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## FROM THE EDITORIAL COMMITTEE

We are giving you the next 26th (2/2019) issue of the Scientific Journal of the Faculty of Management at the Rzeszow University of Technology entitled “Humanities and Social Sciences”.

The aim of the Publisher is to raise the merits and the international position of the quarterly published by the Faculty of Management, that is why we are still developing the cooperation with foreign team of reviewers, as well as an international Scientific Council. The Editors have also attempted to apply for international databases; currently the quarterly HSS is indexed in **Index Copernicus Journal Master List, The Central European Journal of Social Sciences and Humanities (CEJSH) and ERIH PLUS**.

The Journal has been also included in the list of projects qualified for funding under the **“Support for scientific magazines program”**.

The articles published in this publication are devoted to the broader issues of the humanities and social sciences. They are the result both of theoretical and empirical research. The subjects covered vary considerably and reflect the interdisciplinary nature of the Journal. We do hope that the papers published will meet your kind interest and will be an inspiration to further research and fruitful discussions.

On behalf of the Editorial Board of “Humanities and Social Sciences” we would like to thank the Authors for sending the outcomes of their research. We would like to express particular gratitude to the Reviewers for their valuable feedback that greatly contributed to increasing values of the scientific publications.

With compliments  
*Editorial Committee*



Monika BOLIŃSKA<sup>1</sup>  
Olesia CHORNENKA<sup>2</sup>

## **SPATIAL DIVERSITY OF UNEMPLOYMENT IN UKRAINE**

The aim of this study is to analyze the spatial differentiation of unemployment rate in the regions in Ukrainian oblasts. Based on the definition of the unemployment rate, the determinants of unemployment rates registered in Ukraine were featured. To analyze the spatial diversification of unemployment rate, the method of spatial econometrics with the use of panel data and fixed effect method was applied. The results show that in Ukrainian economy one can distinguish two breakthrough moments that influenced the formation of unemployment rates in the oblasts discussed. The first of these was the period of the gas conflict with the Russian Federation in 2008 and 2009, the next difficult period for the Ukrainian economy in 2014–2015, when the annexation of the Crimean Peninsula and the military conflict with the Russian Federation took place. In both cases, the Ukrainian economy has been negatively affected, with GDP *per capita* declining with an increase in unemployment rate.

**Keywords:** unemployment rate, Ukraine, GDP.

### **1. INTRODUCTION**

Economic development depends on many economic, social and political factors. Analysing the history of international relations, we can distinguish another factor, no less important for the development of the economy, i.e. the geopolitical factor. This factor plays an important role in the creation of internal and external state policy.

Looking at the Ukrainian economy, a strong influence of the geopolitical factor on its development can be seen. First of all, it is related to the unique geographical location in the central part of Eastern Europe, on the border between Europe and Asia (Міхель, 2009). Ukraine covers an area of over 600,000 km<sup>2</sup> and is the second largest country in Europe<sup>3</sup>. In addition to significant territory, Ukraine has access to the Black Sea and the Azov Sea in the south and a large number of developed transport connections with other countries.

From the historical point of view, the territory of Ukraine was not only a crossroads of migration routes, but also of trade routes. In antiquity, trade routes ran through the territory

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<sup>3</sup> According to the ranking: <https://www.worldatlas.com>, not including the area of the Russian Federation.

of modern Ukraine between the Baltic States and the Mediterranean countries, and between Western, Eastern and Central Europe, which had a positive impact not only on the development of trade but also on international relations (Міхель, 2009).

Apart from Poland, Ukraine borders on the west with Hungary and Slovakia, through whose territory the shortest road to Western and Central Europe leads. To the east and north it borders Russia, to the southwest Moldova and Romania, and Belarus, through which it has access to the Baltic States to the north.

Ukraine is divided into 24 oblasts (*область*), the Autonomous Republic of Crimea (*Автономна Республіка Крим*) and two cities with special status (*містозі спеціальним статусом*), Kiev, which is the capital of the state and Sevastopol on the Crimean Peninsula (map 1). In connection with the occupation of the Autonomous Republic of Crimea and Sevastopol by the Russian Federation, the Ukrainian statistics office data: *Державної служби статистики України* for the Autonomous Republic of Crimea and Sevastopol relate to the years 2004-2013.

The oblasts with the largest area include Odessa (33.3 thousand km<sup>2</sup>, 5.5% of the country), Chernihiv and Dnipropetrovsk (31.9 thousand km<sup>2</sup>, 5.3% each) and Kharkiv (31.4 thousand km<sup>2</sup>, 5.3%), the smallest in turn are: Chernivtsi (8.1 thousand km<sup>2</sup>, 1.3%), Transcarpathia (12.8 thousand km<sup>2</sup>, 2.1%), Ternopil' (13.8 thousand km<sup>2</sup>, 2.3%) and cities with special status: Sevastopol (0.9 thousand km<sup>2</sup>, 0.1%) and Kyiv (0.8 thousand km<sup>2</sup>, 0.1%)<sup>4</sup>.



Map 1. Ukrainian oblasts

Source: own elaboration based on data <http://database.ukrcensus.gov.ua>; via <https://paintmaps.com>.

<sup>4</sup> Data published by Державну Службу Статистики України [http://database.ukrcensus.gov.ua/MULT/Dialog/statfile\\_c.asp](http://database.ukrcensus.gov.ua/MULT/Dialog/statfile_c.asp).





Map 2. Diversification of the demographic potential of Ukraine's oblasts (2004-2016)

Source: own elaboration based on data <http://database.ukrcensus.gov.ua>; via <https://paintmaps.com>.

From Map 2 we can conclude that the five oblasts with the highest demographic potential are: Donetsk (4,254.6 thousand people, 10% of the country's population), Dnipropetrovsk (3,242.7 thousand people, 7.6%), Kyiv (2,916.2 thousand people, 6.8%), Kharkiv (2,709.9 thousand people, 6.4%), Lviv (2,534.1 thousand people, 5.9%). The least populated oblasts were: Volyn (1,041.8 thousand people, 2.4%), Chernihiv (1,039.2 thousand people, 2.4%), Kirovohrad (969.5 thousand people, 2.3%), Chernivtsi (909.0 thousand people, 2.1%) and Sevastopol (384.7 thousand people, 0.9% in 2013). Among the 5 largest cities of Ukraine in terms of population, we can count: Kyiv (2,916.2 thousand inhabitants), Kharkiv (1,449.7 thousand inhabitants), Odessa (1,010.8 thousand inhabitants), Dnieper<sup>5</sup> (983.8 thousand inhabitants) and Donetsk (929.1 thousand inhabitants).

The oblasts with the highest incomes<sup>6</sup> (excluding the Crimean Autonomous Republic) in 2016 were Kyiv (338,1 billion hryvnia, 16.5% of total economy incomes), Dnipropetrovsk oblast (188,8 billion hryvnia, 9.2%), Kharkiv oblast (135,7 billion hryvnia, 6.6%), Odessa<sup>7</sup> (118,5 billion hryvnia, 5.8%), Donetsk<sup>8</sup> (117.7 billion hryvnia, 5.7%) and Lviv (116.3 billion hryvnia, 5.7%).

<sup>5</sup> Until 2016 Dnepropetrovsk.

<sup>6</sup> Incomes according to the methodology of calculation include remuneration in monetary and natural form (including those obtained from abroad), profit and mixed income, property income, social assistance and other transfers.

<sup>7</sup> Incomes according to the methodology of calculation include remuneration in monetary and natural form (including those obtained from abroad), profit and mixed income, property income, social assistance and other transfers.

<sup>8</sup> In the case of the Donetsk oblast the territory occupied by the Russian Federation was not taken into account.

Due to the considerable diversity of Ukrainian oblasts, they have been divided into 5 groups:

1. Central Ukraine, i.e. the following oblasts: Cherkasy, Dnipropetrovsk, Kirovohrad, Poltava and Vinnitsa.
2. Western Ukraine composed of the following oblasts: Khmelnytsky, Chernivtsi, Ivano-Frankivsk, Lviv, Rivne, Ternopil, Volyn and Transcarpathia.
3. Eastern Ukraine, i.e. Kharkiv, Donetsk, Luhansk and Zaporizhyaoblasts.
4. Southern Ukraine: Autonomous Republic of Crimea, Kherson, Nikolayev and Odessa oblasts, and Sevastopol.
5. Northern Ukraine: the city of Kyiv and the following oblasts: Chernihiv, Kyiv, Sumy and Zhytomyr oblasts.

The main objective of the study is to illustrate the spatial differentiation of unemployment rates in 27 Ukrainian oblasts. The analysis also covered the dynamics of unemployment, moreover, basing on the method of spatial econometrics, the main determinants of increases in unemployment rates were determined basing on panel data. The analysis period covered the years 2004-2016, which was dictated by the availability of relevant statistical data on the website: <http://www.ukrstat.gov.ua>.

## 2. DIVERSIFICATION OF GDP PER CAPITA IN GROUPS OF OBLASTS IN UKRAINE

Figure 1 and Table 1 show the GDP *per capita* in Ukraine's oblasts in the years 2004–2016. The level of GDP *per capita* was divided into two sub-periods 2004–2009 and 2010–2016, while GDP growth rates in the analysed period were divided into three sub-periods: 2004–2008, 2009–2014, 2015–2016 in order to capture the impact of crises, both economic and political, on GDP developments.

Table 1. GDP *per capita* in Ukraine's oblasts

Oblast	GDP in thousands of hryvnias (fixed prices in 2016)*		Average annual growth rate of GDP <i>per capita</i> in %		
	2004-2009	2010-2016**	2004-2008	2009-2014	2015-2016**
Autonomous Republic of Crimea	84.89	91.54	4.66	0.94	-
Cherkasy	91.42	109.08	5.32	2.91	-1.75
Chernihiv	87.11	97.26	1.96	2.26	-0.87
Chernivtsi	67.37	63.18	2.58	-1.21	-7.38
City of Kyiv	345.10	386.46	4.03	2.57	-1.45
Dnipropetrovsk	165.96	184.17	11.02	-0.43	-5.87
Donetsk	159.82	160.98	2.78	-5.81	31.76
Ivano-Frankivsk	100.83	103.75	0.68	1.84	-8.89
Kharkiv	124.02	124.91	5.92	-1.41	-0.86
Kherson	74.96	82.22	1.57	0.78	2.4
Khmelnytsky	79.34	89.75	2.01	3.44	-2.12
Kirovohrad	87.53	107.67	1.82	4.3	1.39
Kyiv Oblast	123.92	168.27	6.36	4.5	-0.77
Luhansk	111.02	99.99	5.49	-9.94	36.17

Table 1 (cont.). GDP *per capita* in Ukraine's oblasts

Oblast	GDP in thousands of hryvnias (fixed prices in 2016)*		Average annual growth rate of GDP <i>per capita</i> in %		
	2004-2009	2010-2016**	2004-2008	2009-2014	2015-2016**
Lviv	96.18	105.74	2.23	2.34	-1.79
Mykolaiv	105.34	111.22	1.45	0.82	0.72
Odessa	122.48	120.96	4.51	-1.99	-0.22
Poltava	151.38	179.79	1.26	3.81	4.16
Rivne	89.62	85.86	0.51	1.6	-7.62
Sevastopol	97.48	109.71	4.72	2.31	-
Sumy	87.05	96.68	2.98	1.83	-2.76
Ternopil	73.99	77.89	2.29	1.73	-4.96
Transcarpathia	71.22	71.48	1.91	0.49	-7.45
Vinnitsya	82.02	97.68	2.15	4.09	2.5
Volyn	86.15	89.04	2.35	1.27	-1.09
Zaporizhya	139.94	132.45	4.62	-1.33	1.28
Zhytomyr	75.91	88.25	2.53	2.62	0.39

\* calculated as an arithmetic mean of the real GDP *per capita* in subsequent years.

\*\* for the Autonomous Republic of Crimea and Sevastopol data available until 2013.

Source: own elaboration based on data from <http://database.ukrcensus.gov.ua>.

When analysing the level of GDP *per capita* in Ukraine's oblasts in the years 2004–2016 it can be seen that the period of prosperity in the Ukrainian economy was 2004–2008. The growth rate of this variable in all oblasts was positive and amounted to 3.3% on average in the whole Ukraine, while in more developed oblasts such as Dnipropetrovsk, Kiev and Kharkiv, the GDP growth rate was about 8.0% on average. The highest GDP *per capita* growth rate in 2004–2008 was recorded in Dnipropetrovsk oblast at 11.0%, as opposed to Rivne (0.51%), Ivano-Frankivsk (0.68%) and Poltava (1.26%), which had the lowest growth rate of this variable.

In 2009–2014, i.e. after the global financial crisis and the gas conflict with Russia (2008–2009), only 20 of Ukraine's 27 oblasts achieved GDP growth. Throughout Ukraine, the growth rate was still positive and fluctuated around 0.5% annually. The oblasts with the highest GDP *per capita* growth rate were: Kyiv (4.5%), Kirovohrad (4.30%), Vinnitsa (4.1%), Poltava (3.8%) and Khmelnytskyi (3.4%). In this period, the crisis was most noticeable in the following oblasts: Zaporizhya (1.3%), Kharkiv (-1.4%), Odessa (-2.0%), Donetsk (-5.8%) and Luhansk (-9.9%). We can therefore see that the oblasts with a lower level of economic development (Vinnitsa, Khmelnytskyi) were less sensitive to the global financial crisis than the oblasts with a high level of economic development (Odessa, Luhansk and Donetsk).

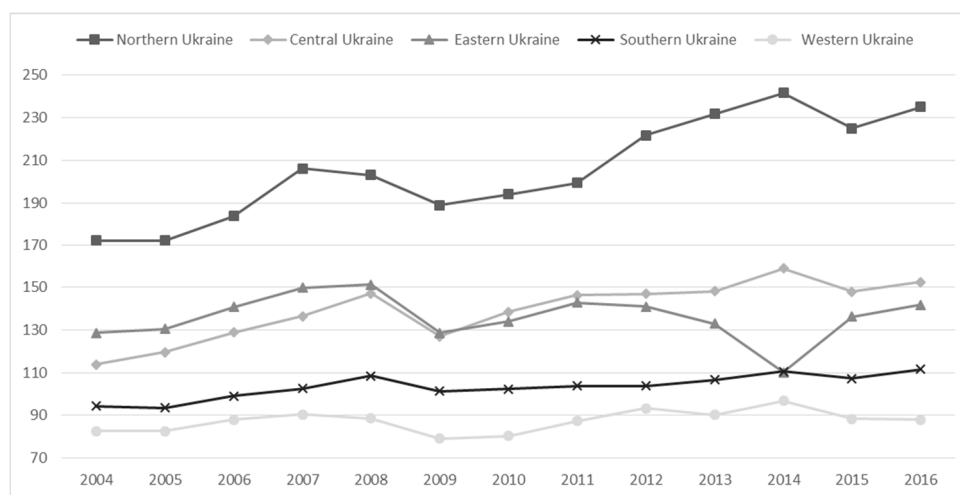
The decline in GDP can be seen after 2014, largely due to the armed conflict in the east of Ukraine and the occupation of the Crimean Autonomous Republic and the related internal economic crisis. Particularly drastic was the fall in GDP *per capita* in 2014 in the oblasts of Donetsk -29.4% and Luhansk -43.3%. Around 8% decline in this variable was recorded in the period 2015–2016 in the following oblasts: Transcarpathia, Ivano-Frankivsk, Rivne and Chernivtsi.

Graph 1 shows that during the analysed period a significant increase in GDP *per capita* was visible in the northern part of Ukraine. GDP growth in northern Ukraine's oblasts was decisively influenced by Kyiv, the capital city, which is the centre of the country's economic development, as evidenced by other indicators such as exports and investments, which accounted for 23.6% and 29.6% of Ukraine's exports and investments in 2016 (respectively). To this should be added the high degree of urbanization in this group of oblasts (76.5%). Graph 1 also shows a decrease in GDP in 2015 to 224,89 thousand hryvnias compared to 241,60 thousand hryvnias in 2015.

In the analysed period the level of GDP *per capita* in the eastern and central part of Ukraine was similarly shaped. The first decrease of 13.55% and 14.97% in the central and eastern part was recorded in 2009, which was influenced by the global financial crisis, as well as a decrease (by 7.6%) in coal mining, which is one of the main sources of income in the Eastern Ukraine oblasts. Another decrease in 2014 (by 17.18%) in the Eastern Ukraine oblasts was already related to the military aggression in the Donetsk and Luhansk oblasts. The conflict has worsened cooperation between industrial oblasts located in Eastern Ukraine, which has also had an impact on the decline in GDP in this part of the country.

The southern and western parts of Ukraine were characterised by rather stable dynamics of GDP *per capita*. In both groups there is a decrease in GDP in 2009 by 6.5% in Southern Ukraine and 10.7% in Western Ukraine.

In the analysed period two turning points in the development of the GDP level are visible. The first one is a decrease in 2009 related to the global financial crisis and the gas conflict with Russia and the second in 2014–2015 related to the conflict with the Russian Federation. On average, in the analysed period, the highest GDP levels were found in the northern (205.7 thousand hryvnia) and the central (139.3 thousand hryvnia) Ukraine. The average GDP *per capita* group consisted of the Eastern Ukraine oblasts of 136 thousand hryvnia, while Western and Southern Ukraine recorded the lowest GDP *per capita* levels of 87.4 thousand hryvnia and 103.5 thousand hryvnia respectively.



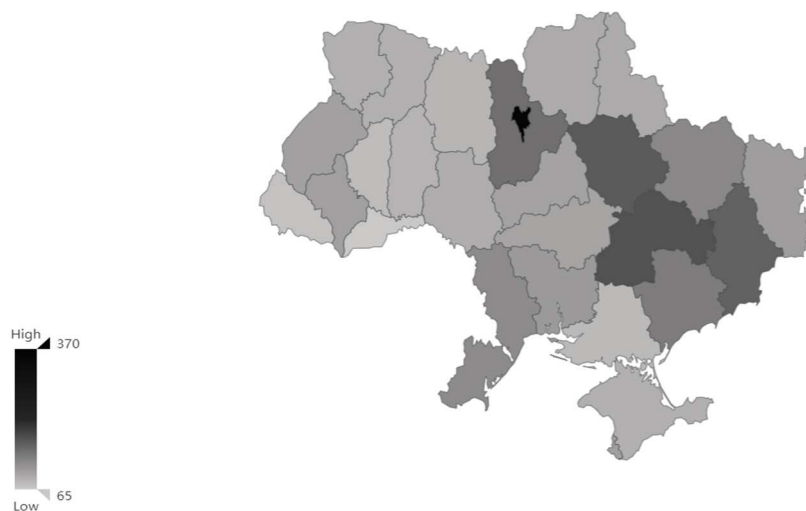
Graph 1. GDP *per capita* in groups of oblasts (in thousands of hryvnia, fixed prices 2016)

Source: own elaboration based on data from <http://database.ukrcensus.gov.ua>.

As can be seen in Graph 1 and Map 3, the regional variation in the level of GDP in Ukraine is significant. Moreover, when analysing the data in the given period, one can observe some trends in GDP *per capita* in the analysed groups of districts:

- the highest level of GDP was in Northern Ukraine with 205.7 thousand hryvnias<sup>9</sup>;
- Eastern Ukraine (136 thousand hryvnias) and Central Ukraine (139.3 thousand hryvnias) also belong to the groups of oblasts with a high level of GDP;
- the lowest level of GDP *per capita* in the analysed period was in Western Ukraine 87.4 thousand hryvnias and Southern Ukraine 103.5 thousand hryvnias.

The highest level of GDP in Northern Ukraine is conditioned by a centralised approach to economic management. It is worth noting that in the transitional period of the Ukrainian economy (1990–2000), the regional policy of the state did not implement the proper systemic approach to the development of the oblasts, which resulted in the differentiation in their socio-economic development. To a large extent, the high level of GDP on the left side of the Dnieper River<sup>10</sup> is determined by historical, demographic and natural factors. In the eastern and northern oblasts, more developed industry as well as the extraction of natural resources, including in particular energy (coal, gas and oil), had a significant impact on the development of these oblasts. Within Ukraine, Dnipropetrovsk, Donetsk and Zaporizhsky are among the three oblasts with the largest production potential, to which the development of metallurgy in these oblasts has also contributed (Амоша, 2016).



Map 3. GDP *per capita* in Ukraine's oblasts (in thousands of hryvnias, fixed prices 2016)<sup>11</sup>

Source: as for map 1.

As far as Western Ukraine is concerned, the main sources of income in these oblasts are agriculture, trade and tourism. For historical and natural reasons, this part of Ukraine is

<sup>9</sup> On average, in the analysed period.

<sup>10</sup> With the exception of Kyiv, which is located on both sides of the river.

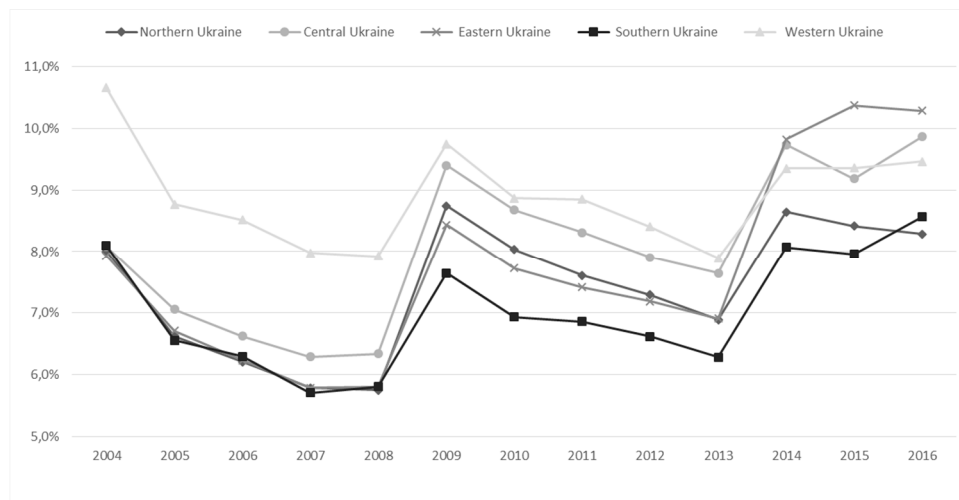
<sup>11</sup> On average, in the years 2005-2016.

economically less developed, but in recent years, thanks to international cooperation, the economic situation of the oblasts has been slowly improving, as can be seen in Table 1. The annexation of Crimea and high inflation in Ukraine after 2014 contributed to an increase in the development of tourism within Ukraine, which resulted in an increase in tourists in western oblasts (Lviv, Ivano-Frankivsk, Transcarpathia, Khmelnytsky, Chernivtsi) and southern oblasts, in particular in Odessa, Mykolaiv and Kherson. However, as can be seen in the chart, map and table, the state's regional policy requires changes in the management of oblasts, and particularly important in this respect is the decentralisation of finances and the subsidy and stimulation of the development of small and medium-sized enterprises.

### 3. SPATIAL DIFFERENTIATION OF UNEMPLOYMENT RATES IN GROUPS OF UKRAINE'S OBLASTS

Another indicator on the basis of which the state of the economy can be assessed is the unemployment rate. In the period under review, the unemployment rate in all groups of Ukrainian oblasts was at a similar trajectories. From Graph 2 we can deduce that in the years 2004–2009 the unemployment rate in all oblasts, with the exception of Western Ukraine, was at a similar level and fluctuated around 6–9%, while in Western Ukrainian oblasts it was 8–11%.

Until 2008, in the five surveyed groups of oblasts, the level of unemployment was on a downward trend and in 2009, after the global financial crisis and the gas conflict, there was a drastic increase in the unemployment rate. In the following years the level of unemployment fell, and in 2014 there was again a significant increase in unemployment, which was associated with the annexation of Crimea and the Russian-Ukrainian conflict in the east of Ukraine. In the oblasts of Eastern, Southern and Central Ukraine the trend of increasing unemployment continued in the following years, while in Western and Northern Ukraine the level of unemployment remained at a similar level.

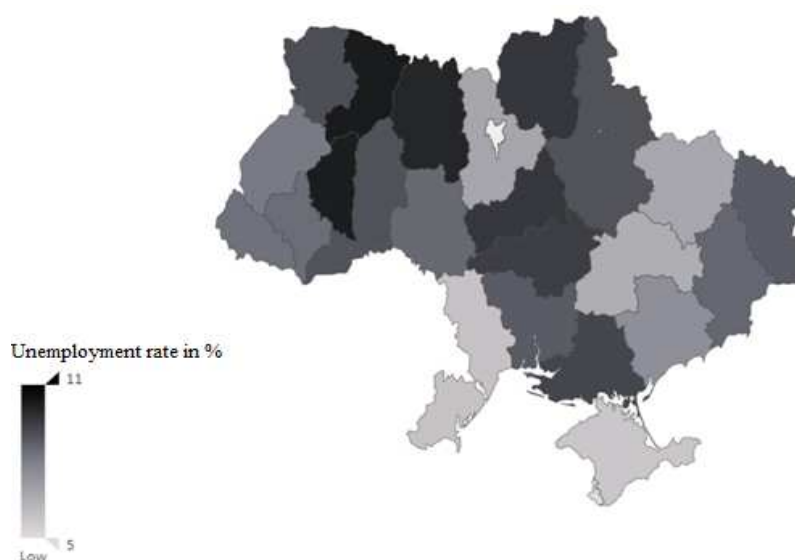


Graph 2. Differentiation of unemployment rates in groups of oblasts in 2004–2016

Source: as in Graph 1.

When analysing Graph 2 and Map 4 we can see similarity in the years when the global financial crisis took place and the annexation of Crimea and the Russian-Ukrainian conflict, i.e. in 2009 and 2014.

In 2016, the highest unemployment rate was recorded in the group of oblasts belonging to Eastern Ukraine (10.3%) and the lowest in Northern Ukrainian oblasts (8.3%). Due to the fact that the percentage of people employed in industry accounted for 16% (Амоша, 2016), and this sector dominated in the oblasts of Eastern and Southern Ukraine, the increase in unemployment in these oblasts had an impact on internal migration.



Map 4. Unemployment rate in groups of oblasts of Ukraine<sup>12</sup>

Source: as in map 1.

In the analysed period, the highest level of unemployment was recorded in Western Ukraine at 8.9% (average in the analysed period), especially in the Rivne (10.3%) and Ternopil oblasts (10.3%), as opposed to Southern Ukraine, where the unemployment rate was the lowest (7.0%). Between 2004 and 2013 the unemployment rate was the lowest in the Autonomous Republic of Crimea at 5.7%, while between 2004 and 2016 the lowest unemployment rate was in the Odessa oblast at 5.9%.

In general, the following oblasts can be considered as having a high unemployment rate: Rivne (10.3%), Ternopil (10.3%), Zhytomyr (10.1%), Chernihiv (9.6%), Cherkasy (9.6%), Kirovohrad (9.5%) and Kherson (9.3%).

And the oblasts with a lower level of unemployment are: Autonomous Republic of Crimea (5.7%) and the oblasts: Odessa (5.9%), Dnipropetrovsk (6.5%), Kharkiv (6.7%), Kyiv (6.8%), Zaporizhya (7.5%) and Lviv (8.1%).

<sup>12</sup> On average, in the years 2004–2016.

Table 2. Unemployment rate in Ukraine's oblasts

Oblast*	Unemployment rate in %		Average annual changes in the unemployment rate in p.p.		
	2004-2009	2010-2016	2004-2008	2009-2014	2015-2016**
Autonomous Republic of Crimea	5.60	5.95	-0.54	0.19	-
Cherkasy	9.60	9.65	-0.82	0.34	0.06
Chernihiv	8.70	10.43	-0.47	0.59	0.04
Chernivtsi	9.60	8.44	-0.95	0.11	-0.18
City of Kiev	4.20	6.07	-0.42	0.60	-0.04
Dnipropetrovsk	5.80	7.17	-0.31	0.50	-0.09
Donetsk	6.60	10.18	-0.41	0.89	1.56
Ivano-Frankivsk	8.70	8.18	-0.58	0.03	0.35
Kharkiv	6.50	6.94	-0.65	0.41	-0.69
Kherson	9.10	9.47	-0.60	0.27	0.66
Khmelnysky	9.00	9.00	-0.77	0.23	0.02
Kiev oblast	6.80	6.79	-0.62	0.36	-0.59
Kirovohrad	9.00	9.83	-0.74	0.52	0.60
Luhansk	8.50	7.80	-0.60	0.16	-0.41
Lviv	7.50	9.89	-0.65	0.80	2.33
Mykolaiv	9.10	8.49	-0.59	0.13	0.29
Odessa	5.50	6.16	-0.61	0.36	0.03
Poltava	7.50	10.27	-0.23	0.84	0.58
Rivne	10.30	10.31	-0.93	0.31	-0.02
Sevastopol	4.40	5.97	-0.41	0.42	-
Sumy	8.70	9.27	-0.76	0.35	-0.13
Ternopil	9.80	10.68	-0.78	0.42	0.07
Transcarpathia	7.50	9.02	-0.45	0.47	0.39
Vinnytsya	7.40	9.43	-0.39	0.68	-0.38
Volyn	9.00	9.13	-0.62	0.26	0.83
Zaporizhya	6.90	8.06	-0.50	0.41	0.77
Zhytomyr	9.70	10.38	-0.63	0.47	-0.15

\* And two cities with special status.

\*\* For the Autonomous Republic of Crimea and Sevastopol data available until 2013.

Source: as in Table 2.

Analysing the sub-period 2004–2009 it can be noticed that the highest unemployment rates were recorded in the oblasts of Western Ukraine (Rivne, 10.3%), Northern Ukraine (Zhytomyr, 9.7%), Central Ukraine (Cherkasy, 9.6%), Southern Ukraine (Mikolayiv, 9.1%), and Eastern Ukraine (Luhansk, 7.5%). On the other hand, the lowest unemployment rates in the abovementioned sub-period were recorded in Western Ukraine (Transcarpathia, 7.5%), Northern Ukraine (Kyiv, 4.2%), Central Ukraine (Dnipropetrovsk, 5.78%), Southern Ukraine (Sevastopol, 4.4%), and Eastern Ukraine (Kharkiv, 6.5%).



In the second sub-period (2010–2016), in the analysed groups of oblasts the unemployment rates averaged 7.9% – Northern Ukraine, 8.8% – Central Ukraine, 8.5% – Eastern Ukraine, 7.3% – Southern Ukraine, and 8.9% – Western Ukraine.

In both sub-periods it can be noted that higher unemployment rates were recorded in Western Ukraine oblasts and lower in Southern Ukraine oblasts. However, before the global financial crisis, a strong downward trend in the unemployment rate was observed in Western Ukraine oblasts, while the average decrease in the unemployment rate in these oblasts amounted about to -0.7 percentage points.

In the years of development of the Ukrainian economy (2004–2008), the decrease in the unemployment rate in the oblasts fluctuated between 0.2–1.0 percentage points between 2009 and 2014, i.e. after the financial crisis, an increase in the unemployment rate of about 0.5 percentage points was noted. Significant changes in unemployment rates were visible in 2014, when the unemployment rate increased in all oblasts. It is also worth noting that due to the Russian-Ukrainian conflict in Eastern Ukraine, unemployment rates were significantly higher, and the unemployment rate in Western Ukraine oblasts was much less responsive to the conflict.

#### 4. STATISTICAL ANALYSES OF THE INCREASE IN UNEMPLOYMENT RATES IN UKRAINE

##### 4.1. Determinants of unemployment rate growth-theoretical approach

In order to define the determinants of the increase in unemployment rates, it is possible, using the definition of the unemployment rate, to depend on the value of the previous period's unemployment rate and the GDP growth rate. For this purpose, the following definition can be used (Tokarski, 2005) or (Dykas, 2011):

$$u(t) = \frac{U(t)}{U(t) + L(t)} = 1 - \frac{L(t)}{N(t)} \quad (1)$$

where (for any given moment  $t > 0$ )  $u(t)$  is the unemployment rate,  $U(t)$  is the number of unemployed,  $L(t)$  is the number of employed, and  $N(t)$  is the labour supply.

Differentiating with respect to time  $t$  equation (1) we obtain an increase in the unemployment rate given by the following derivative:

$$\dot{u}(t) = -\frac{\dot{L}(t)N(t) - L(t)\dot{N}(t)}{N^2(t)} = \frac{L(t)}{N(t)} \left[ \frac{\dot{N}(t)}{N(t)} - \frac{\dot{L}(t)}{L(t)} \right],$$

From the above derivative and from equation (1) it appears that:

$$\dot{u}(t) = (1 - u(t)) \left( \frac{\dot{N}(t)}{N(t)} - \frac{\dot{L}(t)}{L(t)} \right). \quad (2)$$

In equation (2) it can be assumed that the growth rate of the number of employed  $\left( \frac{\dot{L}(t)}{L(t)} \right)$  is a certain, increasing function of the growth rate of production ( $g$ ). It follows

from this that there is a certain representation ( $f$ ), such that  $\frac{\dot{L}(t)}{L(t)} = f(g)$  and  $\frac{df}{dg} > 0$ , and this in turn, this allows the increase in the unemployment rate to be described with the following dependence (Majchrowska et al., 2013):

$$\dot{u}(t) = (1 - u(t)) \left[ \frac{\dot{N}(t)}{N(t)} - f(g) \right]. \quad (3)$$

Analysing equation (3) one can conclude that the increase in the unemployment rate depends on the product growth rate ( $g$ ), the labour supply growth rate  $\left( \frac{\dot{N}(t)}{N(t)} \right)$  and the unemployment rate ( $u(t)$ ). Moreover, the increase in the unemployment rate is a decreasing function of the product growth rate ( $g$ ), and an increasing function of the labour supply growth rate  $\left( \frac{\dot{N}(t)}{N(t)} \right)$ . If the growth rate of labour force is higher (lower) than the growth rate of the number of employed, then the increase in the unemployment rate is a decreasing (increasing) function of the unemployment rate.

#### 4.2. Determinants of the increase in unemployment rates in Ukraine-statistical analyses

Based on the above theoretical considerations concerning the development of unemployment rate increments (equation (3)), it is possible to estimate the parameters of the following equation:

$$\Delta u_{it} = \alpha_0 - \alpha_1 u_{it-1} + \alpha_2 d_{\Delta u} u_{it-1} - \alpha_3 \Delta \ln(PKB_{it}) \quad (4)$$

where:  $u_{it} = \frac{U_{it}}{U_{it} + L_{it}}$  is the unemployment rate recorded in the  $i$ -th labour market in

year  $t$ ;

$\Delta \ln(PKB_{it})$  is the growth rate of GDP *per capita* in the  $i$ -th oblast in year  $t$ ;

$\alpha_0$  – constant measuring the increase in the unemployment rate, which would have occurred at zero unemployment in the previous period and at zero GDP growth rate;

$\alpha_1$  – variable that determines the strength of the impact of the unemployment rate from the previous period, when this variable does not increase, on the increase in the current unemployment rate;

$\alpha_2$  – measures the impact of the previous period's unemployment rate on the increase in this variable as the rate rises;

$\alpha_3$  – describes the dependence of the growth rate of the registered unemployment rate on the GDP growth rate;

$d_{\Delta u}$  – dummy variable, this variable takes the value 1 when the registered unemployment rate rises, 0 otherwise (Dykas et al., 2014).

The interpretation of parameters  $\alpha_1$  and  $\alpha_2$  is dictated, first of all, by the dichotomic variable  $d_{\Delta u}$ . This is due to the fact that this variable, in the equation describing the increase in unemployment rates, acts as a switch variable, which corrects the impact of the unemployment rate from the previous period on the change in the current unemployment rate by taking into account whether there has been an increase or decrease in this variable (Dykas et al., 2013).

An analysis of equation (4) shows that with zero GDP growth rate and zero unemployment rate in the previous period, there would be the same increases in unemployment rate in all oblasts. For this reason equation (4) has been extended by introducing fixed effects, resulting in the following equation:

$$\Delta u_{it} = \alpha_0 - \alpha_1 u_{it-1} + \sum_{j=2}^l \varphi_j d_j + \alpha_2 d_{\Delta u} u_{it-1} - \alpha_3 \Delta \ln(PKB_{it}) \quad (5)$$

where by:

$d_j$  is the dummy variable for the  $j$ -th non-base oblast and  $l$  is the number of oblasts;

$\varphi_j$  is a parameter determining how much the increase in current unemployment in the  $j$ -th non-base oblast would differ from the base oblast, if there were zero unemployment rate in the previous period and zero GDP *per capita* growth rate.

The parameters of equations (4)–(5) were estimated by the least squares method (LS) and generalised method of moments (GMM). The results of these estimates, for Ukraine, Central Ukraine, Northern Ukraine, Southern Ukraine, Western Ukraine, and Eastern Ukraine are summarized in Tables 3 and 4.

Table 3. Estimates of the parameters of growth of unemployment rates at the level of all oblasts of Ukraine and broken down by oblasts of Western, Eastern, Central, Northern and Southern Ukraine in the years 2005–2016

Independent variables	Estimation method			
	LS	LS with FE	GMM	GMM with FE
All Ukrainian oblasts				
$u_{it-1}$	0.195*** (-9.821)	-0.328*** (-11.305)	0.174*** (-7.776)	-0.270*** (-8.705)
$d_w u_{it-1}$	0.182*** (17.311)	0.179*** (17.439)	0.190*** (11.404)	0.161*** (11.994)
$\Delta \ln Y_{it}$	0.0494*** (-11.357)	-0.0486*** (-11.127)	0.0204*** (-1.291)	-0.0529*** (-4.349)
R <sup>2</sup>	0.701	0.749	0.655	0.749
adj. R <sup>2</sup>	0.699	0.723	0.652	0.721
Sample	2005–2016		2006–2016	
Number of observations	318		291	
5 oblasts of Central Ukraine				
$u_{it-1}$	0.278*** (-4.827)	-0.413*** (-5.905)	0.319*** (-3.196)	-0.419*** (-4.142)

$d_w u_{it-1}$	0.212*** (8.045)	0.216*** (8.596)	0.245*** (4.218)	0.221*** (4.803)
$\Delta \ln Y_{it}$	0.0442*** (-3.001)	-0.0399*** (-2.848)	0.0100 (0.136)	-0.0250 (-0.457)
R <sup>2</sup>	0.693	0.746	0.599	0.730
adj. R <sup>2</sup>	0.677	0.712	0.575	0.690
Sample	2005–2016		2006–2016	
Number of observations	60		55	
5 oblasts of Northern Ukraine				
$u_{it-1}$	0.170*** (-3.706)	-0.348*** (-3.344)	0.139*** (-2.790)	-0.308*** (-3.468)
$d_w u_{it-1}$	0.187*** (6.231)	0.162*** (5.183)	0.203*** (4.621)	0.150*** (4.070)
$\Delta \ln Y_{it}$	0.0660*** (-3.910)	-0.0640*** (-3.781)	-0.0147 (-0.320)	-0.0552 (-1.519)
R <sup>2</sup>	0.647	0.682	0.587	0.691
adj. R <sup>2</sup>	0.628	0.640	0.562	0.645
Sample	2005–2016		2006–2016	
Number of observations	60		55	
4 oblasts of Eastern Ukraine				
$u_{it-1}$	0.0482 (0.817)	0.0434 (0.712)	0.0394 (0.662)	0.0386 (0.623)
$d_w u_{it-1}$	0.0608 (1.743)	0.0560 (1.596)	0.0350 (0.940)	0.0258 (0.624)
$\Delta \ln Y_{it}$	-0.0710*** (-11.202)	-0.0708*** (-10.357)	-0.0753** (-7.123)	-0.0773*** (-6.806)
R <sup>2</sup>	0.770	0.774	0.772	0.776
Adj. R <sup>2</sup>	0.754	0.741	0.755	0.739
Sample	2005–2016		2006–2016	
Number of observations	48		44	
5 oblasts of Southern Ukraine				
$u_{it-1}$	-0.178 (-4.449)	-0.413 (-4.957)	-0.149 (-3.192)	-0.324 (-3.333)
$d_w u_{it-1}$	0.178 (7.710)	0.156 (6.552)	0.172 (6.210)	0.155 (6.010)
$\Delta \ln Y_{it}$	-0.0656 (-4.602)	-0.0643 (-4.762)	0.000998 (0.0248)	-0.0153 (-0.498)
R <sup>2</sup>	0.683	0.748	0.543	0.669
adj. R <sup>2</sup>	0.664	0.710	0.513	0.613
Sample	2005–2016		2006–2016	
Number of observations	54		49	
8 oblasts of Western Ukraine				
$u_{it-1}$	-0.295*** (-5.551)	-0.464*** (-7.029)	-0.176*** (-2.766)	-0.331*** (-4.195)
$d_w u_{it-1}$	0.159***	0.142***	0.181***	0.154***

	(8.639)	(7.742)	(7.320)	(6.951)
$\Delta \ln Y_{it}$	-0.0292*** (-2.855)	-0.0292*** (-3.010)	0.0168 (0.609)	-0.00823 (-0.366)
R <sup>2</sup>	0.685	0.741	0.570	0.691
adj. R <sup>2</sup>	0.675	0.711	0.555	0.650
Sample	2005–2016		2006–2016	
Number of observations	96		88	

Table 4. Estimates of parameters of growth of unemployment rates at the level of Eastern and Southern Ukrainian oblasts in the years 2006–2013

4 oblasts of Eastern Ukraine				
$u_{it-1}$	-0.366*** (-3.142)	-0.371*** (-3.104)	-0.337*** (-2.371)	-0.371*** (-2.571)
$d_w u_{it-1}$	-0.0242*** (-0.649)	-0.0241*** (-0.619)	-0.0409*** (-0.876)	-0.0468*** (-0.975)
$\Delta \ln Y_{it}$	-0.0756*** (-6.837)	-0.0751*** (-6.520)	-0.0787*** (-2.0341)	-0.0740*** (-2.109)
R <sup>2</sup>	0.732	0.748	0.739	0.772
adj. R <sup>2</sup>	0.707	0.696	0.711	0.718
Sample	2005–2013		2006–2013	
Number of observations	36		32	
5 oblasts of Southern Ukraine				
$u_{it-1}$	-0.184*** (-3.941)	-0.458*** (-4.413)	-0.147*** (-2.595)	-0.332*** (-2.561)
$d_w u_{it-1}$	0.175*** (5.183)	0.132*** (3.583)	0.167*** (4.279)	0.138*** (3.404)
$\Delta \ln Y_{it}$	-0.0630*** (-3.913)	-0.0642** (-4.201)	0.00482 (0.113)	-0.00996 (-0.277)
R <sup>2</sup>	0.631	0.707	0.464	0.588
adj. R <sup>2</sup>	0.604	0.651	0.419	0.498
Sample	2005–2013		2006–2013	
Number of observations	45		40	

The values of statistics t-Student are given in paranthesis,  $R^2$  (adj.  $R^2$ ) is the coefficient of determination (adjusted determination coefficient), \*\*\* means statistically significant variables at a level not exceeding 1%, \*\* means statistically significant variables at a level not exceeding 5%, \* means statistically significant variables at a level not exceeding 1%.

