VISION 2050: THE NEW AGENDA FOR BUSINESS IN POLAND

EXECUTIVE SUMMARY, MAY 2012
Long-term plans require immediate actions

Dear Readers,

The document which you are reading is the result of dialogue and partner co-operation between PwC, the Ministry of Economy and the Responsible Business Forum, developed with the participation of 150 representatives from companies, organizations and institutions.

The elaboration of the Vision was accompanied by wide-ranging consultations and dialogue. I believe that owing to the very effort of so many people we have been able to create a unique document, taking into account many issues of significance to the representatives of various business circles. I would like to thank all of the companies, organizations and institutions that helped create Vision 2050: The New Agenda for Business in Poland.

Company representatives are aware that for the sake of long-term, steady development we need harmony in the socio-economic environment. The report Vision 2050: The New Agenda for Business in Poland confirms that this is a common goal for the government and business. As representatives of businesses, we are ready to undertake measures to achieve it.

Vision 2050 defines the challenges and key areas, as well as indicates priority issues for business. We are hoping that on the one hand, it will become a unique tool for companies creating their long-term development strategies, and that on the other hand it will help the Government to create business-related policies and regulations.

The year 2050 seems very remote and such a distant perspective is rarely taken into account in the strategic plans of most organizations. However, in order to be able to function in the realm of a sustainable economy in 40 years from now, we need to take a number of steps right now. The key factor of long-term success, both now and in the future, is the way we manage our organizations and how we respond to challenges related to sustainable development.

I am glad that PwC could be the leader of such an important project, which is going to be reflected both in governmental policies and in business actions.

Olga Grygier-Siddons
CEO of PwC Polska Sp. z o. o.
dear readers,
in the light of dynamic global changes, particularly as regards the growing interdependency of the global economy and the effects of the economic crisis, sustainable development cannot be perceived as a challenge of the future any longer, but as an urgent need for a policy that allows the fulfilment of developmental aspirations of this and future generations.

the essence of this approach is reflected in the Europe 2020 strategy for smart, sustainable and inclusive growth. The implementation of the strategy includes National Reform Programmes, which identify priority actions from Member State perspectives. However, bearing in mind that socio-economic transformations require far-reaching changes in mentality and a revaluation of the principles of economy and society, the process of adapting market participants to the challenges of sustainable development should take place with the active involvement of a broad range of stakeholders.

therefore, I am deeply satisfied with the initiative of elaborating Vision 2050: The New Agenda for Business in Poland by representatives of the private sector. I am glad that managers and top managers of many companies operating in Poland have expressed interest in the project, demonstrating a sense of responsibility and awareness of the benefits of dialogue and co-operation. Moreover, priority areas indicated by the private sector representatives have turned out to be largely convergent with the challenges identified by the Government as part of the national development policy.

as with every process, sustainable development requires constant perfection, a sense of common responsibility for reforms and perseverance in overcoming barriers and obstacles. Apart from that, it is necessary to provide for a fair division of benefits and burdens related to the fulfilment of obligations. Responsible restructuring, consisting in seeking socially and economically justified alternatives, involving interested parties in the process of changes and shaping relations in supply chains, will play a significant role.

I would like to declare my full support for the process of implementing the Vision. I believe that the dialogue we are now witnessing will turn into a lasting inter-sectoral co-operation for the creation of a new socio-economic model that would be more socially equitable, sustainable in the long run and more immune to market shocks.

Waldemar Pawlak
Deputy Prime Minister, Minister of Economy
Opinion of business representatives on the future of our planet

Dear Readers,

Since 1992 the World Business Council for Sustainable Development (WBCDS) has represented the business opinion that it is aware of its social and environmental influence. The report Vision 2050 elaborated by the organization is an optimistic scenario that shows what the future may look like if companies all around the world take responsibility for sustainable development of our planet.

Since 2009 the WBCSD has been represented in Poland by the Responsible Business Forum, which in cooperation with the Ministry of Economy has undertaken, inter alia, to execute tasks aimed at raising awareness, exchanging experiences and creating a platform for dialogue between representatives of the public administration, sectoral organizations and enterprises, science and non-governmental organizations – in the field of sustainable development.

Vision 2050, coordinated by PwC in Poland, allowed to list civil challenges faced by Polish companies and to propose changes that should take place so that Poland continues to develop sustainably in 38 years’ time.

I hope that this document which presents the position of the business world will be a valuable complement to strategic documents prepared by the government and social organizations.

I encourage you to read this document.

Mirella Panek-Owsiańska
President of the Responsible Business Forum
Are Polish businesses and society ready to formulate their own vision of development, reaching several decades ahead? Twenty-three years ago, when systemic and economic transformation was set in motion, the main challenge was to survive and adapt to a dramatically changing environment. Nearly a decade ago, when our country was completing the negotiations concerning our membership in the European Union, the main issue was our ability to compete on the European market. Finally, when during the last several years the Polish economy managed to cope surprisingly well with the effects of the global crisis, there was a vision of not just adapting to but catching up with Western Europe within a few decades.

