

Cooperation to Support the Formulation of Key Government Policies on Industry

Project Sites

Warsaw



1. Background of Project

When Poland was trying to make the transition to a market economy, the maintenance of economic expansion, the reduction of financial debt, and the control of inflation were important domestic economic issues. So that Poland could resolve the pressing concerns of formulating of industrial policy and developing various systems, Japan since 1993 has dispatched industrial policy experts to Poland, enacted policy proposals, and introduced Japanese economic and policy models.

Based on the success of this program, the Polish government requested cooperation in the form of pivotal support for important policies from Japan in order to concretely implement policy on a larger scale.

2. Project Overview

(1) Period of Cooperation

15 May 1996-14 May 1999

(2) Partner Country's Implementing Organization

Ministry of Economy, Department of Economic Strategy

(3) Type of Cooperation

Pivotal support for important policies

(4) Narrative Summary

1) Overall Goal

To contribute to more competitive industrial structure adjusted to requirements of the European Treaty between Poland and European Community (EC), Organization for Economic Cooperation and Development (OECD) membership and the World Trade Organization (WTO).

2) Project Purpose

To propose policy measures leading towards successful implementation of essential industrial policies of Poland.

3) Outputs

- a) To improve the policy planning ability concerning the development of industrial technology.
- b) To improve the policy planning ability concerning the promotion of small-and medium-sized enterprises.
- c) To improve the policy planning ability concerning industrial development and strategy.

4) Inputs

Japanese Side

Long-term experts	3
Short-term experts	9
Trainees accepted	5
Equipment	17 million yen
Local cost	4 million yen

Polish Side

Counterparts	9
Facilities	
Local cost	

3. Members of Evaluation Team

Team Leader:

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Evaluation Analysis:

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4. Period of Evaluation

14 November 1998-26 November 1998

5. Results of Evaluation

(1) Efficiency

Long-term experts were placed in Poland's Ministry of Economy as advisors, and both the experts and the counterparts, through routine dialogue, were able to deepen their understanding of each other. As a result, the experts were able to precisely grasp Poland's needs during the transition period, and to respond and offer advice in a timely and flexible manner.

Also, even though the seminars, symposiums, and workshops held by this project, and the training of counterparts in Japan were conducted one-by-one on a short-term basis, they served to stimulate the broadening of the counterparts' expertise.

(2) Effectiveness

Japanese experience and thinking concerning industrial policy served as the basis for Poland's industrial policy proposals. Based on the advice of the experts, the counterparts prepared numerous policy proposals, some of which have since been approved at Cabinet meetings.

Some of the main policy proposals prepared during this project include a program of supporting development of regional institutions acting to promote technology transfer (approved by the Council of Ministers in March 1997), assumptions of long-term industrial policy until 2010 (approved by the Economic Committee of the Ministers Council in June 1997), an economic activity law (the draft law accepted by the Council of Ministers and sent to the Parliament), a middle-term concept of the country's economic development until 2002 (draft sent to the Council of Ministers) assumptions of government policy towards small and medium enterprises in the years 1998-2001, and issues related to supermarket expansion.

The counterparts' ability to formulate industrial policy has clearly improved, and it has been judged that the project has attained its objectives.

(3) Impact

The influence of assistance on formulating governmental policy went beyond the Ministry of Economy, reaching the Economic Committee of the Ministers Council, regional government experts, management associations, and research institutes.

As one of the industrial technology development activities, Technology Agency created an industrial technology database and developed a system to match the supplier of each industrial technology with a buyer. It is hoped that the systemization of Poland's industrial technology market will be promoted through the use of this system.

Also, as a model project in the field of industrial development and strategy, a productivity-improvement program was implemented at the national company, Ursus Tractors. As a result of the reform of the company's tools production office, the office was separated, made independent, and privatized. This is a typical example of the reform of a large company and the encouragement of the formation of small- and medium-size enterprises in Poland.

(4) Relevance

Because the Polish government has been consistently continuing to promote economic reform policies, this project, established in order to create a competitive industry structure, was very timely. Even at the time of the evaluation the relevancy of this project is considered to be high.

(5) Sustainability

Over one hundred reports submitted by the experts in this project of intellectual assistance must actually be used in the enactment of industrial policy in Poland and application to the EU Structural Fund (structural adjustment subsidies to member states).

Because the ability of the counterparts has increased, future sustainability is expected to be high.

6. Lessons Learned and Recommendations

(1) Lessons Learned

It is important that experts dispatched to projects in countries with changing social and economic conditions respond flexibly and make changes in initial plans when necessary.

(2) Recommendations

Although the ability of the counterparts to propose policy in the areas of industrial technology development, the promotion of small- and medium-size business, and industrial development and strategy increased, as new demands regarding regional development arose during the project, there is a need for consideration of future cooperation in these areas.