

AMERICAN COMMITTEE FOR AID TO POLAND
GRANT # EUR-0158-G-00-1087-00
FOURTH QUARTER FY92 REPORT
July 1 - September 30, 1992

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Appendix A - Report of 20th PVO Consortium Meeting

Appendix B - ACAP Ideas for Community Leadership and
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Appendix C - ACAAP's relationship to BORIS, the
Service Office for the Self-Help
Movement

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The American Committee for Aid to Poland received an institutional development grant to enhance our ability to execute programs that will assist in the development of a viable and lasting democracy in Poland. More specifically, ACAP develops and carries out programs that encourage civic and individual self-help and related non-governmental activities on both a local and national level. In addition, ACAP assists other American PVOs in developing and implementing efforts directed to the same ends.

I. SUMMARY OF ACCOMPLISHMENTS: July - September 1992

ACAP staff accomplished the following in the final quarter of FY92:

- o continued oversight of training programs and other complementary activities to support the development of the Ochota Association of Self-Help Initiatives;
- o chaired one meeting of PVOs and government agencies with programs in Poland attended by 60 people;
- o mailed a report on our PVO meeting to more than 200 recipients;
- o assisted numerous American and Polish government and non-profit organizations involved in a variety of sectors;
- o received computer system with database on American non-profits in Poland from the Citizen's Democracy Corps which will enable ACAP/Warsaw staff to update it and insure that the information is utilized to support and enhance American assistance in Poland;
- o continued efficient distribution of in-kind donations of DOD surplus medical supplies, clothing and ambulances to seven different social welfare and healthcare organizations in Poland.

II. SUPPORTING GRASSROOTS INITIATIVES IN OCHOTA

The objective of this program is to foster a sense of self-reliance, responsibility, and cooperation on the part of Polish citizens to address local needs and, in so doing, to help build a genuine community. From her small office in Ochota, the Ochota Association Coordinator, coordinates and facilitates training programs and other activities for a group of community leaders, activists and volunteers who make up the Ochota Association. The Ochota Association Coordinator and her office are funded by ACAP through our A.I.D. grant. Our program is designed to assist these community leaders in demonstrating the benefits of activities inspired and directed by individual groups, and of working together and with elected local government officials to deal with common problems.

A. Activities - described chronologically for the quarter

1. Evaluation of 2nd Phase of Delphi Training Program

The summer months in Warsaw, as in most large cities throughout Europe, generally bring a decrease in activity due to summer vacations. However, this quarter saw a number of important developments which followed the second segment of training for Ochota Association members provided by the Delphi International Group. During the early part of July, the Ochota Association Coordinator and other key members of the association were actively involved in evaluating the eight days of intensive community development and leadership training which took place in late June. Ms. Bartoszewicz, the Association Coordinator, played an instrumental role in ensuring that evaluative comments and input toward future training segments were appropriately channeled to Delphi International staff.

2. Additional Training

Also in July, Ms. Bartoszewicz, the Ochota Association Coordinator took advantage of the visit of another Delphi staff member to quickly organize a seminar on fundraising. Following up on this seminar, six members of the Ochota Association volunteered to accompany the Delphi staff member on fundraising calls to American corporations in Warsaw. In addition to providing hands-on experience in fundraising, the purpose of these appointments was to raise money for seed grants to the various self-help groups that comprise the Ochota Association.

3. Legal Status

Discussions have taken place among the membership over the summer regarding the legal status of the Ochota Association of Self-Help Initiatives. Although some momentum was lost due to a consultation session with pro bono legal experts who lacked the necessary familiarity with the subject, the discussions continue. ACAP has subsequently offered to contribute toward consultation with experienced legal professionals on this matter. We expect that the association members will take up this issue in a meeting later this fall.

4. Delphi Training Module 3

September brought more activities to the Ochota Association, particularly in the preparations for Segment Three of the Delphi International Group training to be held September 26th through October 3rd. With the encouragement of the Ochota Coordinator and ACAP staff, a group of volunteers from the previous training formed a Training Committee to assist in the recruitment of additional participants, logistical and material preparations, and, in some cases, to work directly with the trainers in certain segments with the actual instruction. Although ACAP's Warsaw office and the Ochota Association Coordinator continue to play an important role in facilitating the Delphi training program, the formation of the Training Committee represents a very positive development, as more members of the association become increasingly involved in contributing their skills and ideas to support association activities.

