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ECONOMISATION OF SOCIAL POLICY

The subject of this study is the so-called economisation of social policy understood, however, not as rationalisation of activities of state agencies in support of specific social objectives, but as perception of social problems solely from an accounting perspective, that of a profit and loss account. While such a view may sometimes be justified considering the situation of public finance, it can, nevertheless, lead towards weakening of the state's protective function, and thus towards destabilisation of the social system. For that very reason it is necessary to find a "golden mean" whereby the two values, conflicting with each other at least to a certain degree, could be reconciled. Presented below are two representative examples of the phenomenon, as inherent in the practice of Poland's social policy of recent years.

1. In the most general terms, social policy can be defined as a set of activities of the State aimed at attaining specific social objectives including, in the first place, societal challenges which must not be left unattended for various, mostly axiological reasons. In this sense, social policy underlies, to a considerable extent, the system of social order protection, although, over a span of centuries, it took various forms and its efficiency varied. In the latter half of the 20th century, in many countries of what is termed as the Western world, a considerable progress was noted in the field of solving major social issues. This stirred premature hopes that the role of social policy, in its current shape, would decrease. Soon it turned out, however, that old problems had not been sufficiently addressed, new threats having been added to them. These include, for instance, the so-called demographic issue and the related, permanently rising problem of inadequate funding of the old-age benefits segment of the social security system, growth of social groups threatened with social exclusion, declining educational standards and, more recently, a large-scale influx of economic migrants from various parts of the world to Europe and the difficulties to assimilate them into the existing societies. Currently, social policy has also become a subject dealt with by supranational organisations, the European Union first of all. Originally, the European Economic Community was market-oriented. The governments of the six founding members of the EEC believed that relieving enterprises from restrictions arising from political divisions and granting equal rights to them would bring about, as a result, a stable economic growth translating itself into social development¹. Actually, with time it became obvious that national policies must be also stimulated in the social domain, initially in the areas related to economic integration (e.g. as regards coordination of social security systems is concerned), then also in matters of dignity (like equal treatment), up to the attempts to create a new European social order.

2. The following study aims at drawing attention to main problems of social policy in Poland in the beginning of the 21st century, i.e. within the period of about 20 years following the dramatic transformation of our country's socio-economic and political system. It seems possible to venture a guess that as far as the defining of a model of Poland's social policy is concerned, we are still at the stage of looking for target solutions that would respond, in a satisfactory way, both to the challenges of modern world and the civilisational aspirations of the nation. Given that Poland is, to a certain degree, a country representative for the region of Central Europe, it is worthwhile to make a few observations regarding one of main problems characterising modern Polish social policy. The issue in question is the problem of so-called economisation of social policy, as indicated in the title of this paper.

3. The economisation of social policy can be understood, in crude terms, as perceiving social problems through the lens of economic mechanisms. Taking into account economic rules in each kind of human activity must, in itself, be viewed as desirable – the economic approach is, after all, a synonym of a reasonable and prudent attitude, one built on awareness of the resources being at the disposal of those who undertake the activity. The actual problem arises when, talking about the economisation, reference is made to the approach recognising the market mechanism as a sole instrument of satisfying the demand for social goods. One of the prominent adherents of the idea was Friedrich August von Hayek, according to whom viewed as the supreme social good should be freedom of the individual. This is why he preached the concept of commutative justice, based on distribution of goods founded on value

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(understood as the price gained as a result of a free market game), and not on merit (which refers to axiological criteria)². The precedence of market rules makes it necessary to negate justice in wealth distribution not based on market allocation; the same concept is applied to the resolution of social problems.³