The way the Polish economy is coping with the global crisis may turn out to be a breakthrough moment in thinking of the further development of the country. Within the last four years, Polish GDP increased by over 15%, while in other European countries it still remains below the pre-crisis level (8% higher than in 2007 in Slovakia, which is doing best, and 17% lower in the weakest Latvia). Poland also posted leading growth among all OECD members (generally speaking – the West). Within those four years we have reduced the developmental gap between us and Western Europe quicker than ever in history, we have overtaken traditionally wealthier Hungary and, again the Baltic States. At the same time, we have maintained high financial credibility, avoided a sudden currency breakdown and a debt crisis. The Polish success has been noticed in Europe and elsewhere, translating into a strengthened international position of Poland. We are gradually becoming a normal European economy. The economy towards which nobody uses preferential treatment, which needs to compete with the world’s strongest economies and which must know how to cope with all the global challenges. Such economy should have ambitious goals. On the one hand, the target of catching up with traditionally wealthier neighbours and, on the other hand, gradually eliminating the problem of lower labour productivity and lower income, as well as making economic growth durable. On top of that, the purpose is to guarantee that appropriate social and civil development follows economic growth.

The vision of sustainable development for Polish business presented in this study highlights six basic areas that need changes so that Poland can meet the abovementioned ambitious developmental objectives. These are: social and human capital, infrastructure, natural resources, energy and quality of institutions. A general conclusion is that in all of these areas – covering the entirety of resources at Polish society’s disposal – we need to learn to act more efficiently and effectively, achieving better results with more limited inputs. Meeting such an objective is possible only if effective co-operation between state institutions, business institutions and civil society is initiated for the sake of elaborating solutions that are approved by and best for stakeholders.

Vision 2050: The New Agenda for Business in Poland: key challenges
Professor Witold M. Orłowski
As regards changes in the abovementioned areas, the same basic challenges, dilemmas and tasks turn up. Let me provide you with a few examples.

Firstly, progress in all areas depends on improved social awareness and education. It particularly concerns long-entrenched customs and habits that are changeable only as a result of patient and arduous work. Education plays a key role here: in all probability, it is impossible to build considerable human capital in Poland if such values as co-operation and looking for common interest are not inculcated by the goal-oriented educational system. Without it, we will not be able to build a real ecological awareness leading to desired attitudes of households and workplaces either. Improving the functioning of the educational system, enhancing its quality and adapting it to the challenges of the modern world is probably the main tool for executing the vision of sustainable development of Poland.

Secondly, hardly any significant progress in any area is possible without reinforced mechanisms of co-operation between people, institutions and sectors. We cannot build an efficient infrastructural system that would be compliant with ecological requirements without seeking common interest of various groups and institutions and without effective mechanisms of settling disputes. Without them, efficient public institutions cannot be established either.

Thirdly, streamlining the operation of public institutions is perhaps the greatest challenge Poland is facing today. In the short term, business can sometimes make use of the state’s inefficiency. In the long run however, without an efficient public sector and a well-designed legal system that favours development, it is impossible to execute necessary tasks for the development of human capital, or to improve infrastructure and provide businesses with favourable operating conditions that would allow competition on the global scale. In other words, reforming state institutions is a vital problem for businesses as well.

Fourthly, solving problems related to sustainable development also requires developing strategic planning abilities, both at the national level and at the level of particular organizations. Problems of the energy sector require making decisions decades ahead. Similar challenges are to be found in many other areas of infrastructure. Actions taken in the scope of education and research potential often produce effects after a long time. However, if relevant decisions are not planned and made beforehand, it often makes the fulfilment of objectives impossible.

Fifthly, even regarding actions spanning over decades, for example, improvement of education and social awareness – state and private institutions may accelerate changes and desired transformations. In many areas actions that constitute a shortcut in the process of changes can be taken. The example of such area is digitalization, where owing to the co-operation between the state and business, Poland can quickly eliminate the distance from the strongest European economies.

_Beyond doubt, the vision of sustainable development of Polish business will not be easy to materialize. Nevertheless, if we want Poland to eliminate the economic and civil gap that has developed for centuries, we need to find the zeal and resources that are necessary to make it._
In February 2010, the document Vision 2050: The New Agenda for Business was published by the World Business Council for Sustainable Development (WBCSD). Being aware of different development conditions and opportunities in particular countries, regional WBCSD organizations initiated such visions to be developed at a country level.

The process of the Vision development was initiated also in Poland under the honourable auspices of the Ministry of Economy and the Forum for Responsible Business. The project’s leader was PwC.

According to the assumptions, Vision 2050: The New Agenda for Business in Poland is the opinion of business in respect of the key challenges concerning sustainable development, which are faced by Poland and businesses which operate in Poland. In order to achieve the goal, the work within the project was based on two methods.

1. **Desk research**, 2. **Dialogue and consultations with business representatives**.

Within the framework of **desk research** key strategic documents concerning Poland were reviewed, including current and prospective trends, the current situation of Poland and coordination of the private sector.

**Dialogue and consultations with business representatives** constituted the main element of the development methodology of Vision 2050: The New Agenda for Business in Poland. In order to ensure comprehensiveness, reliability and transparency of the process and challenges defined, as well as issues which are important for business, a range of stakeholders were included in the process, especially business representatives. The total of almost 150 people from 115 organizations, including nearly 70 firms and seven business associations, took part in the meetings organized in the course of the project.

Based on the information obtained during consultation sessions, during which almost 40 topics were discussed, **six key areas** emerged which are priority areas from the perspective of sustainable development of Polish business, and a vision was formulated together with the actions necessary for such a development level to be achieved.

These areas include: social capital, human capital, infrastructure, natural resources, energy, as well as the quality of state and institutions. The areas are not the only ones in which actions should be taken towards sustainable future; however, they were indicated as the areas which must be addressed first.

