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Notes on the country management system

1. Firstly, some truisms

Poland is a geographically allocated country. Therefore, we are a bit luckier than for example Curds, as our place under the sun is not only clearly mapped out, but also it does not raise objections. This allocation is a kind of demarcation from the environment. It is a most profound fact, building foundations for freedom, identity, security and other values. Still, there is no automatic link between geographic demarcation and such values. They must first be well defined and understood, then adopted and effectively realised. At the same time, demarcation immediately poses a problem of the attitude towards the environment, that is our closer and further neighbours as well as the natural environment.

At present, Poland is inhabited by nearly 38,5 million citizens¹ living on approximately 312 thousand km². Each of them, just like the country, is a separate entity. What makes them different from the country is for example their spatial mobility: Poland may at most have interest in the environment, but it cannot move out, the way some citizens do, for example to America. So far, it is not certain, either, whether Poland will ever be able to move out into space. The concurrent subjectivity of the citizens and the country as a whole begs the immediate question of their mutual relationship.

Each adult and capable citizen governs themselves. And what about governing the country? Demarcation from the environment means that it has to govern itself, solving internal and external problems just like its citizens. With population density of about 125 people per km² it is not possible for citizens, individually or in groups, to manage the country directly. It is necessary to develop a specialised country management system.

The role of such a system is currently played by the state. It is a necessary and critical system. Without it, it is impossible to run and develop the country as a whole, and besides, it influences the efficiency of those processes in a vital way.

Each country is a large and particularly complex system. As such, on the whole is it characterised by e.g. considerable inertia (changes require time). All this significantly affects the principles of management and government, i.e. the rules of shaping and utilising the state.

2. What you need to know, or on the key determinants of shaping and utilising the state

1) A country's longevity and success depends to a large extent on its capacity to self-supply itself (there is no such thing as a free lunch) and to produce economic surplus using its own resources (mainly, the territory it controls) and the environment (mainly, international exchange).

Self-supply and economic surplus can be treated as superior values, or as relative/absolute restrictions of longevity and success. By accepting these values as superior, we are favouring the attitudes and actions aimed at, or instrumental in producing the surplus and self-supplying. Other values (for example, the citizens' life and wellbeing) are realised only to the extent that our preference allows. The restrictive approach, on the other hand, means that other values are favoured (for example, the citizens' life and wellbeing), over the surplus and self-supply. The extent to which they are realised is relatively/absolutely restricted by the capacity of self-supplying and producing economic surplus.

Over the long term, the thesis from the first paragraph above (the law of economics) applies without reservations. This means that it is necessary to subordinate other values to

¹ State on 31.12.2014 r by GUS.

those of self-supply and economic surplus. In other words, “you cut your coat according to your cloth”. Diverging from this principle leads straight to degeneration (for example to printing extra money), or reducing the country’s developmental efficiency.

In light of the above, there occurs a problem of the subjects involved in self-supplying and producing the surplus at the level of the country as a whole. They are primarily citizens – entrepreneurs and enterprises, i.e. systems professionally involved in creating the economic surplus through self-supplying. Here, the state can only play a auxiliary, supportive and regulatory role.

2) W. R. Ashby’s law says that if the management system of a given object is to be capable of solving any problems with perfect efficiency, then its variety must be greater than or equal to the variety of the controlled object. It is impossible by definition, as the management system of the given object is its component. Moreover, it must also solve problems linked to the relationship between the object and its environment. Thus, management of the country by the state is subject to this law, which leads to the conclusion that it may only be sub-optimally efficient.

There are four key ways of improving the efficiency of management of a given object in light of W. R. Ashby’s law (the management law).

The first way is to increase the variety of the country management system, i.e. the state. When the variety of the state’s tasks and functions increases, so does the number of state officials and the instruments and tools they use, the information and communications systems become more complex. The second way involves decreasing the variety of the object being managed, i.e. the country. It is linked to the third way, i.e. decentralising management. For example, the number of units controlled centrally is reduced, the independence of the basic activity entities (for example, enterprises) is increased. Finally, improving the quality and efficiency of the structure and functioning of the country management system, i.e. the state, helps alleviate the negative consequences of the law in question.

It is not hard to notice that growth of the state generates costs. Hence, it is definitely advisable to use the other ways, and only use the first way, in a very balanced and rational way, as a last resort.

Consequently, we can say that there should only be as much state as is reasonably necessary for the efficient handling of super-individual problems, local, regional, national, international and global.

3) The quality and efficiency of the structure and functioning of the country management system is a problem for professionals. Shaping and utilising the state, for the benefit of the country as a whole, requires up-to-date, professional, and not random or ill-suited qualifications. They should be based on thorough, scientifically and practically grounded and solid knowledge about: 1) the object being managed (the development laws of social systems, the country, its characteristics and problems); 2) the nature of the country management and government system; 3) principles of designing and shaping, including changing, the country management and government system.