Yet viewed that way, economisation triggers a number of risks. First and foremost, the hazard of dehumanisation of the actions and methods applied in social policy has to be named. The final beneficiary of social policy is always a human being, seen in the individual's entire social and biological context. Satisfying elementary needs of any person must not be made conditional on his or her merits, social standing, or even amount of the person's resourcefulness, hence social problems must not be viewed only from the angle of economic calculus. Looking on issues of social policy from a purely economic (not to say accounting) perspective poses a threat of only apparent, and not genuine resolution of the problems. On the other hand, accumulation of non-resolved social issues may result in destabilisation of the social and, consequently, political system. The correlation in question can, in fact, be supported by numerous examples, ones from the 19th and 20th century in particular. It was, *inter alia*, thanks to reasonable social policy that congenial conditions for economic development and rather high living standard could be secured to the population of many a European country. And vice versa, lack of such a policy often resulted in disasters (such as social revolutions). No wonder that in socioeconomy also trends less radical than the neoliberal concepts of F.A. von Hayek may be encountered. For example, the followers of the social agreement theory point out to the need of striking a consensus in the process of distribution of goods. The theory explains, first of all, the decision-making mechanisms and ways whereby state affairs are arranged, but also makes explicit references to the social sphere. Under the theory it is being assumed that the precondition for a stable development of a country and its peaceful existence is reaching a consensus in the field of wealth distribution and that an inherent feature of democracy lies in negotiating political decisions.⁴ The unreliability of market mechanisms, when applied in the area of public sector, is also stressed by the theory of public goods. Market does operate successfully where certain conditions are fulfilled, enabling producers and consumers to make decisions that suit their individual preferences (the case usually taking place where it is private goods that are exchanged). When it comes to so-called public goods, other mechanisms of their allocation come into play, although complemented, on some occasions, by market mechanisms (an example being publicly funded private surgeries and clinics)⁵.

The above outlined dilemma to what extent market mechanisms should be considered in modern social policy is resolved differently in various states, depending on their socio-economic systems. Neo-liberal views on the subject are obviously different from those presented by the ideology of what is termed the social state (like the concept of welfare state), and between the two extremities there is a wide array of intermediate systems. It is quite obvious, though, that market factors may not be completely neglected in the process of resolution of social issues, as they rationalise the spending of public funds. Hence the question should not read "whether" but "to what degree" social aid is expected to bear market traits?

4. It has already been mentioned above what kind of negative consequences the economisation of social policy may entail if pursued in its extreme shape. At this point I should like to draw attention to another threat that may appear, one faced by us in Poland recently, in the years 2007-2015 in particular.

The period in question was a period of the economic crisis started in the USA in autumn 2008. The crisis affected many countries and regions of the world and has oftentimes be referred to as a global one. Although its direct reasons were closely related to the operation of financial institutions (mostly banks), its most painful effects became apparent in the social sphere. The reduction of demand for goods and service resulted in a fall of business turnover which further translated into mass redundancies and a rise of unemployment. In a majority of states struck by the crisis various activities were undertaken, aimed at protecting employees against negative consequences of the crisis. Among the put forth efforts an important place was taken by those supposed not only to (directly) protect labour market but also to support the people made redundant. The fact meant, *inter alia*, new burdens placed on the social aid system, the current level of funding of relevant schemes being – in most cases-retained.

In that situation undertaking austerity measures was only too natural; the financial stability of the states had to be preserved. The twofold way of dealing with the issue consisted either in purely mechanical reduction of the state's tasks or in lowering the standard of public services. Social costs of the measures were high, it is true, but avoiding to take actions would probably have led to much greater cost escalation. The problem was, however, that at least in part of the cases decisions were made to directly apply the most radical methods, without even trying to look for solutions milder from the social point of view (the situation resembling, to a certain extent, that of a patient being operated on without any previous diagnose or earlier attempts to apply a non-invasive treatment having been taken). At the same time, with the use of the apparatus of mass media and propaganda, biased in favour of the government, the society was being persuaded that the measures taken were not only indispensable, but simply the only ones that suited the situation. Certainly enough, the matter should be discussed more broadly here, the limitations of space not allowing to do it in the presented study. I will thus limit myself to indicating, as an example, two most striking manifestations of such an "accounting" approach to the social problems that emerged in Poland over a couple of last years.

5. Problem one is the issue of the retirement age. In 2012, despite pre-electoral announcements, the government launched a reform of the pension system consisting in gradual increase of the retirement age, which under the existing law was 60 years for women and 65 for men. As a result of the reform, a uniform retirement age of 67 years of age was fixed for both women and men, a transitional period having been determined to allow earlier retirement (with the age being raised by 1 month in each of the consecutive quarters). The reform met with a widespread social resistance, 2 million of signatures having been collected under a petition to hold a national referendum on the issue. The petition was rejected, though, and the reform was implemented.