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1The definition of Accountability – a dialogue with stakeholders is a process which enables inclusion of significant groups of stakeholders for implementing complex goals. This is a basic mechanism of accountability, because it obliges the stakeholders to dedicate themselves in order to identify, understand and answer to sustainable development challenges. (see: Accountability, AA1000 SES).
**Vision 2050: The New Agenda for Business in Poland**

<table>
<thead>
<tr>
<th>Area</th>
<th>Competitive and innovative Polish economy develops based on social capital</th>
<th>Optimum number of workers qualified adequately to the market needs</th>
<th>New, safe, environmentally friendly and accessible infrastructure</th>
<th>Resources used in sustainable way throughout their life cycle</th>
<th>Diverse and safe energy for a reasonable price, non-generating social or environmental costs</th>
<th>Foreseeable and clear attitude to entrepreneurs based on cooperation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feeling of common responsibility</td>
<td>Better mobility, especially internal mobility</td>
<td>Adaptation of/to new solutions</td>
<td>Creation of demand for sustainable infrastructure</td>
<td>New technologies/innovative solutions</td>
<td>Innovative methods of management which minimize negative effect on environment</td>
<td>Social plans concerning sector’s workers</td>
</tr>
<tr>
<td>Participation in proposed solutions</td>
<td>Systemic solutions which increase job availability</td>
<td>New technologies/innovative solutions</td>
<td>Sustainable production and consumption</td>
<td>Change of priorities</td>
<td>R&amp;D and new technologies</td>
<td>Safe and timely distribution</td>
</tr>
<tr>
<td>Change of life style and values</td>
<td>Activation of excluded groups</td>
<td>New technologies/innovative solutions</td>
<td>Change of priorities</td>
<td>CHange of priorities</td>
<td>Sustainable production and consumption</td>
<td>Transmission infrastructure</td>
</tr>
<tr>
<td>Creation of solutions which initiate and stimulate cooperation</td>
<td>Change of life-style and values</td>
<td>Strategic thinking about infrastructure as a tool for sustainable development</td>
<td>Building an attitude of co-responsibility for the consequences of natural resources scarcity</td>
<td>Common strategic decisions concerning energy sources</td>
<td>Change of thinking of roles and tasks of the state and the entrepreneurs</td>
<td>Change of thinking of roles and tasks of the state and the entrepreneurs</td>
</tr>
<tr>
<td>Social capital</td>
<td>Human capital</td>
<td>Infrastructure</td>
<td>Natural resources</td>
<td>Energy</td>
<td>State and institutions’ quality</td>
<td>Participation-optimum level of red tape-cooperation for new solutions worked out-institutional learning</td>
</tr>
</tbody>
</table>

**Key success factors:**
- Education, innovation, cooperation
- Strategic thinking about infrastructure as a tool for sustainable development
- R&D and new technologies
- Innovative methods of management which minimize negative effect on the environment
- Social plans concerning sector’s workers
- Change of priorities
- Change of thinking of roles and tasks of the state and the entrepreneurs
- Reflection on the consequences of natural resources scarcity

**Important for the future:**
- Better mobility, especially internal mobility
- Systemic solutions which increase job availability
- Activation of excluded groups
- Activation of excluded groups
- New technologies/innovative solutions
- Sustainable production and consumption
- Change of priorities
- Change of thinking of roles and tasks of the state and the entrepreneurs
- Reflection on the consequences of natural resources scarcity
Social capital includes social norms and values which enable effective cooperation to members of society, and ensures citizen's trust in public institutions and to one another. Due to this fact sociologists regard it as an essence of civil society. According to numerous research, the level of social capital is strongly correlated with material welfare, the level of civil society and with other life quality measures. According to Professor Janusz Czapiński, a high level of social capital facilitates business, as it leads to lowering transaction costs, facilitates negotiations, shortens investment processes, decreases corruption, increases the reliability of contractors, leads to long-term investment and diffusion of knowledge, limits abuse of common goods, and fosters intra-group solidarity, third sector development and social control of authorities.

With respect to positive economic effects, the support of social capital building is not only a challenge for authorities and non-governmental institutions, but also is in the best interest of Polish business. This, however, requires business representatives to take efforts which exceed practices used currently in internal as well as external relations.

The most important challenges for business within this area

- Building social trust
- Reinforcing cooperation

Necessary actions to be taken by business and other stakeholders

Business representatives are aware that they can themselves take many actions which will lead to the creation of a competitive and innovative economy which will develop based on social capital. The participants of consultation meetings conducted within the framework of preparing this document often indicated a need to increase trust and transparency and a necessity for dialogue and cooperation (social capital elements) as key factors for the success of implemented undertakings.

Business representatives also underlined that in order for the Polish economy to develop based on social capital, it is first and foremost necessary to create solutions and mechanisms which shall enable dialogue and stimulate cooperation on various levels. This is the task of various institutions and organizations, and it should be inspired by the state, both within the framework of the education system as well as within the framework of market actions. The establishment of mechanisms and a framework for multi-party cooperation is necessary for taking further efforts towards changing the system of values, consumer attitudes and lifestyle based on trust, partnership and responsibility.

For the above mentioned initiative to be successful, actions are necessary to make all participants aware of the role of transparent, responsible and open communication as a factor which builds trust not only among people, but...
also in business. It is necessary to motivate and encourage employees, employers and widely understood entrepreneurs to participate in the proposed solutions. Social dialogue of business together with its environment and transparency of trade relations, partnership relations and ownership relations will contribute to building capital based on trust.