5. Complementary Activities

ACAP and the Association Coordinator continue to support parallel activities which contribute to the goals of the Ochota project. The remedial English language instruction being provided by the U.S. Peace Corps (which was initiated by the Ochota Coordinator to enhance the association members' capacity to avail themselves of other training opportunities) continued through the summer. The Association Coordinator is looking into the possibility of an additional English course which would specialize in terminology most relevant to community development and social services. The Peace Corps volunteer in Ochota (in whose assignment ACAP played a key intermediary role) working in Small Business Development, is very supportive of any association initiatives, particularly, in the area of employment generation.

Unfortunately, the Ochota Radio Station project, which had been initiated with ACAP encouragement and would have received financial support from the International Media Fund, has been set aside as a result of the continued failure of the Parliament to pass the necessary broadcasting legislation. Prospects for

enactment of this legislation now seem brighter, and we are in consultation with people in Warsaw and the International Media Fund about reviving the project.

6. *The Role of the Ochota Coordinator*

Ms. Bartoszewicz continues her weekly meetings with ACAP's Warsaw office director, the head of the Ochota Center for Social Work and the chairperson of the Ochota association in order to exchange ideas about the association's activities and needs. Communication and coordination linkages with the Center for Social Work, which hosts the office of the Ochota Coordinator, are enhanced and ACAP's Warsaw director has an opportunity to oversee developments and problems in Ochota on an ongoing basis.

The Ochota Association Coordinator took advantage of additional training opportunities which brought new ideas and energy to her work. In July, she participated in a leadership training program, organized by ACAP's Warsaw Office Director, which focused on team-building and conflict management - issues which are very relevant to her functions in Ochota. Ms. Bartoszewicz has been demonstrating greater initiative and ingenuity in making contacts with relevant groups in Poland and abroad for further information about programs, training and funding for the Ochota Association. She serves as the communication link with other important resources, such as the KLON Database of Self-Help Initiatives and BORIS, the Service Office for the Movement of Self-Help Organizations. Over this quarter, she organized relevant meetings (described above) and coordinated communications with association members - a challenging task over the summer months when many people are out of the city. She provided important contributions to discussions of and planning for future activities and potential programs in Ochota. For instance, over the course of the summer, she was involved in some preliminary discussions about potential interest in social service internships (refer to Appendix B) and about the viability of utilizing American (and other) volunteers in social services in Ochota and elsewhere. The Association Coordinator and ACAP staff will further explore these ideas with Ochota Association members in October and November.

B. Evaluation

ACAP endeavors to maintain a carefully balanced relationship in Ochota which provides the type of assistance necessary to allow for the development of a thriving community association that will be capable of supporting a host of productive self-help and practical social service initiatives. We offer encouragement, advice and support to the extent our resources and capabilities permit in whatever ways seem useful. In addition to supporting the ongoing training program, we also seek out other opportunities for relevant training and enrichment. We are closely following current

developments within the association, for instance, the emergence of new community leaders and changes in the group's dynamics and goals. We are supporting the efforts of association members to transform the association into a coherent, well-structured organization, and we are prepared to provide some support for legal assistance in the near future.

We continue to look for appropriate complementary parallel activities by others that can be added to the Ochota project. Most recently, we have introduced an American volunteer to the Ochota association to assist in computer training. Since ACAP has well-established relationships with a large number of PVOs active in Poland and elsewhere, we have been holding a number of meetings during this quarter which may serve to contribute to the Ochota project in a variety of ways. For example, we have been discussing the concept of an internship program with a number of reputable and experienced organizations. (See Appendix B) Towards the end of this quarter, we began a very valuable exchange of ideas with the Forum for Intercultural Communication which operates a community development project in Bialystok. We believe that the Ochota project can be enhanced by a variety of elements which contribute to the overall goal of community and self-help activities.

We are pleased to be able to report that while the Ochota Coordinator's role remains indispensable, we are beginning to see more consistent and substantial involvement of the association members in planning and carrying out activities. Consequently, Ms. Bartoszewicz functions in a more authentic coordination role. She is now able to concentrate more on the individual members of the association, identifying local needs and concerns, coordinating group efforts and upon efforts to formalize the association and all that this entails. She is able to be more active seeking out resources, making contacts with local groups and institutions, and in planning future association activities and programs. It is clear that establishing this position - through AID funding - was a critical step in strengthening the Ochota Association.