Knowledge and qualifications create the framework of basic categories of the country management system. The basis is to define policy, i.e. superior values which the country aims at, the doctrine and sources of power, which the management system must control, as well as to realise and acknowledge restrictions. Next, it is necessary to define the mission, vision, strategic goals and development strategy, making it possible to maintain the course of policy in view of internal and external changes. Finally, it is crucial to have an efficient enforcement system, i.e. implementing policy and strategy, efficient operational management as well as compliant and committed system for realising intentions.

All this calls for cohesion, compliance, stability and order in the entire system of the country, and also between the country management system (state), and its citizens and

communities playing their various roles. Excessive expansion of the state, its role and strength, leads to such phenomena as people and enterprises focusing to a relatively higher extent on connections and solving problems related to various offices, than on their primary operations. This leads to increasing costs which do not create added value, wasting time which could have been used in an alternative way, applying the strategy of “tuning” the information to suit the needs and expectations of officials, or developing corruption. Consequently, the scope for actual development, and ultimately the country as a whole, becomes reduced and retarded.

The politician and manager today is a sophisticated profession, and not an activity for randomly selected people blinded by ambition, self-importance and conviction of their historic mission.

3. In light of the above, how successful is Poland’s current management system

In none of the three identified areas is Poland’s management system doing very well, which means that opportunities are wasted. It is dangerous, in view of the determination and development efficiency of other countries.

In general, there are three factors of a country’s longevity and success: 1) own strength and capacity to apply and make use of it; 2) friendly and abundant (attractive) environment; 3) ability to produce positive synergies in the political and strategic situation (internal relations and relations with the environment). Unfortunately, the state does not work towards the high quality of those factors, neither does it control them in the sufficient scope and degree.

Using the school grading system, I give the state, understood as Poland’s management system, the grade of no more than (C -).

1) Civic and business entrepreneurship of the country’s inhabitants is definitely insufficient in terms of scope. Development conditions and respect for entrepreneurship by the state are far from the necessities stipulated by the laws of economics and another science. Favouring social and welfare values by the state makes economic surplus and self-supply inferior. The state’s social ambitions and liabilities exceed the actual capability of financing them. Re-nationalisation tendencies will further enhance the already excessive participation of the state as an economic entity on a micro-scale.

2) The state has developed excessively both in terms of its size (scope) and role (functions and power of influence). After 1989, there has been no serious discussion about the philosophy of the state, and its place, significance and participation in the country’s life and growth. Hence, the state keeps expanding according to the principle of positive feedback. The inability to deal efficiently with overlapping problems leads to further expansion. Additional funds are needed (growing costs of the state’s management and activity), hence fiscalism gains momentum, overwhelming other functions of the state. Once appointed, agencies start operating and growing according to the rules of bureaucracy. Ultimately, the W. R. Ashby’s law applies: stagnation or reduced efficiency of management, instead of growth.

3) The state is unprofessional. Disintegration, multi-level structure, centralisation tendencies, doubling functions, need for endless reconciliations, overlapping competencies of central vs. local administration – these are just some examples. As a result, there is no capability of enforcing and monitoring decisions, the state is alienated, languid, arrogant and corrupt.

Many spheres comprising the state’s core, or in which the state traditionally plays a major role, have not sufficiently improved since the so-called “real socialism” of the past. One could mention here: local government and administration offices; education at all levels; healthcare; national defence and army; police; public prosecution and the judiciary; the state’s involvement in conducting business. Personnel policy has little to do with rational,

professional positive selection, starting from the electoral system. There is excessive syndicalism and corporatism (trade unions; certain professions).

4. Conclusions and recommendations

Unfortunately, there is no good news. The foundations of social development are: the development level accomplished through history, the current balance of social and political forces and the structure of the country management system, as well as culture, knowledge and personal qualifications of citizens.

The state will not substitute for the market, entrepreneurship and competition. The country's social structure is petrified, monopolised, overly syndicalist. A large section of society mainly keeps reliving past sentiments, expecting none other than the state to satisfy their expectations. People nominally well educated have pseudo knowledge and skills. The attitudes embodied in sayings like "you deserve to get paid for just turning up for work, whether the job is done or not", or "public property is no-one's property" have not become quite obsolete. Understanding the need for and necessity of the "little, local homelands", the local and public good, such notions as the "homeland", is not tied to selflessness. The positive influence of the common good on personal success is still not widely understood, etc., etc. This level of culture is particularly striking in view of the relatively high extent of Catholicism in the society.

The current balance of social and political forces is a good reflection of the situation presented above. It stems from the civic structure and reinforces the existing, negative mechanisms. Our attitude towards other countries is a mix of megalomania and arrogance on the one hand, and subservience and imitation on the other.

None of the factors and foundations discussed above give any hope for substantial, prompt and positive changes in the citizens and the state. G.J. Stigler, a Nobel Prize Winner in Economics, wrote that there were two alternatives to the market: the state and prayer (G.J. Stigler, *The Citizen and the State*, The University of Chicago Press, Chicago and London 1975, p. 112).

If the state does not come to be headed by a great – in every sense of the word – leadership personality – I do not see much room for optimism. There is no third option: all that is left is prayer.