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INSTYTUT TURYSTYKI
INSTITUTE OF TOURISM
ul. Merliniego 9a. 02-511 Warszawa

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**GOVERNMENT POLICIES AND TOURISM
SECTOR DEVELOPMENT IN POLAND,
AND IMPLICATIONS FOR THE
ORGANISATION STRUCTURE OF THE NTO**

MATERIAŁ ROBOCZY
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Institutional Strengthening - Working Paper II

**GOVERNMENT POLICIES AND TOURISM
SECTOR DEVELOPMENT IN POLAND,
AND IMPLICATIONS FOR THE
ORGANISATION STRUCTURE OF THE NTO**

by
Dr. H. Leo Theuns
Policy Adviser
CEC-PHARE Tourism Programme

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Abstract

This paper analyses the role of the state in the development of tourism in Poland. The state is considered to be of crucial importance in providing sector-co-ordination.

Government policies affecting tourism are divided into general policies and sector-specific policies. For the tourism sector in most countries, the former are considered to be exogenous factors. From the viewpoint of policy formulation, the task of the National Tourism Organisation (NTO) becomes more interesting when sector-specific policies are formulated. Contrary to the generally held view that the most important aspect of the national tourism policy is the quantum of incentives or measures promoting investment in tourism development, it is argued that a coherent and well-phased tourism policy based on sound research and collaborative planning - planning in conjunction with the private sector - is more promising and may yield better results from a corporate as well as from a national economic point of view. Direct financial assistance and incentives are not categorically rejected but should be applied only in specific circumstances, for example in counteracting existing widespread unemployment.

As special features of the present economic situation in Poland attention is paid to the transformation of State-owned Enterprises (SOEs) into limited liability companies, opening-up the economy to market forces or commercialisation and the drive towards denationalisation or privatisation of production.

Based on the outline of tasks to be performed and policies to be pursued by the NTO, as a prelude to a separate independent tourism entity, a new organisation structure for the State Sport and Tourism Administration (SSTA) is developed.

Introduction

In many countries the economic importance of tourism cannot be ignored. Thus it is obvious that the governments of those countries, besides paying attention to sectors such as agriculture, industry, mining, transport and communication, public health and hygiene, and education, should also engage in sectoral programs with regard to tourism. Since a sector comprises the producing or operating units in the economy that share a common function or output, tourism lays claim to a *sectoral* approach. In tourism there clearly exists a common function of activities, comprising both services and production of goods, for tourists. The

separate activities together constitute the compound tourist product.

Policies can be considered as sectoral when their purpose is to affect primarily one or a few related sectors. As such sectoral policies constitute a complement to and/or a specific application of, general government policies aimed at maximizing community or social welfare. General government policies are those policies which provide for the framework and determine the climate in which the community functions economically, socially, culturally and politically. Among these, economic policies focus on the production and distribution of goods and services.

In the countries of Eastern Europe coherent policy formulation and implementation are not particularly well developed, neither in the economic sphere nor in other domains. In most of these countries "the art of public administration" is still in its infant stage. Thus while the legitimate demands on the public sector are very large, the capacity for public management is among the scarcest of development resources. This capacity should, therefore, be devoted to those activities where it is most needed and most likely to be effective. This implies that a pragmatic minimum approach in selecting fields for government action should be adopted.

Relevance of general policies

International tourism has two characteristics which distinguish it from most other export activities. Firstly, production and consumption coincide spatially: the consumer proceeds to the production site. Therefore international tourism can be called an internally consumed export. Secondly, production is tied to immediate consumption. A temporary shortage of demand causes a loss of production for which compensation cannot be made. In addition, many of the sub-sectors of tourism, such as accommodation, are characterised by a high investment intensity, implying a relatively high share of fixed costs, a relatively high degree of immobility of capital investment and often relatively long repayment periods of 10 to 15 years. From these characteristics it follows that the general business environment in the country concerned exerts a significant influence on the well-being of the tourism sector, even to such a degree that the business environment has to be considered of crucial importance for its economic viability. Such factors as legal security, monetary stability, a fair and relatively stable system of taxation, and the provision of social overhead capital (material and social

infrastructure) for economic development, have an important bearing on tourism development. However, except in a limited number of countries, tourism, although of considerable economic importance, does not account for such a large share of national income and/or gross foreign exchange receipts that it is in a position to exert a strong direct influence on the framing of general public policies in such areas.