C. Conclusions

We are pleased with the way the Ochota project is progressing. With half of the Delphi training program completed at the time of this report, we believe that important concepts and ideas have been introduced and that skills are being transferred that will better enable association members to contribute to the development of a viable community association. Association members are giving serious consideration to ways to structure their organization and obtain legal status. We believe that this progress in strengthening and developing the Ochota Association will ultimately benefit the individual self-help initiatives and activities represented by its members.

The Ochota Association Coordinator continues to play a vital role in the development of the association as well as in coordinating activities. For this reason, she will continue to receive support and oversight from our Warsaw office director and be afforded relevant opportunities for additional training. We are just beginning to see increased initiative and involvement on the part of other association members and potential group leaders - for example, in the development of a training committee; we consistently and heartily encourage such developments. However, in order to maintain the momentum that now seems to have been established and to give further impetus and support to the developments underway, it is clear that the association will require continued support and assistance. ACAP is committed to playing an active part in the Ochota project for at least the next two years.

III. MAKING AMERICAN ASSISTANCE EFFECTIVE

A. Activities

1. PVO Consortium

The purpose of this program is to advance the effectiveness and responsiveness of American assistance to Poland. ACAP's PVO Consortium meetings provide an important forum for the sharing of information, ideas and experiences among non-profit and government organizations that are working in Poland. In addition to the primary function of the consortium, that of coordination among PVOs, the meetings also serve to keep participants abreast of current political, social and economic developments in Poland. During this quarter, ACAP chaired our twentieth meeting of the PVO consortium at which the co-chairman of the ACAP sponsoring committee, Dr. Zbigniew Brzezinski, shared his views on the current situation in Poland. Sixty participating organizations attended and more than 200 reports were sent out to consortium members and interested parties, mostly in the U.S. (See Appendix A for a copy of the 20th PVO Consortium Report).

2. Consultative Assistance - U.S. and Warsaw

Many individual consortium members consult with ACAP's Washington office for advice and information. Other non-profit and government organizations are frequently referred to ACAP for similar reasons. ACAP provides information about Polish needs and realities, funding possibilities and other organizations with similar programs and interests. Prior to scheduling of fact-finding missions and business trips or as a follow up to such trips, ACAP Washington staff assist consortium members in making the right contacts - which often involves a meeting or other

assistance from our Warsaw office. Some examples of meetings and consultations involving our US staff during this quarter include:

- Virginia Local Government Managers Association
ACAP assisted in the proposal development phase, and funding has now been approved by the U.S.I.A. for a local government managers exchange program. (We expect one participant to do some work in Ochota.)
- Polish American Welfare Association is working closely with ACAP staff in the US and Poland in planning a spring conference of voluntary assistance organizations in Gdansk, Poland.
- J. Yancey and D. Siegel, consultants to the Rockefeller Brothers Fund, regularly communicated with our US and Polish staff in their preparation of a report to RBF this fall.
- Citizens Democracy Corps ongoing communications in the US and Warsaw regarding the transfer of the CDC database of American PVOs to ACAP's Warsaw office.

ACAP's American staff also met with visiting representatives of Polish organizations and government agencies to discuss American assistance efforts and specific Polish needs. Some examples include the Polish Republican Forum Foundation, the Foundation for Democratic Action, and the Center for the Advancement of Women. In the latter case, ACAP helped the Center to establish links with two women's centers in the U.S. for future informational exchange.

General information and referrals were offered to the following organizations: Sister Cities International, AmeriCares, World Emergency Relief, Partners in International Education and Training, Creative Associates International, INET for Women, the Polish American Medical Foundation, INSEP, Penn State University Agricultural Extension Program, Northern Essex Community College, University of Chicago Hospital, and Local Arts Agency.

Ongoing relationships with the Citizens Democracy Corps, Delphi International Group, the Johns Hopkins Institute for Policy Studies, the Council in International Programs and HelpAge International involve current or potential collaboration or cooperation.

