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## **What does it all mean?**

Analysts and observers of the Polish privatization process are surprised by recent events. Following two years of three consecutive Treasury ministers marginalizing the sale of state assets, the new minister, a trade union activist, starts an unusually busy schedule – much to their chagrin. The three previous ministers of the present ruling coalition acted according to very similar scenarios. Soon after taking office, they announced ambitious privatization programs, to be implemented only in part.

Observers would explain this sluggish privatization in a variety of ways. Some asserted that privatization was unpopular among the electorate on the left. Others believed that keeping a considerable part of large enterprises under state control offered politicians an opportunity to influence their activity and to appoint managers and fill positions on supervisory boards. Still others presumed that what prevented officials from rapid privatization was the fear of shutting-down the ministry in the case of the privatization’s completion.

Sluggish privatization led to increasing budget debts and a decrease in foreign direct investments (FDI). Moreover, the process of modernizing and restructuring a large part of the economy ended. According to speculation among the media, attempted implementations of a more ambitious privatization project caused conflict between the ministers and the prime minister, entailing the ministers losing their jobs.

The parliamentary program of the present minister featured about 50 roughly formulated points, including mention of maintaining state ownership in the banking sector and in infrastructure enterprises. The new privatization minister’s most significant steps are the announcement of a list of 211 companies to be privatized this year and a change in the governmental privatization concept concerning the fuel sector.

Analysts are sceptical about the organizational feasibility of selling the long list. The source of their disbelief is the rather long privatization process, stemming from the legal necessity to go through complicated and time-consuming procedures. The situation doesn’t inspire optimism: a period of hasty but ill-considered decisions. Another possibility is a replay of the scenario which we have already seen three times.