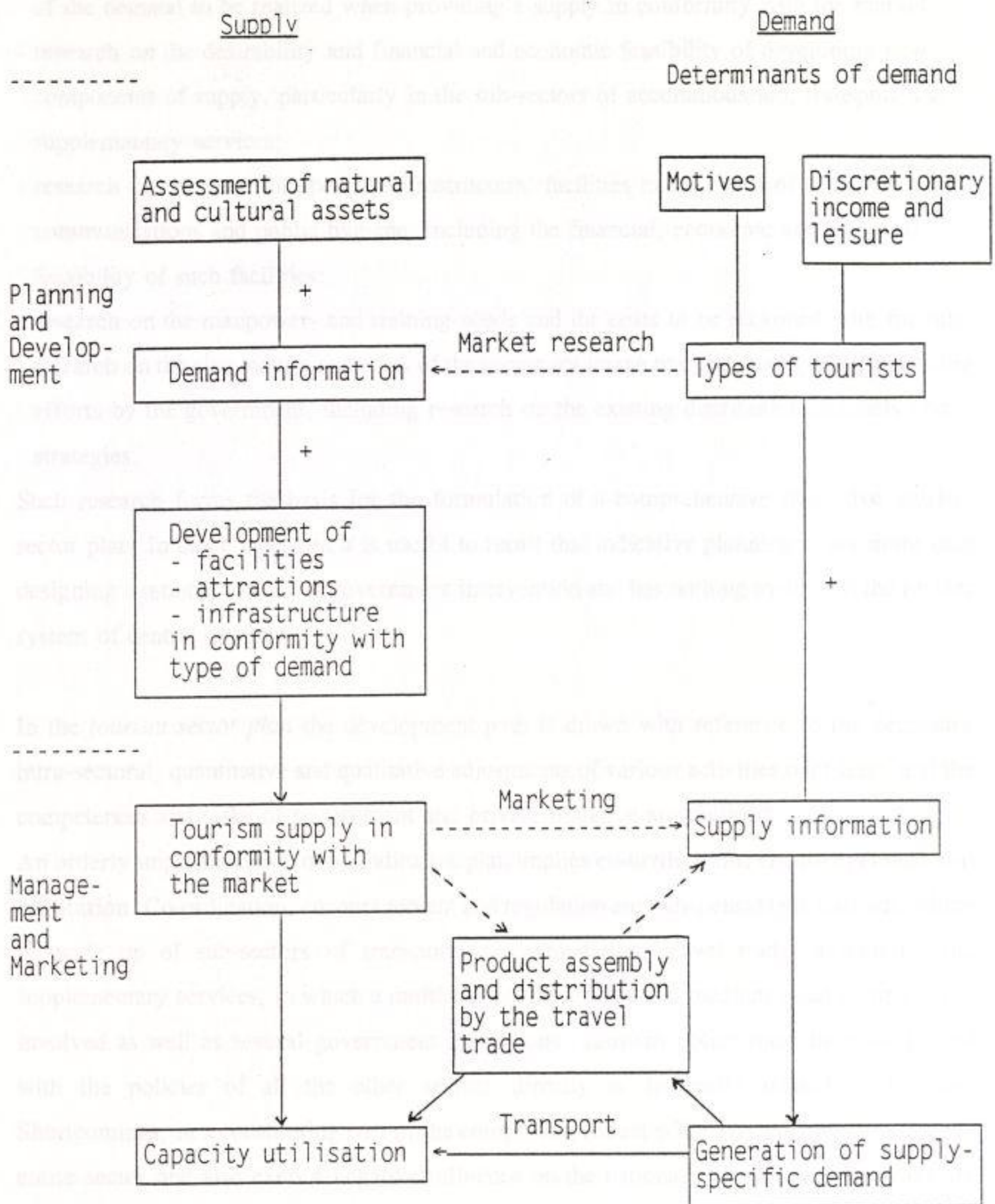
General economic conditions and policies are *de facto* regarded as exogenous factors providing marginal operational conditions which may be highly important with respect to the viability of tourism development but which in almost all cases have to be accepted as given. It is more or less a windfall gain if general policies work out favorably for tourism. This, however, does not imply that they should be left out of consideration. Anticipation of effects of changes in general economic policies upon tourism may help in finding adequate responses to mitigate possible negative impacts.