Many contacts and requests for assistance are referred to our Warsaw office, where assistance is given to a variety of organizations - Polish, American and other - and government agencies on an informal, consultative and referral basis. This assistance ranges from consultation on project design and potential funding sources to arranging appointments with interested individuals and potential partners in Poland or the U.S.

Some of the American organizations that consulted with ACAP's Warsaw staff during this quarter included:

- the International Rescue Committee, for assistance in evaluating their medical assistance program;
- the Delphi International Group, for advice on a proposal; (Our assistance to Delphi in carrying out the Ochota training has already been noted.)
- the U.S. Department of Labor, continuing consultation on expanding their training program;
- the Forum for Intercultural Communication, regarding a community development project in Bialystok;
- Piotrek Tyszko's Polish-American Dictionary Project.

ACAP's Warsaw office has ongoing relationships with international organizations (for example, the International Youth Foundation, Fondation de Pologne and the Helsinki Committee) and with relevant government officials, (for example, the Ministry of Labor and Social Policy, and social work centers run by municipal government). ACAP/Warsaw also works closely with many well-respected Polish organizations including: the Stefan Batory Foundation; the S.O.S. Foundation; the Solidarity Social Foundation; the Foundation in Support of Local Democracy; the Foundation for Social and Economic Initiatives; the Polish Foundation for Children and Youth; BORIS (the Service Office for Self Help Organizations) - see Appendix C; KLON, database of Self-Help Initiatives; and JAWOR, database of international PVOs in Poland. Through such extensive relationships, our Warsaw office plays a significant role in improving communication and information flows, developing partnerships, overseeing the effectiveness of programs and Polish needs. Thus the consultation and referral functions of both ACAP offices contribute in an important way to the effectiveness of American assistance to Poland and also serve to benefit ACAP's Ochota project.

Our program officer in Warsaw will presently be assuming responsibility for the CDC database of American PVOs in Poland. He will initially direct his efforts toward updating the database and ensuring that all information is accurate. Ultimately, the information from the CDC database will become an important resource and referral source for our Warsaw office - along with the information from two other databases (KLON, the Polish database of social service self-help initiatives, and JAWOR, the KLON/E.C. database of international non-profit organizations active in Poland).

3. Dictionary Project

ACAP has been serving as host for a dictionary project which will contribute to increased understanding between US and Polish groups involved in non-profit and voluntary activities in the community development, local government and environmental sectors. The project is partially funded by the German Marshall Fund. Because ACAP sees this project as potentially increasing the effectiveness of US assistance to Poland by alleviating barriers to communication, we are hosting project staff and facilitating communications with Poland. ACAP's extensive and well-established contacts serve as practical resources for the project. In order to complete the dictionary, which will be published in both the US and in Poland, project staff travelled to Poland in August where they were assisted by ACAP's Warsaw office. ACAP has also benefitted from the presence of native Poles in our US office.

B. Evaluation

ACAP continues to hear from a variety of sources that our consortium meetings are highly valued. Our participation rate continues to grow and the number of organizations interested in receiving copies of our report has increased by 60% in the past six months. Those working in other countries in the region ask us why there isn't an "ACAP" for them. We hope to be able to take our concept one step further with our proposal for a Polish-American Assistance Consortium in Poland which has been favorably commented on by U.S.A.I.D./Warsaw. We are currently awaiting a funding decision from A.I.D.

Our Warsaw office director maintains a daily log of all contacts to assist us in responding to current needs and for planning purposes. Contact logs for both the U.S. and Polish offices reveal a significant increase in the information and referral activity of both offices. It is natural that more organizations and individuals would hear about ACAP over time. Nevertheless, as the number of programs and projects in Poland has multiplied, ACAP has established and maintains an excellent reputation for making worthwhile contacts and knowing who is doing what.