Tables 3 and 4 present the estimated parameters of equations (4) and (5) of the increase in unemployment rates in Ukraine as a whole and in division into Central, Northern, Eastern, Southern and Western Ukraine. The study attempts to capture the impact of the Russian-Ukrainian conflict on the determinants of unemployment in the oblasts affected by the conflict. For this reason, two time horizons have been assumed for the Eastern and Southern Ukraine oblasts, the first of which is the years 2005–2016, which period resulted from the availability of relevant statistical data. The second one covers the period before the Russian-Ukrainian conflict, i.e. 2005–2013. From the data presented in tables (1)–(2) the following conclusions can be drawn:

- Throughout Ukraine, the increase in the unemployment rate was explained by the variability of unemployment rates from the previous period and the GDP growth rate with the LS estimation of 7% and 65% with the GMM estimation. Estimates of the parameters of equation (4) show that under conditions of non-growing unemployment, each subsequent decrease in the unemployment level by 1% in the previous period translated into a decrease in the current unemployment rate of about 0.17–0.19 percentage points, while introducing the fixed effects of a decrease in the current unemployment rate throughout Ukraine amounted to about 0.27–0.33 percentage points, depending on the estimation method. On the other hand, in the conditions of growing unemployment, the increase in the unemployment rate in the previous period translated into an increase in this rate by about 0.18–0.19 percentage points. Taking into account the fixed effects, the increase in unemployment from the previous period translated into an increase in the current unemployment rate by about 0.16–0.18 percentage points. A 1% increase in the GDP growth rate throughout Ukraine translated into a decrease in current unemployment of about 0.05 percentage points.
- In Central Ukraine's 5 oblasts, with unemployment rates not rising, each subsequent 1% decrease in the unemployment rate resulted in a decrease in the current level of unemployment, while the decrease differed depending on the estimation method. For LS estimates, it was 0.28 percentage points, whereas when considering GMM estimates, the decrease was 0.27 percentage points. Taking into account the fixed effects, the decrease in the current unemployment rate was about 0.41–0.42 percentage points. In the context of rising unemployment, an increase of one percentage point in the unemployment rate translated into an increase in the current level of unemployment in Central Ukraine oblasts by 0.21–0.25 percentage points regardless of the estimation method. The elasticity of the increase in unemployment rates in relation to the GDP growth rate was about -0.04, which means that the increase in the GDP growth rate by one percentage point translated into a decrease in the unemployment rate by 0.04 percentage point for the parameters estimated by the LS method. The estimated GMM elasticity of unemployment growth in relation to the GDP growth rate turned out to be statistically insignificant. Current unemployment increases were explained by the variability of unemployment rates from the previous year and by GDP growth rates of 67–71% (with LS estimation) and 58–69% (with GMM estimation).

- The variability in the growth rate of the unemployed in Northern Ukraine oblasts was explained by the variability of unemployment rates from the previous period and by GDP growth rates of 56–69%. With unemployment rates not rising, each subsequent 1% increase in the level of unemployment in the previous period translated into a decrease in current unemployment by 0.17 percentage points for parameters estimated by the LS method. After the application of the fixed effects, the decrease was 0.35 percentage points, for the parameters estimated by GMM the decrease was (respectively) 0.14 and 0.31 percentage points. In the case of rising unemployment, the increase in current unemployment caused by a 1% increase in the unemployment rate in Northern Ukraine in the previous period was similar to that in Ukraine as a whole and amounted to approximately 0.2 percentage points. Moreover, the increase in the GDP growth rate in Northern Ukraine oblasts translated into a decrease in the current level of unemployment by about 0.06–0.07 percentage points (for LS estimates), while GMM estimates of this parameter turned out to be statistically insignificant.
- Comparing the estimates of the parameters of equations (4) and (5) for Western Ukraine and other Ukrainian oblasts, it can be concluded that the direction and strength of correlation between the explained variable and the explanatory variables were similar. Moreover, the unemployment rate from the previous period and the GDP growth rate explained the increase in current unemployment in about 68–71% in the estimations of the LS and in 54–67% for GMM estimates. Considering the results of the estimation of Western Ukraine oblasts, it can be seen that in a situation of non-increasing unemployment, each subsequent decrease in the unemployment rate in the previous period translated into an increase in the current unemployment rate by about 0.17–0.30 percentage points. The introduction of fixed effects translated into a greater decrease in the current unemployment rate, a decrease in unemployment by one percentage point translated into a decrease in current unemployment in the range of 0.33–0.46 percentage points. In the conditions of growing unemployment, each increase in unemployment influenced the increase in the unemployment rate by about 0.16–0.18 percentage points, while taking into account the spatial effects, a lower increase in the current unemployment rate could be observed. The parameter describing the elasticity of unemployment growth in relation to the GDP growth rate in case of GMM estimates turned out to be statistically insignificant. However, according to LS estimates, an increase in the GDP growth rate by 1% translated into a decrease in current unemployment by about 0.03 percentage points.
- In the case of Eastern Ukraine, the estimated parameters of equations (4)–(5) for the period 2005–2016, in addition to the parameter reflecting the elasticity of the increase in unemployment relative to the GDP growth rate, proved statistically insignificant. For this reason, the parameters of equations (4)–(5) in the years 2005–2013, i.e. before the Russian-Ukrainian conflict, have been estimated for the Eastern Ukrainian oblasts. Between 2005 and 2013, the volatility of the current unemployment rate was explained by the volatility of the previous period's unemployment rates and a GDP growth rate at 70–72%. Moreover, in this time horizon, with unemployment not growing, the decrease in unemployment by each next percentage point translated into an increase in current unemployment by about 0.34–0.37 percentage points. However, in the conditions of growing unemployment, the increase of this variable by one percentage point translated into a decrease in the current level of unemployment by about

0.02 percentage points (for LS estimates) and 0.04–0.05 percentage points (for GMM estimates). The flexibility of the increase in unemployment rates in relation to the GDP growth rate was negative and amounted to 0.07–0.08, which means that the increase in the GDP growth rate by one percentage point translated into a decrease in the current unemployment rate by about 0.07–0.08 percentage points.

- Due to the fact that in addition to the oblasts of Eastern Ukraine, part of the oblasts of Southern Ukraine were affected by the Russian-Ukrainian conflict, this sample was also divided into two periods. The first maximum range resulting from the availability of statistical data, i.e. 2005–2016 and the pre-conflict period, i.e. 2006–2013. In 2005–2016 in the Southern Ukrainian oblasts – in conditions of non-growing unemployment – each subsequent drop in unemployment in the previous period translated into a decrease in current unemployment by about 0.15–0.18 percentage points without taking into account the fixed effects and by about 0.32–0.41 percentage points taking into account these effects. Similar changes could be observed in the years 2005–2013, i.e. in the years before the conflict. In conditions of growing unemployment, the increase in the unemployment rate in the previous period by 1 percentage point translated into an increase in the current unemployment rate by about 0.16–0.18 percentage points, regardless of the assumed time horizon, without taking into account fixed effects. On the other hand, when introducing the spatial factor by taking into account the fixed effects, a smaller increase in current unemployment could be observed, the increase amounted to 0.13–0.16 percentage points. The parameter determining the elasticity of the current increase in unemployment in relation to the GDP growth rate for GMM estimates, as in the case of Eastern Ukrainian oblasts, proved to be statistically insignificant. According to LS estimates, a 1 percentage point increase in the GDP growth rate translated into a decrease in the current unemployment rate by about 0.063–0.066 percentage points.

## 5. SUMMARY

The analysis of GDP *per capita*, as well as the unemployment rate, in the period 2004–2016 made it possible to distinguish two turning points for the Ukrainian economy. The first in 2009 caused by the global financial crisis and gas conflict with Russia, and the second in 2014–2015 caused by the Russian-Ukrainian conflict and the annexation of the Autonomous Republic of Crimea. In both cases, we can see a significant deterioration in the state of the economy (a drop in GDP *per capita* and an increase in unemployment). However, when analysing the statistical data, we can see that the implementation of the global external threat, which was the global financial crisis, did not have such an effect on Ukraine's economy as the breach of national security and sovereignty. This resulted in a drastic decrease in the main economic indicators, including a decrease in labour demand and the number of employees, in the most developed oblasts of Ukraine, which contributed to the deterioration of the whole economy and stopped its development (Chugaievskaya, Tokarski, 2018).

Before the Russian-Ukrainian conflict, Donetsk, Dnipropetrovsk, Kharkiv, Odessa and Kyiv were among the most developed oblasts (in terms of GDP). In turn, the least developed oblasts were those belonging to the group of Western Ukraine, including Chernivtsi and Ternopil, Volyn, Kherson Oblast and the city of Sevastopol in Southern Ukraine. After the



conflict, the first three leaders did not change, but the economic situation in Luhansk oblast deteriorated significantly, and the level of GDP in this oblast decreased to a large extent.

In the vast majority of oblasts with a higher GDP level, a lower unemployment rate was recorded and vice versa, in oblasts with a low GDP level, there was a high unemployment rate (Chugaievskia, Tokarski, 2018).

When analysing the impact of changes in the GDP growth rate on the increase in current unemployment, it can be seen that the oblasts classified as Southern Ukraine, Northern Ukraine and Eastern Ukraine reacted to a greater extent to changes on the product side. It can therefore be concluded that these groups of oblasts were more pro-cyclical. In contrast, the Central and Western Ukraine oblasts were less responsive to changes in the product market. This can be explained by the fact that Northern Ukraine is home to the main service centre of Kyiv-Ukraine, bearing in mind also that the global financial crisis spread through networks and had a major impact on financial centres, changes in the GDP side in this oblast had a greater impact on current unemployment. Some oblasts of Southern Ukraine and Eastern Ukraine were affected by the Russian-Ukrainian conflict, which intensified changes on the product side, thus implying higher flexibility of current unemployment in relation to the GDP growth rate compared to the other groups of oblasts.

To sum up, we can see that the Russian-Ukrainian conflict that took place in the oblasts of Eastern and Southern Ukraine led to a crisis in the Ukrainian economy and a decline in its development, mainly due to the fact that it covered oblasts with a high level of GDP *per capita* (e.g. the Donetsk and Luhansk oblasts).

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## **LINGUISTIC STRUCTURE OF MEMORY IMAGES IN POLISH AND GERMAN LANGUAGE OBITUARIES FOR MARCEL REICH-RANICKI<sup>2</sup>, AS A MEDIA TOOL FOR THE PROFILING OF COLLECTIVE MEMORY**

The media contribute to the process of strengthening and consolidating the collective memory of specific communities by taking, emphasising, and disseminating particular topics and contents. In this context, the so-called mediatised memory (see Assmann, 2007, Zielińska, 2018) occurs more and more often, as well as the media mechanisms and strategies for forming or deforming reality that influence or even model our memory of well-known figures, events or processes. It is both mediated and caused by the language which 'on the one hand appears as a substance and a 'bearer' of collective memory, and on the other, as a medium that shapes the contents of collective memory' (Czachur, 2018). The aim of the following paper is to investigate the selected corpus (obituaries) and determine to what extent the analysis of specific approaches in the field of linguistics and discourse can lead to the conclusion regarding mediatised and collective memory (see Czachur, 2016; Czachur, 2018). Additionally, it attempts to show whether and to what extent the media model the collective memory, as well as create and disseminate the linguistic profile of well-known personalities. In order to shed some light on the mediatized memory and to explain it from a linguistic perspective, obituaries for Marcel Reich-Ranicki are subjected to a contrastive German-Polish analysis. The analysis draws on selected methods of linguistic discourse analysis, which serve the linguistic profiling of actors, namely nominations and predicates as well as role assignments referring to the mentioned personality with the aim to investigate the shaping of the collective memory by the media. A detailed contrastive corpus-based analysis of the above-mentioned text type provides an insight into the role of linguistic strategies of remembering in the construction of the collective memory.

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<sup>2</sup> Marcel Reich-Ranicki – German literary critic of Polish and Jewish origin, born in 1920 in Włocławek; a recognised expert with undisputed reputation, highly regarded by the public and commonly referred to as “the pope of literature”. A few years have passed since he died in 2013, yet he continues to be called the most influential literary critic in the history of the Federal Republic of Germany. Reich-Ranicki was a charismatic personality, and many people claim that he ‘taught Germans to read and discuss books’. As a critic and later the host of *Das Literarische Quartett* (‘literary quartet’), a TV show extremely popular in Germany during 1988–2001, he was witty, yet uncompromising and merciless in his opinions; his numerous controversial verdicts would determine the future for authors and their works. (Collected for the needs of the analyses conducted by this author, the information is based on bibliography sources, research as well as journalistic materials and video documentaries related to the critic and available in Poland and in German speaking countries).

**Keywords:** Collective memory, mediated memory, Discourse Linguistic, media discourse, denominatives<sup>3</sup> and predicatives<sup>4</sup>.

## 1. INITIAL REMARKS

Mass media strengthen and preserve *collective memory*<sup>5</sup> of specific societies by covering, highlighting and disseminating specific topics and information. The phenomena frequently mentioned in this context include the so-called *mediatized memory* (cf. Assmann, 2007, Zielińska, 2018) as well as media related mechanisms and strategies for its formation or deformation, affecting or indeed modelling our memory of specific people, events and processes. This is mediated and enabled by language, which “on the one hand [is seen] as a substance and a carrier of collective memory, and on the other hand as a medium giving shape to the contents of collective memory” (Czachur, 2018). In this context it has been postulated by Waldemar Czachur that social memory “should be a subject of linguistic analyses”, because contemporary linguistics “perceiving language as a medium for conceptualization of reality and as a carrier for our experiences” provides “a wide range of instruments which may optimise previous research findings” related to memory.

**The above postulate provided an inspiration for me to examine a selected corpus (of obituaries<sup>6</sup>) and determine to what extent text and discourse analysis tools make it possible to unravel mediatized memory, and consequently to draw conclusions with regard to collective memory of a given society (cf. Czachur, 2016, Czachur, 2018); the study was also intended to determine whether, and to what extent, mass media can model collective memory by creating and distributing the *linguistic profile* of well-known people.**

Here it should be emphasised that the article is not intended to investigate to what extent memory of Reich-Ranicki created by the selected media was accepted by their audiences; instead, it is designed to determine what image, or what mediatized memory, will serve as the basis for constructing memory related to the critic. Nevertheless it can be assumed that readers would at least partly adopt the image created for this personality, in view of the fact that the print media taken into account here are highly influential.

## 2. RESEARCH ASSUMPTIONS AND BASIC TERMINOLOGY

An attempt to perform linguistic analysis to draw conclusions about development of collective memory of the specific societies related to the distinguished German critic should be preceded with a systematic overview and detailed discussion of the conceptual apparatus typically used in related linguistic research and applied by the author in the considerations presented in the article. Collective memory as a concept frequently appears in the context of research in social memory, even as a synonym of the latter term. Is this justified? The

<sup>3</sup> Denominatives – lexical items used to denote the objects, ideas and facts relevant to the particular discourse.

<sup>4</sup> Predicatives attributing certain properties to reference objects.

<sup>5</sup> Terminology related to memory is defined in further sections of the article.

<sup>6</sup> The term *obituary* is used here in line with its meaning adopted in German-language references, and is generally defined as a memorial article, representing journalistic or column-type writing, published in print as well as electronic media (cf. Bogner, 2006) shortly after the person’s death. For detailed discussion of obituary as a genre, see Hanus 2015 and Hanus 2016.

question was discussed in a conversation with Waldemar Czachur by Astrid Erll, Bożena Witosz and Robert Traba. A highly fitting comment was expressed by Witosz (2014) who said:

Regarding the category of collective memory, in my opinion the problem discussed in humanities and related to the need to precisely define the commonly used terms, such as group memory, collective memory, cultural memory and historical memory, is of lesser consequence for linguistics (2014). (...) I believe that from the viewpoint of linguistic research a fully satisfying definition was proposed by Barbara Szacka, who described collective memory as “a pool of images held by members of a given group and related to its past, to people and events inhabiting their history, [...] collective memory comprises all intentional references to the past taking place currently in the group’s life” (2014).

In line with the above suggestions by Witosz, the terms *collective memory* and *social memory* are treated here as synonyms. Like Witosz, I adopt here Szacka’s definition of *collective/social memory*, as “a pool of images held by members of a group about its past” (Szacka, 2006). Additionally, like Traba, I assume that this is “a dynamic process embedded in time and determined by real social and political contexts surrounding it” (Traba, 2014)<sup>7</sup>. With respect to *mediatized memory*, like Kinga Zielińska, I assume that it is closely correlated to memory conveyed by language (and operating with verbal expressions), as proposed by Wojciech Chlebda (2012); however, here such expressions are distributed by media which treat the object of memory as a theme, using both linguistic exponents and elements of other semiotic codes (cf. Zielińska, 2018). It is created as a result of formation or deformation of reality by media and is a derivative of an author’s experience, additionally constituting a foundation for constructing images related to a given issue by the audience.

In order to determine to what extent examination of texts, carried out using text and discourse analysis tools, allows to draw conclusions regarding collective memory related to Marcel Reich-Ranicki, distributed and reinforced by mass media among readers of Polish press and print media published in German speaking countries, it seems necessary to identify the relations linking memory and language. Like Czachur, I assume that “memory becomes a type of social knowledge, constituted by language, and subject to dynamic change” (Czachur, 2016), and that – as emphasised by Antos, “large part of our knowledge is not only represented and stored in texts, but also is only constituted in linguistic terms as a text” (Antos, 2009, Czachur, 2016). Hence, texts are multimodal forms enabling development of knowledge rather than merely forms manifesting knowledge. **Therefore, if we examine the knowledge communicated by media to their audiences and related to Marcel Reich-Ranicki, we will determine, I believe, what memory of the man they try to preserve among their readers.**

The study will explore the knowledge distributed by mass media, and consequently the memory constructed by them with regard to the actor of the discourse Marcel Reich-Ranicki (mediatized memory) and contained in the language/texts. **The research procedure ap-**

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<sup>7</sup> Dynamics, as an inherent characteristics of collective memory, is also discussed by Czachur (2018). Likewise, it was listed as a basic component of this type of memory by Halbwachs (1985), who emphasised its importance.

**plied to determine the specifics of this memory is designed to identify the roles attributed to Marcel Reich-Ranicki by print media and determined based on predications and nominations, since their specificity seems to most accurately correspond to the research questions.** This is justified by the fact that collective knowledge, according to findings of linguistic discourse analysis, is manifested by the use of such specific categories as keywords, metaphors, argumentative topoi, nominations, predications, etc. (cf. Busse/Teubert, 1997). Analysis of nominations and predications<sup>8</sup> related to the main actor of discourse, i.e. Marcel Reich-Ranicki, will then be intended to identify roles assigned to him by print media in obituaries, and to examine the way these roles affect the specific linguistic profile built for the remarkable critic, and consequently how they contribute to preserving images of memory about him. The additionally applied contrastive analysis will focus on similarities and differences in building the media profile for Marcel Reich-Ranicki and will enable conclusions related to the memory preserved in and by mass media in the two cultures.

The analysis presented in the study takes into account nominations defined as language units used to depict elements of non-linguistic reality. In other words, nominations are understood as “all forms of reference, both evaluating and neutral” (Miller, 2014), expressed in language by nouns, pronouns and nominal phrases, including those with a complex structure. On the other hand the term predication is used here, in line with the concepts proposed e.g. by Reisigl (2007), with reference to such language units that are created to, explicitly or implicitly, assign specific traits to concrete objects. In language these are realised by predicates, or more precisely by predicative expressions<sup>9</sup>. It can be expected that the analysis will make it possible to draw conclusions with regard to the attitude of the specific print media to the relevant object, and the knowledge communicated to the general public, contributing to consolidation of specific collective/social memory.

A look at the German critic taken from different points of view, based on examination of nominations and predications depicting roles attributed by mass media to Reich-Ranicki and exploration of the resulting images constructed by Polish and German print media, taking into account social, cultural, historical and ethical perspective, will provide material for creating a comprehensive profile of the critic in the two areas studied. The roles<sup>10</sup> identified based on the analysis of nominations and predications in the relevant corpus will provide a basis for conclusions related to profiling of Marcel Reich-Ranicki in print media from German-speaking countries and from Poland. This way it will be determined what roles the

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<sup>8</sup> Analysis of nominations and predications, aimed at identifying evaluating opinions with regard to specific phenomena or people, was applied by researchers even in the late 1980s. Detailed theoretical concepts related to this are credited to, e.g. Bellmann, Büscher, Girnth and Reisigl. For more information about these concepts, see: Bellmann (1989), Büscher (1996), Girnth (1993), Herbig/ Sandig (1994), Reisigl (2007); Stenschke (2005).

<sup>9</sup> Detailed theoretical considerations related to predication and nomination in discourse, as well as certain conclusions from sample corpus analyses can also be found in Hanus (2014).

<sup>10</sup> This approach indirectly makes reference to interactive roles of discourse actors, proposed by Ingo Warnke and Jürgen Spitzmüller in the model of multilayered discourse analysis (cf. Warnke/Spitzmüller, 2009). The authors' approach is mainly based on the concept of discourse actors and their roles determined by discourse [diskursbedingte Rollenzuschreibungen]. They talk about the roles which the specific actors attribute to themselves and the roles which they assign to the other actors of the discourse [Selbst- und Fremduweisungen] (see: Kaczmarek, 2018, see also Adamzik, 2002; Albert, 2008; Bonacchi, 2013, Hanus, 2018).

critic will be remembered for. Importantly, in this case the print media are understood as actors assigning specific roles to the German literary critic, relative to the viewpoint adopted by the author and identified by the researcher, i.e. moral, historical, characterological and social viewpoint. Extracted based on the analysis of nominations and predications, the roles attributed by print media to the critic will be used as determinants in complex profiling of Reich-Ranicki. The frequency of the specific nominations and predications will provide basis for defining the roles and for the subsequent conclusions related to the profile of the relevant person.

### 3. ROLES IDENTIFIED BASED ON AN ANALYSIS OF NOMINATIONS AND PREDICATIONS IN OBITUARIES WRITTEN IN GERMAN AND POLISH<sup>11</sup>

Analysis of nominations and predications shows that German press, following the passing of the greatest expert in literature, profiles *the pope of literary criticism* from the viewpoint of six basic roles, depending on the adopted approach, i.e. (a) a great personality in the world of literature, (b) an uncompromising expert with virtually unlimited power, (c) a pugnacious, frequently overbearing egocentric, (d) a popular showman eager to stand in the spotlight, as well as (e) a victim of the holocaust who forgave his oppressors, and (f) a man raising controversy due to his obscure past. Polish press, while profiling Reich-Ranicki, positions him in four key roles: (a) a scornful, egocentric and uncompromising expert with virtually unlimited power, (b) a popular showman liking to impress and dominate, (c) a valued figure in German literature, as well as (d) a person with dubious, or in fact, murky past.

The role which is most frequently attributed by German press to Marcel Reich-Ranicki is that of **a fearless and ruthless arbiter with the highest authority in matters related to literature**. In this context it is pointed out that he had virtually unlimited power, and was dreaded by writers. Indeed, Reich-Ranicki was able to put completely unknown names up onto a pedestal, or damage the reputation or even completely ruin the career of established authors. This quality of his character is clearly reflected by numerous nominations used by authors of obituaries: *Literaturpapst* [pope of literature], *der wortmächtige Kritiker* [critic, master of words], *Literatur-Instanz* [the highest instance in literature], *meistgefürchteter Kritiker* [the most dreaded critic], *zentrale Instanz der deutschen Literaturszene* [the highest instance in the German literary scene]. Importantly, the term *Literaturpapst* [pope of literature] as a rule appears in a pejorative context. Reich-Ranicki *the Pope of Literature* is depicted as a person whose opinion is final and indisputable; a person who does not accept any criticism or objection, and does not yield when faced with convincing arguments. The remaining nominations in the relevant corpus also mainly appear in negative contexts. The predications, applied in depictions of Reich-Ranicki as an uncompromising highest instance in literature, highlight the critic's ruthlessness and boldness regarding his views:

- nahm kein blatt vor den mund [he did not mince his words],
- machte bücher zu bestsellern oder vernichtete sie [he made books into bestsellers or destroyed them with his criticism],

<sup>11</sup> The research material discussed in this article was acquired from obituaries published in Polish and German print media (regional and national) and in online media. The corpus was collected from articles which appeared in Polish (11) and German (22) press directly following the passing of Marcel Reich-Ranicki, i.e. from 18 Sept. 2013 to 26 Sept. 2013.

- sagte den deutschen, was sie zu lesen oder zu vernachlässigen hatten [he told Germans what to read and what not to read],
- bestimmte das bundesdeutsche Verständnis davon, was gute Literatur ausmacht [he defined the German understanding of the concept of good literature],
- ermöglichte, unterband und unterbrach im Laufe der Jahre etliche Schriftstellerkarrieren [over the years he facilitated, thwarted or torpedoed more than one writing career],
- hat gelobt, aber auch gnadenlos getadelt [he praised but he was also merciless in his criticism],
- war sehr scharf. Er befahl dem Publikum regelrecht: So und so müsst ihr über dieses Buch denken! [he was very forceful. He ordered his audience: you must think this and that about the book!]
- bissig wie Kraus, ironisch wie Heine, gewandt wie Kerr wollte – und konnte – er sein [as biting as Kraus, as ironic as Heine, as eloquent as Kerr – this is what he wanted to – and could – be],

as well as fear evoked by him in writers:

- war gefürchtetste aller Kritiker [he was the most dreaded of all critics],
- war mit seiner direkten Art geachtet, aber auch gefürchtet und bei manchem Schriftsteller verhasst [he was respected for his straightforwardness, but he was also feared and even hated by some writers],

It is often pointed out in German press that the critic was always able to precisely justify his choices and opinions:

- seine Kritik hatte zwar einen hohen Grad an Emotionalität, aber er hat es durchaus geschafft, seine Urteile dabei sehr intensiv zu begründen. Bei allen Wutausbrüchen gab es immer auch den Versuch, sein Urteil plausibel zu machen [his critique was emotional to a degree, but he was able to substantiate his judgments very accurately. In all outbursts of anger he would always do his best to justify his opinions],
- war mutiger Charakterkopf, Leitwolf und unabhängiger Kritiker, der allen die Stirn bot und dabei höchste inhaltliche Schärfe mit einem geradezu drolligen Typus verband [a bold man, with a character, leader of the wolf pack, independent critic, standing up to everyone, and combining the highest precision of the substance with entertaining form].

It is very often that in the relevant corpus the critic is shown in the context of his unparalleled, even inconceivable **popularity with the mass audience**. Indeed, he is referred to as *Popstar der Kritik* [popstar of criticism], *eine der populärsten Persönlichkeiten des Landes* [one of the most popular personalities in the country], and *Fernsehstar* [TV star] – this in fact is the second most frequent role attributed to Reich-Ranicki. This popularity is a result of his marvellous talent as a showman. Here it is emphasised that, on the one hand, Reich-Ranicki had this extraordinary ability to attract attention, to speak in an intriguing way, and consequently win over large audiences, including people who had never been interested in literary matters:

- war ein permanenter Protest gegen Langeweile und Mittelmaß [he personified a permanent protest against boredom and mediocrity],
- ihm gelang das Unmögliche, nämlich sogar im Fernsehen als Solist zu glänzen: Eine halbe Stunde redete er in „Marcel Reich-Ranicki solo“, und verstand es, den Monolog



stets kurzweilig, spannend und abwechslungsreich zu halten [he achieved the impossible, namely to shine on TV as a soloist: in his show „Marcel Reich-Ranicki solo“ he would speak for half an hour, always keeping his monologue entertaining, fascinating and varied],

- hat es geschafft, auch Leser zu erreichen, die sich bis dahin nicht mit Hochliteratur auseinandergesetzt haben. Er hatte die Fähigkeit, nicht nur ein Elitepublikum anzusprechen, sondern eine breite Leserschaft für Texte zu begeistern, die ihnen sonst vielleicht fremd geblieben wären [he also managed to appeal to readers who had not been into the so-called high literature before. He had the ability not only to reach to elite audiences, but he would also inspire the general public to read texts that would otherwise have not gained wide attention],

On the other hand, however, German press frequently points to motivations inspiring Reich-Ranicki to act in certain ways, i.e. his desire to stand out and dominate or to impress with his erudition, which definitely provides an argument allowing a conclusion about the critic's vanity:

- war berühmt für seine Show. Reich-Ranicki war jemand, der auch öffentlich Theater gespielt hat. Das war eine Performance, vielfach künstlich inszeniert. Er war in der Öffentlichkeit partiell ein anderer Mensch [he was famous for his show. Reich-Ranicki was someone who also acted in public. This was a performance, often intricately staged. In public he was partly a different person],
- war sich bewusst, dass er mit großer Kritik mehr öffentliche Resonanz bekommt als mit Lobreden [he knew that strong criticism would resonate more with the public than eulogies],
- war einer, der nicht abtreten konnte und den man nun mit Trauer abtreten sieht [he was a person who could not leave, and now it is in grief that he is leaving],
- ihm gelang das Unmögliche, nämlich sogar im Fernsehen als Solist zu glänzen: Eine halbe Stunde redete er in „Marcel Reich-Ranicki solo“, und verstand es, den Monolog stets kurzweilig, spannend und abwechslungsreich zu halten [he achieved the impossible, namely to shine on TV as a soloist: in his show „Marcel Reich-Ranicki solo“ he would speak for half an hour, always keeping his monologue entertaining, fascinating and varied].

Closely linked to all of the above, another significant role attributed by mass media to Reich-Ranicki was that of a **pugnacious, frequently overbearing egocentric**, an attitude which definitely did not win him friends and allies. Analysis of nominations and predications shows not only his vehement temper or his unyielding stance in disputes and judgments but also his authoritarian manner, egocentrism or even vanity:

- Literatur musste ihn persönlich ansprechen, berühren, überzeugen; was er nicht verstand, was ihm nicht gefiel, wurde verdammt, aussortiert, ignoriert [Literature had to touch him and resonate with him personally; that which he did not understand, which he did not like, was condemned, sorted out, ignored],
- war gar nicht darauf angewiesen, unterrichtet oder unterhalten zu werden, weil er selbst der beste Lehrer und Unterhalter war – abwechslungsreich, temperamentvoll und nie um eine Pointe verlegen [he would never allow anyone to instruct or entertain him because it was he who was the best teacher and speaker – versatile, high-spirited, with a right punchline up his sleeve],

- Nie hat es ihn gekümmert, ob seine Urteile auch gerecht waren; er sprach, und die Welt hatte verstanden [He never cared whether his judgments were fair; he spoke and the world understood],
- mit seinen Kritiken machte sich unter den Autoren auch ziemlich schnell Feinde [with his criticism he made enemies among authors pretty quickly],
- hat die unendlichen Ehrungen, Weihungen und Verneigungen, die ihm im Laufe seines langen Lebens und Wirkens zuteil wurden, mit der Würde und dem Selbstverständnis eines Königs ohne Land, eben einer nationalen Institution, entgegengenommen [countless distinctions, honours and commendations awarded to him during his long life were received by him with dignity and self-confidence of a king without land, or a national institution of sorts]

As identified by the analysis of nominations and predications, another role attributed to Reich-Ranicki, less significant than the aforementioned, and used by print media for profiling him, is the **role of a great and outstanding personality in the world of literature**. In this context it is emphasised that the critic immensely contributed to the promotion and popularity of German literature in the German society and in other countries; other related aspects include his remarkable intellect and unique personality: *Deutschlands bedeutendster Literaturkritiker* [the most influential literary critic in Germany], *großer Mann* [great man], *der größte Literaturkritiker unserer Zeit* [the greatest literary critic of our time], *Deutschlands wichtigster Literaturkritiker* [Germany's most important literary critic], *der berühmte Intellektuelle* [renowned intellectual],

- war der große Kritiker in der Geschichte der deutschen Literatur und der größte unter seinen Zeitgenossen und Nachgeborenen [he was the great critic in the history of German literature, the greatest among his contemporaries and successors],
- war der berühmteste Literaturkritiker aller Zeiten [he was the most famous literary critic of all times],
- war international geachtet [he was internationally recognised],
- galt als der einflussreichste deutschsprachige Literaturkritiker und hat vielen Deutschen die Literatur nahegebracht [he was regarded as the most influential German-speaking literary critic and he brought literature to many Germans],
- hatte sich großen Respekt der Literaturkritiker zu Lebzeiten erarbeitet [he had earned great respect of literary critics during his lifetime],
- hat die Literatur aus den kleinen elitären Zirkeln in die Mitte der Gesellschaft geführt [he brought literature from the narrow elite circles into the central arena of the general public],
- ist zu einem der angesehensten Literaturkritiker der Nachkriegszeit geworden und hat sich wie kein anderer um die Deutlichkeit der Kritik verdient gemacht [he became one of the most respected literary critics of the post-war era, and – like no other – rendered outstanding service to the clarity of criticism],
- war eine Institution, mit ihm endet ein Kapitel deutscher Literaturgeschichte, ja eine Ära: die des sogenannten Großkritikers, der mit der Person einsteht für seine Urteile, Vorlieben oder Irrtümer [he was an institution; with him ends a chapter in German literary history, or indeed an era: that of the so-called Great Critic who stands by his judgments, preferences or errors].

The final two roles listed above, less frequent in print media and consequently less emphasised, include Reich-Ranicki's **role of a victim of the holocaust who forgave his oppressors** and the **role of a controversial person**.

The nominations related to the former role mainly point to Reich-Ranicki's experience of Nazi atrocities: *Holocaust-Überlebender, Verfolgter, der Betroffene, Zeitzeuge des Holocaust*. On the other hand the predications additionally highlight the fact that he successfully overcame the trauma of genocide and chose the country of his oppressors for a place of his residence, also deciding to celebrate and to promote German literature for the rest of his life:

- hat dem Land der Täter einen großen Dienst erwiesen [he did a great service to the nation of his oppressors],
- ist in das Land der Täter zurückgekehrt [returned to the land of his oppressors],
- hat die Traumatisierung gewissermaßen ausquartiert [he in a way managed to evacuate the trauma],
- war Überlebender eindrucksvoller Zeitzeuge des Holocaust [he survived, becoming an impressive witness of the Holocaust].

In the corpus acquired from German print media, the renowned critic appears in one more role, that of a **man raising controversy due to his obscure, suspicious past**. The role does not occupy a leading position, it is not widely discussed, but the very fact that it is recognised as one of the dominant roles shows that it cannot be ignored in the critic's profile. The related nominations which are predominant include: *umstrittener Zeitgenosse, eine der umstrittensten Persönlichkeiten des 20. Jahrhunderts*. Predications additionally point to the causes for the controversy:

- war nicht festlegbar [he was not definable],
- war als Konsul im polnischen Generalkonsulat in London tätig, 1949 bat er aus politischen Gründen um seine Abberufung [he worked as a consul in the Polish Consulate General in London; in 1949 he asked to be dismissed from the function for political reasons],
- arbeitete in Polens kommunistischem Geheimdienst und im diplomatischen Dienst [he worked for Polish communist intelligence and diplomatic services].

Polish print media mainly emphasise Reich-Ranicki's relentlessness. He is depicted as a **scornful, egocentric and uncompromising expert with virtually unlimited power**, who was more likely to severely criticise than to praise, and whose opinions were pivotal for many authors' 'to be or not to be': *papież niemieckiej krytyki literackiej* [the pope of German literary criticism], *wyroczenia* [the oracle], *wyroczenia w sprawach literackich* [the literary oracle], *papież krytyki literackiej* [the pope of literary criticism], *kapryśny papież* [fussy pope],

- decydował o losie książek na niemieckim rynku wydawniczym [he decided about the fate of books published in Germany],
- nie wahał się krytykować najbardziej znanych niemieckich pisarzy; surowo oceniał późniejsze utwory Günтера Grassa [he did not hesitate to criticise the most renowned German writers; he presented harsh opinions about later works of Günter Grass],
- decydował przez dziesięciolecia o losach niemieckich pisarzy [for decades he determined the fortunes of German writers],
- nie wahał się krytykować najbardziej znanych niemieckich pisarzy [he did not hesitate to criticise the most renowned German writers],

- słynął ze zjadliwej krytyki [he was famous for virulent criticism],
- miażdżył przed kamerami polską literaturę, zarzucając Stasiukowi, Tokarczuk i Tulli, że piszą książki prowincjonalne [he slammed Polish literature on TV, arguing that Stasiuk, Tokarczuk and Tulli wrote provincial books].

It is also pointed out that Reich-Ranicki was extremely touchy. Indeed, the critic could not stand any opposition or criticism:

- z innych rozkosznie kpił, lecz gdy sam był krytykowany, łatwo się obrażał [he delightfully mocked others, but when he was criticised he would easily be offended],
- chętnie demonstrował w nim [Kwartecie literackim – A.H.] swoje nastroje, zachowywał się jak sędzia lub operowa diwa [he eagerly showed there (in Das Literarische Quartett) his mood; he would act like a judge or a diva].

Reich-Ranicki in Polish press is also often shown as a **popular showman liking to impress and dominate**. He was most frequently depicted with such nominations as: *popularny krytyk literatury* [popular literary critic], *popularna, barwna postać* [popular, colourful personality], *legendarny krytyk literacki* [legendary literary critic], *showman*. The nominations referring to his popularity may suggest positive features of the critic, however even a rough selection of predications identified in the relevant corpus does not leave any doubts; indeed, this component of Reich-Ranicki's profile carries clearly negative associations, by pointing to his vanity, self-conceit, willingness to dominate and outshine others:

- skupiał na sobie uwagę, a rozmowy zamieniały się w show jednego aktora [he attracted attention and the discussions turned into a one-man show],
- wiedział jak uprawiać krytykę przed kamerami [he knew how to be a critic in front of cameras],
- zdominował audycję [he dominated the show],
- dzięki telewizji stał się bardziej popularny niż autorzy książek, o których mówił [owing to TV he was more popular than the authors of the books which he reviewed],
- dzięki kontrowersjom, które wzbudzał, był niesamowicie popularny [owing to the controversies incited by him, he was extremely popular],
- chętnie demonstrował w nim swoje nastroje, zachowywał się jak sędzia lub operowa diwa [he eagerly showed there his mood; he would act like a judge or a diva].

Notably, however, among the predications we can find more guarded opinions, statements neutralised with positive elements and those with mildly positive overtones:

- wiedział jak uprawiać krytykę przed kamerami, ale nie był po prostu showmanem [he knew how to be a critic in front of cameras, yet he was not simply a showman],
- błyszczał elokwencją, erudycją i niezwykłą energią [he impressed with his eloquence, erudition and amazing energy],
- wykazywał się dużym poczuciem humoru oraz wygłaszał błyskotliwe, odważne, choć kontrowersyjne opinie [he displayed a great sense of humour and voiced brilliant, bold yet controversial opinions],
- był niezwykle barwną postacią niemieckiej sceny literackiej [he was an extremely colourful personality in the German literary scene],
- swoją popularność zawdzięczał również wyjątkowemu temperamentowi [he also owed his popularity to his unique temper].

Ultimately, however, this component of his profile suggests that Reich-Ranicki was inclined or he even needed to constantly arouse interest and admiration in the public, to set the tone and dominate the discussions held on TV or on the radio, to be in the centre of

attention thanks to his original and unorthodox opinions, which could also be surprising, biased or even unfair. Nevertheless, this type of approach, presumably intentional, significantly contributed to his popularity. Whether he gained new admirers or made new enemies, he would build up his popularity.

Another role attributed to the German critic by Polish print media is that of a **person with dubious, or in fact, murky past**. This is mainly conveyed by the extremely vivid nominations referring to him as: *cenzor z komunistycznej Bezpieki* [censor in the communist security services], *agent wywiadu [intelligence worker]*, and *tajny agent UB [secret agent of the Security Bureau]*. **Undoubtedly, references to Reich-Ranicki's obscure past are found in such predications as:** *był agentem komunistycznych służb bezpieczeństwa* [he was an agent of communist security services], *pracował jako tajny agent UB [he worked as a secret agent of the Security Bureau]*. However, the corpus also contains more subliminal predications with no explicit suggestions of cooperation with the communist authorities:

- próbuje się kreować na człowieka zbliżonego do ruchu oporu w getcie, a tak naprawdę nie ma na to dowodów i trzeba zakładać, że był on tam również człowiekiem władzy w tym trudnym okresie [he tries to present himself as a person involved in resistance in the ghetto, but there is no evidence of that and one should assume that he was also linked to the authorities during that difficult time],
- pytany o swoją przeszłość w bezpiece nigdy nie udzielał konkretnych informacji, z niechęcią wracał do okresu swojej pracy w MBP [when asked about his past in the security bureau he never provided concrete information, he did not like to talk about his work in the Ministry of Public Security],
- był agentem komunistycznych służb bezpieczeństwa [he was an agent of communist security services].

Undeniably, however, such statements do imply such collaboration or other possible acts Reich-Ranicki could be blamed for.

Besides the roles clearly associated with a negative image, the recognised German critic appears in Polish print media in a role of a **valued figure in German literature**. In this case he is introduced by means of nominations acknowledging his achievements, his renown, and his dedication to literature: *najbardziej znany krytyk literacki Niemiec* [Germany's best known literary critic], *wielka postać niemieckiej krytyki literackiej* [a great personality of German literary criticism], *sławny krytyk literacki* [famous literary critic], *światowej sławy niemiecki krytyk literacki* [world famous German literary critic], *przyjaciół literatury* [friend of literature], *przyjaciół literatury, wolności i demokracji* [friend of literature, freedom and democracy].

The related predications mainly point to Reich-Ranicki's position in Germany, his great authority and recognition in the world of literature:

- jego pozycja w Niemczech od wielu lat była niepodważalna [his status in Germany was unquestionable for years],
- był niekwestionowanym autorytetem świata literatury [he was indisputable authority in the world of literature],

and his dedication to literature, which he often referred to as his native land:

- kochał kulturę niemiecką i ją wybrał [he loved German culture and he chose it],
- był wielkim miłośnikiem i propagatorem niemieckiej literatury [he loved and he promoted German literature].