Sector-specific government policies

In most tourism sector-specific studies a strong emphasis is placed on financial assistance and incentives by the central government, especially on behalf of the sub-sector accommodation. From the point of view that government involvement should be kept to a minimum and that unnecessary financial risks for the government and price distortions should be avoided such an emphasis is difficult to defend. The leading principle for specific government action should rather be sought in creating optimal conditions for tourism projects of a diverse nature using the overall national performance of the sector as a whole as a criterion. A precondition for effectively pursuing such policy is a sound insight into the structure and particularities of the market in tourism (Figure 1). In each particular situation this requires:

- an inventory and evaluation of given natural and cultural resources, including the selection of potential regional and sub-regional tourism zones and primary destination areas;
- research on the carrying capacity of these resources and the possibilities to open up, develop and preserve them;
- an assessment of the magnitude and geographic location of generic demand and the impact of distance on the size of specific demand ;
- research on the possibilities for market segmentation on the basis of psychographic or lifestyle characteristics and socio-economic and demographic characteristics and on the size

Figure 1. THE MARKET IN TOURISM



Source: Theuns, 1989.

of the demand to be realized when providing a supply in conformity with the market;

- research on the desirability and financial and economic feasibility of developing new components of supply, particularly in the sub-sectors of accommodation, transport and supplementary services;
- research on the need for specific infrastructural facilities in the fields of transport and communications and public hygiene, including the financial, economic and technical feasibility of such facilities;
- research on the manpower- and training-needs and the costs to be reckoned with for this;
- research on the size, nature and costs of the necessary image marketing and other marketing efforts by the government, including research on the existing distribution-channels and strategies.

Such research forms the basis for the formulation of a comprehensive indicative tourism sector plan. In this connection it is useful to recall that indicative planning is not more than designing a rational system of government intervention and has nothing to do with the former system of central planning.

In the *tourism sector plan* the development path is drawn with reference to the necessary intra-sectoral, quantitative and qualitative adjustments of various activities over time, and the competences and tasks of government and private initiative are outlined.

An orderly implementation of an indicative plan implies **co-ordination, encouragement and regulation**. Co-ordination, encouragement and regulation are indispensable in tourism, which is made up of sub-sectors of transport, accommodation, travel trade, attractions and supplementary services, in which a multitude of often small and medium-sized companies is involved as well as several government institutions. Tourism policy must be co-ordinated with the policies of all the other sectors directly or indirectly related to tourism. Shortcomings, in a constituting part of the composite product will have repercussions for the entire sector and also exert a negative influence on the national economic earning-capacity of tourism-specific government investment in material and social infrastructure.

The quality of tourism services should be in conformity with the market at all levels and discernable quality standards should be established. This implies that licensing, classification

and grading of facilities and services is needed. "In tourism as a service industry based so directly on *consumer satisfaction*, it is vitally important for the state to ensure that the standards of service, quality and facilities, expected by the tourists, be maintained. Otherwise, the national image will be damaged and the state will lose in the long run" (Wahab, 1974: 30). Moreover, quality should be taken in relation to price. If the tourism sector commits bad practices on a large scale, such as overcharging, food faking, pushing-techniques in tipping, bill-padding and art and antique faking, and thus systematically offers insufficient value for money, the economic viability of the entire sector can be endangered. In this respect in Poland a real problem arises from the overcharging by all but a few of the taxi-drivers in Warsaw.

From a quantitative point of view the right proportionalities have to be taken care of, in other words each segment of the tourist product has to aim at a capacity which is right in relation to that of other component segments. Undercapacity in international transport for example will lead to an expensive underutilization of hotel capacity and other man-made tourism facilities. Further, in the largely decentralised system of decision-making established in Poland since 1989, in which a top-down approach is combined with a bottom-up approach, co-ordination between the central and the various decentralised levels of government is urgently needed in order to provide for cohesion and prevent duplication of efforts. Co-ordination is needed also with a view to tourism-specific tasks under the jurisdiction of various government departments and/or state enterprises both at central and decentralised levels. Finally, co-ordination is needed not only for the activities of government departments *vis-a-vis* those of other government departments but also to relate at various geographical/administrative levels government activities to those of the private sector.