The last step should be increasing the feeling of common responsibility for the results of actions and projects and encouraging market stakeholders to actively participate in the economic life of Poland, inter alia, within the framework of social economy.

**Business requires:**

- Promoting social activity by creating market mechanisms which reward such activity;
- Creating and implementing the tools for dialogue with the environment;
- Stimulating the development of social capital in own organizations by means of work, adequate requirements towards employees, building an atmosphere based on promoted values;
- Promoting and rewarding an ethical and transparent approach to business operations;
- Shaping responsibility among consumers via pro-social products and services;
- Inviting to cooperation and implementing joint actions and projects with other private sector entities, institutions and organizations from other sectors, as well as with local authorities;
- Searching for new ways for funding and developing innovation;
- Striving to improve transparency, e.g., in the scope of environmental and social aspects, as well as corporate governance.

**Business sees its role in:**

- Mechanisms rewarding cooperation between business entities and inter-sectoral cooperation;
- Standards serving improvement of access to information on economic, social and environmental aspects of business operation;
- Cooperation and dedication of social organizations and social economy entities in animation of the social activity of individuals;
- Adoption of a long-term action plan by partners to facilitate long-term and stable cooperation with business;
- Cooperation-oriented attitudes to be learnt from the earliest stages of education;
- Systemic solutions targeted at promoting good business practice in the area of social responsibility of business;
- Support of entrepreneurship development and social innovations targeted at the implementation of common goals of local communities;
- Openness of public officers and politicians to dialogue with business.

### Percentage of people aged 16 and above who believe that people most frequently try to be helpful

<table>
<thead>
<tr>
<th>Country</th>
<th>ESS 2006/7</th>
<th>ESS 2008</th>
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<tbody>
<tr>
<td>Denmark</td>
<td>40.8</td>
<td>34.3</td>
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<tr>
<td>Sweden</td>
<td>44.3</td>
<td>36.8</td>
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<tr>
<td>Norway</td>
<td>49.2</td>
<td>37.3</td>
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<tr>
<td>Finland</td>
<td>41.2</td>
<td>32.1</td>
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<tr>
<td>Ireland</td>
<td>43.1</td>
<td>34.5</td>
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<tr>
<td>UK</td>
<td>26.8</td>
<td>25.4</td>
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<tr>
<td>Switzerland</td>
<td>25.0</td>
<td>22.9</td>
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<td>Italy</td>
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<td>20.7</td>
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<tr>
<td>Spain</td>
<td>23.1</td>
<td>18.5</td>
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<td>Portugal</td>
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<tr>
<td>Germany</td>
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<tr>
<td>Austria</td>
<td>11.7</td>
<td>12.0</td>
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<tr>
<td>The Netherlands</td>
<td>8.2</td>
<td>11.7</td>
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<td>Hungary</td>
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<td>Belgium</td>
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Human capital, which is understood as skills, abilities and knowledge of employees, belongs to a category of non-material assets which are of key importance for implementing any corporate strategy. Managers in Poland are more and more often aware of the fact that human capital, while being an asset which is difficult to copy by competition, forms a major source of durable competitive advantage. High quality human capital increases the effectiveness and efficiency of work, while contributing to generating innovative solutions which ensure faster economic growth, which in turn leads to improved quality of life.

The most important challenges for business:

- An aging society and a decreasing number of births
- Poverty, social exclusion and stratification
- Exclusion of the disabled from the job market
- Low job mobility of Polish society
- Adjusting education to job market needs
- Continuing education of persons over 24 years of age

Necessary actions to be taken by business and other stakeholders

Business representatives are aware that the vision of an optimum number of the work force which is skilled according to the job market needs is not easy to materialize.

It is worth to start the way to materialize the Vision by changing lifestyle and the system of values and attitudes. Combining the professional role and social role, namely having children, and more and more often - care for the elderly, will enable to mitigate the risk of a lack of the work force.

The subsequent actions should include activating those excluded – i.e., the persons who currently are not participating in the job market due to, inter alia, disabilities, the lack of adequate skills, education or due to age. It is necessary to identify all important groups, and then to take actions for them to be reinstated to the job market or in some cases – included.

In order for those initiatives to be effective, it is also necessary to establish systemic solutions increasing access to work. Such help may be provided by an efficiently operating system of child care (nurseries, kindergartens), as well as new technologies, which open access to work for those who cannot leave home for whatever reasons. This also means educating actions and increasing competence concerning the use of computers and the Internet.

Another step to achieving the goals of the Vision should be increasing internal mobility. So long as the Polish population is not ready to move away from their home town to look for work at some far-away location, high unemployment will exist everywhere except around agglomerations and factories.

Looking at the development of the education system in Poland, the number of universities and the number of graduates, one can clearly see that young Poles understand the meaning of investing in their own development. It is, however, necessary for such an attitude to become universal, and characteristic also of those hitherto totally or partially excluded from education and from the job market. It is necessary to develop new forms of remote work, so that people who are still studying and do not have direct access to the job market could in this way use acquired qualifications.

Business representatives believe, however, that in order for these efforts to pay out in the future, it is necessary to create a cooperation platform and to stimulate cooperation of business with stakeholders such as the government, schools and NGOs in the scope of formulating and communicating long-term business demands for skills and qualifications. This should result in better adjustment of the education system to the needs of the job market, decrease unemployment and at least partially solve the exclusion problem.