#### 4. CONTRASTIVE ANALYSIS

The roles identified in the Polish and German language discourse, and defined by print media for Marcel Reich-Ranicki, were at the next stage subjected to contrastive analysis. In order to provide an overview of the matter in question and to make sure the reader gets a clear picture of the roles assigned in both corpuses to Marcel Reich-Ranicki, presented below is a list of these roles, compiled based on the contrastive analysis, and taking into account the frequency with which the specific types of nominations and predications appear in the material. Looking at the chart one cannot help but notice that some roles appear in both research areas, even in the same positions of the list. Some roles to a lesser or greater degree correspond and are related to one another (cf. Table 1):

Table 1. A list of roles assigned to Reich-Ranicki by Polish and German press in the media discourse following the critic's death. Similar roles observed in the two research areas are highlighted in the same colour

REICH-RANICKI IN GERMANY	REICH-RANICKI IN POLAND
Uncompromising expert with virtually unlimited power	Scornful, egocentric and uncompromising expert with virtually unlimited power
Popular showman eager to stand in the spotlight	Popular showman liking to impress and dominate
Pugnacious egocentric	A person with dubious, or in fact, murky past
A great personality in the world of literature	A valued figure in German literature
A victim of the holocaust who forgave his oppressors	–
A man raising controversy due to his obscure past	–

Occupying the most prominent position on top of the list both in Polish and German language discourse, the role of Reich-Ranicki as an *uncompromising expert with virtually unlimited power*, is closely linked, also in terms of frequency, to two more roles (*popular showman* in both corpora and *pugnacious egocentric* in the German-language corpus). By overlapping with each other, they constitute a kind of thematic group referring to the characterological picture of the popular critic. Print media in both cultures emphasise that the critic's opinions concerning literary matters and the reading public for decades were of extreme importance. No other literary critic in Germany had an authority or following among readers that would even distantly match the recognition enjoyed by Reich-Ranicki. His verdict frequently was final and his opinion incontestable. He had a power to raise onto a pedestal, or to destroy authors with his devastating criticism, wrecking their careers. In the corpus collected from Polish print media the role of uncompromising expert is supplemented with the attributes *scornful* and *egocentric*, which clearly suggests that the scornfulness and egocentrism are related to Reich-Ranicki's role of an expert literary critic. This silhouette, this form of the role appearing most frequently in the Polish corpus results from the specificity of the nominations and predications occurring in this context. Clearly dominating here are the terms suggesting harshness and arbitrariness of the German critic's opinions about Polish authors. Polish print media reproach him for ignoring opinions of other reviewers and literary experts and for minding only his own prestige and career, which he

also advanced by voicing unexpected, surprising and frequently unfair opinions and verdicts; one fitting example, already quoted above, comes from an article by Justyna Sobolewska: “he slammed Polish literature on TV, arguing that Stasiuk, Tokarczuk and Tulli wrote provincial books” (“Polityka”, 19.09.2013). His harsh, and not always justified, criticism was aimed at such established German writers as Martin Walser and Günter Grass. For example in a report by a PAP correspondent, signed as //gak/, we can read: “he did not hesitate to criticise the most renowned German writers; he presented harsh opinions about later works of Günter Grass” (PAP, TVN24.PL, 19.09.2013). The opinion of Reich-Ranicki, as a *pugnacious egocentric* also appears in the German corpus, yet in this case it is defined as a separate, fully autonomous role; in the diagram it is listed as number three in terms of frequency. Here it was distinguished and listed in the diagram as a separate item since it relates to a completely different area of Reich-Ranicki’s activity and his role representing a completely different profile. The German critic seen as a pugnacious egocentric in this case appears in the context of his TV-related activity, or more precisely, his long-term involvement in “Literarisches Quartet” [literary quartet], where Reich-Ranicki usually did not let the other critics speak, he would authoritatively voice his controversial opinions, drawing the audience’s attention mainly to himself, and creating a one-man show, despite the presence of other experts in the discussion.

The above role is also linked to the role identified in both discourses and listed as number two, i.e. *a popular showman eager to stand in the spotlight, liking to impress and dominate*, because the two roles in many cases occur jointly or even overlap, due to the fact they are strongly interrelated. Ultimately, as shown earlier, the two roles, and in the case of the German-language corpus the three roles mentioned above, constitute a kind of thematic group. The role of *a popular showman eager to stand in the spotlight* is realised in a similar way in both discourses. In both cases it is emphasised the critic had the extraordinary ability to win the hearts of many readers, listeners and viewers. Reich-Ranicki was able to appeal to those who had never been interested in literature. He could talk in an engrossing way, captivating for an ordinary person, who this way was encouraged by him not only to reach for the recommended books, but also to independently search for new things to read; indeed, for this the critic constantly provided a motivation and inspiration. He evoked adoration in viewers and readers. He had a gift of persuasion, of almost hypnotic nature.

The most frequent roles, related to the characterological picture of the famous critic, constitute one facet of the diagram. At the other end there is a role considered from historical and social viewpoint, i.e. the role of *a man raising controversy due to his obscure or murky past*. In the Polish language discourse it is listed directly after the roles related to the critic’s characterological picture, i.e. as item three, corresponding in the German language discourse to the final role related to the critic’s character, i.e. *pugnacious egocentric*. Although in the German language discourse it does not rank very high, the role has been identified among the six roles most effectively depicting Reich-Ranicki, which suggests that print media from German-speaking countries in their obituaries – despite the fact that generally writings of this type contain praise for the deceased – did not ignore the facts related to the Polish past of the German critic of Jewish origin. Nevertheless, Polish and German print media do not build this role in the same way. Polish media, in connection to the Polish period in Reich-Ranicki’s life, explicitly attribute to him the role of *a person with dubious, or in fact, murky past*, referring to him with such vivid nominations as: *an agent of security services, censor in the communist security services, and intelligence worker*. Furthermore,

analysis of predications suggests facts and arguments allowing a conclusion why this recognised critic did not have crystal clear conscience: *when asked about his past in the security bureau he never provided concrete information, he did not like to talk about his work in the Ministry of Public Security*. German print media address this issue with far greater cautiousness when writing about Reich-Ranicki, and referring to: *a controversial type, controversial personality, a person difficult to define/grasp, one of the most controversial figures of the 20th century*. None of the authors writing in German elaborate on Reich-Ranicki's work in communist security services, or try to go into details or discover the truth about his past in Poland. German print media merely present information on the existing, frequently conflicting, opinions about the former prisoner of the Warsaw ghetto. Most frequently comments related to those times are made in the context of unexplained and unconfirmed facts. It is important, however, that these issues are not ignored, and this role of the critic is specified. Indeed, it seems difficult to ignore this aspect, in the face of reports and publications which have revealed certain facts from the relevant period of the critic's life, to mention only the opinions voiced by Tilman Jens or Gerhard Gnauck.

In the German language discourse, a role directly next to those relating to Reich-Ranicki's personality and his position in Germany (item five), defines the critic as *a victim of the holocaust who forgave his oppressors*. Notably, this role is assigned to him only by German press. In Polish print media there are no references to this aspect, possibly due to the fact that the issue concerns the relations between the German society and a surviving Jew who forgave that society. This role, however, is extremely important as it provides insight into certain moves and reactions of German press, or in fact a lack of response from Germans, as a society indirectly responsible for the atrocities of World War II, to the accusations presented for instance in Gnauck's publication or allows to understand the characteristic behaviours presented by Marcel Reich-Ranicki and his attitude to the related discussion. After all for Germans their great critic is *a victim of holocaust, an oppressed person, a witness of those tragic times and events brought by Nazi Germany not only onto Jewish people; however he returned to the country of his oppressors, and he advances and promotes German literature, spreading it throughout the world. How could they, and what right would they have to criticise him, or to judge him?!*

In the discourse, which in terms of the genre consists of obituaries, it would be difficult to imagine a corpus which would not contain nominations and predications referring to the relevant person's accomplishments. Both in the Polish and German language discourse it is possible to distinguish a role of Reich-Ranicki as *a great personality and valued figure in German literature*. Interestingly, in both corpora the role occupies the same (fourth) position, however in the classification based on the material from German print media it is followed by two more roles with lower frequency, and in the Polish corpus it is the final position. Given the above, one should point out that the role emphasising the recognition for and acknowledgement of the well-known critic, particularly in the Polish-language discourse, is not of utmost importance in giving shape to Reich-Ranicki's profile in print media. The nominations and predications reflecting his outstanding achievement and extraordinary personality are overshadowed by those referring to his authoritativeness, determination and egocentrism. These in fact constitute the core of the critic's profile.

The analysis of the nominations and predications appearing in the print media discourse following the critic's death shows two, partly conflicting, profiles of Marcel Reich-Ranicki, with the constituents outlined below.



The profile of Reich-Ranicki presented by Polish press definitely carries negative traits. The observations related to the critic's outstanding accomplishments and merits as well as his expertise in literature and literary criticism (the related remarks usually appearing at the start), are accompanied with comments pointing to his authoritative attitude, often strongly subjective opinions, as well as eccentric looks, his egocentrism and tendency to indulge in making scornful remarks in his professional life. It is clearly emphasised that Marcel Reich-Ranicki was a talented showman, able to attract attention of the wide public to issues related to literature, however in this context the critic's extreme sense of self-importance is also pointed out. In contrast to the accomplishments, attention is drawn to the facts revealed with regard to his murky past in secret services, to the carefully concealed Polish part of his biography and his fierce denial of the accusations related to his work in intelligence services.

In German print media Reich-Ranicki is shown as a uncompromising, authoritarian and unyielding expert in issues related to literature, happy to stand in the glow of flashlights, an eccentric showman and an egocentric. In German-language articles, however, these negative traits are always strongly relativised by the emphasis to the fact that the great critic was also an outstanding specialist and a tireless educator of the nation, and consequently a great personality in the world of literature. An important part of the profile assigned to the German critic of Polish and Jewish origin is related to the role of a victim of Nazi terror, saved by miracle from the holocaust and refusing to look for retribution, on the contrary – forgiving his persecutors, and returning to the country of his oppressors in order to promote their cultural heritage. The otherwise flawless profile of the great man of literature is to a degree spoilt by the controversy related to the Polish period in his biography. This aspect, however, is emphasised far less frequently. In the context of his Polish past it is only pointed out that this part of the critic's biography has not been clarified and there is no encumbering evidence. German print media, mostly presenting favourable opinions of the critic, never use any phrases suggestive of his involvement with the Ministry of Public Security. They most frequently mention the fact that he was a resident or employee of the Polish Embassy in London. Even if an article mentions that he worked as a secret agent, there are no references to the Security Office, Polish intelligence or secret intelligence of the Polish government. Likewise, no author mentions the fact the intelligence services of Polish People's Republic were an equivalent of Stasi, functioning in the DDR.

In summary: although according to German print media Reich-Ranicki is an eccentric, unyielding and authoritative literary critic, and an egocentric person, still he is also an outstanding expert in his field, educator of the nation, victim of Nazi terror, miraculously saved from the Holocaust, refusing to seek retribution, worthy of admiration because he forgave his oppressors, and recognised their country as his own, choosing to promote German cultural heritage.

The profile of Reich-Ranicki presented in Polish media is an example of a remarkable, yet uncompromising, unyielding and sometimes unfair expert in literary criticism, a talented showman with a tendency towards vanity, and a person without a clear conscience due to his past as an agent in post-war Poland.

The presented analysis clearly shows differences in the focal points of the profile created for the relevant person in the two cultural areas taken into account. The profile of Reich-Ranicki emerging from German media mainly suggests an egocentric knowing his own value, as well as a victim of German fascism. Results of analysis focusing on Polish press

show the critic's profile leans towards a mean and unfair personality with definitely inglorious past in the service of the authorities of communist terror.

## 5. FINAL REMARKS

The conducted analysis of nominations and predications allowed to identify characteristic roles which the relevant print media attributed to Reich-Ranicki. The roles determined as a result of discourse exploration are the roles in which the critic is likely to be remembered after his death. It is, however, quite possible that the memory of the critic may take different forms in the two cultures. This is linked with the fact that, in addition to certain analogies, the contrastive analysis of the collected corpus also revealed relatively large differences in the way the critic's image is created by press in the two relevant cultures. In German print media Reich-Ranicki was depicted with criticism but also in positive terms, as a person presenting definitive opinions, unyielding yet competent, a person that is owed a lot by the German society which on the other hand has reasons to feel ashamed and apologetic towards him. Based on the analysis of the roles, the German critic's profile in the Polish print media clearly gravitates towards negative overtones. Although Reich-Ranicki's most obvious contributions to literature and literary criticism are pointed out, a lot of attention is also paid to his inglorious communist period in Poland. This supports the hypothesis that mass media in various cultures may present the same person in different or even conflicting ways, and this fact in the case of obituaries, examined here, contributes to different images created for a dead person and consequently to the memory of that person. Of no little consequence in this case is the fact that here we are dealing with mass media of countries directly related to the relevant person, and countries which during World War II were on opposing sides of the frontlines.

Based on the analysis it is possible to draw a conclusion that, by applying appropriate linguistic means and compositional techniques, mass media can undoubtedly depict, create or in fact engineer an image of the reality conveyed to the public, as a result building mediated memory. Therefore, as shown by conclusions from the conducted analyses, they largely contribute to images related to a given fragment of the reality, which the public may construct, unwittingly to some extent, and consequently they foster development of collective memory in a given group.

By using discourse analysis tools exclusively to explore nominations and predications, which then were applied to define roles of discourse actors, an approach successfully used in the case of large text corpora, it was possible to effectively explore a linguistic image of Reich-Ranicki conveyed by the press and the resulting memory preserved in language. Consequently it was possible to identify differences and similarities, as well as certain nuances in the profiling of the critic by Polish and German print media in *obituaries* published immediately following his death; his profiles were also presented relative to the perspective applied: moral, historical, characterological, and social. The profiling of Marcel Reich-Ranicki in mass media shows the knowledge which print media of the two relevant areas were trying to convey, using adequately selected linguistic means<sup>12</sup>, and which they presented to their readers with regard to the critic directly after his death in order to preserve a specific type of memory about him.

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<sup>12</sup> The study does not examine linguistic strategies and means applied in profiling of the image of Marcel Reich-Ranicki since this aspect falls outside the scope of this article. The related analyses will be presented in the next study by this author, covering the relevant subject matter.

The attempt to apply selected tools of discourse analysis, undertaken here, was aimed at determining whether the findings allow to expose mediatized memory, and consequently collective memory; the results support the thesis proposed by Czachur, claiming that discourse linguistics has instruments which make it possible to optimise findings of earlier research into memory. Carried out to determine the way of profiling of Marcel Reich-Ranicki, the analysis of nominations and predications applied to identify the roles in which the critic was shown in German and Polish print media and for which he may be remembered, has determined in what way media formulate mediatized memory possibly contributing to the shaping of collective memory of the specific group.

In this context it is necessary to emphasise the specificity of the corpus selected for the study. Obituaries constitute a peculiar type of research material due to the principle "speak well of the dead" adopted by their authors. Yet, the reader does not always know these determinants of the genre in detail. Consequently they may treat information contained in a specific obituary as a foundation, a reliable and legitimate source of knowledge designed to supplement or verify the pool of information related to the deceased person. Such train of thought may be risky or even misleading, particularly for a reader who is not a member of a specific culture, has not encountered or has no previous knowledge of the person. The present study and findings of my previous research focusing on this type of texts show that there are more and more changes in the genre profile of obituaries. This is because authors of such writings increasingly often disregard, relativize or even break the rule "de mortuis nil nisi bene". The reader who does not know details about the person presented in a given obituary will not be able to take a critical approach to information contained therein. Therefore, it is highly likely that they will adopt and remember, at least in part, the image of the person created by press in a form of memory preserved in language (mediatized memory), due to the influential status of print media.

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## **STORAGE OF GOODS IN A LARGE SCALE RETAIL COMPANY**

In large scale retail companies, storage of goods is very important in the structure of performed logistic processes. That process has an auxiliary function, supporting the sales activities. Stocks are kept both in the warehouse and in the commercial area. Fresh and dry food products, as well as household goods, are stored in the same facilities. Consequently, there are various needs when it comes to ensuring proper warehousing conditions.

The analysis of literature indicates the lack of general and detailed studies regarding the concept and structure of relevant organisations as well as characteristics of the performed logistic processes. The presented contents do not comprise the subjective, objective or functional specificity of retail.

This paper aims at systematisation and extending the knowledge concerning the structure and course of warehousing in large scale retail companies. The study will allow to explain the course of the warehousing process in the analysed companies, by defining its purpose, stages and tasks, assessment criteria, used documents and also persons in charge and those responsible for particular activities. The research method used in the study was observation. The technique of the study was observation of own management and organisational activity.

**Keywords:** stock, warehouse, distribution, system, logistics.

### **1. INTRODUCTION**

It is commonly assumed in the literature that the process of warehousing is divided into four basic phases, i.e. goods acceptance, storage, completion and release. The storage phase comprises the activities leading to placement of goods in the storage area of the warehouse building, in a systematic way, considering their characteristics and current possibilities (PN-N-01800:1984). The basic reasons of building-up inventories are connected with uncertain and wrong demand patterns, relations between to costs of transport and warehousing, the effect of scale of purchase or transport, ensuring security (continuity) of performed processes, seasonality in supply and demand of certain goods, and market speculations (Richards, 2014). In this regard, the major goal of storage is to ensure access to specific material goods, according to the requirements of interested parties, at an acceptable cost (Gwynne, 2017).

It is widely acknowledged that this process is carried out in five stages, comprising the receipt of goods from the acceptance area, placement in the storage area, routine control and handover to the completion or release area (Kisperska-Moroń, Krzyżaniak, 2009). On

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these grounds, three basic groups of activities can be distinguished, i.e. manipulation activities, stock handling and control activities. The criteria determining the method of warehousing, defined in the literature, include both natural and logistic factors (Coyle, Bardi, Langley, 2002).

Large scale companies are one of the most significant entities in the retail market. They are business entities located in large and medium cities and their closest vicinity, specialised in sales of goods to end customers. Their commercial offer, exposed on a large area, includes a wide selection of products and limited selection of auxiliary services. Most often they are members of a retail chain (Jedynak, 2017).

In large scale retail companies, storage of goods is very important in the structure of performed logistic processes. That process has an auxiliary function, supporting the sales activities. It must be noted that large stocks are kept both in the warehouse and in the commercial area. They are highly differentiated in terms of the width or depth of items. Fresh and dry food products, as well as household goods, are stored in the same facilities. Consequently, there are various needs when it comes to ensuring proper warehousing conditions. Additionally, products come from different suppliers, which has a direct effect on the delivery conditions. The stocks comprise a commercial offer addressed to a wide group of end users, and the demand can be predicted in a limited scope. Customers have direct access to stored goods in the commercial area (Jedynak, 2017).

The analysis of literature indicates the lack of general and detailed studies regarding the concept and structure of relevant organisations as well as characteristics of the performed logistic processes. The presented contents do not comprise the subjective, objective or functional specificity of retail. Therefore, this paper aims at systematisation and extending the knowledge concerning the structure and course of warehousing in large scale retail companies. The study will allow to explain the course of the warehousing process in the analysed companies, by defining its purpose, stages and tasks, assessment criteria, used documents and also persons in charge and those responsible for particular activities. The purpose of the paper shall be fulfilled by providing a subjective, objective and functional characteristics of the logistic system, identification of stages and tasks within the warehousing process as well as the characteristics of the criteria applied in placement of goods in the warehouse and in the commercial area. The research method used in the study was observation. The technique of the study was observation of own management and organisational activity. The study encompassed four popular trade networks operating in Poland. One of these entities was an household stores network, while the others were food retail chains. Due to uniform rules of operation of individual trade units in a given network, it has been assumed that the study would concern only selected supermarkets.

It must be pointed out that this paper presents preliminary research, constituting one of the stages leading to the analysis of the decision-making process in large scale retail companies. The major task is to determine the assumptions and rules of auditing the logistic procedures in the described enterprises.

## **2. LOGISTIC SYSTEM**

Large scale retail company, as a system, is a special purpose business entity, located in a city or its closest vicinity, distinguished in the surrounding area, having legal, organisational, technical and economic independence, offering a wide selection of goods in a large space and a limited scope of sales support services, addressed mainly to the end customer.



The structure of the company comprises a sales subsystem and support subsystems. As far as support activities are concerned, the functions of the logistic subsystem are very important. It is a special purpose system, with social and technical aspects (involving the man and their work plus available operating resources) and space and time aspects (having effects in time and space). In the analysed company, the main goal is to ensure availability of a proper quantity of material goods, in a given place and time, with optimum quality and costs of logistic service. For the purposes of this paper, the analysed logistic system shall be described in three aspects: subjective, objective and functional.

In the subjective approach, the logistic system of a large scale retail company comprises a network of related and cooperating functional and task divisions, and also work performed by employees. Its subjective scope, considering the organisational structures of the analysed enterprises, belongs to the goods acceptance and release department, commercial department and customer service department. In these departments, three groups of employees involved in the fulfilment of logistic processes can be distinguished, i.e. managerial staff/management (decision-makers), supporting staff (supporting the higher level personnel, with limited independence) and ordinary workers (performing particular tasks). Furthermore, additional workers, assisting in logistic processes, perform a very important role. This group includes: OHS specialist, technical departments employees, security staff, cleaning personnel, employees of human resources, finances and accounting departments, etc. It is worth noting that logistic tasks performed in a large scale retail company by individual employees on different management levels, are dispersed. Additionally, it is merely the part of a number tasks falling in their scope of duties. It means that in the majority of the analysed companies, logistic processes are not coordinated within a single department or position, but at the level of a given department or division. However, the logistic decisions are decentralised.

An example of the organisational structure in a large scale retail company is presented in Figure 1.

In the substantial approach, the logistic system of a large scale retail company is defined on the basis of the available production measures. These include both the work subject and the operating resources. The subject of work are the goods included in the commercial offer of the analysed company. Based on the type of goods, basic item categories can be distinguished. Further division is based on special purposes, i.e. subgroups or subclasses. It is worth noting that goods classification chosen by the analysed companies reflects their pattern of organisation and management. It means that the sales area and warehouse are divided into zones. In every zone, particular goods are placed, grouped by the type and handled by a specific commercial department (specialisation).

An example of the area structure in a large scale retail company is presented in Figure 2.

Operating resources in the analysed companies are divided into two groups: logistic infrastructure and materials used in its operation. The logistic infrastructure includes buildings and structures, along with technical equipment that belongs to them. In large scale retail companies, closed structures constitute an important part of the building arrangement. Additionally, trading units use a parking area, shopping arcade, semi-open warehouse and open warehouse with paved surface. The technical equipment includes warehouse and shop devices, transport and handling facilities, auxiliary equipment and IT system.

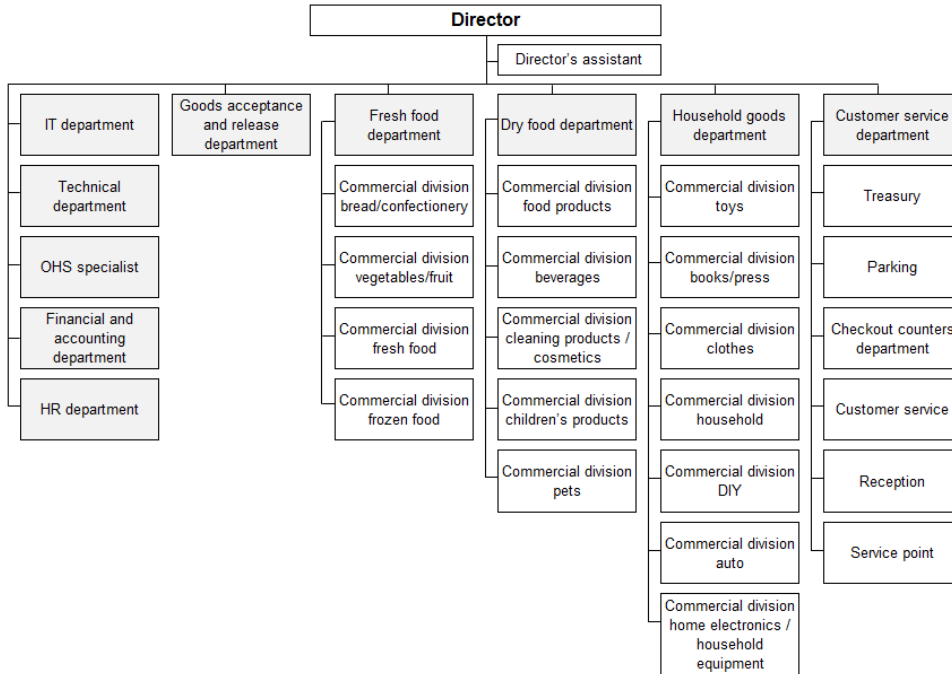


Figure 1. Example of the organisational structure in a large scale retail company  
Source: individual study.

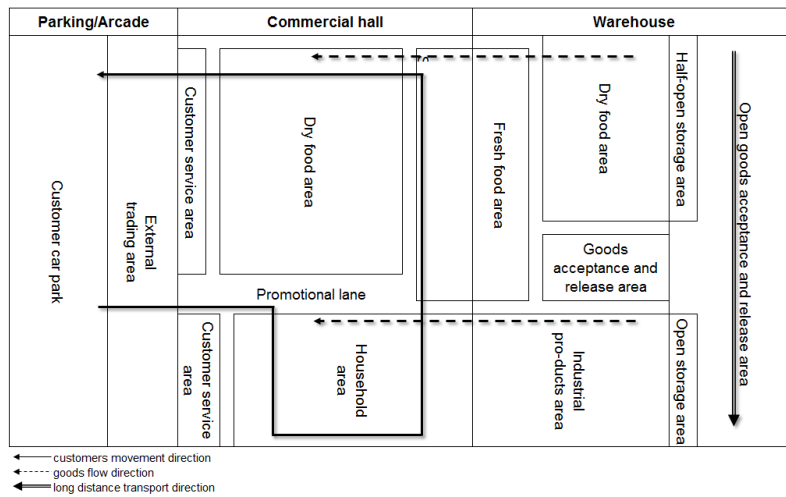


Figure 2. Example of the area structure in a large scale retail company  
Source: individual study.

The scope of application of individual technical devices in a large scale retail company is presented in Table 1.

Table 1. Scope of application of individual technical devices in a large scale retail company

Technical equipment		Warehouse		Commercial hall	
		Goods acceptance and release area	Storage area	Commercial area	Customer service area
Warehouse and shop equipment	for storage purposes		■■■	■■■	■
	HVAC		■■■	■■■	
	fire protection	■■■	■■■	■■■	■■■
	safeguarding	■■■	■■■	■■■	■■■
Transport and handling equipment	manually operated trolleys	■■■	■■■	■■■	
	hoisting trucks	■■	■■■	■■■	
	forklifts	■■	■■■		
Auxiliary equipment		■■■	■■■	■■■	
IT systems		■■■	■	■	■■■

■■■ widely used, ■■ used for selected activities, ■ limited use

Source: individual study.

In the functional approach (process approach), the logistic system of a large scale retail company is defined as a set of activities supporting the sales process. Its major purpose is to ensure optimum circulation of goods along with the information within the analysed companies and between all involved parties. Assuming the phase criterion, the logistic process performed in trading units is divided into supply phase and distribution phase. Considering the importance of the performed logistic activities in a large scale retail company, the process of supply, including the selection and assessment of supplier, and also preparation and submitting an order needs to be distinguished. Additionally, storage, inventorying, handling of returns to suppliers, complaint management and logistic customer service are also very important.

### 3. STAGES AND TASKS IN THE WAREHOUSING PROCESS

In large scale retail companies, warehousing process encompasses a set of activities leading to stop the movement and systematic placement of goods, taking into account their features, requirements of all parties and use of appropriate production forces (employees and their work, operating resources). Its main purpose is to ensure continuity of the commercial offer in line with the customers' expectations, considering both the conditions of operation and its capabilities. It is fulfilled in three stages. The first is receipt of goods from the acceptance area, according to the recognised rules and the acceptance procedure in force. The following is related with the layout of goods in the storage area, taking into account their characteristics. The final stage is control of goods storage conditions.

The warehousing process in the analysed companies, along with the used documentation, is presented in Figure 3.

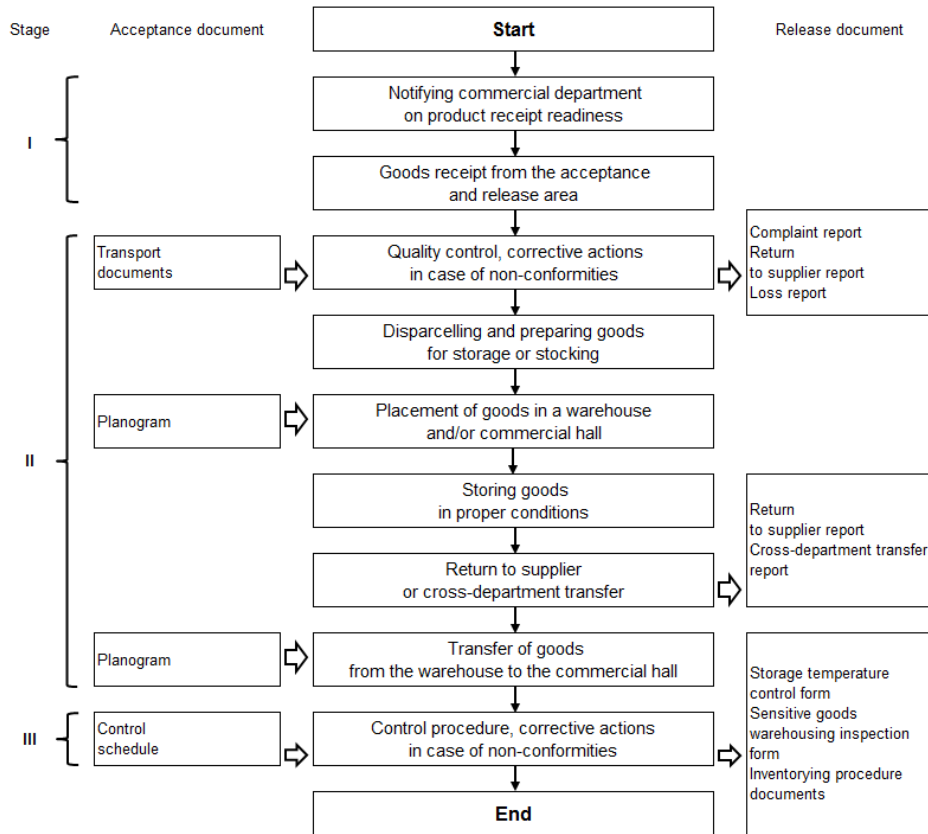


Figure 3. Scheme of warehousing process in large scale retail companies

Source: individual study.

The warehousing process in large scale retail companies is fulfilled with direct involvement of the goods acceptance and release department and the commercial department.

Table 2 presents the division of responsibilities related with the process of storage, performed by employees of particular organisational units.

Table 2. Responsibilities of employees related to warehousing process in large scale retail companies

Position	Responsibility
Head, Goods acceptance and release department	<ul style="list-style-type: none"> <li>- management of goods in the acceptance and release area</li> <li>- current information to the commercial department on the condition of accepted goods and any non-conformities found</li> <li>- managing the inventory process within the division</li> </ul>

Table 2 (cont.). Responsibilities of employees related to warehousing process in large scale retail companies

<b>Position</b>	<b>Responsibility</b>
Assistant / Employee, Goods acceptance and release department	<ul style="list-style-type: none"> <li>- physical transfer of goods from the acceptance and release area to the commercial area</li> <li>- informing the supervisor on any non-conformities found</li> <li>- participating in the inventory process within the division</li> </ul>
Head of department	<ul style="list-style-type: none"> <li>- specifying the work schedule for the managerial staff, personnel work management, following the OHS rules and valid standards and rules of conduct</li> <li>- current inspection and control of supervised area</li> <li>- ensuring access to operating resources in proper time, place and quantity, according to the workplace requirement and in line with the capabilities of the company</li> <li>- control of the level and structure of stocks, including trade negotiations and supervision of orders placed</li> <li>- managing the inventory process within the department</li> </ul>
Head of commercial department	<ul style="list-style-type: none"> <li>- specifying the work schedule for the department staff, personnel work management, following the OHS rules and valid standards and rules of conduct</li> <li>- current inspection and control of supervised department</li> <li>- control of efficiency and method of use of available operating resources, responding in case of non-conformities, identification of needs regarding equipment on the given post and ordering auxiliary materials</li> <li>- determining the scale and structure of stocks, stock replenishment</li> <li>- controlling the process of return to suppliers and complaints management</li> <li>- managing the inventory process within the division</li> </ul>
Assistant at commercial department	<ul style="list-style-type: none"> <li>- management of operating resources, control of efficiency and method of use of available operating resources, informing on any non-conformities found, submitting material demands</li> <li>- informing the supervisor on goods shortages, faults and any other irregularities, stocks replenishment</li> <li>- preparing and release of returns to suppliers, complaint management</li> <li>- fulfilment of the loss management procedure</li> <li>- participating in the inventory process within the division</li> </ul>
Employee of commercial department	<ul style="list-style-type: none"> <li>- management of operating resources, control of efficiency and method of use of available operating resources, informing on any non-conformities found, submitting material demands</li> <li>- receipt of goods from the acceptance and release area</li> <li>- placement of goods in the warehouse, storage of goods in proper conditions, regular control of warehousing conditions</li> <li>- preparing goods for sale, presentation of goods in the commercial area, securing goods against damage or robbery, replenishment of stock shortages</li> <li>- informing the supervisor on goods shortages, faults and any other irregularities</li> <li>- participating in the inventory process within the division</li> </ul>

Source: individual study.

#### 4. GOODS STORAGE CRITERIA

In large scale retail companies, goods placement and storage procedures are performed taking into account their characteristics. It includes both natural properties of the stored goods (i.e. sensitivity to time of storage, moisture, temperature, light, impacts, absorption and emission of odours, flammability, harmfulness, etc.) and their physical form (size or physical state).

The characteristics of goods stored by the analysed companies is presented in Table 3.

Table 3. Characteristics of goods stored by large scale retail companies

Division	Type									
	non-demanding	specific conditions required	hazardous	small-sized	mid-sized	large-sized	constant unitary	constant quick	liquid	gaseous
Food supermarket										
Vegetables/fruit		■		■	■		■	■	■	
Bread/confectionery		■		■			■	■		
Fresh food		■		■			■	■	■	
Frozen food		■		■			■	■		
Groceries	■			■	■		■	■	■	
Beverages	■			■	■				■	
Cleaning products/cosmetics	■			■	■		■	■	■	■
Children's products	■			■	■		■	■	■	
Pet goods	■			■	■		■	■		
Household goods	■	■	■	■	■	■	■	■	■	■
Home & garden supermarket										
Construction	■	■	■	■	■	■	■	■	■	■
Technology	■	■	■	■	■		■			
Design	■	■		■	■		■		■	
Decoration	■	■		■	■	■	■	■	■	
Garden	■	■	■	■	■	■	■	■	■	■

Source: individual study.

It is worth noting that in the European Union, retailers are obliged to follow the standards as well as local and UE legal regulations on storage and trading of food products. In Poland, one of the basic regulations is the act on safety of food and nutrition (Act of 25 August 2006 on *Safety of Food and Nutrition*). Additionally, external and internal inspections are carried out in the trade of food products. The external inspection involves activities

of different national inspection bodies. The internal inspection includes control of conditions and sanitary rules in food products trading and conformity with the Hazard Analysis and Critical Control Points System. On the European level, the regulation laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety (Regulation (EC) No. 178/2002) is of key importance.

Additionally, in the analysed retail companies, in placement and storage of goods in the commercial area and the warehouse, the following logistic factors are taken into account:

- available production capacity;
- turnover, which determines two methods of storage – selective, with direct access to goods and non-selective, with limited access to goods;
- item groups, layout of individual products reflecting their division into groups, sub-groups, classes and subclasses;
- subjective criterion, products are placed according to the supplier's or recipient's criteria;
- rules of release and acceptance of goods at the warehouse, the analysed companies follow the “first in, first out” principle;
- spatial layout of warehouse – horizontal, in which layout of goods reflects the frequency of removal from storage, or vertical, where scale of removal is taken into account;
- the method of assignment of storage site to particular items, in which constant storage site method and free space method can be distinguished.

Additionally, placement of goods in the commercial hall of a large scale retail company must reflect:

- marketing factors, ensuring proper display, according to the accepted planogram and promotional activities carried out;
- sales factors, e.g. seasonality of particular goods;
- agreements with suppliers, e.g. planogram or a additional display in the commercial hall.

It is worth noting that the characteristics of stored goods as well as the accepted rules of storage site assignment required using a proper warehousing technology and handling equipment (including palletising units, packing equipment, protective materials and labels, operation safety systems, alarm systems, etc.) In the analysed companies, mostly static technology of storage is used (shelf and floor storage). Mobile warehousing equipment is used only in a limited scope. In the commercial hall, various types of counters and shelves, packaging system or cooling and freezing devices are used. Warehousing equipment includes permanent frame stands and cantilever racks, with and without shelves, as well as cold stores and freezers, and also transport and storage resources. It is worth mentioning that the accepted solutions are largely universal, allowing to store a variety of goods. Particular devices are most often assigned to individual departments or divisions.

The subjective scope of application of warehousing equipment in a large scale retail company is presented in Table 4.

Table 4. Characteristics of goods stored by large scale retail companies

Division	Type											
	Commercial hall					Warehouse						
	Counters	Shelves	Showcases	Packaging system	Refrigerators and freezers	Floor storage	Permanent frame stand with shelves	Permanent frame stand without shelves	Permanent cantilever racks	Transport and warehousing resources	Cold stores and freezers	Floor storage
Food supermarket												
Vegetables/fruit		■			■	■				■	■	■
Bread/confectionery	■	■			■					■	■	
Fresh food	■	■			■	■				■	■	■
Frozen food					■						■	
Groceries		■				■						■
Beverages	■	■				■		■				■
Cleaning products/cosmetics	■	■	■			■		■				■
Children's products		■						■				■
Pet goods		■				■		■				■
Household goods	■	■	■	■		■		■	■	■		■
Home & garden supermarket												
Construction		■				■		■	■			■
Technology	■	■	■					■	■	■		■
Design		■						■	■	■		■
Decoration		■						■	■	■		■
Garden		■				■		■	■	■		■

Source: individual study.

## 5. SUMMARY AND CONCLUSIONS

It should be emphasised that in large scale retail companies, individual activities in the process of warehousing conform to the common rules and assumptions.

Basic tasks are performed by specialised organisational units, so-called commercial departments. Thus, professional knowledge, skills and experience of personnel are very important. Additionally, proper scheme of work, access to appropriate operating resources, awareness and motivation of employees are of great relevance. It is worth noting that improper course of warehousing may entail significant direct or indirect losses. It is a great burden for a company, limiting its financial and non-financial capabilities.



In the analysed companies, in order to maintain the required properties and availability of goods, the process of placement in the warehouse or in the commercial hall is not limited only individual criteria. Multi-criteria approach is followed. The accepted methods of goods storage conform to the standards, legal regulations, as well as procedures valid in individual companies. Use of particular methods reflects both the characteristics of the stored goods and the environmental conditions. Other factors that are taken into account are economic, organisational and technical capabilities of enterprises.

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## **SAFETY PROTECTION OF COOPERATIVES FUNCTIONING IN THE CONTEXT OF CRIMINAL LIABILITY OF MEMBERS OF ITS BODIES**

The article presents the issues of protecting the security of cooperatives functioning against threats resulting from the criminal behavior of members of its bodies, which is penalized in the Cooperative Law and in the law on housing co-operatives.

The organs of the cooperative are: the general meeting or the meeting of representatives, the board of directors, the board, and the cooperatives in which the general meeting is replaced by the gathering of representatives - a meeting of member groups. The statute may provide for the appointment of other bodies composed of members of the cooperative.

The article is an attempt to analyze selected prohibited acts which are the basis of responsibility of members of cooperative bodies, in particular the management board and the supervisory board. Criminal liability of members of cooperative bodies is provided for in the following provisions: from cooperative law: art. 267b – a failure to report for bankruptcy, art. 267c – a failure to comply with obligations related to lustration, art. 267d – an announcement of false data of cooperatives, from the Act on housing co-operatives: art. 27<sup>3</sup> – a failure to provide documentation of cooperatives and untimely settlement of construction costs. The provisions presented contain sanctions primarily for acts that are covered by analogous liability in relation to members of capital bodies of commercial companies, which, like cooperatives, are legal persons, which is dictated by the normative, organizational and functional similarity of running a business as a cooperative and in the form of commercial companies or for acts covered by the specificity of cooperative law, in particular concerning one of the most popular types of cooperatives, that is, housing cooperatives, which harm the proper functioning of cooperatives.

**Keywords:** safety, security protection, criminal liability, cooperative bodies, management board, supervisory board, cooperative, housing cooperative.

### **1. INTRODUCTION**

The issue of criminal liability that can be borne by members of legal entities is regulated in many legal acts of a statutory nature. The liability of this type of entities is provided in particular in the Penal Code (The Act of June 6, 1997...), the Code of Commercial Companies (Act of 15 September 2000 – Code of Commercial Companies...) and in many special acts.

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These laws contain regulations that determine the specific behavior of members of the bodies of these entities, considered by legislators as socially harmful, and especially dangerous primarily for the security of business transactions. It should be noted that the management of a given entity is the body whose members are most often subject to criminal liability. The supervisory authority (e.g. the supervisory board) is placed as the second, and practically exceptionally the organs with the widest competence such as partners meeting, general meeting etc.

This type of responsibility was also introduced into the cooperative's political acts, i.e. in 2005 to the Cooperative Law (The Act of 16 September 1982 on Cooperative Law...) and in 2007 to the Act on housing co-operatives (The Act of December 15, 2000 on housing co-operatives). An introduction of this type of criminal liability was the adaptation of the provisions to the current economic situation that enforces proper protection of the interests of members of the cooperative from negligence of persons who are part of cooperative bodies (See: Uzasadnienie rządowego projektu nowelizacji ustawy – Prawo spółdzielcze...).

Inadequate protection of members of the cooperative against improper activities of cooperative bodies was signaled by the Ombudsman indicating that the limits of material liability of members of the cooperative bodies are too narrow to protect effectively the cooperatives (Uzasadnienie rządowego projektu nowelizacji ustawy – Prawo spółdzielcze...). It should be noted that the National Council of Cooperatives and the Audit Union of the Housing Cooperatives welcomed the proposal to introduce provisions on criminal liability of members of cooperative bodies (Uzasadnienie rządowego projektu nowelizacji ustawy – Prawo spółdzielcze...).