ACAP is increasingly recognized in Poland as a leader and coordinator in the NGO field. Our Warsaw staff are included in planning for various training programs and other activities related to NGO development. In July, our Office Director was the coordinator of a training program offered by an American consultant in NGO management issues. (Our Ochota Coordinator also attended the workshops.) ACAP continues our close relations with "BORIS", the Service Office for the Movement of Self-Help Initiatives. BORIS assists in the cooperation of organizations active in the field of social assistance with governmental organizations in Warsaw and the voivodship. ACAP is providing assistance in

database contacts, training and coordinating meetings of NGOs. In September, ACAP staff visiting Warsaw held discussions with BORIS' director to determine what additional areas of cooperation should be pursued. (See Appendix C)

C. Conclusion

Evidence suggests that the PVO meetings in Washington continue to fill a significant need for coordinating and informing American PVOs and government agencies with programs in Poland. ACAP is constantly examining the format to determine the most suitable framework for the PVO meetings, both in terms of size and content and ways to make its reports as useful as possible. We are exploring new approaches to smaller, functional discussions or workgroups. We are pleased that ACAP's proposal to extend our consortium concept to Poland by establishing a Polish-American Assistance Consortium (P.A.A.C.) has met with the approval of the A.I.D. mission in Warsaw, and we consider this a confirmation of the value of our work.

ACAP will continue to monitor the coordination, facilitation and consultation functions carried out by our Warsaw office. We will maintain our close working relationships with BORIS and other important NGOs in Poland to further NGO development there.

IV. DISTRIBUTION OF DOD SURPLUS AND OTHER SUPPLIES

A. Activities

During the period covered by this report, no new shipments of surplus DOD supplies were received. No distributions were made during the month of August since the warehouse was closed due to vacations of warehouse staff. However, in September ACAP/Warsaw staff resumed distribution of DOD surplus medical supplies and woolen trousers that were received in large quantities during the previous reporting period.

Medical Supplies were given to:

-Osrodek Audiologiczny Spolecznej Fundacji Solidarnosci (the Audiology Center of the Solidarity Social Foundation) in Warsaw;

-Osrodek Chorob Immunologicznych i Srodowiskowych Spolecznej Fundacji Solidarnosci (the Center for Immune and Environmental Diseases of the Solidarity Social Foundation) in Krakow.

Woolen Trousers, remains of the shipment were given to:

-The SOS Foundation for their work with the homeless.

In addition, a decision was taken by the Solidarity Social Foundation, which had been the recipient of donated ambulances and trucks, that some other organizations had greater need of the vehicles. Therefore, a redistribution of vehicles went as follows:

-Fundacja Wczesnego Wykrywania Raka (the Foundation for Early Detection of Cancer) in Lublin was loaned one truck, which will be given them once it has been prepared to meet Polish regulations;

-Fundacja Pomocy Szkolom Bieszczadzким (the Foundation in Support of Schools) in Bieszczady, a mountainous region where the (one) four-wheel drive truck will be very useful;

-Fundacja "Miedzy Nami" (the Among Us Foundation) in Lublin will receive an ambulance to assist in their work with the disabled; and

-Sisters of the St. Felicja Order in Warsaw were given one ambulance.

ACAP receives written notification of receipt for each recipient, evaluations of the quality of the donation and the exact use to which they are put. Thus every effort is made to see that the donations are being utilized appropriately.

B. Evaluation

ACAP and the members of the distribution committee are convinced that the DOD program should continue. These donations play an important role in the development of the private sector social safety net, and provide much-needed assistance to at-risk segments of the population. Of all the items shipped to date, medical supplies and food seem to be most critically needed. ACAP makes every effort to communicate with DOD officials in Washington and the staff at the US Embassy in Poland to urge continued support for carrying on the donations to Poland. We are hopeful that additional food and equipment donations will be received in the near future.

Beyond the distribution of DOD surplus, it is worthy of note that the distribution system established by our Warsaw staff has become increasingly recognized as an effective and efficient means of getting donated goods to the proper recipients. The distribution of donated computer equipment by the East-West Educational Development Foundation, mentioned in our previous report, is only one example.

C. Conclusion

The DOD distributions continue to be an important service provided by our ACAP Warsaw office to strengthen non-governmental humanitarian and social service groups in Poland. Cuts in social spending by the Polish government and social problems arising from difficulties in the economic transformation process further substantiate this program's significance. Because of its immediate, concrete benefits, this type of program also helps counteract some of the persistent misperceptions in Poland about US assistance.

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APPENDICES

- A- Report of 20th Consortium Meeting of PVOs
- B- ACAP Ideas for Community Leadership and Social Service Internships
- C- ACAP's relationship to BORIS, the Service Office for the Self-Help Movement

**TWENTIETH MEETING
PRIVATE VOLUNTARY ORGANIZATIONS ACTIVE IN POLAND
chaired by
THE AMERICAN COMMITTEE FOR AID TO POLAND**

September 22, 1992

The twentieth meeting of the informal consortium of private voluntary organizations with programs in Poland took place at the Annenberg Washington Program. ACAP President, Gifford Malone, chaired the meeting, which was attended by 60 participants.