Another step should include a change of the way of perceiving people, and to perceive them not as resources, but as a component of social capital – a unique source of comparative advantage. This must be accompanied by building and promoting an organization culture based on the belief that each type of work is important and every employee on every position should be respected.

Business requires:

- Workers who from the very beginning of their education process are taught practical skills necessary on the job market (e.g., team work), experts educated appropriately with the job market needs;
- Workers who have skills resulting from studying science-based subjects;
- Adjustment of education to market needs via closer cooperation of science and business, establishing
an institutional framework for such actions; cooperation with research and development centres should be targeted towards innovative development of particular branches;

• Knowledge of the characteristics of scientific and academic work, a platform for information exchange, dissemination of research results, promotion of good practices which improve the capabilities of human capital development;

• Systems activating disabled persons and those at risk of being excluded, which are favourable for both employers and employees;

• Workers persuaded early in their childhood that they must study all their lives;

• That access to new technologies and the latest market knowledge is provided to students of all ages;

• Shaping soft competencies, promoting mobility between the sectors, systemic thinking, etc.;

• Shaping entrepreneurial and innovative attitudes targeted to cooperation;

• Students without stereotypes concerning work, e.g., associating certain jobs with a particular sex;

• Solutions which will prevent emigration of those skilled and the educated.

Business sees its role in:

• Cooperating with schools and universities – sharing practical knowledge and skills;

• Defining business needs concerning competencies and graduates’ skills;

• Creating informal education forms helping acquire competencies which are necessary in the market at a given moment;

• Cooperating with the public sector in terms of creating solutions activating the unemployed;

• Creating and using systems based on new technologies supporting employment flexibility; Implementing solutions enabling and facilitating combining work with private life;

• Creating possibilities for young people and graduates to acquire practical knowledge, e.g., via internships and practices;

• Using the potential of the elderly via creating jobs and conditions for work for such people;

• Building a work ethos and perceiving work as value;

• Developing the research and development domain as a factor stimulating social and economic development;

• Creating new models of management responding to new challenges, inter alia, demographic ones;

• Responsible conduct of difficult restructuring processes.

Table 01: Data GUS

At-risk-of-poverty rate for households in % in the years 2008-2009

<table>
<thead>
<tr>
<th></th>
<th>2008</th>
<th>2009</th>
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<th>2009</th>
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<tr>
<td></td>
<td>Total</td>
<td>Total</td>
<td>Relative poverty threshold</td>
<td>Statutory poverty threshold</td>
<td>Extreme poverty threshold</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>17,6</td>
<td>17,3</td>
<td>10,6</td>
<td>10,5</td>
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<td></td>
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<td>16,5</td>
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<td></td>
<td></td>
<td></td>
<td>36,8</td>
<td>28,5</td>
<td>17,6</td>
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<td>6,2</td>
<td>4,9</td>
</tr>
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</table>

Source: Data GUS
Infrastructure is one of the most important criteria of the social and economic development of a country. Construction, transportation and telecommunication infrastructure determine the quality of life, affecting job creation, regional development and growth in other sectors at the same time. It is difficult to overestimate the effect of infrastructure on the effective operation and success of firms, as well as attracting investors. Because of globalization and the fast pace of changes in the market environment, it is not enough nowadays to produce high quality products. Equally important aspects of competition include the flexibility of reaction to market needs, flexible product and information flow in the supply chain, as well as reliable service to clients. In this context the availability and quality of infrastructure become important elements of competition. Challenges related with construction and modernization of the existing infrastructure overlapped with other very important problems – the need to protect climate, the increase of fuel prices, growing stratification of society and the biggest economic and financial crisis since the 1930s. In this situation it is necessary to conduct actions aimed at the development of sustainable infrastructure and people and environmentally friendly mobility.

The most important challenges for business

- Establishment of a sustainable transportation system
- Condition and development of road infrastructure
- Condition of railway infrastructure
- Development of intermodal transport
- Development of air transport infrastructure
- Development of sustainable public transport
- Equal access to new technologies
- Development of a sustainable construction sector

Necessary actions of business and other stakeholders

Business representatives who made addresses during the session preceding the preparation of this report underlined that the modernization and development of broadly understood infrastructure and ensuring high quality of transport services were an urgent task for business as such and for state and local government as well.

In order to achieve the goal of Vision 2050 defined as "modern, safe, environmentally friendly and accessible infrastructure, it is necessary above all to change the perception of infrastructure, which should be treated as a tool on the way to sustainable development, and not as a goal in itself. Thus, building a certain number of kilometres of motorways, modernization of railway infrastructure and ensuring access to the Internet throughout Poland should be perceived as measures which make us come closer to achieving the goal of sustainable development, such as limitation of greenhouse gas emissions, noise, ensuring safety of passengers and elimination of digital exclusion, translating into an increase of the number of active market participants. If we want to achieve this, we must develop a strategy for transport development\(^1\), in which the actions would be coherent with other documents, such as the White Book of the European Commission. In order for the development of infrastructure to follow in a reasonable way, taking account of social, economic and environmental needs, effective cooperation will be necessary among the state government and local governments and NGOs supporting promotion actions concerning safe use of infrastructure.