This implies that the monitoring function can only be performed optimally by a central government- or semi-government body which is endowed with adequate competence. Such a body could be considered as the National Tourism Organization (NTO). A central private institution, composed of representatives of the business community, lacks *qualitate qua* the necessary competence and authority. From the point of view of the shared responsibility for the development of tourism (government being primarily responsible for the given resources and infrastructure, private enterprise for the superstructure) and the coordination needed to

accomplish such development in an orderly way it is to be recommended to give the tourism business community an advisory vote in the framing and execution of NTO policies. The informative and consultative contacts between the NTO and the private sector should preferably take place in an institutionalized consultative body based on parity. For such contacts to be meaningful the tourism business community should, both nationwide and at various lower levels, establish representative associations.

Collaborative planning

Regular contacts between the NTO and private business associations could result in collaborative planning. "Instead of squaring off against each other, government brings private interests into its planning and decision-making process, and private interests bring their intentions and goals to the appropriate government agencies" (Gunn, 1977: 90-91). Such a narrow involvement of the private sector in the decision-making process and the implementation of government policies can contribute to linking up the decision-making with actual development and provide a guarantee for a timely implementation of government policies. It will also increase the possibilities for feedback and thus improve and speed up the evaluation of the policies pursued. Consequently, if needed, policy changes can be effected in due course. On the other hand the insight into the aims of the government, and the measures designed to realize these, enables the private sector to react adequately with new or adapted business policies and thus prevent the occurrence of disproportionalities in capacity and/or quality bottlenecks.

From the above it is clear that by way of the coordinating function of the NTO, particularly if this is realized in dialogue with the private sector, an important stimulating function is exercised as well. The co-ordinating function will ideally lead to a coherent set of policies and as such contribute significantly to creating an optimal investment climate for separate activities within the tourism sector.

Collaborative planning, moreover, can provide a useful contribution to understanding the necessity of government regulations to protect consumers, the standing of the industry, and the socio-cultural and ecological environment.

The protection and preservation of socio-cultural and ecological amenities, the so-called given or non-purpose built attractions, is of eminent importance for the viability of tourism in the long run. Loss of natural and/or cultural attractions will irrevocably entail repercussions on the number and quality of visitors. It therefore is obvious that the NTO should be strongly in favour of rules to curb soil-, water-, air- and visual pollution and to preserve the landscape, flora and fauna, the national heritage of historic buildings, monuments, town- and villagescape and other given amenities. This implies among others that measures in the field of physical planning are stimulated, in which beside direct economic considerations (leading to concentration of tourist accommodation into tourist zones and primary destination areas in order to obtain a maximum return on investment in infrastructure), a function is also assigned to indirect economic considerations (leading to preservation of the national heritage as an important factor in determining the earning capacity of the present and future tourism product). Measures in the field of physical planning which should entail design standards, are needed to check the danger of a declining attraction-value of the destination. Physical planning can also be used to prevent and/or curtail large scale land-speculation. For that matter, not only a long-run national economic interest is at stake here, but also the livability of the environment and the range of possible leisure uses of the local population.

At the moment, in Poland pollution from tourism is a minor problem compared to that caused by unchecked exhaust fumes from heavy industry and from domestic solid energy use, and caused by the discharge of untreated sewage into rivers, lakes and sea (Ministry of Environmental Protection, Natural Resources and Forestry, 1991). To curb these sources of pollution the NTO will have to exert pressure on the responsible authorities, showing the economic damage done to the tourism sector.

If a coherent policy with respect to tourism, recreation and the quality of the daily environment is lacking and a progressive decay of the attraction-value of the destination is tolerated, offering tax facilities for establishing hotel accommodation makes little sense.

Transformation and commercialisation

A special feature of the present economic situation in Poland is the process of change from a largely inefficient command economy to a competitive market economy.

Apart from abolishing the system of central planning as the guiding principle for production, and consequently consumption, this involves making the production system subject to the principles of the market economy governed by the law of supply and demand.