ACAP is grateful to the Annenberg Washington Program for making its facilities available for the meeting.

PRESENTATION BY DR. ZBIGNIEW BRZEZINSKI

The featured speaker at the meeting was Dr. Zbigniew Brzezinski, and the full session was given over to his presentation, followed by questions and answers. Dr. Brzezinski was National Security Advisor to President Carter, 1977-81. He is currently Counselor at the Center for Strategic and International Studies and Professor of American Foreign Policy at the Paul Nitze School of Advanced International Studies, Johns Hopkins University, in Washington. He is Co-Chairman (with Senator Bob Dole) of ACAP'S Sponsoring Committee.

Gifford Malone introduced Dr. Brzezinski, calling attention to his distinguished record as public servant, professor, prolific author and contributor to American foreign policy. It was particularly fitting that he should be the speaker at the consortium's twentieth meeting.

Dr. Brzezinski had been asked to offer his perspective on the political and economic situation in Poland. He did so by first placing the Polish case in a larger context, then by providing comparisons with other post-communist countries and finally by offering some specific judgments on the actual situation in Poland. The following is a summary of his remarks.

The Historical Context

What is happening in Poland and the other former communist countries of Central Europe is historically unprecedented and conceptually innovative. There are no examples or guidelines to direct the post-communist

transformation. There is no historical case of the transformation of a communist-type totalitarian system becoming a viable democracy based upon a free market system. Nor has there been any systematic conceptual or programmatic analysis of how such a political and socioeconomic transformation should be accomplished. With the exception of the U.S., there has been no historical case of the take-off of a capitalist system in the context of a political democracy. There have been, in our own life spans, some spectacular cases of capitalist take-off, as in South Korea or in Chile, but these occurred in non-democratic settings. A close analogy to Poland is found in Spain, but it is important to note that here the capitalist take-off occurred under an authoritarian, fascist regime.

The Comparative Context

It is important to distinguish between what is happening in what we now call Central Europe and in the former Soviet Union. In the latter and particularly in Russia, there is an attempt to emulate what the Poles have been doing for the last three years. The Poles have undertaken a "Big Bang" approach, that is, the theory that everything must be changed at once with a very intense period of change and modernization to get through it. However, it is important to recognize the differences in the social/political context in Poland and the former Soviet Union. In Poland Solidarity and the Church provided an alternative political elite and a sense of social cohesion and direction that made possible a degree of social self-denial and discipline. In addition, Poland began the transformation process with a large private agricultural sector and a substantial second economy. None of these exist in the former Soviet Union.

Russia does not have an existing social institutional structure nor a large second economy or private economic sector to mitigate and contain some of the disruptive and dynamic forces of the transformation process. In addition, the democracy that exists in Russia is very superficial, highly personalized and mostly restricted to larger cities. Russia will not be the first country to be an example of successful transformation and, in fact, we have yet to see the real crisis in Russia.

It is in Central Europe, namely Hungary, Czechoslovakia, and Poland that we will perhaps see, over the next few years, the emergence of a response to the two major gaps in our experience and concepts spoken of at the outset. Although all three countries are experiencing major difficulties, all have something positive to show. Poland was the first to embark on the political upheaval. It was also the first to embrace the "Big Bang" and has done so more consistently and ambitiously than either Hungary or Czechoslovakia. However, over the last year it has manifested considerable political instability.

Partly because of concern about the Polish political situation, but also in large part because of the ineptness and even residual hostility of the Polish bureaucracy, American investors have found the Polish climate uncongenial. Thus, Poland has lagged behind Czechoslovakia and Hungary as a field for American investment. This situation, however, may not endure.

Hungary:

Hungary has been the clear choice of foreign investors up until now, but is beginning to run out of steam economically. Domestic production is falling and has not yet bottomed out, and the rate of unemployment is expanding to match that of Poland. Also, internal problems are beginning to surface. In Hungary, too, there are beginning to appear xenophobic feelings that the country is surrounded by hostile neighbors, within all of whom there are large Hungarian minorities. These feelings are likely to poison Hungary's relations with Slovakia, Romania and Serbia and poison internal Hungarian life.

