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Economic and Democratic Reforms: The Polish Example

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Co-founder and president of the Polish Chamber of Commerce

Article at a glance

- Free Enterprise and Democracy Network (FEDN) member Andrzej Arendarski, co-founder and president of the Polish Chamber of Commerce and former member of the Polish Parliament, discusses his personal experiences with strengthening democracy through market-oriented reform.

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30 Years of

Democratic & Economic Reform

For more than 25 years, CIPE has built strong relationships and programs with economic reformers around the world. Still, global forums on democratic development lack a concerted voice for the private sector and economic freedom. Realizing the need to express how democracy and a free market economy act as mutually supportive systems, CIPE has joined with leaders from business and civil society to create the Free Enterprise and Democracy Network (FEDN). FEDN's main objective is to advocate globally and regionally for economic reform as an integral element of democratic development, as well as to serve as a forum for likeminded reformers to share ideas and best practices.

FEDN member Andrzej Arendarski, co-founder and president of the Polish Chamber of Commerce, discusses his personal experiences with strengthening democracy through market-oriented reform.

1. “What does democracy mean to you?”

Democracy is freedom of choice, even bad choice. Democracy cannot be understood simply as a political system: it is a process in which nationals learn to be responsible for their choices. Both those who regularly vote in elections, and those who only do so every few years can change their minds—the vote is not given once and for all. The institutions that control society at different levels are also very important. Finally, democracy is free media that may preemptively indicate emerging social and political problems.

2. “Are economic freedom and the private sector crucial to a democracy?”

The Polish Chamber of Commerce actively cooperates with the Ministry of Economy on the deregulation of the laws affecting business. The first deregulation act came into force in July 2011; now we are working on the fourth. The work is essential to the reduction of bureaucracy that prevails in Poland. For several years, entrepreneurs have

fought to not have to apply for dozens of official certificates, and have fought for administrative procedures that are faster and easier. We achieved success in this field which can be seen in the improved ranking of Poland in the World Bank-Doing Business report. Polish people are very enterprising: by reducing the administrative burden we want to facilitate the operation of a business.

3. “How can others use your experience? What advices would you give reformers in other countries?”

The Polish example shows that even radical reforms can be performed without bloodshed. Polish beginnings were difficult and caused casualties among the protesters (protests in the ‘80s and unstable conditions), but we were subsequently able to conduct free elections without resorting to extreme violence or a military coup. A perfect example of how to peacefully demonstrate can be seen in the protests of the largest unions. For three days, thousands of union members protested in the capital. There were no burning tires, cars, or broken windows – the protests were held in a peaceful atmosphere. Humorously, rather than throwing eggs or burning the effigy of the prime minister, the union members gave him a full-sized statue, which in my opinion is quite pleasant.

4. “Why are economic freedoms and the private sector are important for democracy in your country?”

In Poland, entrepreneurs engaged in social dialogue and their voice is clearly heard. Of course, it depends on the political situation, but I can say that a lot of bills concerning business are widely consulted with entrepreneurs. It happens both by institutional organizations—such as the Trilateral Commission (which includes representatives of government, employers and trade unions) and business support organizations (including the Polish Chamber of Commerce, but also many

others nationwide)—as well as by individual public consultation. Of course, like any other interest group, we regret that our opinions and suggestions on the content of the law are not sufficiently taken into account by the government and parliament.

5. “Can you give a story or an example from your country of the big change in which you took part?”

Undoubtedly. Such a change occurred in 1989, with the restoration of democracy in Poland. It all started in 1980 when the Solidarity trade union was created, the first time in Polish history that a movement of united workers was created with a plan of action. It was the first Polish post-war movement to receive widespread public support. I was a witness to these changes, and I participated in them myself as an activist of the Solidarity union. In 1989 I was elected to Parliament, which in a very short time prepared a number of laws completely changing political reality in Poland. Poland became a fully democratic, sovereign state embracing the market economy. In 1992 I was appointed Minister of Foreign Economic Cooperation. The government, despite many difficulties, has developed a general nationwide privatization program. This allowed the transfer from inefficiently managed state-owned assets to private ownership. This process continues nowadays and it's almost finished.

6. “What is your vision for the future? What do you expect?”

The vision that I have for my country is: by 20Regarding the situation in Poland I have no illusions that we still have a long way to go before we can compare our economy to the rich countries of Western Europe and the Asian Tigers. All the time we are fighting for easier, cheaper, and safer lives for citizens and businesses in Poland. I hope that soon the EU's economic situation will improve and that will give a stronger boost to economic recovery in Poland. I expect that we will maintain social stability. Although Poland had consistent positive economic growth, the Poles

felt crisis in their wallets. I believe that, in spite of that, social dialogue will be conducted in a peaceful atmosphere. I am proud of the fact that Poland has cultivated a centuries-old tradition of tolerance for minority views. I believe that Poles, by their painful historical experiences, have learned that only consent builds prosperity and security.

Andrzej Arendarski - Ph.D. (humanities), is the co-founder and president of the Polish Chamber of Commerce since its creation. Arendarski is also a Chairman of Polish-American Advisory Foundation for Small Enterprises. Moreover, he is in the chair of the Polish Quality Awards committee. On January 1, 2008, he took on the post of Eurochambres' Vice President. He was a member of the Polish Parliament between 1989 and 1993. In 1992 he was nominated to the post of Minister for Foreign Economic Cooperation in the government headed by Hanna Suchocka. In 2002 – 2003, as the president of Tel-Energo S.A. and NOM Sp. z o.o., he worked on liberalization of Polish telecommunication market. He is an economic expert and the economist activist.

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