The case seems to be a good example whereby the phenomenon of economisation of social laws, understood as handling a specific social problem from the accounting point of view, can be illustrated. There is no doubt that

under conditions of a growing deficit of the old age pension funding system some sort of remedial actions had to be undertaken. Perhaps even the raising of the retirement age (if only due to demographic changes resulting in extension of life expectancy and low birth rates) could have been contemplated among the remedies applied. It is doubtful, however, whether the dramatic and socially painful measure should have been carried out without earlier analysis of the situation and consideration if other solutions would not have proven sufficient. After all, it is clear that the condition of public finance (including social security system) is influenced by numerous factors. One of them is the ever decreasing number of those paying social security contributions (also due to the existence of what is termed as “black economy”, or the informal sector). Unfortunately, the government did not attempt to close loopholes in the collection of social security contributions (and other public levies), nor did it even try to undertake any analyses of the problem, although an improvement in the collection alone could have resulted in postponing the reform of the pensions system (if not in making it unnecessary). A purely mechanical move – the raise of the retirement age – may thus be perceived as a means to balance the social security financial system, but also as a proof of certain feebleness or ill will on the part of the ruling circles. Rather than make efforts to find an efficient and less painful solution, a decision to implement the toughest available measure was adopted. The “accounting” approach to the problem resulted in the issue of old age security having been completely lost of sight. The working life of part of the people was extended, while a considerable other part of the population was simply condemned to two more years of wretched existence on social aid funds.

6. Example two concerns the so-called “labour law evasion”. The phenomenon consists in concluding civil law contracts in place of contracts of employment where the latter are required by law. Persons with whom such contracts are concluded do not have the status of employees and are thus not subject to provisions of labour law. Consequently, they do not enjoy the social protection extended on employees. As a result, hiring people under civil law contracts is cheaper to those hiring than regular employment (under contracts of employment). Journalists have dubbed the hiring under civil law contracts “junk job” (and the expression has become customary in the colloquial language as well).

As the term of a “junk contract” is not a legal one, there does not exist any precise catalogue of such agreements. Actually, determining which contracts are the “junk” ones depends on the adopted conventionality. Counted among them are most often civil law contracts for work, i.e. contracts of mandate, contracts of services and contracts for a specified task or work (unless the terms and conditions stipulated by them are more advantageous than those secured under contracts of employment). In broader terms, referred to as “junk contracts” happen to be also temporary contracts of employment (concluded through a temporary work agency) or even contracts of employment for a definite period.

What does the “junk job” phenomenon actually consist in? Under the law in force there exist various legal schemes under which a job can be done. Besides work performed under employment relationship, based on various types of contract of employment, it is possible to apply other forms of hiring people, not provided for by labour law. Among the latter, of crucial importance for business practice are civil law relationships established using the above mentioned contracts of mandate, of services and contracts for a specified task or work. Both in the civil law and the labour law the general principle of freedom of contract applies, under which principle the parties to a contract are free to choose the type of the concluded contract and the legal relationship established thereby, although the rule does not proclaim absolute freedom in shaping the content of the relationship in question. Civil and labour law relationships have to correspond to a certain legal model determined by the existing legal order. Legal classification of each contract under which a job is done and the relationship established by the contract is based on the model standards. When creating a legal relationship the parties may form it at their own discretion, but are not allowed to give it other legal qualification than that following from the rules of law that provide for the type of the legal relationship established by them. The principle has been explicitly stated in Poland’s labour law, which stipulates that where a job is performed under conditions showing the traits of an employment relationship the legal relationship is an employment relationship regardless of how the concluded contract has been dubbed. The fundamental legal feature of an employment relationship is the subordination of the employee to the employer, meaning that the work is done for the employer under the guidance of the latter. Subordination understood like that is alien to civil law contracts. However, the problem is that hired to do a subordinated work under civil law contracts are persons that are offered lower protection standards and expected to pay lower public levies (e.g. social security contributions). The fact that doing a job on a legal basis different from a contract of employment is a real social problem stems mostly from the fact that, as explained earlier, the costs of hiring an employee are much higher than the costs entailed by a job done under a “junk contract”. Putting aside the level of public levies involved, taken into account in that respect must be the scope of employee rights, such as the right to minimum wages, social benefits, protection against dismissal, vacation holidays, paternal rights, rights related to the growing of children etc. All that entails costs, the main burden of which is borne by employers. Willing to avoid the expenditures, employers offer “junk contracts” while treating the labour force hired under them as if the persons were employees. The situation is thus one of rather free mixing of legal regimes of hiring people – from the employment relationship the guidance and power to manage the work of employees being selected, social costs and burdens being taken from the civil law forms of doing the job. Consequently, the legal system is reduced, as it were, to the role of a supermarket where only the components suiting the employer are chosen. Yet law hardly is a supermarket. Should the cheaper forms of hiring people, those offered by civil law, be selected, the power over those hired may not be established, as it is only under the employment relationship that it does really exist.