Czechoslovakia:

Czechoslovakia has attracted the largest amount of private American investment, but the recent drop in production (27%) is the highest in region for the first quarter of this year. Despite the low unemployment rate in the Czech republic, the dissolution of the Czech-Slovak union will ultimately have very disruptive consequences - first in Slovakia but subsequently in the Czech Republic as well.

Poland:

Poland underwent the most dramatic drop in production in the first year of the economic reform process, creating the Western impression that the crisis in Poland was much deeper than in the other two countries. However, Poland has now started to pull out of it, while Hungarian and Czechoslovakian production has continued to decline. On a comparative economic basis, Poland has, in fact,

had the lowest drop in production over the last three years, cumulatively, and is the only former communist country in which production is beginning to rise. The rate of inflation is also beginning to slow down.

Thus, from an economic standpoint, the post-communist transformation is still most promising in Poland, as compared to Hungary and Czechoslovakia.

The Current Situation in Poland

The present Polish government enjoys considerable popularity and seeming stability. However the underlying political processes are still volatile. There are two fundamental political problems. First, the need for a new constitution is not being tackled forthrightly. The "little constitution," now under consideration, is a marginal improvement but it does not resolve one of the structural dilemmas of Polish politics: a potential paralysis between the president and the parliament, the system at present being neither parliamentary nor presidential.

Secondly, the Poles have failed to adopt a responsible electoral law. The existing law maximizes political divisions by a system of statistical discrimination against groups that obtain a larger number of votes and favors groups that obtain 1% or less. The result is to fractionate popular will rather than to generate a national one and to maximize political divisions, rather than minimize them. In addition, the law is so complex that it is no wonder there has been a dramatic decline in voting patterns.

Further complicating problems include labor unrest, particularly over the question of privatization, and some slow-down in privatization, which has inhibited foreign investment. Also, there has been an increase in general uneasiness, lack of understanding of the importance of private enterprise based on foreign capital, and suspicion of foreign investment in Polish industry.

Having said all that, one can nonetheless argue that politically Poland is increasingly behaving in a manner reminiscent of post-World War II Italy, where the political system became disjointed from the social economic dynamism of the country. Italy developed and has become a more modern and successful European state in the context of protracted political paralysis and, in fact, in the context of political irrelevance.

There are increasing indications that socially and economically Poland is beginning to take off. There are now some 1.5 million private enterprises in Poland, and the private sector is producing more than half of the GNP. There is a burst of private initiative, the appearance of an entrepreneurial class and a great deal of dynamism.

Poland's location, in relation to Western Europe, will have a positive impact. Given Poland's size and geographic position as a buffer state, it is unlikely that Western Europeans will allow it to fail. Moreover, it is evident that a radiating effect from the successful German economy is already generating a positive influence on Polish economic development close to the German border - much like the influence of the U.S. economy on northern Mexico.

Conclusions

Poland, Czechoslovakia and Hungary have the best chance of providing the answers to the historical and conceptual questions of how to manage a successful transition to a market-based democracy from the ruins of the communist system. Despite all the shortcomings mentioned, on balance Poland is the best bet among the three.

The following remarks were in response to questions posed by the participants.

The *Czechoslovakian split* will not have a critical impact on the Polish economy since Polish-Czech trade has not been significant and is now even declining. It might actually have a positive impact if investors begin to turn to Poland instead of the Czech Republic and Slovakia. The Poles will also likely steer clear of the political unrest related to Slovakia.

Regarding possible changes in the *Polish electoral law*, the parliament is considering a law that would be a mixture of proportional representation and a single constituency system. However, improvements are likely to be very marginal and insufficient to reverse the proliferation of political parties and reward coalitions over factionalism.

While from a political point of view the survival of Ukraine is very important, Ukrainian social and political problems are more like those of Russia than Poland. The worst is yet to come, and the Ukrainians will have a very difficult time. The "Big Bang" approach may not be advisable for them.

What should the U.S. do? Private investment is the key answer, since it can stimulate economic growth and contribute to the transformation not only of the economy, but eventually of social and political relationships. The U.S. government should educate the public and encourage private sector investment in Poland.

