed on the WSE)</td>
<td>SOE</td>
<td>oil&amp;gas</td>
<td>1160.38</td>
</tr>
<tr>
<td>GAZ-SYSTEM SA</td>
<td>SOE</td>
<td>oil&amp;gas</td>
<td>1158.32</td>
</tr>
<tr>
<td>Polish airlines Polskie Linie Lotnicze LOT SA</td>
<td>SOE</td>
<td>transport</td>
<td>1011.02</td>
</tr>
<tr>
<td>ENEA (listed on the WSE)</td>
<td>SOE</td>
<td>energy supply</td>
<td>949.77</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>25176.02</td>
</tr>
</tbody>
</table>


One of the biggest beneficiaries of the public aid were fuel producers, among them PKN Orlen and Lotos. They received aid in the form of excise duty reduction on biofuels. The main objective of such aid is to ensure a certain level of consumption of bio-components and thus to support the Polish oil industry. Gaz System received support for investments in the natural gas transmission system, which will provide access to all the stakeholders involved in the gas trade, so this aid will help to increase competition in the gas market. We calculated also state aid granted to 18 SOEs and SCEs listed on the Warsaw Stock Exchange and they received 38.4% of the total of the state aid in 2005-2014.

We compare state aid granted to state companies and dividends received by the State Treasury. The state aid granted to SOEs and SCEs was greater than the received dividends only in 2014, 2010, 2008 and 2011 (when it was almost equal to the dividends), whereas the indicator of the whole value of the state aid to the dividends received ranged from 1.5 to 6.0 (Figure 5).

\textsuperscript{19} For example, in 2014, the value of the aid for rescuing and restructuring accounted for 3.4% of the total state aid granted. Its size increased significantly compared to the previous year, about 90% of this aid was allocated to the Polish Airlines LOT.

are available only for 2012-2014. On average, these enterprises received 3.5% of total de minimis aid (it was 194 ml PLN, which is a small amount in comparison with the state aid).
In this context there is a question about the distortions of the market competition as a result of a preferential treatment. It is expected that the higher the state aid, the greater the competitive position of an enterprise that has received it. Furthermore, aid granted to large entities strengthens their even further position, at the same time potentially weakening the existing competition. However, the analysis of aid granted should not be made in isolation from a given sector, especially its structure and the aid's selectivity criterion. Provided that state aid is granted symmetrically to all (even large companies) in a given market, it does not necessarily have a negative impact on the market competition. At the same time, even small state aid granted asymmetrically to only one of the entities operating on a given market can significantly improve its competitive position and thereby interfere with the mechanism of this market.

In the case of Poland, it is worth outlining that large state companies received substantial state aid and their share in total state aid is high. The question is whether this is a significant relation, but this is unfortunately it rather impossible to assess statically. In the declarations and evaluations of the Polish Office of Competition and Consumer Protection (UOKIK), the state aid granted did not distort market competitions.

In Poland a sector that generates huge costs for the national economy is mining. This sector is dominated by state-owned mining companies which have not been privatized in spite of many government declarations and programmes. Some economists and politicians treat the financial support provided by the state to unprofitable mining companies as a crucial determinant of the national energy security. But costs of such aid are enormous. According to
the WISE Institute\(^\text{20}\), an estimated yearly state support of the mining sector per capita was 200 PLN in 2012 (excluding health costs and environmental degradation). Moreover, miners have many pension privileges. Until 2015 there was a national strategy of rescuing the mining sector. A new strategy has not been announced yet. The only activity of the present government is that state energy companies are engaged in rescuing the mining sector\(^\text{21}\).

A very negative example of inefficient allocation of resources in state companies are supports granted to them by the Polish Industrial Development Agency (ARP). ARP is a kind of investment fund, owned totally by the State Treasury. It holds assets of 3.7 billion PLN. In its portfolio there are shares of several tens of companies. In the case of many of them, liquidation or bankruptcy processes are pending. Moreover, ARP often made unsuccessful investment decisions (e.g. Walcownia Rur Jedność or Instytut Wzornictwa Przemysłowego). In general, ARP has been engaged in rescuing unprofitable state-owned enterprises at risk of insolvency. It is very difficult to indicate a company which was successfully restructured under the supervision of ARP and with its financial funds.