Another step should be the introduction and implementation of new, innovative solutions and using new technologies. If the proposed solutions are to become a source of real value, it is necessary to create a demand for sustainable infrastructure. It is not sufficient to offer a choice of, e.g., means of transport to the inhabitants – one has to start actions to increase awareness and educate on sustainable transport. These actions will make people consider sustainable development when they make decisions on travelling. Changing the model of behaviour could be helped by closer cooperation with NGOs, who have already taken downstream actions to shape more responsible attitudes among the inhabitants.

Infrastructure is an area which changes dynamically, this is why it is also necessary to adapt new solutions to the social needs and vice versa. This means on the one hand continuous improvement of the existing ideas and solutions, and on the other hand, caring for their users to understand those changes and have updated knowledge to use them.

Business requires:

- Systems and solutions promoting sustainable transport (e.g., concessions for businesspeople using intermodal transport or exchanging the fleet to a more environmentally friendly one);
- Tax legislation favourable to businesspeople, including a system of incentives for creating infrastructure which

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\(^1\) In this section we focus on the most important issues, in our opinion, concerning transport infrastructure, sustainable construction and ICT infrastructure. Energy infrastructure issues are addressed in the section on energy.
enables to fulfil higher safety requirements and sustainable development requirements than those defined in the current legislation;

• Working out a system of incentives whereby it will be possible to divide transportation tasks so that more environmentally friendly means of transport are used to a maximum possible degree;

• Using public procurement to create sustainable infrastructure by means of more environmentally friendly methods (e.g., via so-called green public procurement);

• Possibility of partner participation in creating a legal, organizational, economic and financial framework for a broadly understood sustainable infrastructure;

• Coherent state transportation strategy;

• Infrastructure, the quality and availability of which enables implementation of sustainable transportation rules, and a further development of which shall not hinder access to everyday destinations to persons who do not use cars;

• Using communication and information technologies in administration (e.g., development of e-administration);

• Infrastructure, a further development of which would follow based on the rules of sustainable development, especially on urbanized areas;

• Preparing good master plans taking account of the needs of infrastructure development and sustainable development, including life quality of inhabitants;

• Adequate support for the disabled, e.g., ensuring access to devices equipped in certain amenities;

• Providing local, cheap and fast micro-transport for those commuting to work;

• Developing an intelligent transportation network and increasing multimodality of transportation in order to optimize the supply of goods and services, improving accessibility to infrastructure via creating hubs (car-parks, bus/tram stops, main passages);

• Ensuring complementariness of infrastructural investment (road, railway, transfer of energy, etc.) on a local, regional and global scale;

• Developing social, cooperative and municipal buildings which respond to the challenges of a low-emission economy and eliminate mobility barriers for employees;

• Precise legal regulations and principles of good practice for the implementation of infrastructural investments on the basis of Private-Public Partnership.

Business sees its role in:

• Creation of infrastructure in accordance with sustainable development rules;

• Support of education and access to new technologies to the youngest and to the elderly;

• Building coalition between firms and inter-sectoral alliances for the development of market, IT services, while increasing security of using new technologies, including secure electronic data circulation at the same time;

• Promotion and implementation of sustainable transportation rules in its organizations;

• Creation of infrastructural solutions helping break physical barriers of access (adequate equipment, software eliminating constraints) to the disabled;

• Ensuring training in the scope of using IT Technologies, showing the benefit of such technologies;

• Showing benefits of developing various forms of mobility, warning about sedentary lifestyle and supporting active lifestyle among workers;

• Making responsible investment.
The natural environment functions based on a steady flow of energy and circulation of matter between particular system elements, which conditions immunity of the environment to anthropogenic factors. At the same time the amount of raw materials used by the economy and the amount of emissions, as well as the amount of waste, reveals the scale of environmental burden, while exceeded concentrations of pollution may durably distort, e.g., the bio-geo-chemical balance of the system, and result in irreversible changes in the natural environment.

The most important challenges for business:

- Rational and effective coal resources management
- Protection of other non-renewable resources
- Saving and improving water quality
- Provision of resources for food production and their effect on the environment
- Limitation of biodiversity
- Change of life style and attitude to using resources
- Intervention in eco-systems

Necessary actions of the business sector and other stakeholders

In order that in 2050 the resources can be used in a sustainable way throughout their whole life cycle, a need arises to shape an attitude of co-responsibility for the consequences of natural resources deficiency. Everybody, at the level of individuals as well as organizations, should be aware that everybody uses natural resources and everybody experiences the negative effects of their deficiency. Educational actions are necessary to change priorities. A change of perspective is needed in resources management to the one which is more long-term oriented and the benefits of such policy should be shown. We should not only educate and motivate for action, but we should also promote and enforce sustainable production and consumption patterns, thanks to which both producers and consumers, at different stages of product life cycle, will take account of the way it is used.

The rapid increase of the world’s population and inclusion of subsequent people groups into the market economy provides for growing compatibility for non-renewable natural resources, and their rise in prices as a consequence, as well as growing protectionism as regards rare resources. In such a situation the reduction of material and energy consumption by economic entities, as well as increase of the importance of the closed-loop economy should become key and long-term postulates to business.

The implementation of the above mentioned goals should be supported by actions from the area of research and development, design and new technologies, thanks to which new products will be more energy efficient in use and will feature less material consumption throughout the life cycle. For effective and comprehensive implementation of actions towards sustainable resource management it is important to use innovative management methods which minimize negative effects on the environment. Thanks to them business actions in all areas of an organization’s operation will be analysed from the point of view of environmental effect and possibilities of its reduction.