## **2. TYPES OF CRIMES OF MEMBERS OF THE CO-OPERATIVE BODIES**

The cooperative's bodies are: the general meeting or meeting of representatives, the supervisory board, the board, in cooperatives, where the general meeting is replaced by a meeting of representatives - a meeting of member groups. The statute may provide for the appointment of other bodies composed of members of the cooperative. In this case, the statute specifies the scope of powers of these bodies and the rules for the election and dismissal of their members.

In general the crimes which members of the cooperative bodies are responsible for can be divided into crimes specified in the penal code, in the constitutional laws of housing co-operatives, i.e. in the Cooperative Law and the Housing Cooperatives Act, as well as crimes under extra-perpetual provisions. For the purpose of this study, a basic analysis of criminal laws contained in the current and current version of the Cooperative Law and the Act on housing co-operatives was made.

Criminal liability of members of cooperative bodies is provided in the following provisions: from cooperative law: art. 267b – a failure to report for bankruptcy, art. 267c – a failure to comply with obligations related to liquidation, art. 267d – an announcement of false data of cooperatives, from the Act on housing co-operatives: art. 27<sup>3</sup> a failure to share documentation of cooperatives and untimely settlement of construction costs.

According to art. 267b Cooperative Law “Who, being a member of the management board of a cooperative or liquidator, does not file for the bankruptcy of the cooperative in spite of the existence of conditions justifying the bankruptcy of the cooperative, is subject to a fine, restriction of liberty or imprisonment for a year”. This provision provides for penal liability of members of one of the cooperative's bodies, the executive body, i.e. the board of

directors for the mere fact of failing to submit an application for the declaration of bankruptcy of the cooperative in due time. The moment of the obligation to submit the request results from the Bankruptcy Law (The Act of 28 February 2003 Bankruptcy Law...). According to art. 10 the condition for filing for bankruptcy is insolvency of the debtor. In turn, art. 11 defines the concept of insolvency, which occurs when the debtor has lost the ability to perform their pecuniary liabilities. In the case of cooperatives, due to the fact that they are legal persons (Article 11 § 1 Cooperative Law) their insolvency also occurs if their liabilities exceed the value of their property, even if they perform these obligations on an ongoing basis, and this state maintains for a period that exceeds 24 months. After determining the insolvency of the cooperative, a general meeting must be convened, which may prevent the insolvency proceedings from being initiated. The obligation of the management board of the cooperative to promptly apply to the court for the declaration of its bankruptcy becomes valid only when the general meeting adopts a resolution on putting the cooperative into bankruptcy (Judgment of the Supreme Court of 19 May 2010...). The Management Board is not entitled to take the decision on taking the court from above the application, despite the insolvency of the cooperative, and cannot do so against the resolution of the general meeting, which decided about the further existence of the cooperative (Stefaniak, 2018). The offense referred to in art. 267b is an individual offense that can only be committed by a person occupying a given function in a cooperative, i.e. a board member or liquidator. The prevailing opinion is that this applies to both the management board members and liquidators who refrained from submitting the application at the time when the conditions for filing the application arose, as well as those (in the case of personal changes in these positions) who after the deadline did not submit such an application to the court. The offense referred to in art. 267b is a deliberate crime, possible to commit both in direct and possible intention (Kwapisz-Krygel, 2014). This is a formal offense for which performance is not necessary. It can be committed only by omission, as indicated by the sign "does not report" requiring the inactivity from the perpetrator in the desired direction (Żak, 2005). The crime is, alternatively, punishable by a fine, restriction of liberty and imprisonment for up to one year, which means that it constitutes vice. It is a public offense and it is prosecuted *ex officio*.

Another crime is laid down in art. 267c of the Cooperative law on the basis of which "Who, being a member of a cooperative body or liquidator against the provisions of the Act: 1) does not submit a lustration to a cooperative, 2) does not give factual explanations to the auditor, does not allow to perform their duties or not submits relevant documents, 3) does not provide the members of the cooperative with a lustration report, 4) does not convene a general meeting, representatives or meetings of member groups preceding the meeting of representatives, 5) does not prepare the documents regarding the division of the cooperative referred to in art. 108b, is subject to a fine or imprisonment. "The offense penalizes the behavior of members of the cooperative's bodies or the liquidator who do not comply with the obligations related to the cooperative's vetting. The obligation to review the cooperative is contained in art. 91 of Cooperative Law. There are two types of lustration: obligatory and optional. The obligatory one should be carried out at least once every three years, and during the liquidation period annually. In the case of housing co-operatives that build residential buildings settled on cooperative principles, the lustration should also be carried out annually. However, the optional lustration is carried out only at the request of the cooperative (Hrymak, 2011). The lustration covers the period of a co-operative activity from the previous lustration, regardless of whether it was a three-year or annual vetting. In the absence of

more precise guidance in the provision, it should be assumed that the period subject to new lustration counts from the end of the previous lustration indicated in the lustration report (Korus, 2005). The lustration examination includes examining the legality, thrift and reliability of its entire operation. Its purpose is, among others, to check compliance by the cooperative with the law and the provisions of the statute; examining the cooperative's compliance with the conduct of its activities in the interest of all members; controlling the economy, purposefulness and reliability of the cooperative's implementation of its economic, social and cultural goals; pointing members to irregularities in the activities of cooperative bodies; providing organizational and instructional assistance in removing identified irregularities and improving the cooperative's activities. The subject of lustration is the activity of the cooperative as such, but in reality it boils down to controlling the activities of cooperative bodies. Therefore, the lustration protects the cooperative's interests against the malfunctioning of its bodies, and indirectly also the interests of the members of the cooperative (Žak, 2005). The obligation of timely submission of the lustration to the cooperative rests, in principle, on the board, and during liquidation on the liquidator. Failure to comply with this obligation, which will also include untimely performance, is a misdemeanor. Other acts related to lustration will also be punishable, including not providing or providing untrue explanations, failure to submit documents and preventing the luster from operating, which will prevent or obstruct the luster's actions, failure to provide a lustration protocol to a cooperative member or failing to convene a general meeting (meeting of representatives and meetings) member groups) (Kwapisz-Krygel, 2014). It should also be noted that the obligations listed in art. 267c points 1, 3 and 4 may only be charged to the liquidator and members of the cooperative's management board, while the duties related to the lustration proceedings specified in item 3 may also apply to the member of the supervisory board of the cooperative and even the member of the general assembly of the cooperative (meetings of representatives, member groups) who are simultaneously in the category of members of cooperative bodies. Offense under art. 267c is a formal offense, it is not necessary to make an effect. The offense under art. 267c can be committed both by omission and by action. The sign of "no" indicates the form of omission, e.g. "grants" or "makes available", whereas the action may be committed in the case of crime committed in point 2, as indicated by the form of executive action described as "grants". The offenses specified in art. 267c can only be allowed deliberately, no liability for unintentional action is anticipated. The offense in question is punishable by a fine, restriction of liberty and deprivation of liberty for up to one year, which means that it constitutes vice. This crime is an offense publicly prosecuted *ex officio*.

The next offense envisaged by the Co-operative Law is an offense under art. 267d, according to which "Anyone who, being a member of a cooperative body or liquidator, publishes false data or presents them to cooperative bodies, state authorities, members of a cooperative or a luster, is subject to a fine, restriction of liberty or imprisonment of up to 2 years" unintentional form, which is punishable by a fine, limitation of liberty or imprisonment for up to one year. The Act penalizes the behavior of announcing or providing false data by members of cooperative or liquidator bodies. The data that are related to the activities of cooperatives and at the same time are not truthful, reality, factual, false, invented, unreal are considered to be false data (Stefaniak, 2018). This is an individual crime, as it can only be committed by a member of the management board, supervisory board, general meeting (representatives' meeting, member groups) of the cooperative. However, due to the scope of competences and the fact that the management represents the cooperative outside

and conducts its affairs most often, this will concern information provided by members of the board (Żak, 2005).

The publication of false data means transferring them to a wide range of recipients, which however does not mean an indeterminate circle. In turn, the presentation of false data to cooperative bodies may refer to relations between various cooperative bodies, but may also be implemented within a single body – in a situation where a member of the body transmits information to this body. Another form of a prohibited act, consisting in presenting data to a state body, indicates that penalization is not subject to submission to the local government authority, if it is not also the announcement of such data. The last form penalizes the behavior of presenting false data to members of the cooperative and the auditors.

The offenses referred to in Article 267d § 1 and § 2 are formal offenses, because for them it is not necessary to have an effect. They can be committed only by action, as indicated by the sign “presents” and “announces”. Due to the fact that they are only threatened with a fine, limitation of liberty and deprivation of liberty for up to 2 years, in the basic type, and in the form of unintentional fines, restriction of liberty and deprivation of liberty for one year constitute both offenses. They are public offenses and prosecuted *ex officio*.

In the current legal status, the Act on housing co-operatives provides for one offense in art. 27<sup>3</sup> of the said Act, according to which “Who, being a member of the housing cooperative, a plenipotentiary or liquidator, contrary to the obligation allows the cooperative: 1) not to provide the housing cooperative with copies and copies of documents referred to in art. 8<sup>1</sup>, 2) does not account for the cost of building the premises on the dates referred to in art. 10 par. 3 or art. 18 par. 4, is subject to a fine. “The legislator in the next article, i.e. 27<sup>4</sup>, clearly indicates that the above prohibited act is only an offense and adjudicates under the provisions of the Code of Conduct in misdemeanor cases” (The Act of 24 August 2001 Code of conduct in offense cases...). This regulation protects the rights of members of housing co-operatives in terms of access to the documentation of the cooperative of which they are members, as well as the timely settlement of the costs of building premises (Kotowski, Kurzępa, 2008). This provision penalizes admission by board members of housing co-operatives, their plenipotentiaries, or in a situation where the cooperative is put into liquidation – liquidators, to a situation where the cooperative does not fulfill the obligations specified in art. 8<sup>1</sup> of the Act on housing co-operatives. These duties include in particular preparing members of the Cooperative at their request: for a fee, copies of resolutions of cooperative bodies and minutes of debates of cooperative bodies, lustration protocols, annual financial statements, invoices and contracts concluded by a cooperative with third parties and a copy of statutes and cooperative regulations free of charge. The second form is untimely settlement of the costs of construction of a dwelling, in relation to which a tenancy will be established, which should take place within six months from the date of commissioning the building or untimely settlement of the cost of constructing a dwelling or a flat, in relation to which a right of separate ownership will be established, which should take place within three months from the day the building is put into use.

The offense of art. 27<sup>3</sup> is an individual offense, as it can be committed only by a member of the management board, a proxy or a liquidator of a housing cooperative. It is formal because it is not necessary to make an effect. It can be committed both by an omission and an action. The sign of “no” indicates the form of omission (“does not make available”, “does not account”), while the offense referred to in point 2, as indicated by the executive action, which may consist of a late payment, i.e. the settlement of the construction costs of the premises will occur, but with exceeding the statutory deadline. The liability provided for in

this provision results from the culpable action of the above-mentioned persons, and consequently, if the reasons for such behavior are not on their side or there is a civil law dispute over the right to issue specific documents, justified by the legal assessment of entitled persons, as a rule it will not be possible to apply sanctions set out in this regulation. An offense may occur intentionally or unintentionally (Dziczek, 2010). This article makes it possible to impose a fine (See: Bończak-Kucharczyk, 2018) on the management board members, plenipotentiaries or liquidators, the amount of which may be determined on the basis of art. 24 of the Code of offenses (The Act on the Act of May 20, 1971 Code of Offenses...) from 20 to 5000 PLN.

### 3. CONCLUSIONS

As can be seen from the above considerations, the legislator decided to penalize certain acts related to cooperative activity. Due to the volume of this study, the analysis covered only prohibited acts specified in the Co-operative Act in the current legal status, deliberately omitting crimes and offenses that are no longer subject to criminal liability, such as art. 267a Co-operative Law, art. 27<sup>2</sup> of the Act on housing co-operatives, art. 8 sec. 2 of the Act of 14 June 2007 amending the Act on housing co-operatives and amending certain acts (The Act of 14 June 2007 amending the Act on housing co-operatives and amending certain acts...). In general, current regulations contain sanctions primarily for acts that are covered by analogous liability in relation to members of capital bodies of commercial companies, which, like cooperatives, are legal persons, which is dictated by the normative, organizational and functional similarity of running a business as a cooperative and in the form of companies commercial matters, or for acts covered by the specificity of cooperative law, in particular regarding one of the most popular types of cooperatives, that is housing cooperatives, which harm the proper functioning of cooperatives. This leads both to cohesion within the legal system, as well as to the protection of cooperative property, against its improper and uneconomical management, and direct protection of its members' interests, in particular by securing access to information, documents and control of its activities. This regulation seems to be sufficient, keeping in mind the security of the cooperative's functioning, all the more that it should be remembered that the members of the cooperative bodies are also subject to criminal liability provided for members of the legal entities in the penal code and other non-code penalties.

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### **THE LEGAL ACTS**

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The Act of 16 September 1982 on Cooperative Law (consolidated text: Journal of Laws of 2018, item 1285, as amended).

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The Act of 24 August 2001 Code of conduct in offense cases (consolidated text: Journal of Laws 2018, item 475, as amended).

The Act of 28 February 2003 Bankruptcy Law (consolidated text: Journal of Laws of 2019 item 498), art. 11.

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## **THE LEADERSHIP MODEL AND THE USE OF PUBLIC PARTICIPATION INSTRUMENTS. THE CASE OF POLISH MUNICIPALITIES**

The aim of the article is to describe and evaluate the relationship between the leadership model implemented by the executive bodies of Polish municipalities and the use of public participation instruments. The author focuses on the executive bodies of the municipalities due to their significant position in the structure of local government. The main hypothesis adopted in the paper assumes that the use of public participation instruments depends on the style of local leadership. The mayors who are both formal leaders and social leaders tend to incorporate participatory mechanisms in local governance processes more often than those who are only formal leaders. The theoretical framework of the article is determined by the theories of transformational and participative leadership. The article was based on survey research and in-depth interviews. The research results show no clear differences between the scope of applied instruments of participation and the type of leadership. The scale of social support has little impact on the scope of applied mechanisms of participation.

**Keywords:** local leadership, transformational leadership, participative leadership, public participation, social leader.

### **1. INTRODUCTION**

The scale of using public participation instruments in municipalities depends on a number of internal as well as external factors. The internal factors include the modes of governance (leadership model) implemented by mayors. A leadership model determines the relations with members of local communities, shapes the administrative and political culture of the unit, influences the specificity of communication in the municipality, and affects the directions of the municipality development and implementation of public policies as well as the mode of governing the territorial unit. Treating instruments of participation as tools enabling the influence of local communities on the shape of changes in the public sphere, it can be assumed that the leadership model determines their selection, the scope of their application and the areas (policies) in which they apply.

The purpose of this article is to verify whether the method of exercising power in municipalities (especially by the executive body) influences the use of tools for participation. Basing on the results of quantitative and qualitative research carried out in 2017-2018<sup>2</sup>, the

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author undertook to verify the following hypothesis: the use of public participation instruments depends on the style of local leadership. The mayors who are both formal leaders and social leaders tend to use instruments of participation in governance processes more often than those who are only formal leaders.

Aiming to verify the above hypothesis, the author tried to answer the following questions: what model of leadership was used in the analyzed municipalities? does the size of a municipality matter when it comes to using public participation instruments? do the people exercising the function of mayors who enjoy social support (greater than necessary to gain a function – victory in the election) use public participation tools more frequently and consider the opinions of the local community when making decisions?

At the theoretical level, the article was embedded in leadership theories, with particular emphasis on transformational and participatory leadership. The research was conducted using quantitative methods (telephone survey) and qualitative (individual in-depth, semi-structured interview with the use of a scenario). Furthermore, the analysis of the literature on the subject, the comparative method and elements of the decision-making method were used.

## **2. SEARCHING FOR PERFECT LEADERSHIP MODEL**

### **2.1. Transformational leadership. The first step towards a participatory model?**

Leadership is not a new subject of research. On the contrary, the theories developed over decades allow for distinguishing various trends in leadership theories that emphasize different aspects of the process and the roles of the actors involved (Avolio, Walumbwa, Weber, 2009; Gill, 2011, cf. Lang 2014). With regard to the subject of research, the concepts that do not focus on the leader alone, but also consider other actors of the leadership process are of significant importance (Rabie, 2013). One of the most popular theoretical approaches of the so-called new genre is the model of transformational leadership. Its universal – though not without its flaws- character contributed to its popularization in various disciplines, including political science (Bass, Riggio, 2006). However, it should be pointed out that this model is only sporadically analyzed in relation to the public sector (Moynihan, Pandey, Wright, 2014).

The model of transformational leadership was formulated in opposition to the transactional model, based on the exchange between the leader and his supporters (Burns, 1978; cf. Bass, 1985; Winkler, 2010). In the transformational model, the supporters were acknowledged as legitimate participants in the leadership process, without whom we could not de facto speak of leadership. The motives of the leader's involvement were also important. It could not be merely a desire to gain specific benefits, which was typical of the transactional model (Burns, 1978; Bass, 1985; Martin et. al., 2006). The transformational leader played the role of an educator, inspirer and motivator for activities. In a sense, the transformational leadership was similar to the charismatic leadership, because charisma is necessary to mobilize and motivate other people to act, but it is not the only determinant of this leadership model (Weber, 2009). It co-exists with an individual approach to other people and their intellectual stimulation (Bass, Wildman, Avolio, 1987; Bass, Riggio, 2006; Dawkins, 2011). Leaders

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of this kind must have additional qualities and skills that not only allow them to achieve their own goals, but also to develop relationships with other people and gain supporters (Bass, Avolio, 1994).

What seems to be an important aspect of the transformational leadership model - in the context of the analyzed research problem - is the delegation of competences. The transformational leader distributes tasks among other actors and thus shares his power to some extent (Arnstein, 1969; Quick, Bryson, 2016). The delegation of power that favors the development of both the leader himself and the activation of other people is, in the context of the public sector, an idealistic assumption, which undermines the application value of this approach. There is also the issue of differing values and declared but latent goals of leaders (Currie, Lockett, 2007; cf. Kołomycew, Kotarba, 2018a). However, some researchers indicate that this leadership model can be equally effective in the public and private sectors (Yang, Pandey, 2011; cf. Dumdum, Lowe, Avolio, 2002).

Despite delegating tasks to other people, the transformational leader does not lose his authority. He still holds a dominant position in the hierarchy. According to Bass and Riggio (2006), the way of gaining leadership does not really affect the style of exercising power. Both elected, appointed and even self-proclaimed leaders may turn out to be transformational leaders. The aforementioned authors point out that it is not possible to state unequivocally whether an elected leader is more likely to become a transformational leader. According to the authors, it should be assumed that elected leaders will enjoy a stronger support compared to the appointed and self-proclaimed ones. They will also have greater charisma and enjoy esteem and respect (Barbuto, Fritz, Matkin, 2001; Bass, Riggio, 2006). However, the fact that the leader has emerged from elections is not the only determinant of his strong position. What seems to be equally important is the efficiency of action, or at least the ability to convince others that it is so. To achieve that the leader needs a charisma, along with legitimacy and social recognition (Weber, 2009). In the long run, the leaders cannot rely on formal authority only. Though, as Bass and Riggio point out, transformational leaders supporting their decisions and actions with formal authority can be effective and gain new followers (Bass, Riggio, 2006).

## **2.2. Participatory leadership – a perfect model?**

Another genre in leadership research is participative (democratic) leadership. This model assumes that individuals or their groups are included in the decision process at each of its stages, so they are informed about the plans and intentions of the decision-making body, they participate in the discussion on possible solutions to a given problem, and get involved at the stage of deciding and evaluating the adopted solutions (Saucier Lundy, Janes, 2009). While this leadership model – despite the existing limitations and drawbacks – may work for enterprises, it is much harder to apply in the public sector (Goleman, 2000; House et.al, 2014). As indicated by Saucier Lundy and Janes, in case of the public sector, participatory leadership is limited to the stage of dissemination of information regarding the object of decision making. It may, however, bring benefits such as strengthening the cohesion of the group and the empowerment of individuals or entire social groups. By including community members in decision-making processes, it is also possible to build a base of supporters. The disadvantage of using this approach, however, is an extended decision-making process and the risk of abandoning certain decisions altogether (Saucier Lundy, Janes, 2009). Another challenge is the activity of individuals. In the transformational model,

the role of the leader was to activate and mobilize other people. The participative model takes for granted the activity of the remaining actors of the leadership process. However, the activity of local communities, or rather its lack, remains a significant problem of governance models based on the wide inclusion and involvement of people. The question arises then whether they are actually needed (Parvin, 2018).

In the participative leadership model, the task of the leader is to create a space for the activity of other entities. This means *de facto* abandoning some of his powers to other stakeholders. While he does not lose control over a given scope of tasks, he becomes merely one of many decision-makers. Participation creates opportunities for individuals and social groups to take part in the decision-making process (Bovaird, 2005; Bass, Bass, 2008;). It requires an effective way of communicating the people involved, efficient information flow and involvement in the matters that are actually important for the participants of the process and about which they have the appropriate scope of knowledge (Gress, 1974).

The leader, as already mentioned, is treated as one of many actors. He does not act as a facilitator, tutor, adviser, motivator or mentor, but a partner. In this model, participants cannot count on support, advice or the acquisition of new competences. And this may discourage them from further engagement (Hu, 2017). Another problem is a lack of stability resulting from the changes of stakeholders involved in resolving matters (WHO, 2016).

As a matter of fact, an active role of the leader is crucial for spreading participation (Bryson et.al, 2012). The mere approach to the issue of participation is differently understood in various communities and political systems. Social, cultural, political and economic factors determine both the scale of activity and community involvement in public affairs as well as the scope of opening public sphere to external entities. The leader should, above all, be able to identify the actors whose involvement will be important for solving specific problems and choose the right tools (Enserink, Monnikhof, 2003; cf. Friend, Hickling, 2005; Bryson et.al, 2012). According to Bryson, Crosby and Middleton Stone, leadership in a governance model based on participation can be realized in three forms (roles), i.e. a sponsor/protector, champion or facilitator (Crosby, Bryson, 2015).

The leader-protector is a person who enjoys formal authority and has the legitimacy to implement participatory solutions, *inter alia*, by adopting the rules of operation with the participation of stakeholders, indicating the tools, distributing resources for participation, pointing to the forms and directions of disseminating participatory solutions and ensuring the impact of decisions taken in cooperation with stakeholders on public policies (Bryson et.al, 2012). This model assumes that the formal leader ensures implementation of participative solutions and is their advocate. This is not quite the case with the leader-winner. First of all, he does not always have formal authority. Therefore, his activities are not strategic, but day-to-day, which results from the lack of possibility to administer the resources and make long-term decisions. This model is based on informal authority, charisma, and trust built on the effects of activity to date. The last type of the identified participatory leadership is a facilitator, i.e. the leader focused on helping other stakeholders in achieving their goals. This type of participatory leader is similar to the transformational leader due to the focus not so much on the results of the leadership process itself as on its course and the capacity to ensure such conditions that the remaining actors can achieve their own goals. The objective of such leaders is to encourage others to express their views. Leaders of this type are responsible for solving problems and ensuring the quality of a decision-making process. At the same time, they do not need to have formal authority to exercise this role. However, charisma and social trust are essential (Schwarz, 2005).

### 3. MAYOR – A FORMAL LEADER OR A SOCIAL LEADER?

#### 3.1. Terminological explanations, methodology and research specifics

The analysis of the issue of leadership at the local level focuses primarily on the executive body, especially a direct-elected one. As mentioned in the previous part of the article, formal leadership does not have to mean a strong social support for the executive body. Especially in the face of relatively low turnout in local government elections, which has been observed in Poland for years (Panicz, 2011; Żerkowska-Balas, A. Kozaczuk, 2013; PKW, 2018; cf. Król, 2018;). Although the position of the municipal executive body has been strengthened since the beginning of local government reforms, and especially after 2002, this does not mean at the same time that the elected municipality head always enjoys high support (Mikołajczyk, 2011; Krukowska, 2018; Kołomycew, Kotarba, 2018b). In the article, the author distinguishes between formal leaders, i.e. elected for the position of mayor in direct elections, and social leaders who, apart from fulfilling a formal function, enjoy, as indicated by M. Weber, public recognition, characteristic for the charismatic leaders (Weber, 2009). Verification of the scale of social support which goes beyond the election results is difficult, because social support and acceptance of the current policy of the authorities are often expressed unofficially by the local community. This issue is rarely researched. The literature on local leadership focuses primarily on formal leadership and its models (Bennis, Nanus, 1985; Heifetz, Sinder, 1988; Chaleff, 1995; Kellerman, 1988). The situation when a formal leader is also a powerful social leader would be ideal from the point of view of the executive bodies of the municipalities<sup>3</sup>. The definitions of leadership closest to the understanding of the social leader were formulated by P. Żukiewicz, indicating that the leadership process itself is a social process in which individuals or groups express support for the person whom they recognize as a leader (Żukiewicz, 2011). In this perspective, a formal leader is at the same time a social leader. The support given to him stems from the fact that he is perceived by the supporters as the best fit for the position. At the same time, the process of becoming a leader requires time, gaining supporters, winning allies, building position and social trust (Sielski, 2012). No one becomes automatically a social leader at the moment of the election. The status must be worked out by an individual (Raczkowski, 2015; Habuda, 2007).

In an attempt to verify to what extent, the fact of combining the role of a formal leader and a social leader by municipal executive bodies influences the use of instruments of participation, the author conducted quantitative and qualitative research. The article, due to the limited volume of the text, presents only a part of the research results. Quantitative research (on the use of public participation tools at the local level), in the form of a telephone survey, was conducted in randomly selected municipalities (representative sample for Poland N = 525). The study was carried out in September 2017. In the next stage of the research, individual in-depth interviews were conducted in ten selected municipalities<sup>4</sup>.

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<sup>3</sup> The literature on the subject often links a strong position of the executive body with the fact that it has been elected by direct suffrage. See more in: (Indulski, 2001; Nocoń, 2008; Sielski, 2012).

<sup>4</sup> The method of selecting municipalities for qualitative research accounted for the type of municipality and the so-called participation rate formulated by the author of the research. On the basis of the responses included in the surveys, concerning the application of individual instruments of public participation in municipalities, the author has ranked municipalities into individual categories (district-based cities, urban, urban-rural and rural municipalities).

For the purpose of the article, an indicator of social support for the executive body, enabling to verify whether a formal leader can be regarded at the same time as a social leader, was determined for ten municipalities in which in-depth interviews were conducted. Variables which allow to determine the stability of power and testify to the support provided to the executive body were considered. They included: number of terms (next term – strong position) (Krukowska, 2018; Gendzwił, P. Swianiewicz, 2017), the result of the elections in the 2014-2018 term (victory in the first round - strong position) (Gawlik, 2017), official social support during the election (type of committee, i.e. candidate's own committee, social committee or party support) (Żukiewicz, 2011), support of the municipality council in the 2014–2018 term (strong support of the municipality council - when more than half of the councilors came from the same electoral committee as the executive body) (Kuć-Czajkowska, Sidor, Wasil, 2017<sup>7</sup>) and the result of voting on granting discharge during the previous term of office (the vote of approval) (Jakson, 2012). The table below presents the variables along with the assigned score and the total value of the “social support index – WSP”.

Table 1. The indicator of social support (WSP) of the executive body in selected municipalities

Municipality	The number of terms of office of a given mayor <sup>1</sup>	2014-2018 term of office– round in the elections <sup>2</sup>	Support in the elections <sup>3</sup>	The municipal council support during the 2014-2018 term <sup>4</sup>	Granting discharge in 2014-2018 term <sup>5</sup>	WSP value [0-13]
Brudzeń Duży	1	2	3	3	2	11
Dobrzeń Wielki	1	2	3	2	2	10
Gorlice	0	1	1	0	1	3
Jedlicze	0	1	3	3	2	9
Legnica	3	1	4	1	0	9
Lubenia	0	0	3	2	2	7
Opole Lubelskie	2	0	3	2	2	9
Piotrków Trybunalski	2	2	4	2	2	12
Świdnik	3	2	3	3	2	13
Warta	2	0	3	3	2	10

<sup>1</sup> a) I – 0 points; b) II – 1 point; c) III – 2 points; d) IV – 3 points

<sup>2</sup> a) I round – 2; b) II round with the advantage of at least 10% – 1 point; c) II round with the advantage of 1–10% – 0

<sup>3</sup> a) candidate's own committee – 4, b) social committee – 3, c) independent candidate – 2; c) a candidate with the support of a political party – 1

<sup>4</sup> a) strong – 3 points (strong support – over 50% members of the municipality council were from the same committee as the executive body); b) medium – 2 points (at least 1/3 members of the council were from the same committee as the executive body) c) weak – 1 point (below 1/3 members of the council were from the same committee as the executive body); d) without support in the council - 0 (no councilors from the same committee as the executive body);

<sup>5</sup> a) always granted – 2; b) it was not granted only once – 1 point; c) it was not granted more than once – 0 points.

Source: author's own study.



The indicator could reach a value between 0 and 13 points. For the purpose of the article, the author assumed that the value of the index in the range of 0–7 meant low public support for the executive body, and thus the person exercising this function (formal leader) was not a strong social leader at the same time, according to the understanding adopted in this article. Municipalities in the range 8–10 were considered “medium”, while municipalities in the range of 11–13 “high”, and their authorities (executive bodies) could be considered social leaders respectively.

In the municipalities selected for qualitative research, the author conducted individual in-depth interviews using the interview scenario. The group of respondents included representatives of the authorities (executive body, councilors), employees of individual municipal offices, and the people involved in the implementation of public participation tools<sup>5</sup>. In some municipalities, focus interviews were conducted. In total, 60 interviews were carried out.

### 3.2. Leadership style and participation at the local level – research results

The issue of creating conditions for social involvement and education of the community aimed at raising public awareness of the importance of undertaking activity and showing interest in the community affairs featured in the theoretical assumptions of both transformational leadership and participatory leadership model. Knowledge about the functioning of the public sector and involvement in public affairs are prerequisites for the implementation of participatory mechanisms (Irvin, Stansbury, 2004). The research carried out by the author shows that, according to the majority of the surveyed respondents, both the level of knowledge of municipality residents (Table 2), and the level of involvement in public affairs (Table 3) was rated as “average”<sup>6</sup>.

Table 2. What is the level of knowledge of the local community members about the functioning of the public sphere and the implementation of public tasks?

The level of knowledge	Number (N=522)	Percentage (%)
Very low	16	3,1
Low	124	23,8
Medium	320	61,2
High	58	11,1
Very high	4	0,8
Total	522	100,0

Source: author’s own study.

<sup>5</sup> The people involved, for example, in the implementation of the participatory (civic) budget as initiators of projects, participants of public consultations, participants of meetings organized by municipal authorities.

<sup>6</sup> This rather “safe” answer to the questions may have stemmed from a lack of awareness on the part of the authorities about the level of residents’ knowledge and could have been their subjective assessment. No research was conducted on this subject in any of the studied municipalities. The questions of this sort also pose the problem that, for the sake of political correctness, internal matters of the municipality are never spoken of negatively outside the municipality.

Table 3. What is the level of involvement of local community members in the municipal matters?

The level of involvement	Number	Percentage (%)
Very low	10	1,9
Low	90	17,1
Medium	327	62,3
High	94	17,9
Very high	4	0,8
Total	525	100,0

Source: author's own study.

The results of other nationwide surveys also point to the low interest of citizens in public affairs and the scope for exerting influence on decisions taken. The interest in current politics is somewhat better. However, it is still only the reception of information, not active participation. In a survey conducted in 2011, half of the respondents admitted that the municipal matters were of little interest to them, while every third person indicated that they were interested in them moderately (cf. Celiński et.al, 2011; Starzyk-Durbacz, 2016; Łabędź, 2016).

At the same time, despite the poor interest of the residents in municipal matters, the authorities of only one in every fifth municipality undertook educational activities in the field of participation (Table 4). Considering the type of municipality, it should be pointed out that these were mainly urban and urban-rural municipalities (Table 5).

Table 4. Did the municipal authorities carry out educational projects for residents regarding participation and involvement in public affairs?

	Number (N=525)	Percentage (%)
Yes	115	21,9
No	410	78,1
Total	525	100,0

Source: author's own study.

Table 5. Did the municipal authorities carry out educational projects for residents regarding participation and involvement in public affairs?

	Type of municipality (data in %)			Total
	urban*	urban-rural	rural	
Yes	42,2	31,3	16,6	21,9
No	57,8	68,7	83,4	78,1
Total	100,0	100,0	100,0	100,0

\* this category also includes municipalities with district rights

Source: author's own study.

A vast majority of municipality representatives asked about the benefits of local community participation admitted that, in their opinion, it contributes to a better adaptation of the measures undertaken by the authorities to the needs and expectations of the residents (Table 6). It is difficult to unequivocally verify to what extent they actually see the benefits of participation. These indications are not fully confirmed in the interviews.

Table 6. Does participation of the local community in the planning and implementation of public policies contribute to a better adaptation of activities to the local needs?

	Number (N=522)	Percentage (%)
Definitely no	1	0,2
Rather no	9	1,7
Neither yes nor no	32	6,1
Rather yes	291	55,8
Definitely yes	189	36,2
Total	522	100,0

Source: author's own study.

By contrast, the respondents asked about specific benefits that, in their opinion, result from the public involvement of the local community pointed to, *inter alia*, better identification of local needs (67.6%), improvement of the communication process (35%), raising residents' awareness about the functioning of local government (28.6%), improving relations between the authorities and residents (27.2%), and building a sense of community (26.5%). Only 10% of the respondents indicated that the participation of residents in the municipal matters may give the community a sense of influence on making decisions and enable co-decision<sup>7</sup>.

The awareness of the potential benefits of local communities' participation in the processes of local decision-making did not correspond with the answers to the question about the so-called participatory infrastructure, *i.e.* the available instruments of participation (including the use of optional solutions)<sup>8</sup> and preparation of the municipal office for the active participation of residents in the processes of deciding on local matters (Nabatchi, Leightinger, 2015). In less than half of the surveyed municipalities (42.9%), a separate organizational unit was designated in the municipality office, or a person was delegated to deal with the issues of public participation and cooperation with municipality residents. In more than half of these municipalities, one person was involved in the issues of participation, yet in none of the researched municipalities it was the only job of a delegated person, but an additional duty (Table 7).

<sup>7</sup> In case of this question, it was possible to select more than one answer.

<sup>8</sup> The survey included the question about implementing in the researched municipalities instruments of participation, such as social councils of various types, committees, consultative and advisory teams, forums of debate and dialogue, as well as the use of the so-called new forms of studying public opinion on a given topic, such as civic cafes, a civic walk, etc. The objective was to verify whether the municipalities implement other than typical participatory mechanisms such as social consultations and referenda (*cf.* Kalisiak-Mędelska, 2015).

Table 7. Who is responsible for cooperation with social organizations and local community in the municipality office?

The entity responsible for cooperation	Number (N=225)	Percentage (%)
A delegated person	117	52,0
A team of employees	43	19,1
Separate department for cooperation with social organizations	36	16,0
Tasks in this area are assigned to the promotion department	23	10,2
An office for social participation functions in the office structure	2	0,9
Participation matters are dealt with by a separate organizational unit (outside the structure of the municipal office)	2	0,9
Other person/unit	2	0,9
Total	225	100,0

Source: author's own study.

Table 8. Forms of sharing information about local matters

Way of informing residents	Type of leader (value of the social support index – WPS)*			Municipalities in total
	low (0–7)	medium (8–10)	high (11–14)	
information on the website of the municipality office	2	5	3	10
information on the board at the municipality office	2	5	3	10
information in local municipal press	2	5	3	10
information in local media	1	3	2	6
meetings of the municipal authorities with residents during which information is provided	1	3	1	5
social media	0	0	1	1
information passed on through village heads, councilors, district housing councilors	0	1	1	2
Total	2	5	3	10

\* the last row shows the total number of municipalities in particular intervals distinguished on the basis of the scale of social support for the executive body; the number of municipalities whose representatives provided a given answer in the survey is presented in individual cells.

Source: author's own study.

The above results of quantitative research show inconsistency in the approach to the issue of participation and the use of instruments of civic engagement in municipalities. Does the specificity of leadership thus determine the offer of tools for participation that the

municipality residents can use? Considering the social support indicator for the municipality head described in the previous part of the article, it is difficult to conclude unequivocally that in the municipalities where the executive body is perceived as a social leader the level of participation (measured by the scale of participation instruments used) is higher. When comparing the values of the indicator with the responses regarding the methods used to inform residents about the municipality matters, there are no significant differences between the municipalities in which a formal leader exercises power, and those in which a formal leader also enjoys social support, and hence is a social leader as per the assumption adopted in this article (Table 8).

The above table shows that regardless of the specific character of a local leader, similar and quite typical ways of informing residents about the situation of an individual tend to be used in municipalities (Kalisiak-Mędelska, 2015). Information meetings are organized only sporadically. In the case of rural municipalities, the village heads are an important information channel (Matysiak, 2013; Ptak, 2016).

The differences can be noted, however, by juxtaposing the type of leader with the instruments of participation used. In the case of municipalities in which the executive body enjoyed social support (medium and high), and hence was a social leader, the mechanisms that go beyond obligatory solutions such as consultations of an annual cooperation program with organizations or consultations of revitalization programs were used more often (Table 9).

Table 9. The type of leader and the use of participation instruments in the researched municipalities

Selected instruments of public participation	Type of leader (value of the social support index – WPS)*			Total
	low (0–7)	medium (8–10)	high (11–14)	
functioning of permanent councils/ teams/consultative and advisory committees	0	1	2	3
council/panel for the participatory (civic) budget	0	2	3	5
municipal youth council	0	2	2	4
senior council	0	2	1	3
task/problem councils appointed when needed	0	1	0	1
functioning of the local council/ social dialogue commission	0	0	1	1
a public debate forum is organized	0	0	1	1
new participatory techniques (e.g. open space, citizens' cafe, deliberative survey, transect walk)	0	1	1	2
lack of other forms of citizen participation	2	3	0	5
Total	2	5	3	10

Source: author's own study.

The above table shows that facultative forms of participation are applied in the case of municipalities in which the authorities enjoyed high social support. These solutions were used more often in the case of urban and urban-rural municipalities, which results from the professionalization of these local governments, human resources capacity, professional qualifications of the staff, as well as knowledge and social involvement. In the case of small municipalities, some authorities – as verified during in-depth interviews – did not see any point in using formalized tools for participation in order to hear the opinions of residents, pointing to constant, direct contact with the local community. At the same time, meetings with residents were treated by the local authorities not only as an opportunity to provide information about the municipality and the wish to obtain feedback from the residents, but also to promote themselves. This is evidenced by the following opinion of a municipality head:

No, it's not that simple [using different tools of participation - A.K.] But ... so from this point of view, from the fact that I have to – well, I do not have to, I actually don't have to, but I go. All thirty-three village meetings, I will go everywhere these meetings are held, I will talk with these people. From this point of view, it is obviously, personally for me, I think a certain bonus. I mean, I do not know, of course, elections... [ M/I/W/GW-WPS<sup>9</sup>].

In the case of those in power for another term, the formalized tools of participation did not always prove effective. They were often perceived as an opportunity to promote a municipality. Some of the tools of participation were used because of “fads” and prevailing trends. Their application did not result from a real need, but necessity to follow other municipalities which implemented a given solution, e.g. a civic budget (interview: D/I/K-WSP). Familiarity with local reality of a given municipality and its community meant that recognition of social needs was possible without adopting formalized solutions. A direct contact with residents proved to be much more effective and preferred by the authorities – also in large cities. That was evidenced by the following opinion:

Because it is such a man. Since 2002 ... well. The president is really at every party. Literally every party. At this point, the president has no time in September and October, because there are so many events. He's constantly occupied. Signups for appointment with the President on Tuesday, that is, on this day, which I do not want to talk about, as we call it [open day for residents – A.K.] are.... I do not know, they are maybe in October? And the president goes everywhere. [D/I/U-WSP].

According to some of the researched municipal authorities, a low level of awareness and commitment to public affairs makes it pointless to implement some formal solutions. A fairly critical approach to individual tools of participation does not mean, however, that

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<sup>9</sup> Coding of interviews – the rules: the first letter means the region (Polish: województwo), the Roman number – the municipality's number in a given region, the subsequent letter means the respondent's function: W – leader of rural municipality, B – mayor, P – president, and last part of the code describe a type of a municipality: GW – rural municipality, GMW – urban-rural municipality, GM – urban municipality (including municipalities with district rights, those which combine tasks of municipalities and districts), WPS-high social support, SPS – medium social support, NPS – low social support.

the authorities see no need to activate the local community and boost its participation in the affairs of the municipality.

[...] people see this availability, that they can come (...), that we are not just clerks, we are just like partners for them, because we are out there for them and they know it. One will come, the second and tenth will come ...so, this cooperation is definitely "open". I say, we do not close the door and whenever there is an idea, we are happy. (...) You have to talk to the residents and that's all, because then we know their position, and if we only put up the "consultations" in the internet, it's ...: Municipality council is all about talking to people, because it's the basis, because as I say, I still hold on to it. On the higher level there are fewer opportunities, conversations, but here we should do it that way, we do it and think that everyone ... [P/I/W/GW-NPS].

In the course of the research, it was observed that social activity in the researched municipalities was identified with public participation. These are related categories, albeit not identical. Activity is a prerequisite for public participation (Kaźmierczak, 2011; Inlot-Brzęk, 2017). And it was commonly a starting point for municipality authorities (especially the social leaders) to launch the process of including communities in public affairs. In the majority of surveyed municipalities, the activity of the organizations and the emergence of new social entities were pointed out, which in the opinion of the respondents indicated the involvement of local communities in public affairs. Social leaders were usually those who played a key role in these activities. This is evidenced by the following statement of one of the councilors, who commented on the role of the mayor in the process of activating a local community:

The mayor has been holding his office for a few terms now, and I think that this development of associations, generally needs to be attributed to him, his activity, he is very much focusing on it, and that's why in our municipality it just looks very thriving, so I would say. But this is the role of the mayor. It is him, however, who cares about this association, that these facilities are renovated, that these depots are refurbished and these active women are mobilized [informal women's organizations and rural women associations – A.K.], it must be said that it is his merit. Here, the mayor, who put his services [employees of the office – A.K.] on the highest level so that they simply support it completely. [L/I/RP/GMW-WPS].

#### 4. CONCLUSIONS

Analyzing the way of exercising leadership in the researched municipalities, one can notice the elements typical for both the transformational and participative leadership model. Considering the results of quantitative research, no clear differences between the scope of applied instruments of participation and the type of leadership in the researched municipalities can be observed. The conducted interviews enabled to verify the authorities' approach to participation and the instruments used. They show that municipal authorities are aware of the mechanisms of participation, but generally perceive them as unnecessary and difficult to implement. It is notable that the municipalities in which the executive body enjoyed social support have developed their own, local ways of contacting residents, seeking their opinions and articulating needs, which in most instances are based on direct contact. In the case of small units, the possibility of permanent direct contact with the municipality authorities practically replaces the instruments of participation. The research did not identify

a single example of municipality in which a limited scope of instruments of participation (i.e. going beyond the mandatory solutions) stemmed from the authorities' fear of losing power.

