

PROCEEDINGS OF THE
INTERNATIONAL WORKSHOP ON

SOCIAL SECURITY REFORM

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Editors



Systems Research Institute
Polish Academy of Sciences



IIASA

Systems Research Institute · Polish Academy of Sciences
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held in Warsaw on 23-24 September 1997

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Preface

This modest volume results from an international working meeting devoted to the analysis and design of the contents and the tasks of the research project, recently undertaken at the International Institute for Applied Systems Analysis (IIASA), devoted to the problems of social security reforms (SSR). The meeting, hosted by the Polish Academy of Sciences in Warsaw in September 1997, was organized and run by the Systems Research Institute in close collaboration with IIASA.

It is by no means incidental that the workshop related to this Project took place in Poland. Poland is one of IIASA's member countries which are undertaking a complete and thorough reform of its social security system. The reform has just begun, and the current debate continues in a very lively manner. Decisions must be made relatively soon. On the other hand, Poland can also offer a lot in terms of experience to date, the solutions devised and proposed, and the variety of necessary know-how.

At the same time, the reform of the social security systems forms a problem domain of truly universal and global dimensions, if we account for the expanding reach of the capital markets. Thus, experience of other nations, the knowledge gathered in various centres, and the different ideas generated ought to be exchanged and compared to produce viable solutions and the methods to define and assess them. This is exactly the role for IIASA, and the meeting in Warsaw was meant to be one of the preparatory steps to fulfilling these objectives of IIASA's research.

IIASA also played a very visible role in the workshop reported here. The catalytic capacity of the Institute in terms of international cooperation – also in the domain of SSR – made possible the presence of the many outstanding specialists from abroad. In addition, the leaders of the Polish Academy of Sciences, the member organization of IIASA, deeply interested in the subject of the working meeting, secured the participation of prominent specialists from the Polish government as

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well as from key academic institutions, and organizations dealing with practical policy and economic issues, of importance for the area considered.

The volume contains the full papers, or in some cases the summaries of the presentations made at the workshop, as well as the short texts of the interventions from the panel discussion. It can be easily seen from the contents that the variety of both the views and the national as well as scientific backgrounds of those participating constituted a strong point of the meeting and the exchange of opinions there. Although a true synthesis is perhaps beyond our present capacity, all possible efforts should be made to account for the existing theoretical knowledge and technical approaches, and to bring them together in an effective way.

Another important feature of the meeting was the in-depth presentation of the problems pertaining to SSR in Poland. It is against this presentation that many issues with respect to actual questions and data could be discussed at length.

The volume ends with the summary report from the meeting, containing the most important observations made and conclusions drawn from the discussions at the workshop.

The Editors would like to end this preface by acknowledging the input and assistance of several persons without whom neither the meeting itself nor the publication of this report would have been possible. Thus, Dr. Landis MacKellar, Dr. Roman Ostrowski, Dr. Jan W. Owsiniński, Ms. Jolanta Perek and Dr. Krzysztof Szkatuła ensured a highly effective, well-run meeting and valuable scientific input into it, as well as the publication of its results.

Let us also note that the meeting could only take place thanks to the support granted by IIASA, Polish Academy of Sciences, Polish Committee for Cooperation with IIASA, and Swedish Committee for Cooperation with IIASA.

Gordon MacDonald

Roman Kulikowski

Welcoming address

Mirosław Mossakowski

*Vice-President & Scientific Secretary
Polish Academy of Sciences*

Ladies and Gentlemen,
Honourable Guests,
Dear Colleagues,

Let me greet you all in this traditional place of scientific meetings within the historic downtown of Warsaw on behalf of the Polish Academy of Sciences and the Polish Committee for Cooperation with the International Institute for Applied Systems Analysis, IIASA for short, the co-organizer of this Workshop.

We have convened here in connection with the launching at IIASA of the new, important project, dealing with Social Security Reform. The present workshop is meant to present thoughts and ideas on the contents of this Project, and to ensure the appropriate input into it from the Polish side, as well as the output from it which would be of tangible use for the countries in systemic transition, and in particular for Poland.

It is obvious, though, that the actual significance of the Project is much broader. The necessity of reforming the social security systems has arisen both in the countries with mature market economies and in those undergoing transition. It is, in fact, a universal problem. On the other hand, analysis and design of the social security systems represent a truly systemic and interdisciplinary challenge, which calls for the collaboration of demographers, physicians, sociologists, economists, to name the leading substantial areas, and, of course - with respect to all these domains - systems methodologists and analysts. As such, this Project fits perfectly well the mission of IIASA: it is universal and systemic by its very nature, and the

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need for its adequate solutions is acutely felt by all the members of the IIASA community, several of whom are represented here.

Importance of the Project was very early recognized by the Polish NMO who fully supported its initiation and development. Poland, in fact, is a case very much to the point. We are now in the beginnings of the process of changing the social security system, and its future path, both on the regulatory and the material side, is as yet undecided. This is why we are indeed keenly interested in the output from the Project, but also have already certain knowledge and methodology to offer. This does not only refer to the Polish Academy of Sciences and its institutes, but also to other scientific institutions in Poland and, last but not least, to the specialized governmental agencies, working on the subject for some time already.

During the Workshop we will get acquainted with the recent experiences of introduction of the social security reforms in a number of countries, namely Sweden, Latvia, Hungary and Bulgaria. A broader international perspective of these problems will also be shown. Further, we will discuss various aspects of the respective subsystems forming the social security system. Thus, we will consider, yet today, pension funds and their financial backbones, as well as social safety nets, while tomorrow we will focus on relations between individual utilities and the security system choices, on the demographic prerequisites for the transformation of the social security reform, as well as on the health insurance problems. Tomorrow afternoon we will meet for the panel discussion which promises to be very interesting and informative.

I am not naming all the outstanding specialists who will present respective papers during the meeting, as you have the program in your hands, and you certainly know many of them anyway. Let me only say that once I have stopped speaking the floor will be taken, and the proper introduction to the workshop be made, by Professor Jerzy Hausner*, Minister in the Polish Government responsible for the problems we discuss here, and then by Dr Gordon MacDonald, Director of IIASA, our very special guest at this meeting. They will both speak for about half an hour each, and the discussion of the issues they are going to present to us will be postponed until these issues will have been considered in greater detail this afternoon by Drs. Michał Rutkowski and Landis MacKellar.

On behalf of the Polish Academy of Sciences and the Polish National Member Organization of IIASA let me wish you fruitful discussions at this important workshop and a pleasant stay in Warsaw for our guests. I am certain that the meeting will essentially contribute to the substantial contents and the applicability of the Project.

* The paper by Jerzy Hausner, was not provided to the editors.

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