A further aspect connected with the change to a market economy is the denationalisation of the economy by the privatisation of state-owned enterprises(SOEs), including those in the tourism and related transport sector, such as ORBIS, LOT, and the accommodation establishments presently owned by the Workers' Holiday Fund. Privatisation in Poland is governed by the Privatization of State-owned Enterprises Act of July 13,1990 (Ministry of Privatization / Price Waterhouse , 1992:195-205) , further to be called the Law on Privatisation. It has its own terminology which is not always clear at first sight and sometimes even confusing (Cf. Anon.,1992:4).

Regardless of the terminology used it is necessary for the purposes of analysis to make a clear distinction between on the one hand the need for establishing modern efficient enterprises operating according to the principles of the market economy and capable of profitable operation without government subsidies and on the other hand the actual denationalisation of the economy through transferring SOEs to the private sector.

The first is a process subject to the laws of economics, the second is essentially governed by political doctrine and common sense.

The transformation of SOEs into limited liability companies, the shares of which are held by the State Treasury, and which operate according to market principles is known as transformation or commercialisation. This is a step which may precede privatisation as such. It is "a strictly defined legal procedure that clarifies the management structure and places the SOE under the Commercial Code so it can start behaving like a real company" (Anon.,1992:4). The next step should be the introduction of the concept of profit as a goal of economic activity, in other words commercialisation as it is generally understood. It involves an economic and financial analysis to assess the viability of the company established, and a fundamental reform in management outlook.

The economic and financial analysis may show that market prospects are reasonable or even good, but that the newly formed business entity will be burdened by old debts and/or too large a workforce to enable profitable operation. The obvious solution in such cases is to

reduce the debts to manageable proportions by debt renegotiation and debt restructuring, debt-equity swaps, or writing-off the untenable part of inherited debts by transferring them as one-time losses to the State Treasury (Cf. Art. 22.1 of the Law on Privatisation) and to pursue a streamlining operation involving the lay-off of redundant labour.

At the end of June 1992 the State Sport and Tourism Administration (SSTA) "owned" as a founding body 25 SOEs. It should actively promote the transformation and commercialisation of those remaining tourism SOEs of which it is the founding body, except for the Central Office of Tourist Information (COTI), as well as assist the Ministry of Privatisation in transforming and commercialising other tourism SOEs by assisting in the assessment of their economic viability and, if needed, in debt renegotiation, debt restructuring or debt-equity swaps.

Denationalisation

When the inefficient SOEs have been transformed into efficient and viable limited liability companies operating according to market principles the most important prerequisite for the proper operation of a market economy has been fulfilled. From the viewpoint of a market economy there is no immediate inherent need to proceed further. It must be stated, however, that in market economies as a rule most enterprises are privately owned and managed. The danger connected with having public enterprises, particularly those operating in areas which are not strategic for community or social welfare, such as tourism, is the existing inherent risk of pressure upon government to provide financial assistance if profits dwindle and losses are incurred. Even in the absence of an immediate risk of lay-offs the fear of losing out on job-security is a motive for employees to have mixed feelings about privatisation and object to it because of the persistent idea that redundant labour can stay on if the SOE status is maintained. It is the silent majority of tax-payers who stands to lose from the introduction of such market distortions. If enough claims are laid on the government budget this will in the end lead to a predatory state with little room for private initiative. Thus viewed there are no arguments for not privatising the SOEs in the tourism sector. The big travel conglomerate ORBIS, which has already been transformed into a holding company with three separate divisions (accommodation, travel trade, and transport) is an obvious

candidate for privatisation. The same holds for the national carrier LOT (Głogowski,1993:B1).

The privatisation of ORBIS is already overdue. To facilitate the process of denationalisation the still existing complex corporate bureaucracy should be replaced with autonomous business units whose financial performance can be measured accurately. Such will not only reveal and possibly counteract unhealthy intra-divisional cross-subsidisation but also assist in establishing the market value of separate hotel-,travel trade-, and transport-units.

For privatisation three alternative routes are available. Two of them are forms of individual privatisation, the other one collective privatisation. Further there exists a fourth, and as reported very effective, unofficial "method" of privatising SOEs, that is by hollowing them out. In this case the management sells off the better part of assets at less than market prices to friends in the old-comrade network (Jung,1992:10). This sadly exacerbates " the historical paradox" signalised by Kuron "that those who brought communism down also brought themselves down"(The Economist, 1993:5). The SSTA should actively co-operate with the Ministry of Privatisation in preventing such bargain deals.