An indifferent or negative attitude to participative solutions resulted primarily from a low – according to the respondents – involvement of residents, their low interest in the affairs of the municipality and a lack of knowledge about the functioning of the local government, as well as the use of mechanisms of participation. In summary, it can be concluded that in the case of the researched municipalities, the scale of social support has little impact on the scope of applied tools of participation. What is noticeable, however, is the relationship between the size of a municipality and a range of available mechanisms of public participation. Using other than obligatory tools of public participation in urban municipalities stems from their human resources capacity, knowledge about participation processes, financial capacity and slightly greater awareness of a local community. Nevertheless, it should be remembered that this does not always translate into greater involvement of a local community (using available instruments). In turn, a low interest in the mechanisms of participation in small municipalities does not fully testify to the lack of interest of the inhabitants of these units in public affairs. In these municipalities, traditional ways of informing residents about the planned activities<sup>10</sup> and contacting the authorities (mainly in a direct form) still prevail.

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<sup>10</sup> In some of the researched rural and urban-rural municipalities, the most effective form of transmitting important information was a circular, i.e. an information letter passed from home to home.



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## **INTERROGATION OF DETAINEES DURING AN ATTEMPT TO ILLEGALLY CROSS THE STATE BORDER IN 1938 – A SOURCE OF INTELLIGENCE INFORMATION**

The hereby article presents events that took place on the territory of Carpathian Ruthenia in 1938/1939 in the context of information obtained by the Border Guard during the interrogation of detained people attempting to cross the border illegally. The article is based on the critical examination method of source materials which are stored in the National Historical Archives in Lviv. The temporal caesura are the documents created by the Border Guard officers between October and December 1938. The article consists of two parts: the introduction, where the author discusses the situation of Carpathian Ruthenia at that time and the main part, which presents passages from arrests protocols of the volunteers for Carpathian Sich. The presented article is supplemented by author's proper comments. By presenting the above mentioned subject, the author points out the danger posed by a tiny Carpatho-Ukraine state for the internal security of Poland.

The author stresses out the role of Ukrainian organizations in Poland. The analysis of the content of testimonies of detained people (in the preserved records of interrogation) indicates a huge commitment of Ukrainian communities in the idea of creating Ukrainian state and a good organization of transportation across the border of Ukrainian volunteers from Poland to Ukrainian armed forces being formed in the territory of Chust.

Furthermore, the article covers information about the cooperation concerning counter-intelligence protection of the borderline between the Border Guard and Independent Information Departments.

**Keywords:** Border Guard, illegal border crossing, borderland, record of interview, interview, source of information, Czechoslovakian army deserters, Carpathian Ruthenia, Volunteers for Carpathian Sich,

At the end of the thirties of the twentieth century in the Second Polish Republic the process of illegal border crossing increased, especially in its south-eastern section (about 180 km) running in the Carpathian area adjacent directly to the area of Carpathian Ruthenia. The factor generating this phenomenon was the Carpatho-Ukraine state and its armed forces Carpathian Sich<sup>2</sup> formed in the decaying Czechoslovakia, as well as the mass desertion of

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<sup>2</sup> Carpathian Sich – Carpathian Sich National Defense Organization formed on the 9<sup>th</sup> of November 1938. Initially, it had about 2 thousand fighters at the end of their existence in March 1939 about 6 thousand soldiers. Many Polish citizens served in this formation. At the moment it is difficult to

German native soldiers from of Czechoslovak armed forces. The events which at that time took place in the Carpathian Ruthenia<sup>3</sup> were closely watched by the citizens of the eastern voivodships of the Second Polish Republic. The situation that emerged at the end of 1938 in the Carpathian Ruthenia gave hope in the future for improving the fate of the Ukrainian people in Poland, especially since the Carpathian Ruthenia in pre-war Czechoslovakia was mostly inhabited by Ruthenians<sup>4</sup>.

During this period, Ukrainian factors in Poland have recognized that after years of waiting for, an opportunity arises to create an independent state in the Carpathian Ruthenia territory, which in the future will become the nucleus of The Great Ukraine. An extremely accurate and graphical reference to the situation that prevailed at the turn of 1938/1939 in the Carpathian Ruthenia was the title of the book by Michał Jarnecki and Piotr Kołakowski referring to the Carpathian Ruthenia – “Ukrainian Piemont”.

In the initial period, the forming Ukrainian state was too weak and required external support. The same referred to the Ukrainian armed forces being formed in Carpathian Ruthenia, which without a “Polish contingent” would have great difficulty in forming<sup>5</sup>.

This Main Leader of the Organization of Ukrainian Nationalists<sup>6</sup> (OUN), decided to use this situation, especially as the idea of building an independent Ukrainian state became

determine the exact number of Polish volunteers in the formation. Dariusz Dąbrowski, referring to the materials of the Second Division of General Staff of the Polish Army, believes that from October 1938 until the break-up of the formation by the Hungarian army in March 1939 approximately 2 thousand Polish citizens of Ukrainian nationality escaped from Poland to the Carpathian region. However, when referring to the intelligence material of the Border Protection Corps, he states that these services had records of more than 600 people who served in Carpathian Sich and returned to Poland (Dąbrowski, 2007).

<sup>3</sup> During Interwar period, the Carpathian Ruthenia / Zakarpattia was the most eastern region of pre-war Czechoslovakia, which was wedged between Poland, Romania and Hungary, and border with Slovakia in the west. The country covered an area of about 126 thousand km<sup>2</sup>, was inhabited mostly by Ruthenians. In administrative terms, Carpathian Ruthenia/Zakarpattia was divided into 4 districts: Uzhhorod, Huszt Berechowo and Mukaczewo. The capital of the region was a small twenty-thousand-strong city of Uzhhorod located on the Uzh River near the border with Slovakia. Before the First World War, the area of Carpathian Ruthenia was a part of the Austro-Hungarian Monarchy (*Wielka ilustrowana encyklopedia powszechna*, 1932).

<sup>4</sup> According to Czechoslovak statistics, in 1932, the population of Carpathian Ruthenia (Ruś Podkarpacka) was inhabited by approximately 775,000 people, of which 62.2% were Ruthenians (451 thousand), approx. 16% of Hungarians (115 thousand), 13.1 Jews (95 thousand), 2.5% Czechs (18.7 thousand), 2.1 % Slovaks (15,900) (Wiśniewski, 2007).

<sup>5</sup> In the second half of 1938, the mobilization possibilities of Carpathian Ruthenia were limited. As a result of the Vienna arbitration, which took place on the 2<sup>nd</sup> of November 1938, a significant part of the Carpathian Ruthenia territory inhabited by the Ruthenians and was handed over to Hungary. In addition, the next negative factor affecting the creation of the Ukrainian Armed Forces was the fact that as a result of the general mobilization announced and carried out in Czechoslovakia in the second half of 1938, the men of Carpathian Ruthenia in recruitment age were still in Czechoslovak military units in the Czech and Slovakia at that time.

<sup>6</sup> Organization of Ukrainian Nationalists / OUN / was founded during the Ukrainian Congress in January 1929 in Vienna. The area of the organization's activity was the area inhabited by Ukrainians in Poland, Romania and the USSR. The main goal of the OUN was to build an independent Ukrainian state. In the Interwar Period, the organization was responsible for a series of terrorist actions against the power apparatus in Poland as well as ordinary citizens, including the assassination in

popular among Ukrainians living in the territory of the then Polish Republic. The emerging Ukrainian armed forces, with the silent consent of the Czechoslovak authorities, provided the opportunity for combat training for the activists of the Ukrainian movement from Poland, the more so, as the arrivals to the Carpathian Sich were mostly the Ukrainian youth from Poland. Initially, in an organized recruitment and transfer of volunteers, the OUN used the old routes of courier transfer across the border in the Carpathian region. However, it soon turned out that the existing base of the transfer was insufficient and was not able to ensure efficient organization of the transfer of hundreds of volunteers from Poland. During this period, a dangerous situation was created on the Polish-Czechoslovak border, which had a significant impact on the state security, because young people from eastern Poland started to come to the borderland seeking access to people who would facilitate their transfer to Hutsul in Carpathian Ruthenia. The people of the borderland were also involved in helping the Ukrainian volunteers. In addition to the existing transfer channels and people involved in the transfer across the border recognized by the Border Guard (hereinafter BG) intelligence unit, new people appeared on the Polish-Czechoslovak border who were involved in Ukrainian activities as well as new transfer routes. This situation had a negative impact on the level of internal security of the state and projected on the state border security system and required an accurate recognition by the Border Guard intelligence unit.

One of the most valuable sources of information on this subject was the possibility of obtaining those information from people detained by BG patrols during illegal crossing of the border or during those attempts<sup>7</sup>. While conducting procedural activities, officers of the Border Guard, during the interrogation of the detainee, had the opportunity to obtain relevant information in the field of political intelligence as well as military intelligence. It should be highlighted here that the pre-war staff of BG had appropriate qualifications in this area. During numerous training in investigative technics which took place in the second half of the thirties of the 20th century, in the BG mother units, as well as during the refresher courses at the Central School of Border Guards in Rawa Ruska, officers and border guards were taught, technics of conducting interrogation of persons detained by BG units among other tactics. According to the guidelines of the anti-trafficking intelligence unit developed for the CSBG students in Rawa, the investigator had to

consider in what direction it (investigation) should be led, what should be determined to demonstrate to the court that such act or other provision of the Act was violated. Only then we can expect success in the course of the case, because the

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August 19, 1931 of the well-known pre-war politician of the Polish-Ukrainian cooperation – Tadeusz Hołówka and on June 15, 1934, the Minister of Internal Affairs, Bolesław Pieracki.

<sup>7</sup> In the interwar period according to the provisions of art. 2 of the Ordinance of the President of the Republic of 27 December 1927 on the state borders “crossing the state border was allowed only on the basis of appropriate documents and only on customs routes or in designated by the Ministry of Interior in agreement with the Ministry of Treasury, and regarding airlines also with The Ministry of Military Affairs or the authorities authorized to do so by the above-mentioned ministers – transition points”. Therefore, the act of illegally crossing of the border outside the designated points in accordance with the provisions of art 23 above the ordinance was treated as an offense prone to imprisonment for up to one year or a fine of PLN 300 to PLN 10,000.

authorities deciding, having evidence of violation of the statutory order, or prohibition must issue a sentence or a conviction...<sup>8</sup>.

The analysis of the preserved interrogation protocols indicates that they provided a lot of valuable information, because people detained by the Border Guard for illegal crossing of the border of the state, being aware of criminal responsibility for the committed, decided on informal cooperation with the officers of BG conducting investigation.

While conducting intelligence activities on the border, the Border Guard information service at the end of 1938 closely cooperated in combating the Ukrainian movement, especially during the mobilization of Ukrainian communities in Eastern Galicia, with Second Division of General Staff of the Polish Army. The result of this cooperation was the exchange of information between the services. In connection with the above, on October 30, 1938, the command of the Eastern and Małopolska Border Guard District Office in Lviv received message from the Chief of Staff of the Corps District Command headquarters (hereinafter CDC) (IV) in Lviv Colonel Rudka, in which the principles of cooperation between the Border Guard and Independent Information Office (hereinafter IIO) which operated in the area subordinated to the Małopolska Border Guard in the field of identifying and combating the illegal Ukrainian movement were defined. According to the guidelines, the area of the Polish borderland directly adjacent to the border with the Carpathian Ruthenia was divided territorially between three defensive intelligence units of the Second Division of the General Staff of the Polish Army, ie:

- Officer's Station of the Independent Information Office of CDC No. VI in Stryj,
- Officer's Station of the Independent Information Office of CDC No. VI in Stanisławów,
- Officer's Station of the Information Office of CDC No. X in Sambor

to which the intelligence materials acquired by the Border Guard from the conducted border surveillance and persons detained during the illegal crossing of the border were directed. In the event of the arrest of Polish citizens of the Ukrainian nationality attempting to illegally cross the state border to the forming in Hust Carpathian Sich, the Border Guard authorities were instructed to subject such persons to a detailed interrogation<sup>9</sup>, in order to determine all circumstances related to the recruitment of volunteers, how to organize their transfer across the border, personal data of persons involved in this procedure and information on existing transfer channels. In the case of obtaining information relevant to military counterintelligence during the interrogation of the perpetrator, copies of the reports along with the detainee were sent to the territorially competent IIO officers. These institutions made selection and verification of intelligence information obtained during interrogation performed by both the State Police and the Border Guard. In order to coordinate the work of Intelligence units and facilitate the execution of procedural acts such as the interrogation of a detainee for investigators, a special template – a questionnaire with questions – was prepared in the

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<sup>8</sup> “Guidelines for anti-trafficking intelligence service”, developed in 1935 by the lecturer of the Central School of Border Guards, sub-commissioner K. Wróblewski (Archives of the Border Guard in Szczecin, Team of Acts of the Headquarters of the SG (BG), ref. No. 187/154).

<sup>9</sup> Guidelines on dealing with Ukrainians attempting to cross the border illegally No. L.dz. 236 / Inf. Nat. T. O./38 of October 30, 1938, Colonel Rudka, Chief of Staff of the Corps District No. VI in Lviv (Act Files of the Małopolska District Inspectorate of the Border Guard, CDIA in Lviv, ref. No. 204/1/1237).



Independent Information Office of the CDC VI in Lviv. This questionnaire contained 12 specific questions:

1. For what purpose did he come to the borderland/ if for help – then on what basis he supposed that he would find it borderland?
2. By what ways did he come? / where and with who did he stay/
3. Does he have a weapon, if so what?
4. Did he get any help on the road, if so – from whom?
5. Did he intend to cross the border, if so – why did he want to do it illegally?
6. Did anyone should help him on the border
7. By what routes did he intend to cross the border / exactly locality and possibly people with whom he stayed?
8. Does he know about organizing Ukrainian formations abroad and what does he know?
9. Where did he intend to go / what final place /, what road, who was to report to, whether it had a password / this point concerns intentions of crossing the border?
10. Did he intend to join these organizations?
11. Did anyone encourage him to join any Ukrainian formations abroad, or did he read any appeals calling for joining the Ukrainian legion, or was he reading or lecturing about the legion and who was giving it?
12. Is he a member of the CNS or what he knows about this organization?<sup>10</sup>

A separate issue at that time were the deserters from the Czechoslovak army. The fall of morale in the Czechoslovak army that took place in the second half of 1938, and the fear that soldiers of German descent would be caught up in fighting with Hungarians in the Carpathian Ruthenia and in Slovakia contributed to the fact that the soldiers deserted the army at any possible occasion. Then on foot they walked across the Polish-Czechoslovak border to get to Poland<sup>11</sup>. During this period, ie at the turn of 1938/1939, it happened that while performing their official duties, border guards in Malopolska sometimes stopped communist couriers crossing the border. The events that took place in this period in Czechoslovakia, as well as in Europe, contributed to the fact that the protection of the state border in the Carpathian region by the Border Guard ceased to be effective. In connection with the above, in order to strengthen the protection of the state border and to improve the security

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<sup>10</sup> Annex to the guidelines of Colonel Rudka, Chief of Staff of the Corps District No. VI in Lviv on the handling of Ukrainians attempting to cross the border illegally (The files of the Małopolska District Inspectorate of the Border Guard, CDIA in Lviv, ref. No. 204/1/1237).

<sup>11</sup> Having the opportunity to get acquainted with the preserved source materials found in the State Historical Archive in Lviv in the case of German deserters from the Czechoslovak army in the second half of 1938, one can assume that the Germans' transfer action across the Polish-Czechoslovak border was organized by the German secret services at a quiet cooperation with Polish military intelligence. This thesis can be provided by the cryptograms sent from the BG Office in Stryj to the command of the East-Małopolska District of the Border Guard in Lviv informing about the number of deserters crossing the Polish state border and sending them to German diplomatic missions in Poland. The file contains also a letter dated October 20, 1938, sent from the District Office in Lviv to subordinate border units, informing that the transfer of Czech-Germans was suspended on 29 September 1938 due to the lack of passports for refugees at German consulates. In connection with the above, the order was issued "preventing the border crossing by Czechoslovak refugees of German nationality..." (The files of the Małopolska Provincial District Inspectorate, CDIA in Lviv, ref. act 204/1/1212).

situation in the border zone in October 1938, the specially created Branch of the Border Protection Corps (hereafter BPC) “Lviv” was directed to the Polish-Czechoslovak border.

The management of the Border Guard Information Service decided to use an appearance of the deserters and refugees from the Czechoslovak army on the Polish border, at the end of 1938, as another opportunity to obtain intelligence information from Czechoslovakia. To do this, a form has been sent to the Border Units with a list of questions that should be asked by the person conducting the interview of a person apprehended by the Border Services. This form has been divided into three main parts. The first part “general information” included questions to determine the identity of a detained person, as well as other questions related to state administration, political and national relations, industrial facilities, communications and transport infrastructure. In this part there were also questions whose aim was to obtain information on possible connections of detained with civilians and soldiers living in Poland or abroad. The second part concerned military matters. In this part, the interrogator was to extract from the detainee as much information as possible about military intercourse, on the subject of the detainee's attitude to military service, the service, mobilization assignments, exercises in the reserve and knowledge of garrisons and barracks, as well as Czechoslovak intelligence military. In the second part, there were also questions regarding information about the Czechoslovak state border protection system, which were of particular interest to the BG Information Service, i.e. related to deployment of guards and stations [FS Czechosłowacka<sup>12</sup>], the strengthening of border staff, changes in dislocation of border troops, as well as regarding border police and criminal police<sup>13</sup>. The third part of the questionnaire was devoted to the issue of the presence of Soviet Special Services in Czechoslovakia. In this part, by asking the following questions, they tried to determine:

- whether the presence of emissaries of the USSR was observed; if so, in what capacity, where, when and with whom;
- the scope of their operation, the attitude of state authorities to them, the attitude of locals;
- in what direction their activity / military, intelligence, political, economic / is manifested;
- What are the ways in which Soviet expansion into C.S.R., as well as seek to determine whether or not the equipment, ammunition and supplies are arriving on Czech territory<sup>14</sup>.

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<sup>12</sup> Finanční Stráž Československá – Czechoslovak border service established in October 1918 to protect state borders with a length of 4120 km. Formation was subordinate to the Ministry of Finance, the organizational structure was composed of 5 national directorates separate for the Czech Republic, Moravia, Silesia, Slovakia and Subcarpathian Rus, which were subordinate to inspectorates and border posts. About 29,000 officers served in the formation. In 1938, after the fall of the Czechoslovak Republic on the basis of the Slovak National Directorate of FC in independent Slovakia, the Finanční Stráž of the Slovak Republic was established (Beneš, 2005).

<sup>13</sup> Attachment to the detention report of Jan Plakerner, a deserter from the Czechoslovak army, who on November 1, 1938 made an illegal crossing of the state border from Czechoslovakia to Poland (Act files of the Małopolska District Inspectorate of the Border Guard, CDIA in Lviv, ref. akt nr 204/1/1243).

<sup>14</sup> Report on the interrogation of ob. Czechoslovakia by Franciszek Cepcaüera born On December 1, 1907, a German deserter from the Czechoslovak army detained on 25 September 1938 during an attempt to illegally cross the state border from Czechoslovakia to Poland (Act of the Małopolska District Inspectorate, CDIA in Lviv, file no. No. 204/1/1212).

Detained persons during the attempt to cross the border were interrogated at the headquarters of the Border Guard and Border Guard stations. In the event that the detainee had any interesting information for the investigation, the officer from the Intelligence Unit, territorially competent, ie Stryj, Sambor or Stanisławów<sup>15</sup>, participated in the interrogation of the detainee. The information obtained during the interrogation about Polish volunteers fighting in the Carpathian Sich enabled the BPC and Border Guard to prepare personal lists of people fighting in Carpathian Ruthenia, which were transferred to territorial authorities in Poland. The personal data of the "Polish volunteers" fighting in the Carpathian Sich were received from the border services and used by the Polish territorial authorities to apply for the withdrawal of Polish citizenship from the person included in the aforementioned list<sup>16</sup>.

### **INFORMATION OBTAINED DURING THE INTERROGATION OF PERSONS DETAINED FOR ILLEGAL CROSSING OF THE POLISH-CZECHOSLOVAK BORDER**

In the collections of the State Historical Archive in Lviv, remain an incomplete files of cases carried by the East-Malopolska Border Guard. About 50 interview protocols, of people detained for attempting to cross the Polish-Czechoslovak state border illegally with intention of entering the Carpathian Ruthenia or returning to Poland have survived. The query of these documents allows you to get acquainted with the situation that prevailed in this period on the borderland in the area adjacent to the Carpathian Ruthenia. The analysis of reports made at that time shows that despite the efforts made by the Border Guard to tighten the state border, this practice has intensified. TheBSG intelligence materials show that the recruitment and transfer of volunteers was a well-organized action based on the borderland population led by the OUN. That is why the border guards from Małopolska with little staff were unable to effectively protect the state border during this period. Considering the fact that in the second half of 1938, around 2 thousand of people fled across the Polish border into the Carpathian Ruthenia, there is a temptation to say that the protection of the Polish-Czechoslovak border in this region has become a fiction.

The scale of the problem may be proved by the fact that in the second half of 1937, guards from the East-Małopolska District Inspectorate of the Border Guard in Lviv detained 201<sup>17</sup> people for attempting to cross the border illegally, and in the corresponding period of 1938, with almost unchanged staff, they detained more than 500 people, which is an increase of over 150% in the number of people detained in relation to the previous period.

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<sup>15</sup> In the interrogation of detained deserters by the Border Guard during the attempt to illegally cross the border from branch II of the Main Staff, the head of the IIO Center in Stryj took part – Capt. Leon Szuchtowicz.

<sup>16</sup> According to the provisions of art. 11 para. 2 of the Act of 20 January 1920 on the citizenship of the Polish State stating that "the loss of Polish citizenship takes place in the event of a public office or military service in a foreign state without the consent of the Polish Government..." (Journal of Laws of 1920 No. 7 item 44) district poviats have ruled on the loss of citizenship by Polish volunteers who joined the Carpathian Sich. The names of persons deprived of Polish citizenship were sent to the competent voivodes and published in the Polish Monitor. The team of files of the Provincial Office in Lviv, the socio-political department, the District Archives in Lviv, son. act No. 1/51/2734.

<sup>17</sup> Reports on the protection of the state border for 1937, the Assembly of the Act of the Border Guard Headquarters, the Archive of New Files in Warsaw, reference number No. 37.

The events that took place on the borderland also contributed to the fact that border guards performed by border guards became hard and extremely dangerous during this period. In carrying out tasks in the field of protection of the state border, conducting the diagnosis of Ukrainian environments, the Polish Border Guard became the object of attacks from the Ukrainian side<sup>18</sup>.

In the second half of 1938, Commissioner Bolesław Mościcki was involved in the transfer of Polish citizens of the Ukrainian nationality to Czechoslovakia on the section subordinate to the SG commissariat in Worocht<sup>19</sup>. The conducted intelligence activities as well as information obtained during the interrogation of people detained during the attempt of illegal crossing of Polish border, allowed to establish the rules of recruitment of volunteers in Poland to Carpathian Sich and to detect a new transfer channel on the border.

On November 27, 1938, the Border Guard patrol stopped Polish citizen of the Ukrainian nationality, Jurko Sołowczuk, son of Matija, born on March 11, 1914, during the attempt of illegal crossing of the border into Czechoslovakia, in Mikuliczyn, Nadwórna county. During the interrogation, which took place in the office of the Worocht BG station, detained Jurko Sołowczuk testified that he was persuaded to cross the border with the intention of joining the Carpathian Sich in the reading club of Proświta<sup>20</sup> in Mikuliczyn,

where Bilejowicz Ivan, son of Fedor living in Mikuliczyn, last week he read the papers, persuading all members of the Proświta reading club to go to Subcarpathian Ruthenia in order to join the Sich Shooters squad. Later in the hearing, the above mentioned testified that “after crossing the border he would go to Jesiny [a town in Czechoslovakia] and report to Klempuszów<sup>21</sup>, with which he was to ask about Weredziak Iwan, who had to vouch for the admission to the Sich units. Weredziuk Iwan

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<sup>18</sup> In the second half of 1938, on the southern part of the border with Carpathian Ruthenia region, there were several attacks on border guards and as well as on the BG objects: On August 19 of 1938, a private apartment of the guard Rajmund Rzepkowski was attacked – the perpetrator broke windows in his apartment and fired two shots, on November 23 of 1938, the building of I Line Branch Jelenkowate was strafed by 6 unknown perpetrators. On December 14, 1938, during patrolling duty, border guard Feliks Majchrzak, from I Line Branch Wyszaków, was killed by unknown perpetrators,

<sup>19</sup> Worocht Commissariat – a territorial unit of the Border Guard directly subordinate to the Border Guard Inspectorate in Stryj. The BG Worocht Commissariat was responsible for the protection of the state border of 51.47 km in the Carpathian region. The area of border guards from the Worocht Commissariat was the border area of the Nadwórna powiat. Border guard tasks were carried out by guards from the I Line Branch in Polanica, Howerła, Jabłonica and Woronience, as well as from the II Line Branch in Worocht and from the intelligence posts in Jabłonica and Tatarowo (Kozłowski, 2015).

<sup>20</sup> Proświta – a Ukrainian social and educational organization that operated in the interwar period in the territory of the Second Polish Republic, was founded in 1868 in Lviv on the initiative of Ukrainian activists. In the interwar period, especially after 1928, the Ukrainian Military Organization possessed significant influence in this institution. At that time, Proświta was legibly a place where the Ukrainian national movement was supported by the local Ukrainian intelligentsia. In the late 1930s, Proświta became the base of the Organization of Ukrainian Nationalists (Kulińska, 2009).

<sup>21</sup> Probably the brothers: Vasil, Ivan and Dymitr Klempusz from Jasin, who in the interwar period actively acted for the independence of Carpathian Ukraine. Dymitr Klempusz was a co-organizer of the Hutsul Republic in 1919, in the years 1920–1930 he was the president of the Sich sports

son of Vasyl from Mikuliczyn, after recruiting 11 colleagues from Zarzecze and Delatyn, went [illegally crossed the border to Czechoslovakia] on November 21, 1938, the way through Chostek to Jasin ...". In addition, the detainee informed the investigator that: "Bernyk Włodzimierz, director and singing teacher in the Poroświty reading club, Więckowski Franciszek, Zbichlej Michał are very hostile towards the Polish State and expect to establish an Ukraine in the Easter – Małoposka region. Members of the active reading club of Proświta in Mikuliczyn are characterized by the fact that they are brought up in the spirit of national-nationalist...<sup>22</sup>.

Initial interrogations of detainees allowed to determine that a special role in the recruitment of volunteers in the Mikuliczyn area as well as in the transfer of people across the border was played by the members of Proświta reading club located in Mikuliczyn, Iwan Bilejowicz and Iwan Weredziak from Mikuliczyn. Those materials showed that Proświta's reading club in Mikuliczyn played a significant role of as a contact point and a place of agitation for Ukrainian youth. Due to the obtained information, the reading club Proświta in Mikuliczyna and its members were taken under observation. Also base on the intelligence recognition of the border, places located directly on the border line, which created appropriate conditions for the transfer of people across the state border were selected for an observation operation. One of such a places was the Bohyński gorge in the Polanica region. Soon, thanks to the efforts of the Border Guard in this area, one of the main organizers of the volunteers transfer from Poland to the Carpathian Ruthenia was arrested.

Performing routine operations in the area of the Bohyński gorge, border guards from the I Line Branch in Polanica on December 6, 1938, at approx. 18.00 detained a group of 4 people, as it turned out later returning from the area of Carpathian Ruthenia. From the information obtained during the interrogation of detainees and also on the basis of an interview carried out by BG officers, it was determined that the detainees belonged to the group of nine residents of Delatyn, Zarzecze and Mikuliczyn, who on November 22, 1938 crossed the Polish border illegally to Czechoslovakia with the intention of joining the Carpathian Sich. This group was armed with a revolver and 2 rifles. During the interrogation detained, Iwan Weredziuk, son of Vasyl, born on 13.01.1918 in Mikuliczyn, a Ruthenian nationality, residing in Mikuliczyn, Nadworna area, testified during that:

at the beginning of October 1938, secretary of Proświta in Mikuliczyn, Bilejowicz Iwan together with other members of Proświta, Herkawy Jura from Stanisławów, (and) Piotr Prokopczuk from Tatarow, organized meetings in Proświta in Mikuliczyna conducting agitation and recruitment among the members of Proświta, that they would go to the Carpathian Ruthenia region and enter the Sich units. Bilejowicz Iwan has recruited 11 people and this is: 1 / Herkawy Jurko from Mikuliczyn who owned a pistol 2 / Fedorczyk / first name I do not know / from Dora also having a pistol, 4 / Kuśnierczyk Piotr from Jabłonica, Prokopczuk Piotr from Tatarow with a gun, 5 / Dracz Iwan from Worochta, two individuals "from" unknown to me from

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association, and from November 9, 1938 – April 1939, he was a commander of the National Defense Organization Sicz Karpacka (Pahiria, 2010).

<sup>22</sup> Report on the interrogation of Jurko Sołowczuk detained during an attempt to illegally cross the border, drawn up on November 27, 1938 at the headquarters of the BG Office in Worochta, CDIA in Lviv, ref. No. 204/1/1244.

Berezów from which Berezow I do not know with rifles and three unknown from the names from Zarzecze, next to Delatyn with one rifle, which group he led to the Carpathian Ruthenia above mentioned Bilejowicz.

In addition, during the hearing, Ivan Werdziuk informed the case leading commissioner, Bolesław Mościcki, that immediately after the illegal crossing of the border, on the Czechoslovak side, they were detained by the Czechoslovak police and imprisoned in the camp located in the town of Usteryki<sup>23</sup>.

During the interrogation of the next detainee Mikołaj Stefaniw, son of Semen, born on December 15, 1911, in Nieniwa Górna, in Dolina area, Ruthenian nationality, resident in Zarzecze, Nadwórna area, it was determined, among other things, that: on November 21, 1938, during a stay at the railway station in Delatyn, Mikołaj Stefaniw met with Włodzimierz Niszczey and Michał Klemiuk, residents of nearby villages, who persuaded him to go to the Czech Republic with them. During the interrogation, detained Mikołaj Stefaniw testified that

He said that instead of working in a sawmill in Mikuliczyn, I can enlist in the army in Ruthenia, where is very good, when I told him that I felt too old to the army, he told me that they are building for a new road in Ruthenia, at which they earn from 8 to 15 zloty a day and that later he will try to make me a policeman or border guard and I will be fine.

In the further part of the interrogation, Stefaniw Mikołaj describes his stay in Czechoslovakia, from which it appears that, after illegal crossing of Polish border to Czechoslovakia he was detained by Czechoslovak military police and placed in the Usteryki camp near Rachow

we were led to the military police where after some time and after joining of five other individuals from Poland, whose names I do not remember, they sent us all to Usteriki near Rachow, where we were all imprisoned in one place. One of the arrested was a professor placed in the same barrack. In Usteriki in the camp from November 24 to December 4 this year. we were working on chopping wood duties, some of us were carrying old narrow-gauge railway rails, and others were sweeping the yard. On November 24 Czechoslovak military police came to the barrack and asked in Czech language, who were we and why did we came. Everyone answered that we were Ukrainians and that we came to the army, to Sich.

During the interrogation, both detainees stated that the reason of their return to Poland were the poor living conditions in the Usteryki camp and the hard work to which they were forced by Czechoslovak military police. Due to the above factors, on December 5, 1938, they decided that they would escape together from the camp and return through the mountains to Poland. During the interrogation detainees informed that Włodzimierz Melnyk also escaped with them. The evidence collected in this case allowed to dismantle a group dealing

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<sup>23</sup> Report of interrogation of Ivan Werdziuk detained during an attempt to illegally cross the state border, made on December 7, 1938 at the headquarters of the BG Worochta Office, CDIA in Lviv, ref. No. 204/1/1242.

with the recruitment of volunteers to the Carpathian Sich operating in Mikuliczyn and the liquidation of the transfer channel of people in the area of the Bohyiński gorge as well as to determine the role of individual members of this group in this practice. After the investigation, detainees were transferred to the Polish State Police.

Another person stopped by the Border Guard during an attempt to illegally cross the border on December 15, 1938 Stanisław Bezkorwany son of Anna, born on 11.11.1917 in Ternopol, living in Kudjance, Zbaraż area, testified during interrogation, among other things, that:

...in Kudjańce I read Ukrainian newspapers "Nowy-Czas" and "Narodna -Sprawa" and I learned from newspapers that Ukraine was established in Carpathian Ruthenia, that Sich forms there, that there is a great demand for workers for the construction of roads and reconstruction of the city of Hust, which is the work done by German engineers, therefore I decided to go to Carpathian Ruthenia. I would also like to point out that the case of Carpathian Ukraine is widely commented in all villages by the Ukrainian people who gather together and tell each other that after the new year, especially in spring, the great Ukraine with the lands of Małopolska area, part of Romania and Great Ukraine of Soviet Russia.

During the interrogation he informed the interviewing guard that

...to my host Mikolaj Podgórski in Kujdańce district. The neighbors came down in the evenings and talked about the future Ukraine, and especially the son of this host Oleksa, who goes to a cooperative in a place where Ukrainians come and talk about the future Ukraine...<sup>24</sup>.

The entire intelligence apparatus of the Border Guard was also involved in breakdown of the Ukrainian underground group operating in the border zone. Thanks to the confidential information provided by the informer, on October 20, 1938, the Border Guard patrol stopped two Polish citizens of the Ukrainian nationality, during an attempt of illegal crossing of the border with Czechoslovakia: Michał Korduba and Piotr Kulik. Detained Włodzimierz Korduba, born on December 7, 1917, son of Piotr, living in Lwów at 3 Gródecka Street, Ukrainian nationality, student of the Mathematics and Natural Sciences Department at the Jan Kazimierz University in Lviv, during the interrogation, which took place at the headquarters of the Worochta Office, gave a number of information which, among other things, indicated that

... he heard in Lviv that Subcarpathian Ruthenia receives its autonomy. Therefore, he decided to ascertain himself personally and (he) join the ranks of the Ukrainian police in the Subcarpathian Ruthenia, on 13 October 1938, he left Lviv to Worochta by train. He came to Worochta with his friend Kulik Piotr..." and also that "... in Jasin [in Czechoslovakia] there is no Ukrainian police, however, everything is in

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<sup>24</sup> Report from the interrogation of Stanisław Bezkorwany, arrested during an attempt to illegally cross the state border, made on December 15, 1938 at the headquarters of the BG Worochta Station, CDIA in Lviv, ref. No. 204/1/1242.

place, the military police and the Czech authorities continue to perform their duties.  
As it was before ...

In addition, during the hearing, the above mentioned detainee gave information about the prevailing mood among the population in the Carpathian Ruthenia, which showed that "... the Ukrainian population supports separation from the Czech Republic and joining Hungary..."<sup>25</sup>. What's interesting, during the interrogation Włodzimierz Korduba concealed the fact, which was given by the BG informer that act of illegal crossing of the Polish border to Czechoslovakia he was helped by a resident of Woronienka, Dymitrij Onufrak, who showed him a convenient place to cross the Polish-Czechoslovak border<sup>26</sup>.

In this period there were also cases that the Czechoslovak military police turn over to the Polish side people who illegally entered Czechoslovakia. On November 16, 1938, the Czechoslovak side handed over to the Border Guard from the Ludwikówka Station<sup>27</sup>, 15 Polish citizens of Ukrainian nationality, who on November 14, 1938 illegally crossed the Polish-Czechoslovak border with the intention of joining the Carpathian Sich. Transfer on the aforementioned people from the Czech officer was accepted and in accordance with procedures they were arrested by the chief of local police Tadeusz Znojkwicz and they were questioned about the illegal crossing of the state border. During the interrogation, Tadeusz Znojkwicz obtained information about the way of recruitment of volunteers, their transfer across the border to Carpathian Ruthenia, as well as information about the Czech Border Guard reconnaissance of the Polish Border Guard. Interestingly, the Czechoslovak side, probably not having a thorough knowledge of the detainees, forwarded the Ukrainian courier, whose task was to reach the emerging Ukrainian autonomous authorities in Hust and provide information on the people moods in Poland.

During the interrogation of the illegal crossing, which took place on November 16, 1938 at the headquarters of the BG Ludwikówka office, Paweł Horoszyn, son of Dmytr, born on January 25, 1914 in Osłowe Czarne, Nadworna area, living in Osławy Czarne, testified, among other things, that

... after crossing the borders we came to the cloister, where we were stopped by the Czech guards and escorted to Jasina [the in Czechoslovakia]. Here, (they) carried out a personal search and investigation. On 11.XX this year. by train they took us to Hust, where a re-investigation was conducted, during which I was asked if there was a Border Guard station in Polanica, how many guards there were. Which I replied that the Border Guard is, however how many guards I do not know. After the interrogation, we were place in custody, where we found 4 individuals who also crossed the border between Poland and the Czech Republic illegally ..." and that "...

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<sup>25</sup> Report from the interrogation of Włodzimierz Korduba detained during illegal crossing of the state border from Czechoslovakia to Poland which took place on October 20, 1938 at the headquarters of the Worochta Station, CDIA in Lviv, reference number 204/1/1242.

<sup>26</sup> As Above.

<sup>27</sup> Ludwikówka Station – the territorial unit of the Border Guard was directly subordinate to the Border Guard Inspectorate in Stryj. BG Ludwikówka Station was responsible for the protection of the state border of 31.51 km in the Carpathian region. The border guards area of the Ludwikówka Station was the border area of the Dolina area. Border guard tasks were carried out by guards from the First Line Branch in Seneczów, Beskid Klauza and in Wyszaków, as well as from the 2nd Line Branch in Ludwikówka (Kozłowski, 2015).



While abroad, I did not receive any information, except that I saw a lot of Czech soldiers in the Hust. What were the regiments, that I do not know...<sup>28</sup>

Obtained information about the interest of the Czechoslovak Border Guards in the Polish Border Guard was also confirmed during the interrogation of the next detained Polish citizen of Ukrainian nationality Bogdan Horyszyna, son of Aleksander, born July 4, 1912 in Ostaway Czarne.

Another person handed in by the Czechoslovak side and detained was Polish citizen of the Ukrainian nationality Ołeksy Kret son of Grzegorz, born on September 4, 1921 in Peczenia, Przemyślany area, a member of the OUN, who in October 1938 performed a courier mission between the local structure of the OUN in Poland and the Ukrainian Government in Carpathia. During the hearing of the abovementioned, he testified, among other things, that:

I did not receive any financial help for the way, because Stefan Petryczka, who sent me to Carpathia, told me that I will need my own money, because the organization have no money. The above-mentioned ordered me to take a map from Ilka Hupała who lived in Peczenia, before going abroad. Stefan Petryczka, who lived in Peczenia as the leader of the OUN's duel, told me to avoid the police stations before going abroad. On November 14th this year when I was returning from the field near the house of Petryczka, he called me to the courtyard and gave me instructions to go to Carpathia together with Paciórko Jan ... "and also that" ... Paciórko Jan is to join the Ukrainian Legion, and I was supposed to reach Rewaj<sup>29</sup> who lived in Hust, to whom I had to say that there is a lot of organized Ukrainian youth in Poland who absolutely wants to go to help in the liberation of Ukraine in Carpathia, and at the same time I was to ask whether Ukrainian youth is needed in that government. Then I had a order from Petryczka Stefan to bring in a command and a letter of the unknown content that Rewaj or his deputy was to give me...

The sent courier from Poland was informed about the address to which he was supposed to go in Carpathian Ruthenia, as well as about the current identification slogan:

... While giving me the above command Petryczka Stefan, said that after crossing the border to Czechoslovakia I had to report to the nearest Ukrainian military police post and give the password »Ukraine« to which the answer was to be »Chej Żywe (Alive)«. In the event of any misunderstandings, I had to ask them to report to Rewaj in Hust by phone that two boys from Poland from the OUN party, have come to give them some information...

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<sup>28</sup> Report from the interrogation of Paweł Horoszyn, arrested during an attempt to illegal crossing of the state border, made on November 16, 1938 at the headquarters of the BG Station in Ludwikówka, CDIA in Lviv, ref. No. 204/1/1245.

<sup>29</sup> Probably it was about Julian Rewaj (1899–1979), teacher, politician of the Czechoslovak parliamentary delegate in 1935–1938, in September 1938 minister of trade, transport and work in the autonomous government of Carpathian Ukraine, co-author of the Czechoslovak Act on granting the autonomous status for the Carpathian Ruthenia, the last Prime Minister of the Carpathian Ukraine government (Pahiria, 2010).

Besides, in the further part of the interrogation, detained Oleksy Kret described the method of recruiting volunteers from Poland to Carpathian Ruthenia conducted among Ukrainian youth and the role which Stanisław Petryczka played in this process:

... exactly three weeks ago a meeting of members of the OUN took place in the Petryczka house, where Małakowski Józef arrived from Przemyśl, and asked to somehow drag the Ukrainian youth to the OUN because the Subcarpathian Ruthenia, which had autonomy, has a Ukrainian government and creates a Ukrainian legion to which, if necessary, we will gradually send Ukrainian youth and the rest will stay in place and when there will be a need they will defend the Ukrainian nation...

Later in the hearing of the aforementioned detainee, he testified to the interviewer that during the reading Małakowski stated that when the Ukrainians from Carpathian Ruthenia together with the Germans will move to attack USSR "...the Ukrainians will purge Eastern Poland..." and that after the reading Małakowski instructed Petryczka to take the oath of loyalty to the Ukrainian people from 16 newly recruited members of the OUN. The testimony report also shows that the above mentioned meeting was attended by the management of the OUN from Przemyślany region, which was then: Piotr Szewciów, deputy district manager in charge, Rysznik Michał – financial manager, Hrynko ... battle manager, Czyńko Paweł – propaganda manager and Prokop Wasyl – recruitment manager<sup>30</sup>.

During their standard operation duties of border patrol Border Guards also detained young men attempting to illegally cross the border into Czechoslovakia, whose main motive was to look for work in the Carpathian Ruthenia. Those people, remaining without constant work in Poland or doing low-paid jobs, submitted to Ukrainian propaganda, which claimed that the emerging Ukrainian state in Carpathian Ruthenia needs young people to work on road investments. This information also appeared in the Ukrainian illegal press published at that time.