However, a lot still needs to be done on the Polish side to encourage foreign private investment and create a more congenial atmosphere for foreign investors. Western business people hold uniformly negative views about negotiations and business dealings with Poles, as compared to Hungarians or Czechoslovaks.

Corruption has, moreover, become a very serious problem in Poland. A number of laws have been passed which further inhibit Western and American investment. There seems to be

very little public understanding of the importance of private enterprise. Efforts to enlist Walesa's support in the form of speeches on free enterprise and the role of foreign capital have proved unsuccessful, and a long-promised ombudsman's office for foreign business has not materialized. The Poles need to realize that, although the West has a self-interest in helping them out, other countries will survive even if the Poles fail.

President Bush's proposal of a *free trade agreement* between Poland is a good one. The Polish American Action Commission (a group of Polish and American businessmen, academics and government officials chaired by Dr. Brzezinski) has been advocating this concept, pending Poland's eventual entrance into the Common Market.

The effect of Russia's problems on Poland? If these problems were to get out of hand, that would have very negative effects on Poland. Polish-Russian trade is very important. In recent months both sides have been making efforts to normalize this trade after its dramatic disruption last year. There is a general complementary nature to Polish-Russian trade that should be sustained and nurtured. However, if there were to be a massive crisis in Russia, this trade would obviously be disrupted. This also highlights the importance of helping Belarus and the Ukraine in addition to helping Russia.

August 1992

Internships for Community Leadership Development

ACAP is exploring the idea of establishing a program of community leadership internships. The program aims to contribute to the advancement of neighborhood associations, community development activities and social service institution-building in Poland. Participants, carefully selected from the membership of the Ochota Association of Self-Help Groups and from among other community leaders, activists and social service workers in the greater Warsaw area, would be paired with community development organizations and social service agencies in Philadelphia, Chicago and possibly Pittsburgh.

Following preliminary communications, individual agreements - accounting for the training needs of the Polish groups and the capacity of the American organizations - would specify the nature of each partnership. While the character and course of each relationship will vary according to needs, strengths and interests, it is expected that an internship (of at least 2 months duration) would be planned for Polish interns to train and work in the American organization. Interns will be placed in selected areas of social service where Polish institutions are not yet established and or lack experience and in community development organization which will expose them to local democratic initiatives, community economic development, grassroots organizing and advocacy work. All interns will be expected to present a plan detailing how the knowledge gained through the internship will be shared and built upon in their Polish institution or local community.

In addition, other types of assistance and collaboration - for instance, the exchange of training materials, literature, equipment and/or a possible visit by American staff to the Polish organization - may be arranged in preparation for, during or following the internship period. Beyond the value of the individual training opportunities presented by each internship, the longer term benefit of establishing relationships with dynamic, experienced American organizations can contribute to increasing the organizational capacity of community-based, self-help and social service organizations in Poland.

APPENDIX C

BORIS

ACAP has been invited to support a joint undertaking of the Warsaw Voivodship Center for Social Assistance and several notable Polish NGOs known by its Polish acronym, BORIS (which stands for Biuro Obslugi Ruchu Inicjatyw Samopomocowych). The Service Office for the Movement of Self Help Organizations was established in May 1992 to service the municipality of Warsaw and the voivodship by assisting in the cooperation of organizations active in the field of social assistance with bodies of government and self-government administration. There are currently about 940 such NGOs, including foundations, associations and self-help groups, in the Warsaw Voivodship - all requiring various forms of support and assistance to improve their effectiveness. The types of support that BORIS will provide, at this initial stage of the project, include (but are not limited to) training, maintaining relevant data and reference information, publications of/for all active NGOs in the Warsaw Voivodship, meetings to improve communication and coordination of activities among NGOs and with government, and legal advisory services. BORIS has already been active in seeking out, participating in and sponsoring relevant training opportunities for NGO leaders. BORIS is also actively seeking funding from international sources for additional training projects.

BORIS will share its experience concerning the establishment and functioning of its office with other organizations and Voivodship Centers of Social Assistance in order to facilitate the development of similar regional offices throughout Poland. It is also envisioned that the initial commitment to serving NGOs in the social assistance sector could ultimately be broadened to include service to NGOs with other missions.

ACAP feels that the BORIS initiative could be vital to activities undertaken on behalf of the development of NGOs in Poland and will actively support the BORIS program.

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