Other potential costs of state companies are connected with the rotation of executives of these companies as a result of changes in political elections and cronyism. It is a well-known and common phenomenon in many countries. New appointed state officials almost immediately dismiss executives in SOEs and SCEs and appoint new ones. It is partiality in awarding jobs and other advantages to trusted colleagues. In Poland every change in political elections has been followed by a change in management and supervisory boards. According to CRIBIS\(^\text{22}\), in 2001-2015, none of the winning political parties refrained from making such changes. The negative effects of such rotations are connected with unwillingness to make risky decisions about investment before elections and the additional costs of severance package for dismissed managers. Moreover, it might cause temporarily interruptions in companies' operations, before new appointed managers get accustomed to their new work.

Limits on employing and dismissing personnel are strictly connected with the activity of trade unions. In 2014, 62% of enterprises where trade unions were registered were from the state sector (primarily state-owned enterprises)\(^\text{23}\). The share of employees belonging to the trade unions is especially high in the mining sector. In 2014, 72% of workers in this sector

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\(^{20}\)http://www.money.pl/gospodarka/wiadomosci/artykul/polskie-gornictwo-dostaje-miliardy-wsparcia,
\(^{21}\)https://www.obserwatorfinansowy.pl/forma/rotator/brak-strategii-dla-gornictwa-pograzy-kopalnie/
were members of trade unions. This fact, alongside with guaranteed employment for many years, (e.g. in Kompania Węglowa till 202024) makes it almost impossible to dismiss a miner.

5. Conclusions

State capitalism in Poland is definitely determined by its postsocialist background, geopolitics and the present economic policy.

Recapitulating, the scope of state ownership in Poland could be described as follows:

1) The share of state ownership entities in the total of economic entities is very low. The number of SOEs and SCEs and their shares in global values (GDP, employment) are diminishing. Nevertheless, they remain significant players in the Polish economy.

2) State-owned and state-controlled enterprises play a crucial role in the group of the largest companies in Poland. Moreover, they are important or even dominant companies listed on the Warsaw Stock Exchange.

3) Essentially, the Polish State Treasure does not increase its economic ownership; it did, however, conduct several buy-outs of shares (in financial institutions BOŚ and PZU, as well as in the mine Bogdanka).

The main reason that the state in Poland intentionally holds shares in enterprises is its national economic policy. Besides public mission, this policy is strictly connected with ensuring national security through control over strategic sectors (energy, natural resources). There are also important revenues for the State Treasury and a problem of employment. The state remains the owner of enterprises which theoretically play a crucial role in the process of strong economy building. But a question remains whether activities are successful or not.

The net effect of SOEs and SCEs for the economy is not easy to estimate. Measuring the direct contributions (dividends) and the costs (state aid), seems to result in the neutral or even positive effect, given that the state aid is possible for all agents on the same rules. SOEs can enjoy no privileges so theoretically they do not distort the market competition. In practice, the problem arises with "competitive neutrality" of such enterprises.

So, how are these arguments against and for the state ownership addressed by the national authorities and scholars nowadays? And what science says? Why a state remains an owner of enterprises? What reasons, motives, contribution to the national economy are behind it?

24 http://www.newsweek.pl/biznes/gornictwo-w-polsce-pis-i-restrukturnyzacja-kopaln-na-slasku,artykuly,380376,1.html
In general, public authorities declare:

- a need for reindustrialization, industrialization, creating national champions,
- national security;
- maintaining the same standards for state companies as to private ones;
- applying corporate governance, according to the OECD rules or other;
- pro-efficiency behaviour and transparent, information policy concerning stock-listed companies;
- availability of state aid for all applicants.

These areas require further research and comparative analysis with models of state capitalism in other countries, particularly in the postsocialist countries.
Literature:


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UNCTAD, 2011, World Investment Report, Non-Equity Modes of International Production and Development