Business requires:

- Coherent, predictable system of regulations, prospects, analysis of economic, environmental and social impact of implemented environmental regulations, limiting administrative constraints;
- Creation of policy in relation to sectors being at risk of reduction or liquidation, the use of responsible restructuring principles;
- Financial support for firms which implement investments and restructuring, which help reduce negative impact on the environment (e.g., offering better access to capital for investments in the scope of eco-innovations);
- Development of a system of incentives such as, preferential credit, which could enable funding pro-environmental solutions or tax releases;
- Support of the education system in the scope of building greater eco-awareness in society, including knowledge concerning the effect of production and consumption to the environment (within the whole value cycle);
- Legislative provisions thanks to which clients are clearly informed about the products and are able to compare them in terms of carbon footprint or other environmental indicators;
- Transfer of knowledge and technical and organizational innovations implemented in other countries concerning environmental protection, from the simplest ones, which can be used in the household, to industrial ones;
• Possibility to deepen knowledge on possible actions to decrease environmental effect, e.g., free training or cooperation with undertakings which have already introduced such solutions;

• Dialogue with stakeholders concerning risks related with resources exhausting and possible remedies;

• Stability of law in relation to the system of energy certificates and support systems for firms reducing greenhouse gas emissions;

• Support to firms who reuse waste for production or treat it safely themselves;

• Cooperation with promotion and education campaigns concerning sustainable consumption, value of eco-system services, etc.;

• Taking account of protection of eco-system services in consumer decisions;

• Incentives and rewards for firms which optimize the use of resources.

Business sees its role in:

• Looking for and creating technological, product and business (organizational) solutions enabling to decrease the negative impact of their operations on the environment;

• Educating consumers, shaping responsible attitudes (e.g., sustainable consumption);

• Investing in novel technologies which decrease industrial nuisance to the environment and helping decrease the use of resources (energy and material consumption in the supply chain);

• Creating partnerships with academic and scientific units in order to develop and implement eco-innovations in industry, e.g., in the framework of a green technological park, development clusters, etc.;

• Establishing sectoral coalitions, innovation centres, cooperation in research and development;

• Undertaking more and more ambitious voluntary commitments – individual or sectoral, in the scope of reducing the use of resources and environmental impact;

• Participating in the development of environmental policies.

### Table 02
**Hard coal production** (in millions of tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>95.2</td>
<td>88.2</td>
<td>84.5</td>
<td>78.0</td>
<td>76.2</td>
<td>75.7</td>
</tr>
</tbody>
</table>

Source: Data GUS, Source: The materials at XXV Conference „Issues of energy resources and energy in the domestic economy. Energy Situation in Poland, subst. National Energy Balance - ARE.

### Table 03
**Lignite production** (in millions of tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>59.6</td>
<td>57.5</td>
<td>59.4</td>
<td>56.9</td>
<td>56.3</td>
<td>62.7</td>
</tr>
</tbody>
</table>

Source: Data GUS, Employers’ Association Porozumienie Producentów Węgla Brunatnego

### Diagram 02
**Water consumption by the national economy and households in 2009**

- **Industry**
- **Households**
- **Water used in farming and forestry and water used to fill and replenish fish ponds**

- 15.00%
- 11.20%
- 73.80%
The Polish energy sector faces serious changes. High demand for energy, old-fashioned production and transfer infrastructure, significant dependence on external supplies of natural gas and crude oil, as well as obligations concerning environmental protection, including those concerning climate, make it necessary to take firm actions to prevent a worsening of the situation regarding fuels and energy consumers.

The most important challenges for business:

- Diversification of energy sources in view of climate challenges
- Provision of energy security
- Development of transmission infrastructure and a smart grid
- Diversification of the supply of energy resources
- Expansion of the national system of gas transmission
- Increase of energy efficiency
- Development of novel and competitive energy and fuel markets

Necessary actions of business and other stakeholders

In order to provide Poland with secure energy supplies originating from diversified sources, at a reasonable price and not generating social and environmental costs, it is first necessary to make strategic decisions concerning energy sources, common for all entities operating within the economy.

The next step should be creating appropriate regulations, which will help in efficient energy market management. The decisions should be made based on a dialogue with business representatives, experts and energy market stakeholders.

Another necessary action is implementing new technological solutions and expansion and modernization of transfer infrastructure, which will help not only increase energy efficiency, but also optimize costs and processes, and decrease negative environmental impact related to production, distribution and use of energy. For business safety and stability it is necessary to provide for secure and timely deliveries, which are guaranteed by modern infrastructure and an appropriate supply of energy originating from diversified sources.

Changes in the energy sector on the one hand help reduce the negative impact on the environment, and on the other hand carry a social risk concerning, e.g., sector restructuring. Because of this it is necessary to prepare action plans, which help reduce social costs related with changes in the sector.

Business requires:

- Scientific research aimed at the development of new technologies;
- Introduction of solutions supporting firms investing in their own capacity, especially based on renewable sources;
- Actions aimed at increasing the level of security in the energy sector;
- Building platforms for cooperation and exchange of knowledge among various circles interested in sustainable development;
- Support and development of a modern energy market;
- Educating people from their earliest childhood to increase their awareness and to change attitudes concerning energy use;
- Stability of law, especially in relation to goals of CO2 emission reductions and systems of energy certificates;
- Partner treatment, inter alia, in the domain of research and development for new energy sources;
- Development of smart grids enabling significant improvement of energy efficiency in the energy sector and market;
- Creating mechanisms which enable implementing EU climate Policy while minimising social costs and adverse economic effects;
- Launching EU programmes for energy sector development similar to the programmes for agriculture;
- Creating a system of incentives to increase energy efficiency standards in the construction industry.