On November 28, 1938, during an interrogation, which took place in the BG Worochta station, detained Polish citizen of Ukrainian nationality Jura Odokij son of Fedor, born in June 6, 1914 in the village of Hawryłowka, Nadworna area, testified

... that after leaving the state sawmill in Mikuliczyn I was approached by, a worker Slowoczuk Jurko, who called me on the side and attempted to persuade me to go with him to the Carpathian Ruthenia, as there is work on building roads or I could join the Ukrainian army, where they pay well and give clothing. Having heard of the good existence conditions in Ruthenia, I was persuaded and went along with Solowczuk Jura on November 26, 1938 to the Carpathian Ruthenia.

Additionally, detainee testified that "...after crossing the border we had to go to Jasin and report to Klempusz, who would send us to work or to the Ukrainian Sich units in Carpathian Ruthenia..."<sup>31</sup>.

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<sup>30</sup> Protocol from the interrogation of Oleks Kreta, given to the Polish side by the Czechoslovak gendarmerie, which took place on October 28, 1938 at the headquarters of the Ludwikówka Station, CDIA in Lviv, ref. No. 204/1/1245.

<sup>31</sup> Report from the interrogation of Jura Odokija detained during an attempt to illegally cross the Polish border to Czechoslovakia, which took place on November 28, 1938 at the headquarters of the BG Worochta station, CDIA in Lviv, ref. act 204/11243.

Next detained on December 12, 1938 during an attempt to illegal crossing of the Polish border to Czechoslovakia on the section subordinate to the BG station in Ławoczne, was a Polish citizen of Ukrainian nationality Michał Nosar, son of Stefan, born in 1901 in Wyzlow. During the interrogation, he testified, among other things:

... in Proswita in the town of Wyżłów, I read in the newspaper »Prapor« and »Nowy Czas« that now there are new roads being built in the Carpathian Ruthenia, where 30,000 workers were hired, and another 20,000 will receive job...<sup>32</sup>.

Another detained Polish citizen of Ukrainian nationality Jan Koropaś, son of Teodor, born on January 3, 1913 in Rożubowice, Przemyśl area, a Proświta member in Rożubowice – handed over by the Czechoslovak border guard for crossing the Polish border illegally to Czechoslovakia. As the explanation of his decision to illegally enter the Carpathian Ruthenia, he gave the will to find job in Hust. During the interrogation, he stated, that

... Not having an appropriate documents to conduct work in the workshop in October this year, the State Police station in Siedliska, categorically forbade me to conduct a carpentry work in workshop, as an evidence of which the workshop building was sealed. Being unemployed, I read the newspapers Nowy Czas i Nasz Prapor in which I read that in the Carpathian Ruthenia region, the expansion of the capital of Carpathian Ruthenia and the city of Hust and work on construction of iron and wheeled roads are in high demand of workers for the above mentioned works. Based on the news from the press, I decided to illegally cross the border from Poland to Czechoslovakia to get a job in Carpathian area...<sup>33</sup>

In the aforementioned cases, the lack of work and adequate salary paid for the completed work as well as the generally poverty, especially in the countryside, was one of the reasons for the intention of illegal crossing of the state border in search of job in the Carpathian Ruthenia.

To summarise the above, it should be stated that the mass inflow of Ukrainian youth to the Polish border region that took place at the end of 1938 and the attempts to illegal crossing of the state border influenced the number of people detained by the border services. At the same time, the level of internal security of the Polish state, especially on the borderland in the Carpathian region, has also decreased dramatically. From the quoted intelligence material, it appears that each border service, both the Polish Border Guard and Finančná Stráž Československá used every opportunity to conduct border and military intelligence investigations. One of these opportunities was undoubtedly the possibility of taking intelligence information during interrogation of people detained for illegal border crossing or for staying in the border zone without the required permit. The Border Guard, cooperating with Officers' Stations of the Independent Information Departments, aim to uncover the Ukrainian

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<sup>32</sup> Report from the interrogation of Michał Nosar detained during an attempt to illegally cross the Polish border to Czechoslovakia, which took place on December 12, 1938 at the headquarters of BG station in Ławoczny, CDIA in Lviv, ref. No. 204/11243.

<sup>33</sup> Report from the interrogation of Jan Koropas, detained on December 2, 1938 at the headquarters of VG station in Ludwikówka, after being handed over by the Czechoslovak side for illegally crossing the Polish border to Czechoslovakia, CDIA in Lviv, ref. act 204/11245.

underground in Poland and its connections with the government of Carpathian Ukraine, in which largely succeeded. A detailed analysis of the protocols of people detained by BG as well as those turned in by the Czechoslovak Border Services presents a grim picture of the reality prevailing at that time. The protocols of the interrogation shows that the unresolved socio-economic and political problems of the Second Polish Republic were the cause of radicalization of Ukrainian attitudes in Poland. The contents of the explanations submitted to the detention reports clearly shows that in many cases the reason for the “emigration” of Ukrainian youth in Carpathian Ruthenia was the lack of jobs in Poland and the hazy prospect of receiving it in the Carpoathian Ruthenia, and subsequently willingness to serve in the Ukrainian armed forces of the Carpathian Sich. This situation was perfectly used by the OUN management in Poland. Lack of perspective for Ukrainian youth, especially in the border region was a flywheel driving volunteers to the OUN as well as to the defence units of the Carpathian Sich, where Polish volunteers would get food, uniforms and pay. The recruitment campaign was conducted by Greek Catholic priests and the OUN management during meetings that usually took place in the Proświta reading clubs<sup>34</sup>. During the recruitment, they promised to the willing positions in the forming Ukrainian state administration and the police units in the Carpathian Ukraine, as well as work on the planned road works. It was pure demagogy, because in the interwar period the area of the Subcarpathian Ruthenia deprived of industry was one of the poorest regions in Czechoslovakia and just such jobs for hundreds of people willing from Poland could not be provided there. The next issue, which appears in the report on the interrogation of Oleks Kret, is the announcement of future ethnic cleansing that took place during the Second World War in the area of Eastern Małopolska and Wołyń – and in consequence, the slaughter of thousands of Poles by the Ukrainian Insurgent Army.

Today, based on the preserved archival materials from the area of the BG Station Worochta and in Ludwikówka, it is extremely difficult to assess how the intelligence material obtained during the interrogations of people detained, directly influenced the security level in the eastern territories of the Second Polish Republic.

Nevertheless, one should assume that the information obtained by the Małopolska BG was largely obtained by recognizing the Ukrainian underground operating in the border area. Which in leading a large scale of recruitment of new members and transferring them across the border, felt so confident that it ceased to hide and obey the rules of conspiracy as evidenced by the quoted fragments of interrogation of detainees. As a result of the reconnaissance carried out by the Polish border service (BG and BPC), the Ukrainian activists were arrested in Poland by the State Police and the Polish citizenship of the Polish volunteers serving in the Carpathian Sich was withdraw.

As a certification of the scale of the intelligence activities carried out by the Małopolska Border Guard and the quality of obtained intelligence information in the field of recognition of the Ukrainian movement is the fact that after the eastern Poland was occupied by the USSR, the Soviet authorities were unable to cope with the Ukrainian underground in

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<sup>34</sup> Situational report of the Headquarters of the Eastern-Małopolska Border Guards District in Lviv No. 11/38 of December 15, 1939 (Act of the Małopolska Provincial District Inspectorate, CDIA in Lviv, ref. No. 204/1/1166).

Western Ukraine in 1945 the year and had to reach for the pre-war materials of the Border Guard<sup>35</sup>.

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### Attachment # 1

List of Polish citizens of Ukrainian nationality detained in the area of the Eastern-Małopolska District, who during the interrogation proved that they attempted to illegally enter the area of Carpathian Ruthenia with the intention of joining the Carpathian Sich:

	Surname and First Name	Date of birth	Place of residence	Area of residence
1	Sirecki Eugeniusz	21.04.1921	Opaka	Drohobycz
2	Kiszczak Jan	9.03.1919	Żołdec	Żółkiew
3	Szmorhaj Semen		Korczyn	Sokal
4	Pociorko Jan		Peczenie	Przemyślany
5	Kret Oleksy	4.09.1921	Peczenie	Przemyślany
6	Sowiak Wasyl	4.01.1915	Lisznia	Drohobycz
7	Prokopiw Bohdan		Duliby	Bórbka
8	Lewickij Mokołaj		Mołodyniec	Bórbka
9	Homusiak Antoni		Mołodyniec	Bórbka
10	Soroczak Leon		Perehińsko	Dolina
11	Łesiuk Jakiw		Rafałowa	Nadwórna
12	Dideńko Jan		Perechińsko	Dolina
13	Patryj Włodzimierz		Perecheńsko	Dolina
14	Hłuszko Piotr		Perehińsko	Dolina

<sup>35</sup> There is a note in the Lviv archives files, containing protocols from interrogation of detainees during attempts to illegally cross the border in files of Ivan Dymiterki [which are incomplete], (documents taken over and removed from the collection of the pre-war BG document by the NKVD) prepared by the NKVD Board Member of the State Security Service Sergeant Kurianov testifying of the penetration of intelligence material by Soviet special services. CDIA in Lviv (Act team of the Małopolska Provincial District Inspectorate, reference number No. 204/1/1244, p. 162).

	Surname and First Name	Date of birth	Place of residence	Area of residence
15	Zakliński Świętosław		Monasterzyska	Buczacz
16	Kowalik Iwan		Kuty	Kosów
17	Krawczuk Marian		Perehańsko	Dolina
18	Śliwiński Wasyl		Podniszczany	Bóbrka
19	Horyszyn Bogdan	4.07.1912	Tatarów	Nadwórna
20	Horyszyn Paweł	16.11.1938	Ostawy Czarna	Nadwórna
21	Jaremczuk Piotr		Rafajłowa	Nadwórna
22	Dymczyszyn Dionizy		Kołomyja	Kołomyja
23	Sołowij Piotr	21.04.1924	Mikuliczyn	Nadwórna
24	Sołowczuk Jurko	11.03.1914	Mikuliczyn	Nadwórna
25	Odokij Jurko	6.06.1914	Mikuliczyn	Nadwórna
26	Staruszkiewicz Wasyl		Rozłucz	Turka n/ Stryjem
27	Sachajdak Włodzimierz	8.01.1912	Kopyczyńce	
28	Kordybaniuk Bohdan	11.05.1920	Słobódka Leśna	Kołomyja
29	Drmohraj Wasyl		Lwów	
30	Słucki Michał		Schodnica	Drohobycz
31	Kaczmar Stefan		Przemyśl	Przemyśl
32	Swyszcz Aleksander		Kropiwnik Nowy	Drohobycz
33	Dziubak Józef		Schodnica	Dohobycz

Source: Author's own work based on the Situation Report of the Eastern-Malopolska Border Guards District in Lviv No. 11/38 of December 15, 1939.

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## **DIRECT FOREIGN INVESTMENT AS A DEVELOPMENT FACTOR OF THE ECONOMY AND ITS ECONOMIC SECURITY**

The purpose of the article is to indicate the role of foreign direct investment in ensuring the economic security of the economy receiving this capital. The concept of economic security is related to the economy as well as international and global perspectives.

In this article, it also comes from the assumption that the definitions of economic security today must relate to opportunities and threats to development processes. It is indicated that in the context of the guarantee of unhampered development, which is the effect of proper shaping of economic interdependencies of a given economy with foreign countries. In addition, the role of trade and international connections in this process is highlighted. Economic security in this approach is identified not only with the uninterrupted functioning of economies as a result of the inflow of FDI, but also with the assurance of a comparative balance with the economies of other countries .

The article mainly focuses on measurable aspects of FDI impact on the Polish economy. The data used for the analyzes came from the Central Statistical Office, National Polish Bank and OECD databases. While developing the subject, the method of analyzing literature positions, descriptive method and analysis of existing data were used.

Taking into account the perspective of economic security, it can be concluded that this means a relatively low degree of dependence of the Polish economy on foreign capital in the form of direct foreign investments. It causes that in periods of deteriorating economic situation on the global market or in the period of international economic crises, when the size of global flows of foreign direct investments are significantly reduced, these phenomena do not cause significant implications for the economic growth dynamics in Poland.

**Keywords:** economic security, external factors of economic security, globalization, foreign capital.

### **1. INTRODUCTION**

The purpose of the article is to indicate the role of foreign direct investment (FDI) in ensuring the economic security of the economy receiving this capital. In the article, the concept of economic security is related to the economy as well as international and global

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perspectives (Mierzejewski, 2011; Gryz, 2013; Wolf, 2014). As to the extent of the impact of economic security in the exogenous dimension, it is worth emphasizing that the determinant analyzed in the article, in the form of direct foreign investments, can be referred to domestic enterprises as well as processes taking place in the national, regional and global dimensions. It also starts from the assumption that the definitions of economic security should be referred today to the possibilities and threats to development processes, pointing to the role of international exchange and connections in its assurance (Żukrowska, 2011). The importance of these conditions is also indicated in the context of the guarantee of an unthreatened growth, which is the effect of proper shaping of economic interdependencies of a given economy with foreign countries. In addition, the role of trade and international links in this process is indicated. Economic security in this approach is identified not only with the uninterrupted functioning of economies due to the inflow of FDI, but also with ensuring a comparative balance with the economies of other countries (Kłosiński, 2006). In this sense, the economic and political element is combined here (Księżopolski, 2011). In addition, it was assumed that the use of external development factors in the form of FDI inflows can contribute to creating the basis for socio-economic development and building the economic security of the state. It is worth emphasizing that in literature there is the term: international economic security and it is connected with the need to ensure the evolution of economic and social cooperation towards the improvement of rationality and justice. It is also about creating a better world order, enabling the individual well-being of citizens of countries (Nowakowski, Protasowicki, 2008).

On the other hand, FDI inflow is of particular importance in the face of the contemporary dynamics of global development and globalization trends. It means not only the need to create a favorable climate for investment and innovation, as well as the development of production techniques, but also an improvement of the qualifications and education of the society.

The indication of the role of foreign direct investment (FDI) in ensuring the economic security of the economy receiving these investments is an important and topical issue (Stachowiak, Z., Stachowiak, B., 2014). The analyzes in this regard fill the gap in current research on economic security and its links with foreign direct investments in the host country. Until now, in the literature on the subject, the notion of economic security has been referred to the economy, but with particular emphasis on internal factors. The global perspective, however, forces the attention to the external conditions of economic security (Kostecki, 2016). In relation to the international perspective, however, research in this respect concerns the links between economic security and foreign trade.

## **2. THE ROLE OF DIRECT FOREIGN INVESTMENTS IN THE ECONOMIC SECURITY ECONOMY**

An important role in the above considerations is the position indicating the role of external factors in ensuring the economic security of the economy, which indicates that it is shaped by the general state of economic interdependence of the state, which determines the degree of external economic integration in defense capabilities, stability of the country's economic system and internal socio-economic development, another element (Pach, 2001). Economic security largely determines the uninterrupted functioning of the economy. In this sense, its efficient and effective shaping depends on the rational identification and use of many variables of an external nature, variable both in time and space. These are processes



occurring in the global economy and related to functioning in international economic and financial organizations. They also include: active participation in globalization, economic integration or regionalization, the consequences of excessive inequalities in the world, the strength and nature of international competition, the scope of international trade freedom and principles shaping international capital and cash flow, including flows of foreign capital; direct investments related to the operation of international enterprises (Kalata, Nowakowski, Protasowicki, 2014; Kostecki, 2016).

Foreign direct investment is one of the important external conditions for the economic security of the state economy. Their faster flow is related to the ongoing globalization processes in the global economy and the increased movement of goods, services and people. It should be emphasized that the flow of foreign direct investments is connected with the process of strengthening economic ties between states and their economic entities. Foreign direct investment is also defined as a type of investment linked to the international transfer of capital in order to establish and control a subsidiary in another country.

When allocating foreign direct investment, the criterion of maximizing economic and political benefits for the exporting and receiving countries is important, as well as the flow from countries with excess capital to those countries that show shortcomings. In evaluating the impact of foreign direct investment on national economies and their economic security, both positive and negative (undesirable) effects can be identified. In particular, the consequences of the flow of these investments for the economic security of recipient countries, but also for enterprises participating in this flow. It turns out that these effects can have a diverse impact on the economy and enterprises. The positive impact of such a transfer on capital exporters results in obtaining influence on the policy and economy of the host countries by strengthening their competitive advantage on the international arena. It is also important to gain access to new sources of raw materials or to overcome tariff and non-tariff barriers. In turn, the limitation of foreign direct investments or their outflow from the host country may cause difficulties on the labor market. It is also emphasized that countries that receive foreign direct investment can increase their ability to strengthen their economy and socio-economic development, as well as achieve political and economic goals on the international stage. As a result of the inflow of foreign direct investments, the potential of the economy may increase through increasing investment, production, export, employment or dissemination of innovations and modern methods of management and organization of work. Their beneficial effect is also the modernization of the whole economy or its selected departments to which FDI has arrived. Positive aspects in the economic sphere of the inflow of foreign direct investment to the host country also include the growing importance of the services sector in the economy, and thus its modernization and enrichment of the range of products available to consumers.

Particular attention should also be paid to these consequences of FDI inflow, which may destabilize economic security, namely: limiting the effectiveness of domestic macroeconomic policy, deterioration of the economy structure, its dependence on foreign capital, consolidation of the subcontractor's position, reduction of the national savings and investment rate, increase in imports, deterioration of the balance of payments, inflow of speculative capital, corruption, tax evasion, "push" from the market of domestic enterprises and weakening their competitive position, use of cheaper workforce and rising unemployment as a result of introducing capital-intensive technologies, inflow of obsolete technologies (often so-called "dirty") or increased pollution of the natural environment, as well as their

excessive concentration in the financial sector, mainly in banking and insurance. Controversy is also caused by the distribution of income earned by foreign investors, draining the national economy, and in particular the excessive transfer of profits abroad (Gorynia, Bartosik-Purgat, Jankowska, Owczarzak, 2006; Kostecki, 2016).

It is also worth emphasizing that the external factor in relation to the national economy in the form of inflow of foreign direct investments affecting its economic security is often characterized by limited possibilities of its shaping. In addition, this requires taking into account the many conditions and complex interdependencies that occur between them.

### **3. DIRECT FOREIGN INVESTMENTS AND THE DEVELOPMENT OF THE POLISH ECONOMY**

According to international standards, direct investment includes investments made by a resident of one country (called a direct investor) in order to obtain long-term benefit from the capital involved in the enterprise - a resident of another country (defined as a direct investment enterprise). The investment is recognized as FDI according to the OECD model definition, when the minimum threshold for the direct investment of a direct investor in a direct investment enterprise is 10% (Exemplary OECD definition of foreign direct investment, 1995). The purpose of FDI is to buy shares in existing companies or to build new production or service resources (greenfield investment), which lead to effective control in the project management, therefore, FDI is understood as investments that cause a long-lasting relationship, showing persistent interest in a specific area economic.

Foreign direct investment affects the growth of consumer and investment demand, the emergence of modern technologies, the development of enterprises, streamlining production processes and supply chains, improving the productivity of companies and their employees, wage increases and falling unemployment, and consequently, GDP growth. As emphasized by E. Czerwińska, the most important effect of the FDI inflow to the economy is the impact on economic growth and exports, which also affects the increase in the number of jobs and the revival of the economy on a local scale (Czerwińska, 2001).

Foreign direct investments in Poland over the last quarter of a century (by 2015) totaled over PLN 712 billion, which corresponded to 39.6% of GDP. On average, Poland received PLN 26 billion of FDI annually. The inflow of foreign direct investments increased the economic potential by an average of 0.7% annually. It was estimated that due to the foreign capital invested in Poland and the activity of international corporations, the level of GDP in 2015 was higher by 15.6% than in the non-investment scenario (<https://www.obserwatorfinansowy.pl/tematyka/makroekonomia/inwestycje-zagraniczne-dodaly-polsce-ponad-15-proc-pkb/> [Access: 10.11.18]). In the years 2000–2016, the share of foreign investments in Poland's national income ranged between 2–6% (*Zagraniczne inwestycje bezpośrednie w Polsce i polskie...*, 2018). In 2016, the inflow of foreign direct investment to Poland increased again. The value of completed investment projects supported by PAIiZ increased from EUR 800 million in 2015 to 1.7 billion in 2016.

According to NBP data, in 2017 the inflow of net capital to foreign direct investment to Poland amounted to PLN 34.7 billion. Income reinvestments of PLN 38.1 billion and negative amounts of net capital inflows from shares and other forms of equity participation amounted to PLN (–1,6 billion), that from debt financial instruments (–1,9 billion PLN).



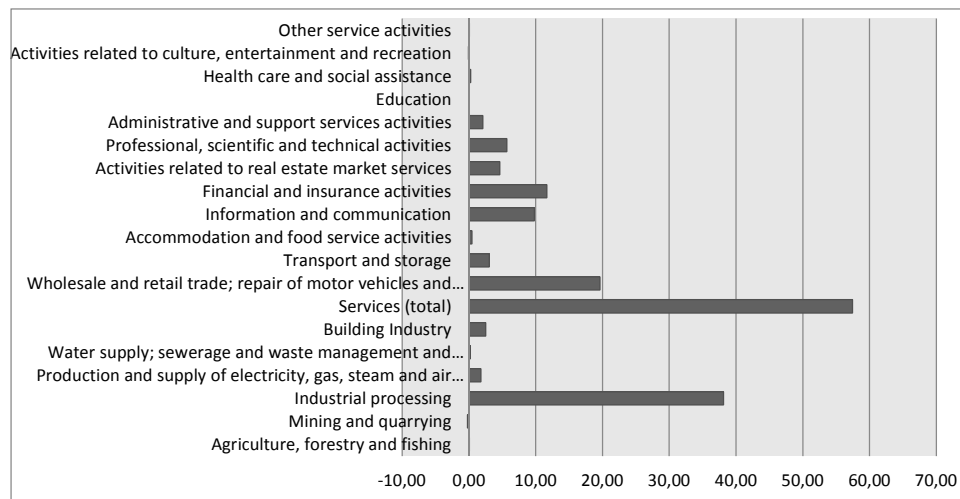
Figure 1. Transactions on foreign direct investment in Poland in 2013–2017

Source: based on data NBP.

The level and structure of foreign direct investment transactions in Poland in recent years were primarily influenced by internal conditions related to the increase in income of direct investment entities. Changes in the taxation of closed-end investment funds also had a significant impact. As a result, one transaction was recorded, which increased the inflow of capital in the form of equity instruments.

In 2017, the most direct investments came to Poland from Germany (PLN 12.8 billion), Luxembourg (PLN 12.4 billion) and Cyprus (PLN 5.5 billion). As in previous years, these were mainly investments in the form of reinvested profits. Divestments in 2017 concerned Italy (PLN –8.4 billion), the Netherlands (PLN –7.2 billion) and France (PLN –3.9 billion).

In 2017, an important area of direct investments in Poland were industrial processing enterprises of PLN 15.6 billion as well as financial and service activities PLN 12.4 billion.



\* (-) signifies that losses occurred or declared dividends exceeded

Figure 2. Share of FDI revenues in individual operations in Poland in 2017

Source: based on data NBP.

The NBP indicates that investments in manufacturing were responsible for 17% of GDP growth. On the second place, financial services with 19% of inflow's value of funds, which responsible for 13% of GDP growth. On the third – trade with 16% of the inflow of these investments, and this sector had the largest, i.e. 19% share in GDP growth.

Income of foreign direct investors due to direct investments in Poland reached PLN 79.2 billion. Dividends amounted to PLN 31.8 billion, reinvested profits were PLN 38.1 billion, and income from debt financial instruments (interest) reached PLN 9.4 billion. Thanks to foreign investments, the tax revenues of the state budget increased on average by 2.7% annually, and the tax base in the last twenty-five years by 10–12%. International corporations are responsible for over 30% of corporate tax revenues (<https://www.obserwatorfinansowy.pl/tematyka/makroekonomia/inwestycje-zagraniczne-dodaly-polsce-podnad-15-proc-pkb/> [Access: 10.11.18]). It is also worth emphasizing that foreign direct investment is a significant support for investments in the Polish economy.

Apart from measurable socio-economic effects, it is worth paying attention to investing in human capital as well as research and development. The transfer of foreign corporate culture is accompanied by the standardization of processes and products (<https://www.terenynwestycyjne.info/index.php/raporty/item/11074-bezposrednie-inwestycje-zagraniczne-w-polsce> [Access: 30.10.18]).

Most macroeconomic analyzes suggest the existence of a significant and positive impact of foreign direct investment on the dynamics of the economy of the countries receiving capital (Żukrowska, 2012; Żukrowska, 2016;). This is confirmed especially in relation to some rapidly developing countries from the so-called catching. A significant relationship is found between the share of foreign direct investment in national income and pace of GDP growth (Research indicates this, among others: Bengoa, Sanchez-Robles, 2003; Chowdhury, Mavrotas, 2006).

The inflow of these investments is an important source of capital, as it supplements private domestic investment and is usually associated with new employment opportunities and technology imports in the host country, which leads to the country's economic growth (Ancyparowicz, 2009).

Also when analyzing the amounts of inflow of foreign direct investments to Poland with changes in GDP in recent years (Figure 3), the convergence of these investments with GDP dynamics is clearly noticeable.

The inflow of FDI is one of the most important factors stimulating demand in the economy. According to our estimates, the direct and indirect effects of FDI on demand in Poland amounted on average to 2 per cent of GDP per year over the past quarter-century, or three-quarters of the value of all FDI. The remaining 25 per cent was spent on imported goods, affecting the increased value added in other countries, especially the countries where the capital invested in Poland came from ([https://www.flandersinvestmentandtrade.com/export/sites/trade/files/attachments/FDI%20Report\\_EN.pdf](https://www.flandersinvestmentandtrade.com/export/sites/trade/files/attachments/FDI%20Report_EN.pdf) [Access: 10.11.18]).

According to one study on the Polish economy and the role of foreign direct investment in stimulating its development, it can be concluded that there is a relatively important linear relationship between the dynamics of the inflow of foreign direct investment and the dynamics of GDP growth. In addition, based on the use of econometric models and estimates of the VECM model, it was found that one of the factors that significantly determines the GDP growth rate in Poland are foreign direct investments. On the other hand, it turns out that by far the largest impact on GDP growth, among the main factors of economic growth, in Poland had changes in the size of employment (Misztal, 2011).

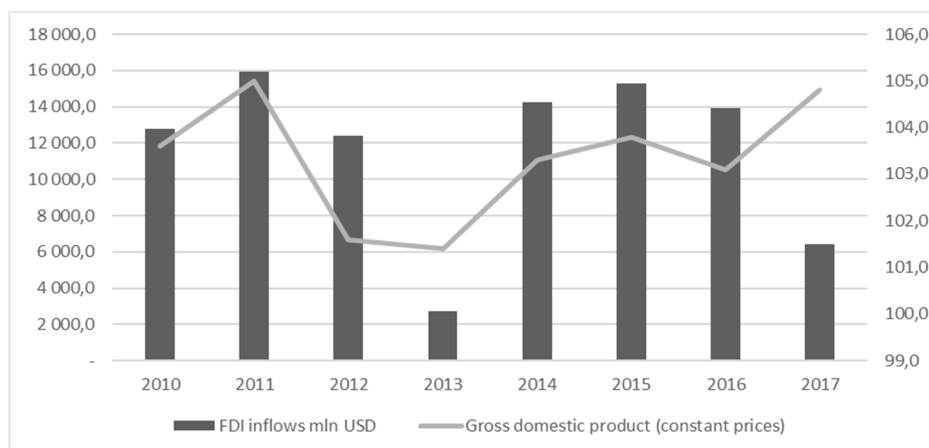


Figure 3. Tendencje zmian GDP i napływu BIZ do Polski w latach 2010–2017

Data for 2017. they are estimated data

Source: based on GUS and OECD data.

Other studies also show that the relationship between GDP growth and FDI in Poland as measured by the Pearson correlation coefficient and the determinate ratio is statistically significant. A correlation coefficient of 0.87 indicates a strong, positive relationship between these variables, and R2's coefficient of determination indicated that 76% of GDP volatility is explained by changes in the volume of foreign direct investment (Stawska, 2014).

These results indicate that foreign direct investment has a significant impact on the growth rate of the Polish economy.

#### 4. CONCLUSION

Economic security is combined with maintaining control over the national economy while ensuring equal treatment of domestic and foreign entities. In order to increase the dynamics of economic development, economic efficiency and quality of life, the economic system should allow the creation and use of international economic interdependencies. For the sake of economic security, it is also important to neutralize the threats resulting from the existence of the global economy and the globalization process and to take advantage of the synergy effect of FDI benefits for the development of the state economy.

Challenges faced by less developed countries or catching-up economies, which include Poland, as a country with an existing civilizational distance, taken to realize their socio-economic development, which will translate into an increase in their competitiveness, should primarily concern the increase in their openness economies. In the strategic aspect, development can only be guaranteed by an open and competitive national economy. The basic problem of economic security turns out to be competitiveness, understood not only as the internal possibilities of economies to generate development, but also the ability of these economies to protect it from unfavorable socio-economic processes and threats from other countries (Kłosiński, 2013).

In the light of the presented premises and statistical data, it can be concluded that the inflow of foreign investments to Poland is associated with a positive impact on the development of the Polish economy and its competitiveness. In turn, any restrictions on their inflow negatively affect the rate of growth of the country's economy. The decline in the pace of economic growth together with the declining level of foreign direct investment is noticeable in Poland, especially during the financial crisis.

The inflow of foreign direct investment, however, turns out to be a less significant determinant of economic growth than employment. Taking into account the perspective of economic security, it can be concluded that this means a relatively low degree of dependence of the Polish economy on foreign capital in the form of direct foreign investments. This means that in periods of worsening global market conditions or in the period of international economic crises, when the size of global flows of foreign direct investments are significantly reduced, these phenomena do not cause significant implications for the economic growth dynamics in Poland. It also seems that the relatively low level of impact of foreign direct investment on the dynamics of economic growth in the country results from the growing importance of domestic capital in promoting economic growth in Poland and a significant inflow of aid funds from the European Union budget.

However, it seems that apart from any threats, foreign capital is an opportunity for the development of the Polish economy. Therefore, Poland, wanting to reduce development disparities in relation to highly developed countries, should continue to strive to improve the investment climate and the inflow of foreign capital in the form of FDI.

Given the limited scope of the article, the authors has limited the review of theoretical studies on links between foreign direct investment (FDI) and economic security, although an attempt to identify these links has been made in the research part. Research will continue with their significance for the national economy, which in the globalization era is increasingly dependent on exogenous factors related to the flow of capital on the international scale in the form of direct investments. One important argument is also the fact that the influx of FDI can be used to create a safe and solid basis for the socio-economic development of the state.

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## **DIVERSIFICATION OF NGOS' REVENUES: IMPLICATIONS FOR THE MISSION CHANGEABILITY**

Growing social needs and changes in the governmental policy aimed at reducing social aid spending have put pressure on non-profits to develop strategies to gain financial support from diversified sources. Diversification of funding sources gives the chance not only to increase revenues, strengthening the stability and predictability of NGOs' functioning but also to limiting the control of public and private donors, especially when any of them predominates in capital contributions. The access to many different sources of revenue may reduce changeability of organizations' mission and lead to a larger organizational autonomy in their mission related work. The objective of the article is to examine which sources of NGOs' funding, including public, private internal and external sources are significant factors for the changeability of mission of non-governmental organizations. Data for the analyses have been collected from the national survey of Polish non-governmental organizations. To achieve this aim factor analysis was carried out. This research find that public support or commercial activities are not significant factors regarding the volatility of the non-governmental mission. The only significant variable, from the point of view of decision-making on changing the mission of NGOs, is the external private financing. The obtained results may contribute to the ongoing discussion on the impact of particular types of sources of revenues in the structure of financing NGOs for the implementation of the social mission. The results may provide some indications for those responsible for organizational development strategies.

**Keywords:** NGOs; mission volatility, diversification of revenues, financial sources.

### **1. INTRODUCTION**

The main aim of activity of non-governmental organizations (NGOs) refers to fulfilling mission. Therefore, the concept of NGOs is widely used in relation to those organizations which provide a certain form of social work and do not belong to a sector of commercial and governmental entities. The lack of affiliation with the latter is a base to define NGOs (Salamon et al., 2000). Effective functioning of non-governmental organizations increasingly depends on financial sources which support their social goals. The activity of NGOs is not oriented towards profit, which is one of their basic characteristics. The funds necessary to accomplish the long-term idea, aiming at supporting the society, are mainly the resources gained from public and private donors (Enjolras, 2002; Maier et al. 2016).

Undertaking the strategy based on diversification of revenues is perceived as a chance to increase revenues, strengthening the stability and predictability of NGOs' functioning.

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Moreover, additional possibilities of capital contribution can lead to a larger organisational autonomy in their mission related work, which, at the same time, may result in more efficient monitoring of NGOs' functioning (Carroll & Stater, 2009; Chang & Tuckman, 2010).

Diversification of revenue sources also gives the chance of limiting the control of public and private donors, especially when any of them predominates in capital contributions. Therefore, it increases the independence of organisations in fulfilling their public mission and at the same time decreases the risk of pressure put on NGOs' managers to change or give up the organisation's mission (Mikołajczak, 2018).

The factor analysis was carried out to achieve the objective of the article that is indicating which sources of revenues of NGOs, including public, internal and external private financing are significant factors for the volatility of social mission of non-governmental organizations.

At the initial stage, some key notions related to the diversification of NGOs' revenues are explained. Secondly, research methodology, including data, research methods are described. Thirdly, the paper analyzes which category of NGOs' revenues is significant factor for the changeability of NGOs' mission. Based on literature and own studies discussion is undertaken. Finally, the author draws conclusions and presents suggestions for further research.

## 2. LITERATURE REVIEW

NGOs' activity is not oriented towards profit, which is one of their basic characteristics. Funding of the mission-oriented goals is mostly obtained from several, diversified sources. Strategy of diversifying revenues in NGOs is overtaken for many reasons that mostly concentrate on widely perceived issues associated with their independence and autonomy within the realization of their social mission. Moreover, revenue diversification support NGOs financial safety and improve their economic potential (Mikołajczak, 2017a).

The dependency of non-profit organisations only on state funding and the lack of alternative sources of revenues means that those organisations become "price-takers" because they have no negotiating power. Therefore, they are forced to accept a weaker market position and adapt to conditions of stronger market participants. They are also more susceptible to co-option with state agencies (Larner & Craig, 2005).

Access to many different sources of financial capital, on the one hand, limits the adaptation of non-profits to the directions of support imposed by the state policy, and on the other hand, private donors. When any of public or private support leads to capital contributions, diversification of revenue sources gives the chance of limiting the control of public authorities or private. Therefore, it increases the independence of organisations in fulfilling their public mission at the same time, decreases the risk of pressure put on NGOs' managers to change or give up the organisation's priorities (Vaceková et al., 2016).

Carroll and Stater (2009) point out that non-profits with diverse revenue streams are less volatile and therefore less susceptible to environmental forces, for example during recession. In the same context Hager (2001) indicates that revenue diversification increases the probability of organisation's survival. At the same time, authors claim that the higher level of revenue concentration the greater danger of collapse of many organisations, especially during the economic recession when the decrease of revenues from one source could have been substituted from other financial sources.

Chang and Tuckman (1994) examine determinants of non-profits' ability to diversify revenues and its consequences. They argue that non-profits do not rely on a single revenue source, however their revenues are relatively concentrated. In other publication, authors emphasise that it increases the autonomy of organisations in fulfilling their social mission and reduces the pressure on non-profit managers to change or give up the organisation's goals (Han, 2017).

Mayer, Wang, Egginton and Flint (2012) study the relations between revenue diversification and volatility of mission for non-profits. Authors undermine previous research suggesting that access to many different sources of revenue reduces changeability of organizations. Such effect depends on the structure of portfolio.

Mikołajczak (2017b) examines the significance of non-governmental organisations' particular revenues, affecting the mission-related scale of their activity. On the basis of ranking of financing sources of polish non-governmental organisations, he points out that national and foreign public funds are the most important for those organization, considering the scale of their social activity. Moreover, private sources in a form of revenues from financial and non-financial assets clearly become increasingly important. However, revenues from commercial revenue do not play a key role for the scale of NGOs' activity.

Fischer, Wilsker and Young (2011) indicate that non-governmental organizations providing a wide range of services and products require different sources of financing. They argue that "the sources of funding are related to the services a non-profit provides – specifically whether services are public, private, or mixed in the nature of their benefits".

The way in which non-profits use their chance to provide services is reflected by their social mission. Those entities try to gain financial resources and at the same time to fulfil the adopted aims which serve a specific social group. Weisbrod (1998) argues that the prices of services can be determined in various ways, on a market level, which enables gaining commercial revenue allocated for social mission. On the other hand, they are on the level lower than marginal costs or even on a zero level for targeted consumers (e.g. the unemployed, the sick or people remaining at the margin of social life).

Increasing expectations regarding non-profit organisations, so that they become more business-like, are a subject of a debate, mainly in the USA. Especially the commercial way of gaining financial resources by non-profit organisations causes controversy among many researchers. Many of them believe that it is a necessary reality which all non-profit organisations must accept to operate effectively, and most of all to fulfil their social mission (Sanders & McClellan, 2014).

However, the discussion on economisation of non-profit sector does not lack the criticism relating to financing which originates in commercial activity led by non-profit entities. That criticism refers mostly to a corrosion of a social mission which can often alter or can even be desisted (Foster & Bradach, 2005). As Weisbrod (2000) indicates "This increase in commercial activities in the non-profit sector raises the questions of whether non-profit organizations are merely for-profits in disguise". Therefore, that threat results from the possibility of social activity being dominated by economic activity and, thereby, transforming a non-profit organisation into a commercial one, to the detriment of realisation of goals and their social mission (Tuckman, 1998).

### 3. METHOD AND DATA

Data for the analyses are collected from the Klon/Jawor Association, which conducted a survey on a representative sample of 3,800 Polish foundations and associations run in the third and fourth quarter of 2015. The survey, commissioned by the Klon/Jawor Association, was conducted by the Millward Brown company. The research was carried out on a random group of associations and foundations drawn from the REGON GUS register (Main Statistical Office) (using December 2014 data), verified on the basis of information obtained from KRS (National Court Register) and data collected in the bazy.ngo.pl network. The data concerning associations and foundations were collected by means of the interview method, which used two research techniques: 1) 2,975 interviews were carried out employing the CAPI technique (direct interviews supported by a computer, conducted by interviewers in an area), 2) 825 interviews were done applying the CAWI technique (an online survey). In both cases, respondents were people performing key functions in their organizations. Therefore, the questionnaire was to be completed by the leader of the organization, a member of the senior management, or a member of the trustee board or management committee. The data were collected in compliance with the secrecy principle. As part of the report, in the third quarter of 2014, 24 individual in-depth interviews with non-governmental organization employees and leaders were conducted

The paper used factor analysis which was aimed at determining those variables which were significant regarding the changes of NGOs social mission. As part of the applied method, the weights of components representing partial correlations were calculated, i.e. weights described with values from -1 to 1, occurring between the analysed variables and the main components. The effect of the analysis was to obtain a loading system for factors distinguished by high loadings for some variables and low for others. The study used varimax rotation, which maximizes the variance of the output space of specific variables, in order to minimize the number of variables necessary to explain a given factor (see: Czopek 2013; Larose, 2008). As a result, a group of factors was grouped, to which the variables most strongly correlated with the appropriate factor were assigned. The factor of the correlation between a given variable and the separated factor was the factor loading. It was assumed that the variables that will be included in the newly created components should have a factor charge value of at least 0.70.

Among the surveyed entities, 3432 organisations were chosen which had at least one of the financing listed in the survey. The latter were divided into three categories: external public financing, external private financing and internal private financing (see table 1).

Table 1. Categories of NGOs' financing

<b>Categories of financing</b>
<b>Public financing</b>
<ul style="list-style-type: none"> <li>– EU funding</li> <li>– Programmes of the European Commission</li> <li>– Foreign funding (excluding EU)</li> <li>– Central government and administration</li> <li>– Local council</li> </ul>

Table 1 (cont.). Categories of NGOs' financing

<b>Categories of financing</b>
<b>External private financing</b>
<ul style="list-style-type: none"> <li>– Public fund-raising revenues</li> <li>– Financial and non-financial donations from private individuals</li> <li>– Financial and non-financial donations from institutions, companies</li> <li>– Revenues from 1% of the income tax</li> <li>– Support from other national NGOs</li> <li>– Support from other foreign NGOs</li> </ul>
<b>Internal private financing</b>
<ul style="list-style-type: none"> <li>– Membership fees</li> <li>– Interests, profits from endowment capital, deposits, shares and stocks</li> <li>– Revenue from assets</li> <li>– Revenue from commercial activity (sale of products and services)</li> <li>– Revenue from paid-activity of the third sector (excluding businesses)</li> <li>– Punitive damages</li> <li>– Other sources</li> </ul>

Source: own elaboration on the basis of a survey data of Klon/Jawor Association research on "Condition of the third sector in Poland in 2015"; calculations run in STATISTICA 12.

#### 4. EMPIRICAL RESULTS

Four variables (factors) were identified: external public financing, external private financing, internal private financing and a change of mission on a scale of 1 to 5. All variables were standardised and eigenvalues of each factor were calculated. Using the Keiser criterion (the eigenvalue of a factor > 1) two factors were chosen for further analysis. To examine the structure of variables, their factor loadings were calculated using varimax rotation. The following factor loadings for analysed variables were obtained (see table 2):

Table 2. Factor loadings for analysed variables

<b>Specification</b>	<b>Factor 1</b>	<b>Factor 2</b>
<b>Mission change</b>	0.015578	-0.935331
<b>External public financing</b>	0.688146	-0.343933
<b>External private financing</b>	0.724457	0.041958
<b>Internal private financing</b>	0.625590	0.231851

Source: own elaboration on the basis of a survey data of Klon/Jawor Association research on "Condition of the third sector in Poland in 2015"; calculations run in STATISTICA 12.

According to the above results, factor 1 is represented only by one variable, i.e. external private financing and factor 2 is represented by the variable mission change. The choice of variables was determined by the level of factor loadings which had to exceed the level of 0.70. It means that in the examined group there exists a structure of factors assuming two groups of characteristics which are as follows: mission change and external private financing. Interpreting the obtained results, it can be assumed that among three kinds of NGOs

financing (public – internal or external and private – external) only the latter is a significant variable from the point of view of decision-making on NGOs mission change. Public financing (e.g. grants) or running a business and obtaining commercial revenues do not play an important role regarding the change of NGOs mission.