As the above described practice is contrary to law, employers risk to face legal liability. Until quite recently the liability was purely theoretical as, in practical terms, the governmental agencies did not duly enforce the duties stemming from relevant provisions of law. The fact was a result of a conscious political decision. Under conditions

of high unemployment, the State tolerated the existence of “junk contracts”, since it was, in fact, the simplest methods of dealing with the acute social problem. Following the idea “better such a job than none at all” it was assumed that persons hired under such arrangements could at least satisfy their most basic needs. Was it, however, really a way to reduce the scope of poverty, improve the stability of the social security financial system, resolve the demographic problem, secure the future of the young people not caring for their old age pensions yet (but bound to need them in future)? Did it not just mean that solving the actual issues would be postponed till later? Definitely the role of the State should be different. It was in the public interest to limit the problems, as they entailed negative social consequences⁶. Exploitation of the working people (for such was the nature of the „junk jobs” they were challenged with) must not be a way of combating unemployment. He that cannot afford hiring an employee is not supposed to hire one, just as a driver incapable of purchasing petrol will not drive it. The “better such a job than none at all” slogan, indicated above, merely leads us down a blind alley, as it dangerously reduces the already low standards under which people are hired to work.

7. Let me summarise the presented discussion by quoting a few facts. Towards the end of 2015 the political forces ruling Poland lost power. One of the reasons for that was, definitely, the economisation of social policy pursued, in its neo-liberal shape, throughout the years 2007–2015. During the electoral campaign it was social slogans, including restoration of the retirement age, that were put forward by the opposition. The new government, in power for more than two years now, radically changed the approach to social issues. With loopholes in the system of collection of public levies having been closed, the budget revenues grew and new tasks (including pro-social ones) could be financed. The flagship governmental programme is now a system of support provided to families with children. In addition, the much criticised pension reform was abolished relatively quickly and the previous retirement age was restored as promised. Hiring people under „junk contracts” is combated with ever more effectively, a way towards elimination of the problem being new rights granted to those doing „junk jobs” (such as the right to minimum remuneration or protection of working parents). It should be also rightly observed that the government has certain good luck, as with the rising business trends unemployment could be reduced (an opposite problem being observed now, that of labour shortages alleviated by economic migrations from other countries). What is important, none of the measures mentioned above have led to an increase in the budget deficit. It is still high, yet it amounts to half of the deficit with which we had dealt with before.

¹ L. Hantrais: *Social Policy in the European Union*, Palgrave 2007, p. 1.

² A. Sylwestrzak: *Historia doktryn politycznych i prawnych*, Warszawa 1994, p. 434.

³ S. Golinowska: *Polityka społeczna państwa w gospodarce rynkowej. Studium ekonomiczne*, Warszawa 1994, p. 31.

⁴ S. Golinowska: *Polityka społeczna...*, p. 25.

⁵ S. Golinowska: *Polityka społeczna...*, p. 38 et seq.

⁶ It was due to the fact that a record-breaking number of young people (1.5–2 million) left Poland, having emigrated, for economic reasons, to other countries.

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В.Ф. СИРЕНКО

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К ВОПРОСУ О ПРИРОДЕ ПОЛИТИЧЕСКОЙ ВЛАСТИ

Постановка проблемы. Исследование природы любого социального явления требует выяснения содержания общих понятий, что особенно важно для понимания политической власти. Ибо это дает ключ к раскрытию природы политики и государства. Закономерно феномен политической власти привлекал и привлекает внимание ученых разных отраслей социогуманитарных наук. Вместе с тем актуальность проблематики политической власти не может быть вычерпана в силу развития общественных отношений, постоянной трансформации общества и его институтов.

Анализ последних исследований и публикаций. Феномен политической власти имеет огромный научный багаж в виде наследия античной философии, политической мысли Средневековья, Нового времени и современных исследований в области политологии, науки о государстве и праве. В этом плане следует отметить вклад в развитие теории власти, политики, государства Аристотеля, Сократа, Платона, Макиавел-