*, “Poland’s energy Policy by 2030”, adopted by the Council of Ministers on 10 November 2009
Business sees its role in:

- Educating consumers on rational use of energy;
- Announcing requirements to partners in the supply chain in the scope of optimization of energy use and the use of renewable sources;
- Shaping desired attitudes which facilitate energy efficiency;
- Investing and looking for new energy sources and new techniques of increasing energy efficiency;
- Investing in quality, extending product life cycle, introducing products reducing energy consumption to the market;
- Creating inter-sectoral coalitions, the aim of which is to respond to key challenges concerning energy use;
- Increase the level of transparency of own operations – sharing knowledge and good practices.

Diagram 03  Source: Report „Polska 2030” based on the PGE study

Domestic transmission system
The mere good will and resources owned by business organizations are not enough to implement the goal of sustainable development. Business needs efficient cooperation and support of the state and state institutions, as well as a favourable environment, which can be created only by the state. Only by cooperation of private and public partners may ambitious actions aiming at the implementation of Vision 2050 goals be taken.

The most important challenges for business

- Reinforcing inter-sectoral cooperation
- Reducing red tape and improvement of the service quality of state offices
- Stability of law and foreseeability of institutions
- Development of entrepreneurship

Necessary actions of business and other stakeholders

One of the challenges which hinders common actions for sustainable development of the Polish business is the lack of cooperation and dialogue between the representatives of public and private sector and unfulfilled expectations of both side towards each other. It is thus necessary to change the perception of the roles and tasks of the state and the entrepreneurs, to build mutual trust, and to persuade that the state should not act as a custodian, but it should create appropriate conditions in which business will efficiently operate. A change of the perception and broader opening to cooperation and dialogue is also a possibility to learn from each other, to use and implement good practices. Firms as founders of state economic development should be partners in a dialogue and cooperation to the government in relation to the challenges faced by Poland. Only effective inter-sectoral cooperation provides an opportunity to effectively search for new solutions for the country's problems.

For Vision 2050 to be implemented it is also necessary to provide an optimum level of bureaucracy, i.e., one which guarantees order and clear rules of operation, and which does not constrain the development of business and entrepreneurship.

In order to achieve the goals of Vision 2050, concerning a foreseeable and clear attitude to entrepreneurs based on cooperation, a need arises to work out ideas together as well as for business representatives to actively participate in the implementation of the principles and ideas worked out.

Business requires:

- Stable legislation supporting sustainable development, which is enacted taking into account social consultations, clear, fair and unchangeable rules of conduct towards business;
- Reliable impact assessment of regulations introduced; Strategic thinking and planning beyond the election campaign;
- Implementing exemplary projects in the framework of PPP in order to create good practices and show the benefits of partnership, hybrid development of the partnership model (combination of EU and private funds);
- Effective and business-friendly administration using new information technologies to communicate and to improve the quality of service provided;
- Greater openness to dialogue from the state authorities and law-making institutions in Poland;
- Creation of platforms or business cooperation with state administration, providing business with a possibility to communicate its needs and expectations;
- Greater efficiency of court litigation – especially in commercial cases;
- Lower non-labour cost of employment;
- Increased efficiency of using public funds for R&D (via new channels of distribution thereof, e.g., clusters).

Business sees its role in:

- Increasing the level of business ethics, manifesting, e.g., in not using gaps in law, which provide possibilities for unethical actions;
- Taking bottom-up initiatives for creating the law, accountable and clear lobbying actions;
- Dialogue and cooperation with public administration in issues which are important for the development of the Polish economy;
- Creating an effective system of communication with stakeholders, including public administration;
- Sharing experience with public administration.
In the course of work on this document, three key elements were defined, which should serve as a filter for all actions taken in the most important six areas, as discussed above. These elements are necessary for effective and long-term change towards sustainable development. The consultation session participants agreed that without their being taken into account no actions undertaken will bring the desired effects.

### The three key success factors are:

1) **Education**
   The importance of education was underlined at each consultation meeting. In the view of business representatives, education responding to challenges and needs of the market, which is a never-ending process, is inevitable for the achievement of sustainable development goals.

2) **Innovativeness**
   A pro-innovative attitude, understood as a readiness to "transform the existing possibilities in new ideas and introducing them to practical use"\(^7\), should be reflected in all business decisions. Business representatives underlined that one should abandon assessing decisions made only based on cost efficiency towards increased innovativeness, which is the key to long-term success.

3) **Cooperation**
   Sustainable development is a common goal of business and other stakeholders and participants of economic and social life. Due to this fact its implementation needs common decision making and common actions. One cannot achieve sustainable development without cooperation and the related synergy effect. Cooperation understood as co-decision on certain actions and co-responsibility for their implementation – may and should take place at numerous platforms.

   The three key success factors, described above, should be treated collectively, because in many cases they influence one another, e.g., the cooperation of scientific circles with business (combining education and cooperation factors) facilitates innovativeness. In the view of the consultation participants, taking actions while taking account of the three elements will support sustainable development.

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\(^7\)Okoń-Horodyńska E., "EU innovative policy", lecture 1, p. 9.
We would also like to thank all firms, organizations and institutions who joined the consultation process concerning the draft Vision 2050: The New Agenda for Business in Poland.