

PROCEEDINGS OF THE
INTERNATIONAL WORKSHOP ON

SOCIAL SECURITY REFORM

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Editors



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Chapter 3:
**The Outline of the Polish
Case**

Is sidestepping a proper solution to the social security reform problem? (and what should we know in order to answer the question) *

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1. Any social security system (SSS) is a dynamic system, which evolves over time whether essential formal changes are introduced into it or not. This *eigen*-dynamic evolution follows the shifts in the economic situation of the state and the society, the demographic dynamics, and the opportunities appearing outside of the formal SSS.
2. Thus, the *actual* SSS includes not only the state-provided or -secured formal structure, but also other elements in the mass behaviour of people tending to ensure well-being and health over a lifelong time horizon.
3. Depending upon what we call a *reform*, it may therefore essentially occur without any external formal modification of the SSS (a qualitative change in the actual system). Thus, in particular, the formal system may remain (roughly) as it is, while (i) an important part of the society turns to other (generally: multiple) mechanisms for (at least partial) satisfaction of the SS demand; (ii) these other mechanisms grow thereby in importance and effectiveness; (iii) the increasing portion of the society turns to them, and (iv) abandon, not necessarily formally, the existing SSS.

* Intervention at Panel Discussion.

Social Security Reform: the outline of the Polish case

4. Designing and implementing a reform of the SSS is a hard job (see, e.g. France). A government, not feeling secure enough, may wish to minimize the social, political and economic hazards related to the introduction of the potential reform. It will then try not to do anything risky, but rather to sidestep the change in the actual SSS by letting the substitute mechanisms develop and making the least necessary effort to maintain the existing SSS for those who have to rely entirely upon it. (In fact, it may even try to take outright advantage of the developing alternative system.)
5. Under definite circumstances this sidestepping strategy - making the way for the change, rather than trying to actively steer the situation - may turn out effective, and even perhaps optimal ("any point is an optimum, it only requires appropriate definition of constraints and/or the objective"). This strategy has to a large extent been put to work (or: allowed to happen) in the recent period in Poland.
6. In order to know how far we are from optimality/feasibility with a sidestepping strategy we must know the features of the processes indicated under 3. above: the role and significance of the alternative mechanisms of SS in the society, their dynamics, and the social and economic potential for their further development.
7. This, in turn, requires adequate *knowledge of the economic structure of the society and its dynamics*. We have to identify the distinct groups within the society who currently are and in future will make use of the alternative SS mechanisms, the degree to which they (can) do without the state-provided system, and the groups who by no means will be able to participate in this process, and so on.
8. In other words, it requires an in-depth study of the internal economic structure of the society and the processes going on within this structure, as well as changing it. Otherwise, intelligence will be lacking on those for (and to) whom various financial, economic and political levers will be applied, including the meaning of fairness, and this may result in a complete fiasco of even the most refined approaches.
9. Such a study is made possible by both the existing data on, for instance, household economy, available in many countries, including Poland - with perhaps only a slight extension of these data - and the most advanced data analysis methods, which will perhaps have to be tailored for this particular purpose.

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