Although denationalisation of commercialised SOEs may be highly desirable the present system of punishing SOEs by subjecting them - as an incentive to privatise - to an extra "dividend-tax" of 10 percent levied on the initial capital outlays is to be considered unfair and counter-productive. It constitutes a drain on financial resources which should be used to improve the profitability and long run viability of the company in order to make it more attractive for private sector investment.

Financial incentives vis-a-vis other policies

In the foregoing the view is taken that government has to restrain itself in measuring out tasks, and that a division of labour with the private sector is desirable which leaves ample room to private initiative. In other words the decision-making process has to reflect to the highest possible degree the relative factor endowments and government has to abstain as much as possible from measures which distort the market mechanism of resource-allocation. This does not imply that governmental financial assistance and incentives should be

categorically rejected. However, it does imply that these are tenable only under special circumstances, such as temporarily to boost regions that are seriously lagging behind. As a rule insufficient national economic rationale can be found for financial contributions from government to the private sector in the form of interest-subsidies, tax-concessions and similar incentives. So-called tax-holidays on behalf of private investment generally only result in distortions and a needless loss of government revenues. "Too often tax-holidays merely result in the prosperous firms reaping a temporary benefit, while the rickety ones, which would not in any case have realized taxable profits, gain little advantage" (Meier, 1970: 207). Incentives to investment, moreover, often have the effect of stimulating capital intensity and dependence on imported equipment and of discouraging employment creation.

More effective and from a national economic point of view to be preferred is in most cases the punctual implementation within the framework of a coherent sectoral development plan of the traditional government tasks with regard to specific infrastructural facilities in the fields of transport and communication and of public health and hygiene and the provision of sector specific education.

The shortage of well-qualified manpower for the tourism sector is a problem common to most Eastern European countries. It emanates from the transition from a centrally planned to a market economy, in which tourism destinations in Poland have to compete in highly competitive international markets, both to attract foreign tourists and tourists from Poland itself. Increased competition implies higher demands on manpower aptitudes and attitudes. Higher demands also apply to the management of human resources in tourism. This implies that increased attention has to be devoted to the organisational structure, the organisational culture, and the design of work and reward systems both within the NTO and tourism business enterprises. Thus far Poland has not yet succeeded in developing a sufficiently large supply of human resources for the planning and development, and management and marketing of its tourism product.

Shortages apply to both the private sector and government (Airey, 1993). In case of the latter there is a shortage of professionally trained staff with an understanding not only of tourism businesses but also of the macrorelationships which comprise the international tourism industry. Although the effects of extensive shortages are difficult to quantify it may be safely assumed that such shortages will, in a people-dependent sector such as tourism, exert a

strong negative influence because the government will be unable to provide the much needed dynamic leadership to development. It again proves that a high priority has to be attached to the implementation of a coherent sector development programme. Economic progress is apt to be slow in the absence of dynamic leadership from the state. This applies *a fortiori* if the tourist sector with its composite product is expected to contribute to such progress.

Institutional structure of the NTO

Dynamic leadership from the state in the field of tourism presupposes the existence of an optimal institutional structure and adequate staffing for the NTO. At present the NTO in Poland, the SSTA, has an unclear structure in which the responsibilities for sport on the one hand and tourism on the other hand are largely mixed. Since sport is largely a social and health related activity, whereas tourism, at least when seen from the point of view of the supplier or destination, is an economic activity, such a mix is no longer workable and adequate. There are thus good reasons to do away with the old structure originating from the former days of subsidized or social tourism. This can simply be done, as suggested elsewhere (McNulty, 1991: 39), by creating within the SSTA two separate divisions, one for sport and the other for tourism. A better solution would be to dissociate tourism from sport by transferring the sport related activities to either the Ministry of Education or the Ministry of Health. The remaining organisation would then be the State Tourism Administration (STA). This then would be clearly identifiable to the outside world as the NTO, the organisation in charge of tourism.

Since for the successful development of tourism high-level co-ordination with other sectors of government activity is indispensable the STA should be headed by a Secretary of State as a member of Cabinet.

Dissociating tourism from sport includes and actually presupposes the restructuring of the present SSTA. Attention will therefore focus on this first and crucial step.