## 5. DISCUSSION

The paper corresponds with the international discussion on diversification of financial sources of non-profit organisations. Research and analyses reflect distinct features of non-profit sector operating in societies of a big commercial importance. Non-profit activities in each national or cultural context must operate within global market economy. Those arrangements can provide a Polish accent for empirical understanding, in the debate on the significance of financial sources of non-profit organisations with regard to the realization of their mission. Especially, previous researchers demonstrate a wider use of commercial actions in the non-profit sector (Foster & Bradach, 2005). The research of Anglo-Saxon NGOs prevails the view on the corrosive consequences of commercial revenues on the NGOs' social mission (i.e. Eikenberry & Kluver, 2004). In turn, few studies from Central and Eastern Europe indicate that commercial revenues stimulate the missionary activity of non-governmental organizations (i.e. Vecekova et al., 2016). A lot of authors indicate increasing dependence of non-profits' activity on public policy reflecting in government directions of support (Hodgkinson, et al, 1992; Young, 2003; Kerlin & Pollak, 2011). In contrast with existing literature which claims that the commercial funding and public support are essential for the realization of NGO's social mission of non-profits, this research finds that public support or commercial activities are not significant factors regarding the volatility of the social mission in Polish NGOs' sector. On the other hand, study support some results of other researchers indicating relations between social mission and private external donations (i.e Mayer et al, 2014).

## 6. CONCLUSIONS

Diversification of non-profits funding represent their answer to numerous challenges in changing surrounding of that sector. As many researchers indicate, from the financial point of view, gaining revenues by non-governmental organizations from many different sources seems to be a justified choice. It constitutes the chance to increase their revenues, strengthens their financial stability and functioning predictability of NGOs. At the same time, the variability of revenues and the threat of being overtaken by bigger entities, are limited. Moreover, the differentiation of possibilities of capital input, can lead to a bigger organisational autonomy. It contributes to a more efficient control over the activity connected with mission fulfilment.

The results of empirical analysis prove that among three sources of NGOs' financing (public, internal and external private) the only significant variable, from the point of view of decision-making on changing the mission of NGOs, is the external private financing, which includes the revenues generated in public fund-raising, financial and non-financial donations from institutions and companies and 1% of income tax. Revenue on commercial activity (sale of products and services) does not play any vital role in case of the change of NGOs' mission. Similarly, does not public financing, both on a national and local level, as well as foreign funds.

In the discussion on the role of financial sources of NGOs referring to mission changeability further research efforts are needed. Although the investigated sources of funding constitute all categories of revenues that are achieved by Polish NGOs, the author is aware that they do not constitute the entire spectrum of revenues obtained by foreign non-profits. Moreover, realization of social mission is influenced by a lot of factors. Certain modifications of social mission implemented by NGOs are necessary and reflect to evolving social needs. However, the research results presented here may be developed and offer useful guidance to those in charge of the running of non-governmental organizations. The presented findings constitute certain contribution to the discussion about diversification of revenue sources and its significance for mission of social organisation.

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## **AN ANALYSIS OF THE CHANGES OF EMPLOYMENT IN INDUSTRY**

Industry is one of the most important segments of the national economy. The changes, which take place affect the business aspect of the labor market, and more specifically the employment of people in specific industry sectors. It can significantly influence on the way and the number of employment of people in the industry, so, therefore, it was purposeful to analyse whether there were significant changes in the number of employees in selected industry sectors. The aim of the paper was to analyse the basic statistical data from the Central Statistical Office in Poland if there were any changes of employment in the main industry sectors in Poland. The sectors that were analyzed were mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply, sewerage, waste management and remediation activities. The research methodology was the analysis of trends from data from the period 2012–2017 (no data after 2017) from a reliable source, i.e. the Central Statistical Office in Poland. It was concluded that the important changes in the number of employment of people in the main industry sectors could be observed as evidenced by, among others, by the trends. The results of the analysis can be the basis for assessing the economic situation in the analyzed industry sector, and also to make next analyses targeted on the analysis of causes the trends in employed area in selected industry sectors in Poland.

**Keywords:** personnel management, industry, labor market, sociology of work, employment.

### **1. INTRODUCTION**

Industry is one of the most important segments of the national economy and the changes which happen in it influence on the business activities aspect which is the labor market, and more specifically on the employment of people in selected industry sectors. An analysis and an evaluation of employment structures due to selected aspects of the market allow making actions which can affect the economic situation, competitiveness, and economic growth. In the European Union the three-sectors structure applies, where I sector – agricultural, II sector – industrial, and III sector – service (Kwiatkowska et. al., 1993). The changes occurring in the structure of the industry, and what is connected with this the changes in employment structure influence the functioning of the market, and also on the pace of economic growth. Correctness taking place in the global economy shows that, together with

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the development of socio-economic ,the decline in the share of industry in production is noted, and also in all employment. This occurrence results, for example, from the market saturation of industrial goods (Kwiatkowski, 1980). After the transformation of the market system, in the conditions of the central planning economy, the level of employment was high in state enterprises, but in spite of this, the high volumes from production were not achieved (Gajdzik, 2018). Due to the development of production technology, and the same the work productivity, it was concluded that it was important to analyze the industry in terms of an essential aspect which is the number of employed. The statistical data of employment of people in the main industry sectors in Poland were analyzed (i.e. mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply, sewerage, waste management and remediation activities). The analysis was based on reliable data from the period 2012–2017 (no data after 2017) from the Central Statistical Office in Poland. The results of the analysis can be the basis for assessing the economic situation in the analyzed industry sector, and also to make next analyses targeted on the analysis of causes the trends in employed area in selected industry sectors in Poland.

## 2. THE CONCEPT OF ECONOMIC STRUCTURE

The macroeconomic effects connected with the economic slowdown in Poland from the turn of the XX<sup>th</sup> and XXI<sup>th</sup> centuries were the effect of the accession Poland to the European Union and the financial global crisis. The macroeconomic processes are a determinant of the areas of analysis regarding the dynamics, structures and changes taking place in employment in the Polish economy (Wacławik-Puzio, 2006). Each economy can be characterized as a set of elements, whose term is a description of the structure. Therefore, the economic structure is a set of elements that economy consist of the relations between these elements (Kalmut, 1996; Łukaszewicz, Karpiński, 2001; Dworak, Malarska, 2010; Markowska, Sokołowski, Strahl, 2014; Wąsowicz, 2014). There are changes in the collection of these elements and relations between them that influence economic structures. In turn defining of the concept of structural changes mainly applies to permanent and long-term changes, which are in the sectoral structure of economic systems. The themselves changes, which are on over the years, are the research field and new possibilities to define the rules of their shaping.

In economic analyses the structure of the economy undergoing changes in economic process also changes. Some of the reasons for changes taking place in the structure of the economy include:

- changes in the demand structure,
- differences in the rate of labor productivity growth in the branches of the economy,
- price changes,
- trade development (i.e. globalization process),
- policy of the economic liberalization (Łukaszewicz, Karpiński, 2001).

During structural tests, analyzes of changes in the structure in production and the use of factors for production were made, among other sectors share of selected branches in GDP (Clark, 1957) and changes in the employment structure (Łukaszewicz, Karpiński, 2001; Wacławik-Puzio, 2006; Kliczyk, 2008; Śliwińska-Rubin, 2015). One of the main determinants of changes in the economic structure and structure of employment are changes in the employment sector in Poland as well as consumption demand resulting from economic development. The implementation of economic structure surveys seems to be the

most limited due to the analysis of production or employment structure, which is called in literature as the structure of largo sense (Kwiatkowski, 1980; Dworak, Malarska, 2010).

### 3. METHOD OF RESEARCH

An analysis of the statistical data of employment in the main industry sectors in Poland was carried out. The analysis was based on reliable data from the period 2012–2017 (no data after 2017) from the Central Statistical Office in Poland. It was decided that based on the available data from six years it will e possible to show the changes and trends taking place in Poland in particular industry sectors, i.e.:

- mining and quarrying;
- manufacturing;
- electricity, gas, steam and air conditioning supply;
- water supply, sewerage, waste management and remediation activities.

The results from the Central Statistical Office (from the period 2012–2017) were analyzed. The results were on the number of employed people in selected instrustry sectors, number of employed people by sex, viovodeships, and level of education. In addition, an analysis was made of employees' admissions to work and their dismissals. The aim of the paper was to analyse the basic statistical data from the Central Statistical Office in Poland if there any changes of employment in the main industry sectors in Poland.

### 4. ANANALYSIS OF CHANGES IN THE POLISH INDUSTRY

The analysis of data referring to the number of employed people in industry (Fig. 1, Fig. 2) included the number of employees hired on the basis of an employment contract, employers and employees (owners and co-owners), outworkers and agents.

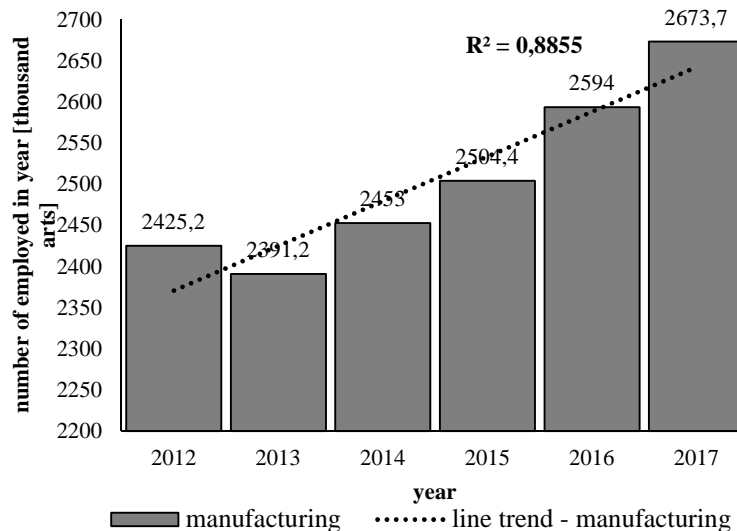


Fig. 1. The number of employed hired in the period 2012–2017 in industry sector – manufacturing

Source: Own study (the Central Statistical Office in Poland, 2019).

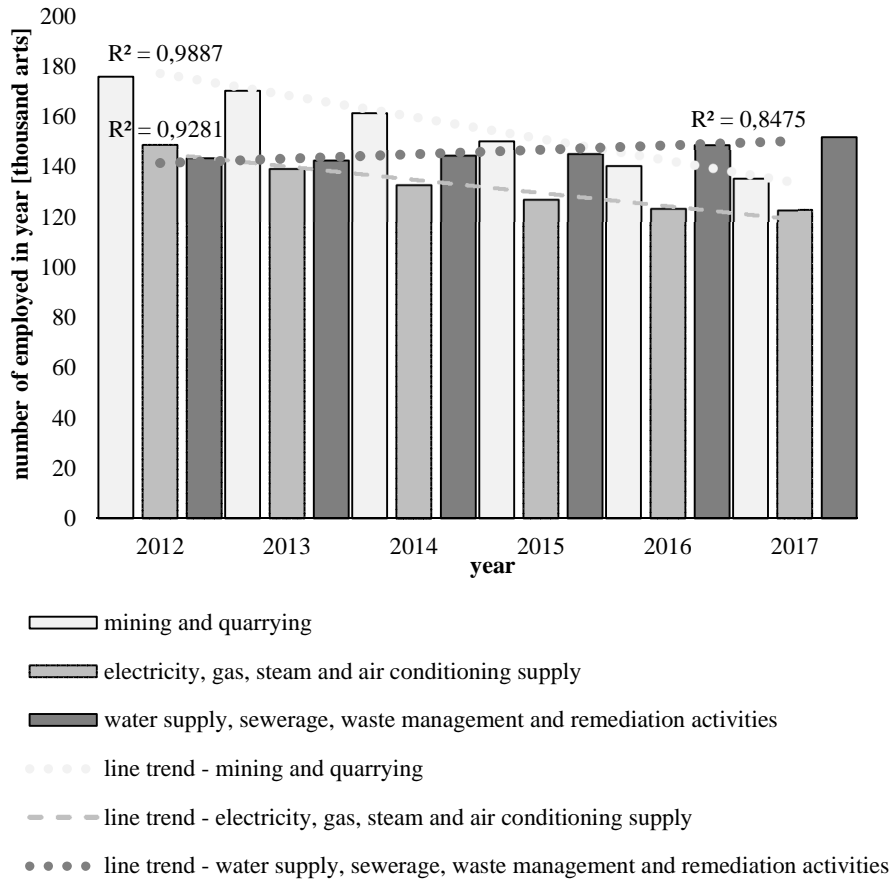


Fig. 2. The number of employed hired in the period 2012–2017 in selected industry sector  
Source: Own study (the Central Statistical Office in Poland, 2019).

The majority of employed in the period 2012–2017 from the main industry sectors that were analyzed was in the sector of the industrial processing sector (Fig. 1). There the linear upward trend ( $R^2 = 0,89$ ) was observed in case of the number employed people in the analyzed period of time.

An analysis of the number employed in the next economic sectors in the period 2012–2017 was made (Fig. 2). The linear upward trend ( $R^2 = 0,85$ ) was observed in the sectors of water supply, sewerage, waste management, and remediation activities. In turn the linear decreasing trend was observed in the sectors of mining and quarrying ( $R^2 = 0,99$ ) as well as production and supply of electricity, steam gas and hot water ( $R^2 = 0,93$ ).

Then, the number of employed in the industry in a given voivodeships was analyzed (Fig. 3) and also the number of employed in the industry in terms of sex (Fig. 4) in period of 2012–2017.

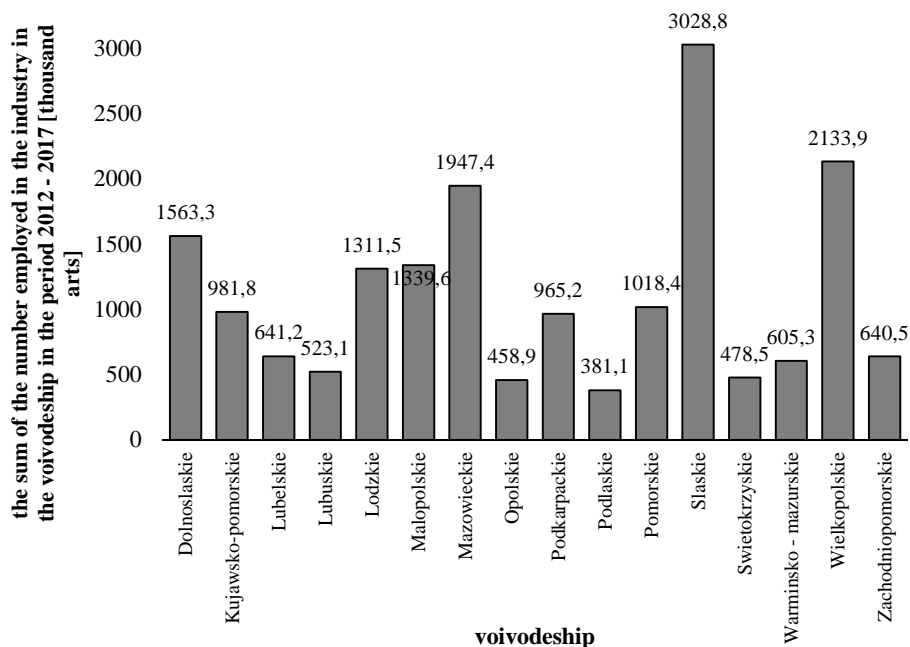


Fig. 3. The sum of the number employed in the industry in the voivodeship in the period 2012–2017

Source: Own study (the Central Statistical Office in Poland, 2019).

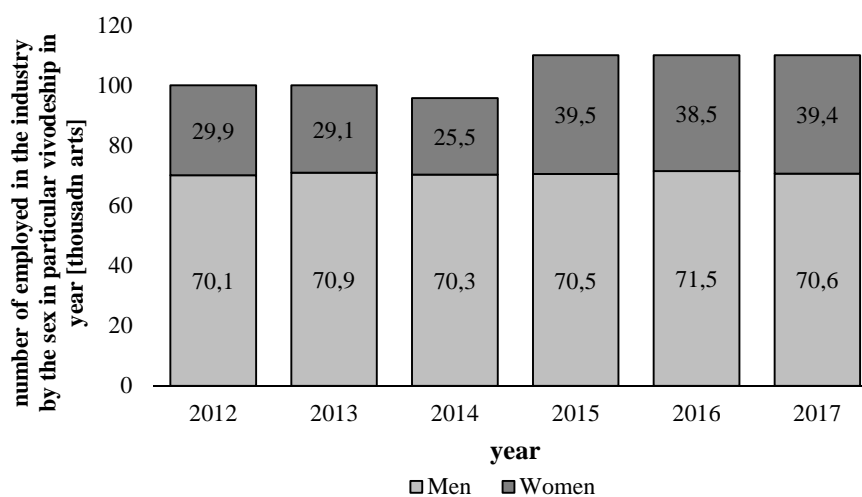


Fig. 4. The number of employed in the industry by the sex in particular voivodeship in the period 2012–2017

Source: Own study (the Central Statistical Office in Poland, 2019).

Due to the fact that no trends were observed in individual years (in the period 2012–2017) in the cause of the number of employed in the industry sectors in a particular voivodeship, as summary analysis of the total number of the employed in the industry in particular voivodeship was made. The biggest number of employed was in the Slaskie Voivodeship, and next in Wielkopolskie and Mazowieckie. The smallest number of employed was in the Podlaskie Voivodeship, then Opole Voivodeship and Swietokrzyskie Voivodeship. In the case of the number of employed in the industry by sex in the period of 2012–2017, there were no trends observed, and the number of men to the number of women was much bigger.

Next, the analysis of employed in industry by the level of education in the period of 2012–2017 was made (Fig. 5).

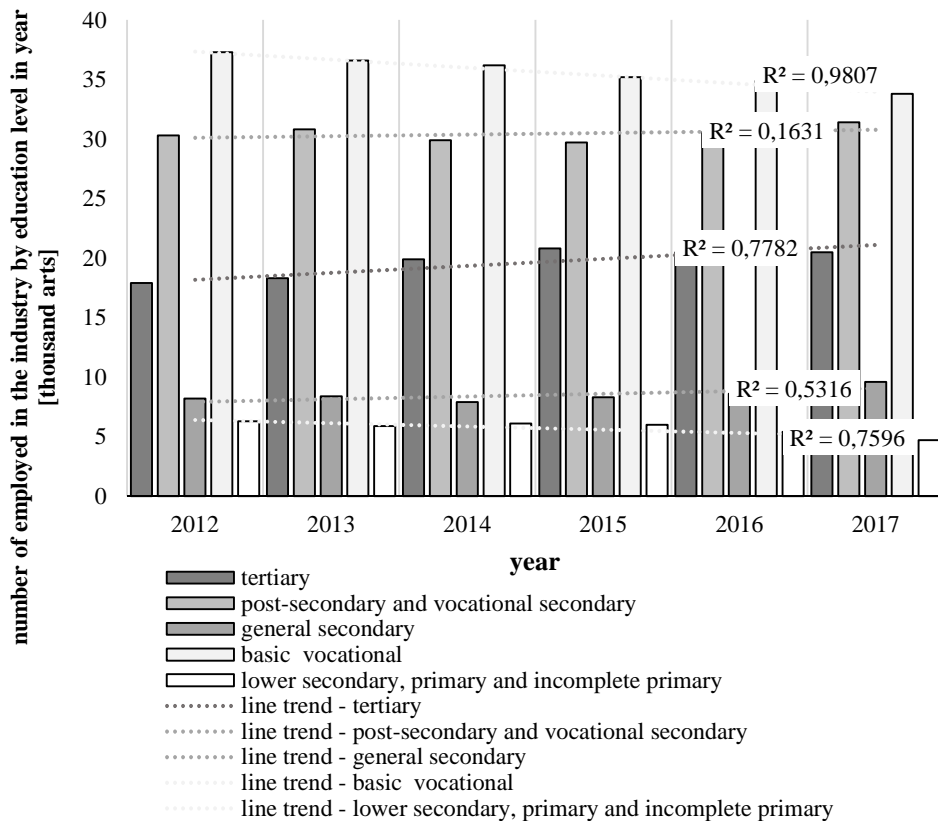


Fig. 5. The number of employed in the industry by education level in the period 2012–2017

Source: Own study (the Central Statistical Office in Poland, 2019).

In the cause of the number of employed in the industry by education level in the period 2012–2017, it was observed that the biggest number in particular years were the people with basic vocational education, next with post-secondary and secondary vocational and higher education. The smallest number of employed in the industry by the level of education in the

period of 2012–2017 were people with lower secondary, primary and incomplete primary and also general secondary education. A linear decreasing trend in the cause of people with basic vocational was observed ( $R^2 = 0,98$ ) and with the lower secondary, primary and incomplete primary education ( $R^2 = 0,76$ ). In turn, the linear upward trend ( $R^2 = 0,78$ ) was in the case of people with higher education. The number of people with post-secondary and secondary vocational education as well as general secondary education remained at a similar level (no trends).

The number of admissions and redundancies at work (Fig. 6) and also the vacancies (Fig. 7) in the period of 2012–2017 in the main industry sectors were analysed. The number of people admitted to the job and the number of dismissed workers, who have been transferred, returned and departed for holidays. The number of admitted to work, included the number of hires for the first time and subsequent time. The number of dismissals from work included people with whom employment contracts was terminated by an employee or by the employer (also the group dismissals was included). The number of dismissals from the job referred to people, who were retired due to inability to work, as well as people who left work or deceased persons (the Central Statistical Office in Poland, 2019).

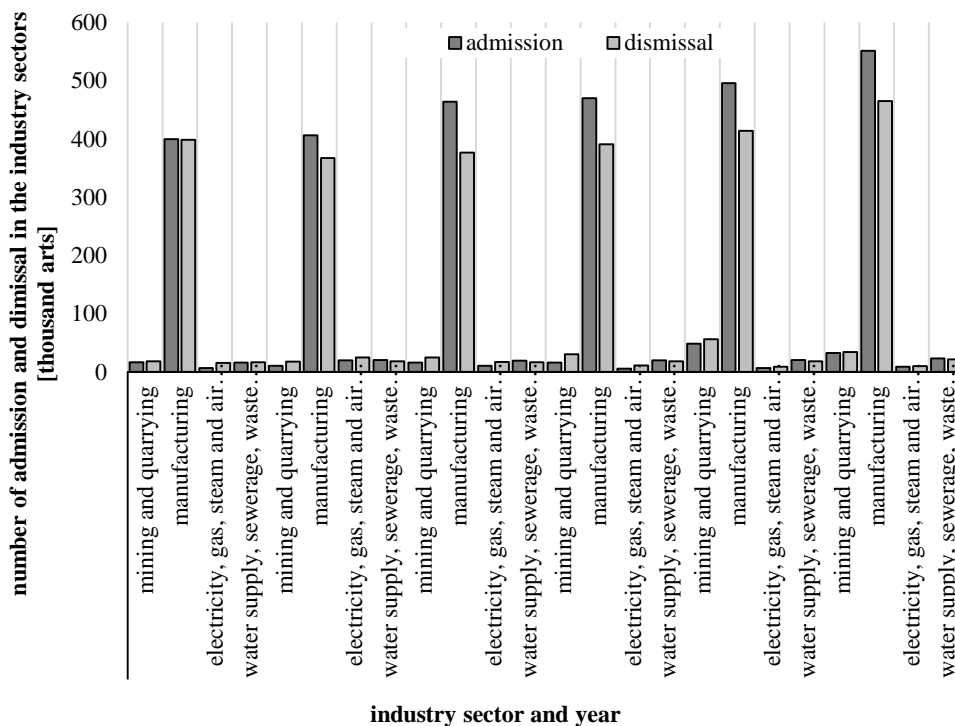


Fig. 6. The number of admissions and redundancies at work in the industry sectors in the period 2012–2017

Source: Own study (the Central Statistical Office in Poland, 2019).

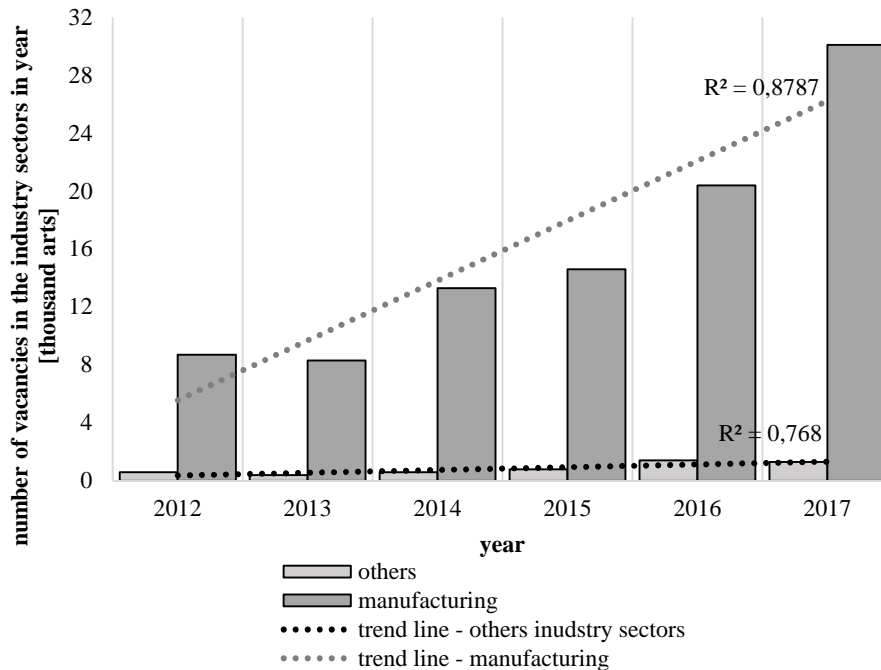


Fig. 7. The number of vacancies in the industry sectors in the period 2012–2017  
Source: Own study (the Central Statistical Office in Poland, 2019).

No trends were observed in the number of admissions and redundancies in the industry sectors in the period of 2012–2017. The majority of those analysed were the industrial processing sector. The number of admissions and redundancies in other industry sectors in particular years was at a similar level.

The number of vacancies at work (in the period 2012–2017) in the industrial processing sector and other sectors was compared. These number was shown as the total number because were not significant differences in individual years in these industry sectors, i.e. mining and quarrying; electricity, gas, steam and air conditioning production and supply; water supply, sewage and waste management and remediation activities. A linear upward trend was observed ( $R^2 = 0,88$ ) in the number of vacancies at work in the industrial processing sector in the period of 2012–2017, as well as a linear upward trend in the total number of vacancies at work in other industry sectors ( $R^2 = 0,77$ ).

## 5. CONCLUSION

The statistical data of the changes employment in the selected industry sectors in Poland (in the period of 2012–2017) from the Central Statistical Office in Poland was analyzed. The sectors that were analyzed were mining and quarrying; production and supply of electricity, gas, steam and air conditioning; water supply, sewage, waste management and remediation activities. The aim of the paper was to analyse the basic statistical data from the Central Statistical Office in Poland if there were any changes of employment in



the main industry sectors in Poland. After the analysis, it was concluded that the important changes in the number of employed in the main industry sectors were identified, as evidenced by observed trends, i.e.:

- trends regarding the analysis of the number of employed in particular industry sectors in the period of 2012–2017:
  - linear upward trend ( $R^2 = 0,89$ ) – industrial processing;
  - linear upward trend ( $R^2 = 0,85$ ) – water supply, sewage, waste management and remediation activities;
  - linear decreasing trend ( $R^2 = 0,99$ ) – mining and quarrying;
  - linear decreasing trend ( $R^2 = 0,93$ ) – production and supply of electricity, gas, steam and air conditioning;
- trends regarding the analysis of the number of employed in the industry by education level in the period of 2012–2017:
  - linear decreasing trend ( $R^2 = 0,98$ ) – people with basic vocational education;
  - linear decreasing trend ( $R^2 = 0,76$ ) – people with lower secondary, primary and incomplete primary education;
  - linear upward trend ( $R^2 = 0,78$ ) – people with higher education;
- trends regarding the number of vacancies at work in industrial sectors in the period of 2012–2017:
  - linear upward trend ( $R^2 = 0,88$ ) – industrial processing sector;

No trends were observed in case of:

- the number of admissions and the number of redundancies in the industrial sectors in the period of 2012–2017;
- the number of employed in the industry sectors in industrial voivodeships in the period of 2012–2017;
- the number of employed in the industry by sex in the period of 2012–2017.

Additionally, after analyzing data from the Central Statistical Office from the period of 2012–2017, about the employment in the selected industry sectors, it was concluded that:

- the overwhelmingly large number of employed persons in the period of 2012–2017 from the main industry sectors that were analyzed were characterized by the industrial processing industry sector;
- the largest number of employed was in the Slaskie Voivodeship, and next in Wielkopolskie and Mazowieckie; the smallest number of employed was in the Podlaskie Voivodeship, then Opole Voivodeship and the Swietokrzyskie Voivodeship;
- the majority of people working in industry were men.

The analysis made it possible to conclude, that were important changes in the number of employed in the industry from 2012 to 2017, both in terms of the level of education and industry sectors. Additionally, it was concluded that the industrial processing sector in Poland is a significant advantage in the case of the number of employed than in other industry sectors and that the majority of people working in industry in the analysed years were men. The results of the analysis can be the basis for further analyzes for trends in the employment in selected sectors of industry in Poland.

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*An experienced sailor does not fight against the current or the wind but lets them take him in the direction chosen by him.*  
Bolesław Prus

## **AN ANALYSIS OF SAILORS' CONFIDENCE LEVEL IN PERSONAL LIFE-SAVING APPLIANCES AND BUOYANCY AIDS**

In the article, an attempt was made to determine the level of sailors' confidence in personal life-saving appliances and buoyancy aids when practising sports and recreational sailing at sea. The article presents results of the research conducted on a sample composed of 40 sea-going sailors aged 18+, who participated in the IX International Sailing Regatta Eljacht Cup 2018. The method used to carry out the research was the method of a diagnostic survey. The applied research technique consisted of a questionnaire. As the conducted research has shown, in Poland, this sport is more popular among men than women. The vast majority of sailors have received higher education. The majority of people who enjoy sailing live in cities ranging from 100,000 to 200,000 inhabitants.

Sailing as a water sports discipline is becoming an activity which is relatively easy to be taken up by women as well as men of all ages. In Poland, the model of sailing tourism itself has undergone significant transformations over the last two decades. The reason for these changes is an increase in the society's affluence. Even at the beginning of the 20th century, sailing was still an activity that was quite an elite sport and was practised as part of sailing clubs. Nowadays on the commercial market, there are companies that specialize in yacht charter and are ready to make their vessels available on any water and during any season. The number of private ship owners is also on the rise. Yacht crews are obliged to follow many procedures once they board the vessel. Safety on the yacht is the most important factor. Without going into details, it depends on the way a vessel has been constructed and how it is equipped, the qualifications and training of its crew, as well as the observance of good seamanship. Good seamanship – “good seamanship is: the whole of written and, especially, unwritten general recommendations for conduct, which may be considered the embodiment of a sailor's common” (Monsarrat, 1988).

**Keywords:** level of sailors' confidence in personal life-saving appliances, sailing tourism, water sports discipline, good seamanship.

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## 1. INTRODUCTION

The Earth is the only planet known in the Solar System, on which life has evolved. Air, water, earth and life – including humankind – together create a constantly changing world. They say that the Earth is the planet of life. In this case, the word “earth” has the colloquial meaning of “dry land”. Earth’s surface totals: 510.22 million km<sup>2</sup>, including the area of lands amounting to 149.16 million km<sup>2</sup> (29%) and the area of oceans making up 361.06 million km<sup>2</sup> (71%) (Dimensions of the Earth, [http://www.naukowiec.org/tablice/geografia/wymiary-ziemi\\_2734.html](http://www.naukowiec.org/tablice/geografia/wymiary-ziemi_2734.html)). The world’s oceans are the least examined environment on our planet. However, this does not pose a problem for people who engage in sailing. We wrote about collective life-saving appliances – a pneumatic life raft, in the article: Attitudes of contemporary academic youth in an emergency situation (with the use of rescue equipment) (H. Sommer, H. Sommer, Zakrzewski, 2018). This article is a continuation related to the issues of sailors’ safety. We will discuss personal life-saving appliances and buoyancy aids. The necessity of providing vessels with life-saving appliances is imposed by the *Life Saving Appliances Code* which is a code “|belonging” to the SOLAS Convention (Chapter III, art. 34) ([https://puc.overheid.nl/nsi/doc/PUC\\_2393\\_14/5/](https://puc.overheid.nl/nsi/doc/PUC_2393_14/5/)). The provisions included in it concern the characteristics and capacity of the following elements:

- Individual life-saving appliances – lifebuoys, life-belts, immersion suits, anti-exposure suits and thermal protective aids.

The Code regulates the following parameters of a lifebuoy:

- The inner diameter of no less than 40 cm and the weight of over 2.5 kg.
- They should be constructed of inherently buoyant material.
- A lifebuoy should not sustain burning or continue melting (after being totally enveloped in a fire for a period of 2 seconds).
- It should support 14.5 kg for 24 hours.
- It should withstand a drop into the water from 30 m (or the height at which it is stowed in the lightest sea-going condition, depending on whichever is the greater).
- Equipment (a lifebuoy with a light, a grab-line or a light and smoke signal).
  - Grab-line with a length of 4 times the diameter of the lifebuoy.
  - Lights such that they cannot be extinguished by water, light of white colour, intensity of 2 cd, light either fixed or flashing (50–70 flashes/min), battery capacity – 2 h.
  - Lifebuoy smoke signals should emit smoke for at least 15 min., they should not stop emitting smoke while totally submerged for 10 s.

Life-belts:

- Classic belts – in which buoyancy is achieved thanks to the use of an inherently buoyant material.
- Inflatable (pneumatic) belts – in which buoyancy is provided by buoyancy chambers filled with carbon dioxide.
- Belts are to be put on in 1 minute, there is only one possibility of putting them on.
- They make it possible to jump from a height of 4.5 meters.
- The belt rotates the body so that it is positioned on the back in 5 seconds.
- After 24 hours, the buoyancy may be reduced by no more than 5%.

- Life-belt lights with an intensity of over 0.75 cd and with a battery lasting 8 hours, as well as using either a fixed or flashing light (50-70 flashes) are to be equipped with a switch.

Immersion suit:

- The task of the suit is to protect the survivor, mainly against excessive temperature loss.
- Immersion suits that do not meet the requirements applicable to life-belts must be used together with a belt.
- They are additionally equipped with a light and a whistle.
- It is possible to put an immersion suit on by oneself in 2 minutes.
- It does not sustain burning or continue melting after being engulfed in flames for 2 seconds.
- It allows to move freely (go down a ladder, jump into the water, swim a short distance, enter a rescue unit).
- Suits characterized by insulating properties do not allow the body temperature to drop more than 2°C over a period of being immersed for 6 hours in water at a temp. of 0-2°C.
- Suits not characterized by insulating properties are to be used together with warm clothing, they shall not allow the body temperature to decrease by more than 2°C over a 1-hour period of being immersed in water at a temp. of 5°C”.

“Thermal protective aids

- Made of waterproof material that reduces heat loss.
- Along with a life jacket, it covers the whole body except for the face.
- It can be taken off in water in no more than 2 minutes if it makes it difficult to stay above water.
- Used primarily as a buoyant aid may be used at a temperature ranging from -30°C to +20°C” (LSA Code-characteristics of life-saving appliances, <http://ratownictwo.am.szczecin.pl/index.php/dla-studentow/ratownictwo-morskie/31-kodeks-lsa>).

Due to the intention of the article, which is the assessment of the confidence in selected personal life-saving appliances and in selected appliances supporting the safety of a sailor, a number of detailed regulations have been omitted. However, it should not be forgotten that the equipment on a yacht is influenced, among others, by:

- The provisions of the registration office of the country where a given vessel is registered (Polish Register of Shipping) (See more [https://www.prs.pl/\\_\\_files/parent519/rejestr\\_jac\\_2017.pdf](https://www.prs.pl/__files/parent519/rejestr_jac_2017.pdf) [Access: 2019.01.29]),
- The insurer's requirements applicable to a given cruise.

Old and reliable buoyancy aids are also used on yachts, in addition to modern solutions from the electronics industry, depending on the wealth of the ship owner.

- Rescue waists – thin and comfortable, collarless, increase buoyancy in the event of falling overboard.
- Preventive waists – e.g. the so-called “lifeline” (Life-saving and security appliances, <https://www.zeglarstwo.waw.pl/srodki.htm>) is attached with a snap hook to special fixtures on the deck – mainly in sea sailing, it should be used in any weather conditions, and especially in difficult ones. In the event of falling overboard, it eliminates the risk of drifting away from the yacht. Sailors often use the so-called.

- Safety harness, which has 2 wires ending in snap hooks, allowing the harness to be attached to the “lifeline”.
- Technical novelties not governed by international/national regulations, such as, for example, an electronic siren alerting that someone has fallen overboard.

Essential legal acts/Legal provisions applicable to yacht sailing.

Yacht sailing requires the yacht's crew to have special qualifications. Skipper's licences are documents specified in the Regulation of the Minister of Sports and Recreation of 9 April 2013 on practising water tourism. Qualifications granted by the licences are summarized in Table 1.

Table 1. Skipper's licences – requirements – qualifications

Skipper's licence	Requirements	Qualifications
Yacht Sailor	<ul style="list-style-type: none"> <li>- being at least 14 years of age,</li> <li>- passing an exam testing the required knowledge and skills.</li> </ul>	<ul style="list-style-type: none"> <li>- navigating sailing yachts not equipped or equipped with an auxiliary mechanical drive through inland waterways without restrictions,</li> <li>- navigating sailing yachts with a length of up to 12m at sea through internal sea waters, and, for the remaining sea waters located 2 miles away from the shore, at daytime.</li> </ul>
Marine Yacht Helmsman	<ul style="list-style-type: none"> <li>- being at least 18 years of age,</li> <li>- completing at least two sea voyages amounting to at least 200 hours of sailing since obtaining the licence of a Yacht Sailor,</li> <li>- passing an exam testing the required knowledge and skills.</li> </ul>	<ul style="list-style-type: none"> <li>- navigating sailing yachts not equipped or equipped with an auxiliary mechanical drive through inland waterways without restrictions,</li> <li>- navigating sailing yachts not equipped or equipped with an auxiliary mechanical drive with a hull length of up to 18m through sea waters</li> </ul>
Yacht Captain	<ul style="list-style-type: none"> <li>- possessing a Maritime Yacht Helmsman licence,</li> <li>- completing at least six seagoing voyages amounting to at least 1200 hours of sailing since obtaining the licence of a Maritime Yacht Helmsman, including at least 400 hours of independently navigating a vessel with a total length of more than 7.5m and completing at least one voyage spanning over 100 hours of sailing on a vessel with a total length of more than 20 m.</li> </ul>	<ul style="list-style-type: none"> <li>- navigating sailing yachts not equipped or equipped with an auxiliary mechanical drive through inland waterways without restrictions,</li> <li>- navigating sailing yachts not equipped or equipped with an auxiliary mechanical drive through inland waters without restrictions,</li> </ul>

Source: Compiled based on (Regulation of the Minister of Sport and Recreation of 9 April 2013 on practising water tourism. Journal of Laws from 2013, item 460, <http://prawo.sejm.gov.pl/isap/download.xsp/WDU20130000460/O/D20130460.pdf>, p. 2–3).

Due to international character of sailing it is crucial that legal regulations are understood the same way under different latitudes. None of the sailing family members contests documents giving a right to sail. A separate issue is following the rules of maritime practice. It is incomparable among crews if we consider under which flag they are registered. It can be easily noticed during regattas as well on sea as in ports. It is also a question of broadly understood maritime culture. The maritime behaviors represented by flags of convenience are unaccepted not only by naval society but also many countries decide not to let ships under flags of convenience enter the ports. It is not a secret that a strong currency is pushing out the weak one. The same situation can be observed in sailing traditions and habits. Great place to exchange views are: literature (More on <https://www.onboardonline.com/industry-article-index/features/perspectives-on-the-safety-culture-in-yachting/>), sailing forums (More on <https://forum.zegluj.net/>, <https://www.sailforum.pl/>), formal trainings and informal meetings with sailing personalities. Experts of this article were: Witold Wajdeczko (e-mail: [sealight@sealight.pl](mailto:sealight@sealight.pl)) – technical advice, Wojciech Pałkowski<sup>3</sup> – yachting advice. Our experts concluded long brainstorm in captains mess with following words: we hope we live to see the day when using assurance equipment will be as common as fastening seatbelts in a car.

## 2. METHODOLOGICAL ASPECTS OF THE RESEARCH

The main purpose of the conducted research was to check whether and to what extent yacht crews have confidence in personal life-saving appliances and buoyancy aids.

The method used to carry out the research was the method of a diagnostic survey, which allows to gather personal opinions on the analysed issue. The applied research technique consisted of a questionnaire form completed by the sailors themselves.

The research was conducted on a sample composed of 40 sea-going sailors aged 18+, who participated in the IX International Sailing Regatta Eljacht Cup 2018 on August 17-19 (9<sup>th</sup> International Regatta Eljacht Cup 2018, <http://www.eljachtcup.pl/>) this year, during a stopover at the GOS regatta port in Górkki Zachodnie (See more: <https://www.sportgdansk.pl/obiekty/przystan-jachtowa-gorki-zachodnie/>).

The weather forecast is of utmost importance to a sailor. It is the weather forecast that allows one to plan a cruise, as well as to carry it out in safe conditions. On the day of the research, the meteorological conditions were as follows: A south-east wind gradually turning into a north-east one which, in the afternoon, changed into a north-west wind turning into a west one with a value of 2 to 3 degrees, with gusts reaching 4 degrees and, in the evening, a wind fluctuating between 2 and 4 degrees on the Beaufort scale. Air temperature 22<sup>o</sup>C, water temperature 19<sup>o</sup>C (See more about the current weather forecast for sailors at: <http://baltyk.pogodynka.pl/index.php?page=2&subpage=6&data=26>).

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<sup>3</sup> Wojciech Pałkowski, born 1959. Graduate of Polish Naval Academy. 1983–1996 officer on various ships of Polish Navy. 1996–2007 Deputy Chief of Sailing Training Center of Navy. Since 2007 senior officer on rescue ships in Maritime Search and Rescue Service. Practicing sea sailing since 1978. Owner of Certificate of Competency of Yachtmaster, Certificate of Competency of Ocean Going Motorboat Master. Experienced with several tens of cruises on Baltic Sea, North Sea, Atlantic Ocean and Mediterranean Sea. In 1999 awarded in Cruise of the Year Competition. Practicing inland sailing and canoeing.

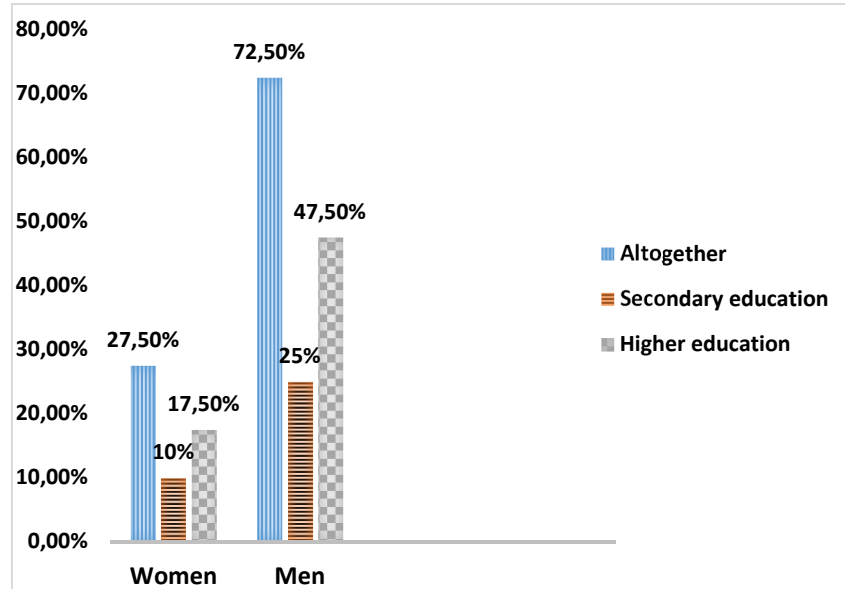


Chart 1. Sex and education on the respondents

Source: authors' own research

Among all the sailors participating in the study, 27.5% of them were women and 72.5% were men. Such a sample selection was dictated by the sex of the participants of the regatta. On this basis alone, it may already be stated that this sport is more popular among men than women.

As far as the education of the respondents is concerned, clear disproportions are visible between secondary and higher education, both among women and men. 10% of the women and 25% of the men surveyed have completed secondary education, while 17.5% of women and 47.5% of men have higher education. Such a level of education of the respondents participating in the regatta shows that the vast majority of people involved in the sport have higher education.

As shown in Chart 2, most people who enjoy sailing live in cities ranging from 100,000 to 200,000 inhabitants (55%). Among the respondents, 17.5% of them live in towns ranging from 50 000 to 100 000 inhabitants; the same percentage of respondents live in cities with over 200 000 inhabitants. A small percentage of the respondents live in towns of up to 50 000 inhabitants and no participant of the regatta lives in the countryside. It might be said that inhabitants of medium-size towns engage in sailing and that it is not a source of entertainment for those who live in the countryside and in small towns. The largest number of sailors taking part in the research comes from the following provinces: Pomorskie, Mazowieckie, Śląskie, Kujawsko-Pomorskie and Warmińsko-Mazurskie.

As shown in Chart 3, the majority of enthusiasts of sailing, 37.5%, are between 41 and 50 years of age, 27.5% of them are above 50 years old. Meanwhile, 20% of the respondents are between 31 and 40 years old, and 15% are between 20 and 30 years old. This demonstrates that the sport is mostly for people who already have a stable professional and private life. They have a stable financial situation, they do not have to look after their children who



have already grown into adults, and they can devote themselves to their passion, which requires considerable financial resources, time and commitment.

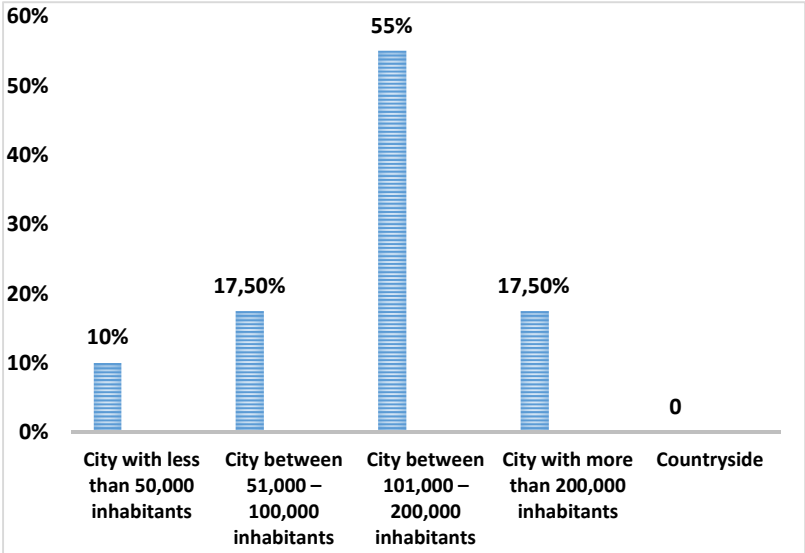


Chart 2. Place of residence of the respondents

Source: authors' own research

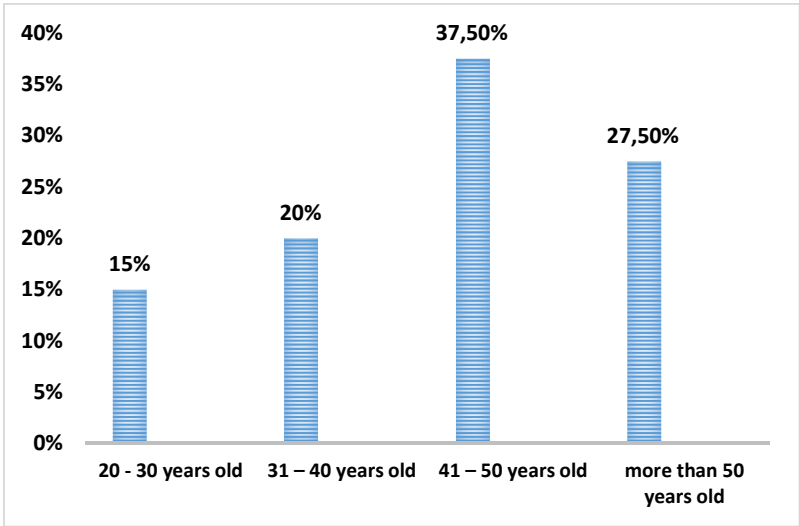


Chart 3. Age of the respondents

Source: authors' own research.

According to the results of the research, people who participated in the regatta, have been involved in this sport for various amounts of time, from a year to over 40 years. The most numerous group of respondents are people who declare they have been involved in sailing for between more than 11 and 20 years (30%). In turn, the least numerous group are those respondents, who have started their adventure with sailing over 40 years ago (5%). A very large share of the respondents is experienced sailors who have been passionate about this pastime for years.

As many as 42.5% of the respondents have not taken part in offshore regattas until now. More than 32% of the participants have already taken part in regattas from 1 to 5 times, while 12% of the respondents have participated in regattas from 5 to 10 times and over 12% have been involved in such competitions more than 10 times.

Most of the respondents hold the licence of a maritime yacht helmsman (40%), a sailor (30%) or a captain (17.5%). Additionally, some of the respondents boasted about holding the licence of a motorboat helmsman. Meanwhile, 12.5% of the respondents taking part in the regattas did not have a sailing licence.

During the described regattas, 35% of the respondents performed the role of a captain, 22.5% that of an officer, and 42.5% were members of the crews surveyed.

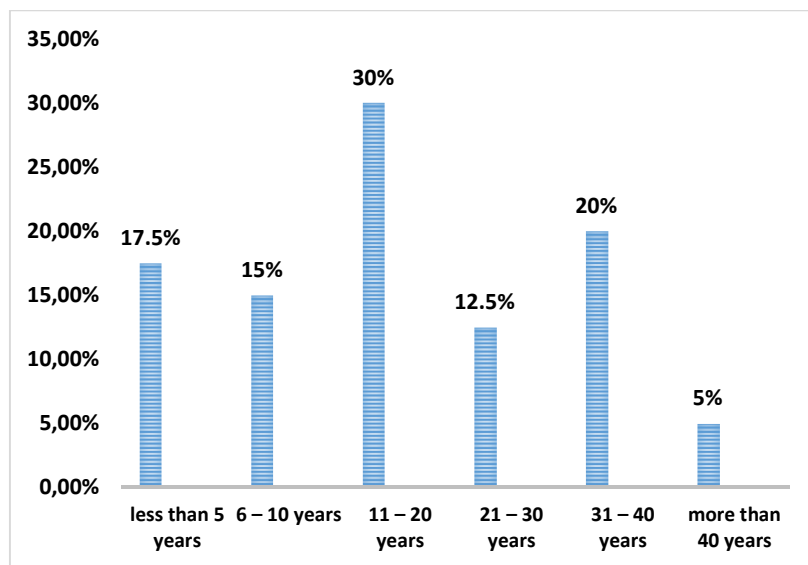


Chart 4. Years of being involved in sailing

Source: authors' own research.

Inland sailing around Poland (Masuria, Pomerania) constitutes the vast majority of cruises among the respondents. The Adriatic Sea and the Mediterranean Sea dominate among the foreign destinations chosen by the sailors surveyed. Few people have experiences related to the Atlantic, the North Sea or the Pacific. Some individuals could boast about having sailed around the whole world.

Chart 5 illustrates sailing skills in the assessment of the respondents. Each participant could rate them on a scale from 1 to 5, where 1 signifies bad skills and 5 very good ones. Most respondents rated their skills as good (32.5%), slightly fewer, 30%, as sufficient. 15% of the respondents each described them as basic and as very good, which is the maximum rating on the scale used. Only 7.5% rated their sailing skills as bad. The surveyed sailors spoke quite positively about their skills. These results show that the sailors are well-prepared for practising this sport. The majority of the respondents sail on yachts which have a total sail area of up to 100 m<sup>2</sup> (57.5%), and 42.5% of them on yachts with a sail area of above 100 m<sup>2</sup>.

When asked about people associated with sailing, the respondents often mention Krzysztof Baranowski, Roman Paszke, Mateusz Kusznerewicz, Leonid Teliga or Aleksander Doba. The vast majority of the respondents (65%) had the opportunity to sail with an outstanding sailor, whom they treated as a guru and a role model in the field of sailing.

Equipment is a crucial subject for both professional and beginner sailors. The vast majority of the sailors surveyed consider a set of life-saving appliances such as life-jackets, lifebuoys, life-belts and safety harnesses as indispensable on the deck of a yacht used for bay/coastal sailing. Meanwhile, in the case of maritime navigation, in addition to the previously mentioned life-jackets, lifebuoys, life-belts or safety harnesses, there also appear a life raft, EPIRB (Radioplawa EPIRB – basic information, <https://www.egmdss.com/gmdss-courses/mod/resource/view.php?id=485>), flares and immersions suits.

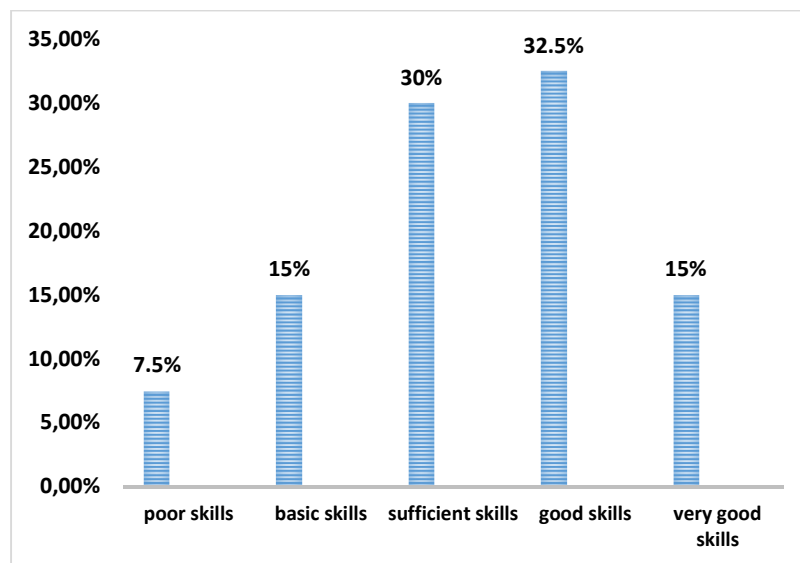


Chart 5. Subjective assessment of one's own skills as a sailor

Source: authors' own research.

Most respondents are able to give examples of marine accidents involving Polish sailors. Most often, they mention S/Y Bieszczady, S/Y Rzeszowiak, S/Y Sunrise with captain Jacek Zieliński on-board, the tragedy at the North Sea or at the Indian Ocean in 2017.

Over 32% of the respondents found themselves in a life-threatening situation at sea while sailing. While being in a difficult situation, they made use of the life-saving appliances they possessed, such as life-jackets, life-belts or immersion suits. Some of them used the assistance of SAR (MARITIME SEARCH AND RESCUE SERVICE, <http://www.sar.gov.pl/pl/>).

The sailors surveyed are aware of the necessity to use life-saving appliances while sailing. In a life- and health-threatening situation, sailing in severe weather when the wind force reaches 5<sup>0</sup> B and the condition of the sea is dangerous and exceeds 5<sup>0</sup> B, the sailors use life-jackets, lifebuoys, safety harnesses, life-belts or immersion suits.

The participants of the above-mentioned regattas had the opportunity to see rescue equipment demonstrations. For 42.5% of the respondents, the display of rescue equipment was a novelty. They saw it for the first time. The same percentage of the respondents participated in such shows up to 10 times, and 15% of the respondents saw them more than 10 times.

The people surveyed could also evaluate this type of training (a lecture accompanied by a demonstration). The results are shown in Chart 6.

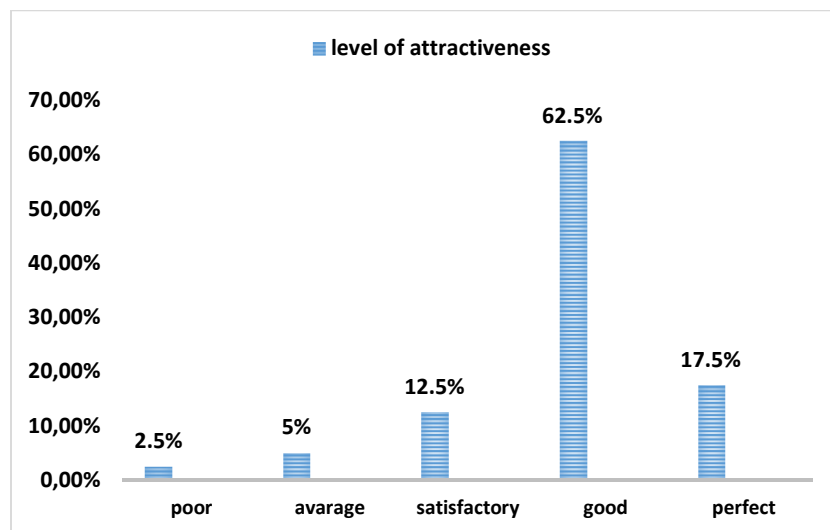


Chart 6. Assessment of the attractiveness (lecture with demonstration) of the training session in the use of life-saving appliances

Source: authors' own research.

As illustrated by Chart 6, the vast majority of the respondents consider a training session covering the use of life-saving appliances that consists of a lecture accompanied by a demonstration, to be highly attractive. 62% of them deem this type of training good, whereas 17.5%, perfect. Only 2.5% claim that such a training session is not attractive enough, 5% that it is mediocre, while for 12.5% of the respondents, it is satisfactory.

The respondents also assessed the level of confidence in personal life-saving appliances on a scale from 1 to 5, where 1 means low and 5 very high. The results are illustrated in Chart 7.

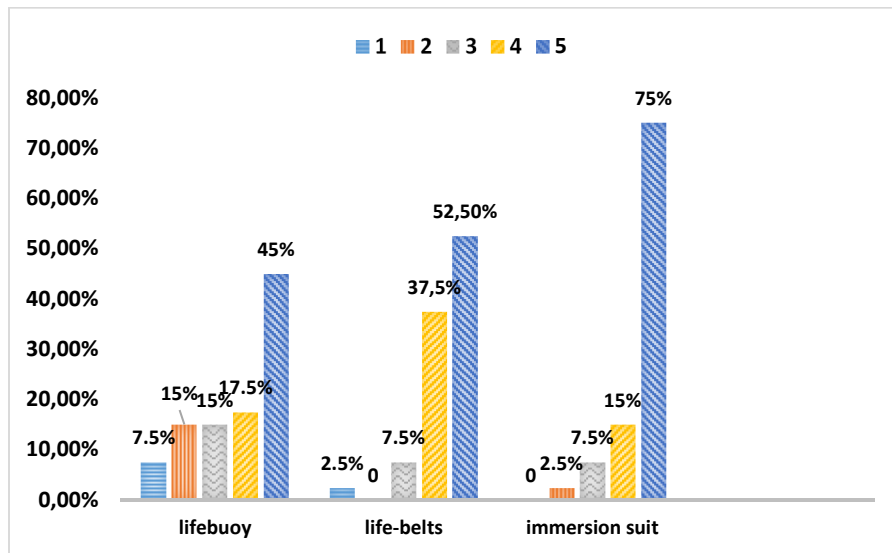


Chart 7. Level of trust in personal life-saving appliances

Source: authors' own research.

As Chart 7 shows, the respondents rated their level of confidence in personal life-saving appliances very highly. Immersion suits were met with 75% of the indications of very high confidence, life-belts with 52.5%, and a lifebuoy with 45% respectively. With regard to low confidence, it appeared in a very small number of the respondents' indications. A lifebuoy is met with 7.5% of the indications of low confidence, while for belts these amount to 2.5% and the immersion suit was not met with any indications of being rated poorly. Average ratings at the level of 2, 3 or 4 were given only a few more indication. It is indicative of the fact that the sailors surveyed great confidence in personal life-saving appliances. Safety on the yacht is the most important factor to consider when sailing.

The sailors participating in the study were also asked to assess the level of trust and comfort in relation to buoyancy aids. They also rated them on a scale from 1 to 5, where 1 means low and 5 means very high. This is illustrated in Chart 8.

Chart 8 also shows a very high level of trust and comfort towards buoyancy aids among the respondents. The respondents reported a very high level of trust (5) in both the waist and the harness, which received the highest marks from 35% and 50% of the sailors, respectively. With regard to the lowest marks in terms of the trust towards buoyancy aids, both the waist and the harness received 5% of such indications. The chart shows a clear upward trend in the number of positive indications in the assessment of buoyancy aids.

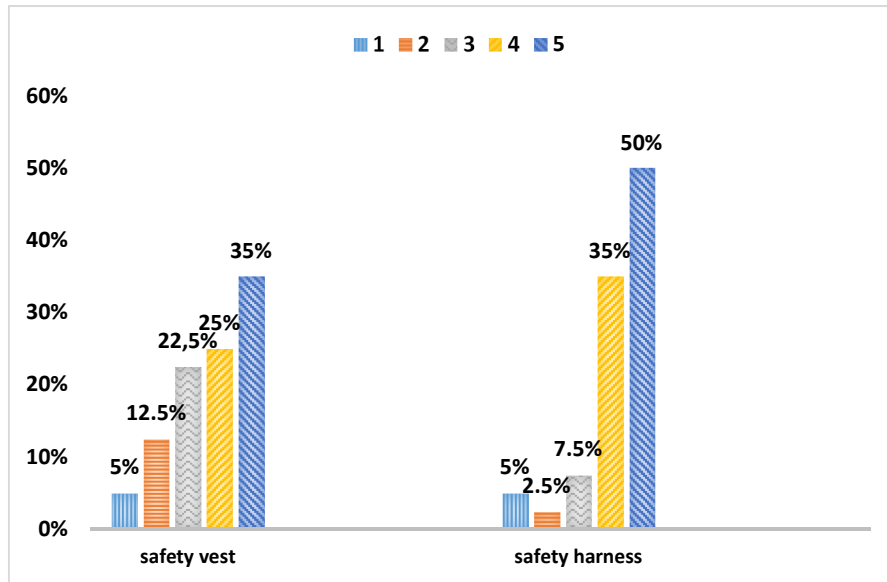


Chart 8. Level of trust and comfort towards buoyancy aids

Source: authors' own research.

### 3. FINAL CONCLUSIONS

The main motivation to enter the world of sailing seems to be the desire to spend time with interesting people while engaging in interesting activities. For some, this means good fun, while for others it is a sports competition and a path of self-improvement. Others seek contact with nature and a way to escape from the hustle and bustle of the city and other still want to simply stay close to the people they've been through a lot with and with whom they share their interests.

As the conducted research has shown, in Poland, this sport is more popular among men than women. The vast majority of sailors have received higher education. The majority of people who enjoy sailing live in cities ranging from 100,000 to 200,000 inhabitants. The largest number of sailors participating in the research comes from the following provinces: Pomorskie, Mazowieckie, Śląskie, Kujawsko-Pomorskie and Warmińsko-Mazurskie. The greatest number of sailing enthusiasts is between 40 and 50 years old. Most of the respondents rated their own skills as good. The vast majority of the sailors surveyed deem it necessary to have a set of life-saving appliances on board a yacht used for bay/coastal sailing. Over one-third of the respondents found themselves in a life-threatening situation while out at sea. While in a difficult situation, they made use of the available life-saving appliances. These were usually a life-belt, a life-jacket or an immersion suit. The surveyed sailors are aware of the necessity to use buoyancy aids while sailing. The vast majority of the respondents consider the attractiveness of a training session in the use of rescue equipment consisting of a lecture accompanied by a demonstration to be very high.

The respondents assessed their level of trust in personal life-saving appliances to be very high, they are also characterized by a very high level of trust and comfort towards buoyancy aids.

More than others, the surveyed group shows signs of the aspirational nature of sailing - this is an activity associated with prestige, one that allows to acquire good character traits, reveals what a person really is like. Sailors are perceived as courageous, responsible and determined. A weather forecast, a description of sailing routes and information on the attractions available on land are all important to them while on a voyage.

The decline of sailing ethics is a problem frequently indicated by the participants of the study. Fewer and fewer sailors know the rules and observe them in practice. The most frequently mentioned problems included those which contribute to the reduction of safety (e.g. the issue of overtaking, the behaviour in a channel, the consumption of alcohol on the deck) but also sailing aesthetics. Good practices are important in the sailing industry.

In an open question, which provided a chance to share their experiences, they surveyed sailors unequivocally claimed that a smart crew is not ashamed of using personal life-saving appliances. "Prevention is better than cure".

According to experts, sailing is a sport underestimated by the media, which leads to the persisting belief regarding its exclusiveness. The general public lacks knowledge about sailors and their achievements both present and historical.

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## **THE ROLE OF EMOTIONS IN ECONOMIC DESION-MAKING**

To understand the behavior of the individual, one seeks to shed light on his psychic processes. New relationships between economics and psychology contribute to overthrowing the ideal-real logic: scholars explicitly attempt to describe poorly defined and therefore difficult to standardize, precisely because of this, characterized by a unique and transient nature. To understand complex macroeconomic phenomena, it is important to study the more or less conscious interaction among a multitude of thinkers. It changes the relationship between theory and reality. Economic decision making requires choosing appropriate courses of action to promote the economic well being of oneself or others in a complex, dynamic and uncertain world. Individuals interpret reality through an activity of sense-making that involves emotions. Being able to make changes smoothly would help to gain new mental consistency, increase vibration perceptions, cognitive-functional capabilities, psycho-physical health, reduce emotional distress and always open a door for change And the experimentation of the new and of themselves. There is a widespread tendency in today's society to represent the economy as modeled by macro-forces we are more or less succubae, despite their impact on our existence. Faced with these complex phenomena, the message of the economy that studies behaviors is very clear: there is no economic cause that does not concern individuals and does not go in the plot of intersubjective relationships.

**Keywords:** decision making process, emotions, behavioral economics, neuroscience, social bonds, prosocial emotions.

### **1. INTRODUCTION**

Economic theorists increasingly emphasize the role for emotion in directing decisions (see, Campbell, 1994; Loewenstein, 2000; Bono, 2006; Lerner, 2015). The word “emotion” will thus be used interchangeably with that of “feeling” to indicate broadly the involvement of affect, without explicitly distinguishing the intensity of such involvement. However, the reasons emotion expressions affect economic outcomes are only beginning to be understood. One possibility is that disapproval effects are partially anticipatory. This is important, because ex post opportunities for emotion expression can be provided to varying degrees within institutional frameworks. Due to globalization, migration, increasingly diverse workforces, and rapidly changing demands and economic situations, companies face the challenge of changing critical aspects of their business, such as the structure of the organization,

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the composition of their workforce, the products or services they provide, and the procedures and techniques used to produce their goods. Such organizational change is often met with considerable resistance from the work floor (Weick, Quinn, 1999).

In modern society, collective socio-cultural changes cause us to oppose ourselves, we test and then accept them, knowing that the slow worsening of living conditions is carried out with small steps to make us surrender. Individuals interpret reality through an activity of sense-making that involves emotions. Being able to make changes smoothly would help to gain new mental consistency, increase vibration perceptions, cognitive-functional capabilities, psycho-physical health, reduce emotional distress and always open a door for change and the experimentation of the new and of themselves. What one judges the best of our virtues that is to be always ourselves, to be coherent, to have unchanging principles, could be our worst defect? "I was smart and I wanted to change the world. Now I am wise and I'm changing myself" Dalai Lama.

The sentiments expressed relative to these shifts mark more than mere individual emotional states, for the perceived changes are occurring on multiple levels. It might be argued that for some work exists as more than a rational choice regarding livelihood and the domestic economy. Needless to say, many workers were not at all enchanted with their work, but for some, work might have been felt as an expression of emotion, connected to both cultural meaning and bodily feelings. The expression of these feelings can often be congruent with what a rational critique might make of them, but therein some of the problems with the way emotions have been figured into the equation – as something insubordinate, disparaging and easily dismissed (Campbell, 1994).

Do emotions play any role in institutional change? And if so, how may this role be investigated? This issue pertains to the "decision theory", which concludes the intersection of a wide range of disciplines from economics, psychology to neuroscience. This is a set of studies, focusing on "goal-oriented behavior with different options". Consequently, it dates back somewhere in this even broader area of behavioral research, which settled in the early decades of the twentieth century with an Attempt to cover all human behavior with one glance and gradually turned into a complex cognitive science.

## 2. DISCUSSION

Decision-making is the process of choosing one out of several alternatives. The study of decision-making is inherently multidisciplinary and can be approached from many different angles (see Table 1, Table 2, Table 3).

### **Behavioral Economic Approach of Decision Making**

There is a widespread tendency in today's society to represent the economy as modeled by macro-forces.

The precariousness in the world of work, the fluctuation of stock exchanges, the trend of productivity, the ongoing break in the new technology market are described by media as facts to be included in the dynamics of things.

Faced with these complex phenomena, the message of the economy that studies behaviors is very clear: there is no economic cause that does not concern individuals and does not go in the plot of intersubjective relationships. The market is not a dark force that draws the

future of humanity without involving it. The market is a mechanism of coordination, exchange and sharing of choices and representations of the world that the individual processes and can change. Given this value, it gives value.

Communication and reaction effects on economic behavior, both of which require repeated interaction to effectively encourage norm obedience (see, e.g., Miller et. al., 2002). Traditional economic theory has a normative character, i.e. it creates models that deal with how reality should be, supposed to be valid for certain hypotheses. The traditional approach to decisions represents a rich and coherent example of benchmarking, that is to say, an ideal representation in which the economist can evaluate observable deviations from time to time and design any corrective approaches to approach.

The assertion that emotions are central to tire everyday functioning of economic life runs counter to the dominant academic tradition. This tradition, embodied in formal economics, has emphasized rational choice alone. Participation in economic activity requires not merely mental and physical effort and a rational expectation of gain, but also an appropriate emotional orientation towards the work and towards those with whom one is cooperating or competing. This confirms Behavioral Economic Approach of Decision Making (see Table 1).

If the organization of economic activity changes rapidly it disrupts this pattern of emotionally meaningful practical relationships.

People wish to behave generously to each other, and-so derive both the practical and emotional benefits of mutual comradeship, but only feel able to do so when they are sure that their behavior will be reciprocated rather than being exploited. A key point here, as a number of theorists have emphasized, is the ability to monitor each other's behavior. It is generally safe to behave generously to another person if one has good information about Ids behavior and can stop one's own generosity if there are any signs that he might not reciprocate (Axelrod, 1984). For this reason the existence of a stable structure within which behavior can be mutually monitored provides the basis for the trust that is needed if people are to put generous motives into practice. This may explain why neighbors, who are in a constant relationship in which they can monitor each other's behavior, generally do manage to set up relationships of mutually beneficial cooperation. However, once someone lies dropped out from this set of regular interactions – then the network of communications connecting him with the community at large becomes rather attenuated, and the regular evidence needed for mutual trust is no longer there. Thus any two members of the community who are not united by ties of neighborhood, kinship participation may both want to behave generously to each other, but not feel die level of trust that would enable them to behave as they might wish. Each of them feels that his own motives are good, but judges the other by his behavior. From his point of view it is easy to assume that the other-person is a selfish individual who has gone bad as part of the general moral decline.

Ideal representation remains entirely out and is interpretable as if moving away from reality. In this new perspective, investigative tools change: experimental analyzes become important in order not to lose attachment to reality and to the 'normality' that theory proposes to explain. Above all, the weight of subjectivity changes: the hypothesis of a single ideal is unleashed, and in theory the heterogeneity of individual behaviors, past experiences, accumulated experiences, acquired knowledge, the ability to learn, humanity In short, with its core of mistakes, adaptations and compromises. It may seem, and certainly it is, a profound change in the way of making theory. We use the expression 'emotional economy' to refer to systems of economically significant- emotional relationships. The basic argument

is that, interwoven with the practical relationships of economic *life*, *there is also an emotional economy*: a pattern of emotional commitments and' rivalries in which people's practical activities also make sense as expressions of their sense of personal identity and. community. Some entries are primarily motivated by self-interested rationality, while others

Table 1. Behavioral Economic Approach of Decision Making

<b>The authors</b>	<b>Research Interests</b>	<b>Author's results</b>
Gary Bolton, 2000	Bolton's examination of the social side of human decision making: developed the Theory of Equity, Reciprocity and Competition	the role of fairness in directing decisions
Charles N. Noussair, 2014	experimental methods to explore the behavior of asset markets and to study issues in macroeconomics (how individuals deal with risky decisions and how they solve collective action problems)	the impact of emotions of economic decision making
John H Miller, 2002	theoretical and practical challenges confronting the social sciences	communication and reaction effects on economic behavior
Armin Falk, Thomas Dohmen, David B. Huffman, Uwe Sunde, 2018	behavioral Economics, experimental Economics, life-cycle Formation of cognitive & Non-cognitive Skills	the Relationship between Cognitive Ability and Risk Preference
Chrysostomos Mantzavinos, 2004	a unique contribution to the philosophy of the social sciences	cognitive institutionalism
Michel Tuan Pham, 2007	Consumer Behavior, Decision Making / Decision Sciences, Intellectual Property	individuals interpret reality through an activity of sense-making that involves emotions
Joyce E. Bono, Remus Ilies, 2006	the role of positive emotions in the charismatic leadership process	the emotional expressions of leaders influence followers' impressions of the leader
Van Kleef, 2008	main research programs revolve around emotion, power, social norms, morality, cooperation, and conflict	he combines social-psychological approaches with insights from various other disciplines, including behavioral economics, law, biology, and evolutionary science
Richard H. Thaler, 1986, 2000, 2015	a theorist in behavioral economics	in 2017, he was awarded the Nobel Memorial Prize in Economic Sciences for his contributions to behavioral economics

may be mostly motivated 'by the emotional structure of economic relationships – but the activities which will be pursued most vigorously are those which make sense in both rational and emotional terms. There will always be situations, in any society, in which emotion and rational self-interest pull in different directions. However, in ideal circumstances the practical and emotional sides of economic and would evolve together, and there would be time for them to adapt to each other – so that, by and large, what was economically rational would also be experienced as emotionally appropriate.

But in times of economic or political upheaval situations are often likely to arise in which rational self-interest conflicts with established emotional commitments! Among the emotions intrinsic to economic life are both individualistic ones of ambition and self-interest, and also the more social emotions of shared experience and fellow feeling. The particular way these motives are balanced and contrasted will differ according to the kind of economic organization. We will argue that a key to understanding the emotional effect of the transition from a collective to a more individualistic pattern of economic organization is the role played by emotions of mutual sympathy, and the contexts in which people feel able to act on them.

### **The psychological perspective of decision making**

The discipline of psychology has undergone a "cognitive revolution" signaled by Miller et al. (1960). In decision research this was developed by Simon (1957) in his seminal works on bounded rationality.

If there was a cognitive revolution in the psychology of decision making in the 1960s, then it can be said without exaggeration that there was an 'emotional revolution' in the field in the 1990s, signaled by Damasio's (1994) important text.

New relationships between economics and psychology contribute to overthrowing the ideal-real logic that has just been described: scholars explicitly attempt to describe poorly defined and therefore difficult to standardize, precisely because of this, characterized by a unique and transient nature.

The new relationships between economy and psychology are causing significant changes. The variables of economic theory change: in particular, the mind becomes a kind of intermediate variable that links the environment to the subject. To understand the behavior of the individual, one seeks to shed light on his psychic processes. To understand complex macroeconomic phenomena, it is important to study the more or less conscious interaction among a multitude of thinkers. It changes the relationship between theory and reality.

The emotional states influence the hierarchy of goals to be pursued, helping to establish the gradations of importance: the identification of what matters most, and therefore becomes indispensable in the mental representations of the subject, depends largely on considerations that involve emotion and affection. The influence of emotions on the order of priority among the goals is particularly evident in the conditions of danger, when, for example, the objective of survival takes over all others, but more generally involves everyday life. Second, emotions induce the subject to focus on certain aspects of reality, excluding others. In this sense, they select information and salient elements to focus on, helping to define a specific, subjective way of seeing. For example, in a decision-making context in which there are more alternatives to choose from, feelings help determine what parameters to consider in order to evaluate available alternatives and to which weight gains, thus defining the

Table 2. The psychological approach of Decision Making

<b>The authors</b>	<b>Research Interests</b>	<b>Author's results</b>
Jennifer S. Lerner, 2003, 2015	emotional and motivational functions (making decisions individuals formulate their cognitive judgments based on their own emotional experience)	drawing insights from psychology, economics, and neuroscience, her research examines human judgment and decision making
James Konow, 2000	cognitive dissonance theory	accountability and Cognitive Dissonance in Allocation Decisions; understanding others' motives and beliefs
Daniel Kahneman, 1979, 1986	notable for his work on the psychology of judgment and decision-making, as well as behavioral economics, for which he was awarded the 2002 Nobel Memorial Prize in Economic Sciences (shared with Vernon L. Smith)	his empirical findings challenge the assumption of human rationality prevailing in modern economic theory.
Amos Tversky, 1979	His early work with Kahneman focused on the psychology of prediction and probability judgment	prospect theory, which aims to explain irrational human economic choices and is considered one of the seminal works of behavioral economics
Colin F. Camerer, 2006	Camerer's research is on the interface between cognitive psychology and economics	the psychological and neurobiological basis of decision-making in order to determine the validity of models of human economic behavior
Stephanie D. Preston	interdisciplinary approach to study the interface between emotion and decision making	Individuals form and maintain social bonds using sympathy and empathy and provide benefits to others through helping and generosity
Cameron Anderson, Dacher Keltner, 2002 George Ainslie, 2002 Nick Haslam, 2002	a Social Liability, Versus Nonverbal Expressions of Confidence, Social-Personality, Mental health Prejudice & stigma Social and personality psychology Social relationships	empathy provides the feeling or the imagination of how another person feels in response to a particular event and it helps in the understanding and predictions of others' thoughts and intentions;

Table 2 (cont.). The psychological approach of Decision Making

<b>The authors</b>	<b>Research Interests</b>	<b>Author's results</b>
Margery Lucas, Laura Wagner, Catherine C. Eckel, 2005	research focuses on economic decision-making from an evolutionary perspective	generosity is part of a variety of prosocial emotions, such as altruism, reciprocity, kindness, fairness, or doing something good
Rainer Landgraf, Inga D. Neumann, 2004	social behavior aggression anxiety acute / chronic stress	a central role in regulating positive social interactions, such as attachment and bonding and affects both social behavior and the mechanisms underlying social behavior; Social discrimination test
Andrzej Falkowski, T. Maruszewski, E. Nećka, 2008	deals with the psychology Business, the psychologist the psychology of marketing and advertising, examines consumer behavior including marketing strategies in the aspect of cognitive and motivational elements of	mental functions are subordinated to a specific goal, i.e. the choice are decision making activities
Van Kleef, 2008	modern organizations function in largely social settings, and emotions provide informative cues within these settings	emotional displays prompt interpersonal affective responses and influence the attributions people make about another person

'thoughts and desires. In psychological terms, research has produced a great deal of experimental work on the mechanisms through which emotions become a source of information and help the subject in value-attributing processes (Pham, 2007). The applications to the economy are potentially very large and in some have already begun to develop. The most immediate and hitherto most blamed for economists is precisely what involves the theory of decision. Emotional states can affect the accuracy of perceptions and thoughts, affect the flexibility of reasoning and the ability to recover memories, increase or decrease the use of stereotypes, modify self-control capacity, and emphasize both Propensity is both aversion to risk. The study of emotions and their neurological backbone thus approaches the economy to a more structured understanding of the mind, providing it with effective tools to understand those behaviors that systematically violate the axioms of orthodox theory and that the latter can only relegate to Field of irrationality or error.

Economists increasingly recognize the importance of emotion in human economic behavior (to see: Loewenstein, 2000, 2003; Thaler, 2000, 2015). These findings tend to confirm that when the courses of action suggested by rational self-interest and by existing emotional commitments are in conflict, neither emotional commitments nor rational opportunities will be properly acted on. They also suggest that further theoretical and research work on the interplay of rationality and emotion in economic life might bring major benefits - improving bur ability both to predict the practical success of alternative economic policies,

and to assess their potential impact on psychological well-being and social order. Our understanding regarding how emotion, especially emotion expression, affects decisions is still in its early stages. In this paper, we reported evidence that ex post opportunities for emotion expression affects economic decisions of both expressers and the targets of the expression.

Our findings reveal that, because individuals often make efforts to avoid disapproval, there are contexts where allowing ex post emotional reactions is an Efficient alternative means to enforce fair economic exchange.

Current results are intriguing, and reveal its importance in many aspects of economic decision-making. Future research might profitably highlight connections between emotion expression and cooperation, trust, reciprocity and forgiveness.

By implication our argument lends support to the school of thought that sees economic activity not merely as a matter of rational self-interest, but also as the expression of emotional altitudes and commitments.

### **A neurobiological based account of human behavior of decision making**

Recently, as a result of the development of psychology, behavioral Economics has led to the emergence and development of such interdisciplinary science as neuroeconomics. It combines the achievements of many Sciences and the desire to define biologically based, mechanistic and behavioral theory of choice and decision theory. The ability of neurobiological systems to coordinate human Economic behavior has been a long-standing research topic in the behavioral Sciences. This capacity is predicated on the production of stable, adaptive behaviors. It implicates the coordination of action, when neurobiological system degrees of freedom become temporarily organized into ordered movement patterns or when coordinated states emerge from interpersonal dynamics of agents in social systems such as economic behavior.

Some scientists apply neuroeconomics to the theory of the firm that Opened the black box of manufacturing solutions (see Camerer et al., 2004, 2005, 2006). Neuroscience studies have shown that emotions play a significant role in perception, learning, attention, memory and other mechanisms related to basic rational and intellectual behavior in decision-making (Bechara et al., 1997; Damasio, 1994). The latest neurophysiological advances have further deepened our understanding of the mechanistic implementation of the solution in the brain.

Table 3. Research in neuroscience in social cognition and decision making

<b>The authors</b>	<b>Research Interests</b>	<b>Author's results</b>
Ben R Newell, 2014	research focusses on the cognitive processes underlying judgment, choice and decision making	Conscious and unconscious influences on decision making
David Shanks, 2014	research interests include human learning and memory; judgment and decision-making; amnesia, the hippocampus, and the implicit-explicit distinction; economic psychology and rationality conscious	conscious and unconscious influence on decision making



Table 3 (cont.). Research in neuroscience in social cognition and decision making

The authors	Research Interests	Author's results
Nancy Eisenberg, Richard Fabes, 1990	research interests include emotion-related regulation and relations with adjustment and socio-emotional competence; moral and emotional development; altruism, empathy; socialization and cultural factors in emotion regulation/dysregulation, adjustment, social competence, and prosocial responding	A biologically based human capacity, empathy has been found to motivate prosocial behaviors
Antoine Bechara, 1997	emotions that are evoked by objects/situations/options	alternatives of behavior through the anticipation of emotional states, somatic markers act before and more quickly than rational thought, thus functioning as an automatic device which speeds the process of decision
Antonio Damasio	neuroscience	research in neuroscience has shown that emotions play a central role in social cognition and decision-making
Stephanie L. Brown, R. Michael Brown, 2005	biological bases of helping behavior stress neural circuitry underlying altruistic behavior caregiving system suicide progesterone bridging mental and physical health	human social bonds are characterized by acts of altruism
Paul J. Zak	neuroeconomics	Zak has coined the term "neuromanagement" to describe how findings in neuroscience can be used to create organizational cultures; Zak's lab has discovered neurologic signals that reflect engagement in stories and predict post-narrative behaviors.

### 3. CONCLUSION

Economic decision making requires choosing appropriate courses of action to promote the economic well being of oneself or others in a complex, dynamic and uncertain world. The economic perspective is important, not least because it can provide an understanding of the complex environment at the level of the global and national economies as well as the level of the small group or organization.

In contrast, the psychological perspective has mainly focused on understanding the cognitive and emotion-based mechanisms that underlie economic decisions. Complementing these two, the neuroscience perspective aims to understand the neural structures and processes that underpin cognitive and emotional processes related to economic behavior.

The entry of neuroscience into decision research is relatively recent, and some psychologists and economists have been slow to acknowledge its potential. This may be partly because it can be seen as a reductionist enterprise, attempting to explain human experience and behavior solely in terms of physiological and chemical processes within the brain and body. However, relating mental experience and decision behavior to neural correlates can be seen in terms of more comprehensive theoretical goals. It can be argued from a critical realist perspective, for example, that a full understanding of economic, social and psychological phenomena requires stratified explanations (Archer et al. 1998). That is, explanations that integrate mechanisms operating at different levels, ranging from macro social and economic structures to the psychological, and ultimately to the neural level.

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