Thus, to start with, within the SSTA a relatively small but highly competent, motivated, and efficient tourism division, headed by a Vice-President/Under-Secretary of State, should be created. The structure of this division should be tailored to the sector's needs for government

regulation, coordination and encouragement.

The structure should further take into account the following characteristics:

- the dependence on and interrelations of the tourism product with the activities and output of other branches of the government apparatus, such as the Ministry of Transport, the Ministry for Environmental Protection and the Ministry of Education;
- the decentralised way of decision-making in Poland, which implies that a top-down approach has harmoniously to be combined with a bottom-up approach;
- the need for liaison, and possibly close co-operation, with the business sector in tourism;
- the need for a high degree of operational flexibility in marketing;
- the difference in organisational culture in research organisations as compared to organisations geared to planning and development, and management (apart from marketing).

The first of these characteristics implies that inter-departmental co-ordination is called for. This can best be done centrally at the level of the division and taken care of by an Inter-Departmental Co-ordination Committee.

In order to guarantee an optimal communication as regards statistics and research, planning and development, and marketing and promotion between the various levels of government a central unit or cell for liaison with decentralised government institutions in charge of tourism at the voivod, powiat and gmina levels should be attached to the Tourism Division. Such a unit is meant for formal communication and should leave open possibilities to establish informal operational links at lower levels.

In a similar way co-operation with the business community in tourism could be guaranteed by establishing a special consultative body for industry liaison.

The last two characteristics imply that for marketing and promotion and for research and statistics semi-independent bodies with separate budgets and *ex post* accountability are needed.

Research and statistics are presently taken care of by the Institute of Tourism (IOT), which was founded in 1972. Its present operation is governed by the law on state research institutes (Law of July 25, 1985; Journal of Law 1991, No.44, item 194) and the Statute as approved by the SSTA, which is its founding and supervising body as well as its main source of

funding. The bulk of the funding is received from the SSTA on the basis of a long-term contract, whereas a minor part is subject to annual negotiation. About 30% of the funds is derived from contract research for decentralised government. Part of this research is also funded by the SSTA, namely indirectly, by way of subsidies to voivodships and gminas. The present semi-independent status of the IOT and its relation with the SSTA seem to function satisfactorily. Therefore there seems to be no reason to change the present arrangement.

organisational structure

Marketing and promotion are carried out by the Central Office for Tourist Information (COTI), which is a SOE founded by the SSTA in 1982. About half of its funding is derived from the SSTA on the basis of four contracts to be concluded annually. The other half is derived from "outside contracts" with the travel trade, carriers, hotels (e.g. the ORBIS hotels), and municipalities. Since activities for SSTA are contract-based COTI has little room for flexibility in its operations. The little flexibility available is based on accumulated reserves and short-term *ad hoc* negotiations with the SSTA for additional funds. In order to enable quick reactions to market changes COTI should be provided with additional funds earmarked for this purpose by the SSTA. For such funds *ex post* accountability should apply. In essence the SOE status of COTI is not considered a drawback, except for the "excess wages tax" to be paid.

Contrary to what has been advised elsewhere (McNulty, 1991: 69), no inherent benefits are to be expected from changing the independent status of the SSTA and making it a dependent division of one of the ministries concerned with economic matters.

To comply with the tasks outlined above and to proceed to the envisaged STA the organisational structure of the SSTA would have to be changed as shown in the annexed organisational diagram (Annex I). Since it involves the reshuffling of individual positions restructuring the SSTA according to the lines indicated is a delicate task. This task is, however, it seems made easier by the possible room to manoeuvre provided by the possibility for assigning individual duties according to competence and affinity to either the Sports Division or the Tourism Division. Mid-career staff training, as foreseen in the CEC-PHARE review of professional and vocational education and training for tourism in Poland (Airey, 1993), may help to overcome bottlenecks in professional qualifications of existing

SSTA staff.

To summarise the tasks to be fulfilled by the Tourism Division of the SSTA and the future STA, an outline of the terms of reference for its three dependent and two semi-independent departments is provided in Annex II. From this it is clear that the items listed for each department in the diagram provide an indication of tasks to be fulfilled, similar to those listed in the Ordinance Nr.1 of 15 January 1993 (President of the SSTA, 1993), rather than organisational structures.

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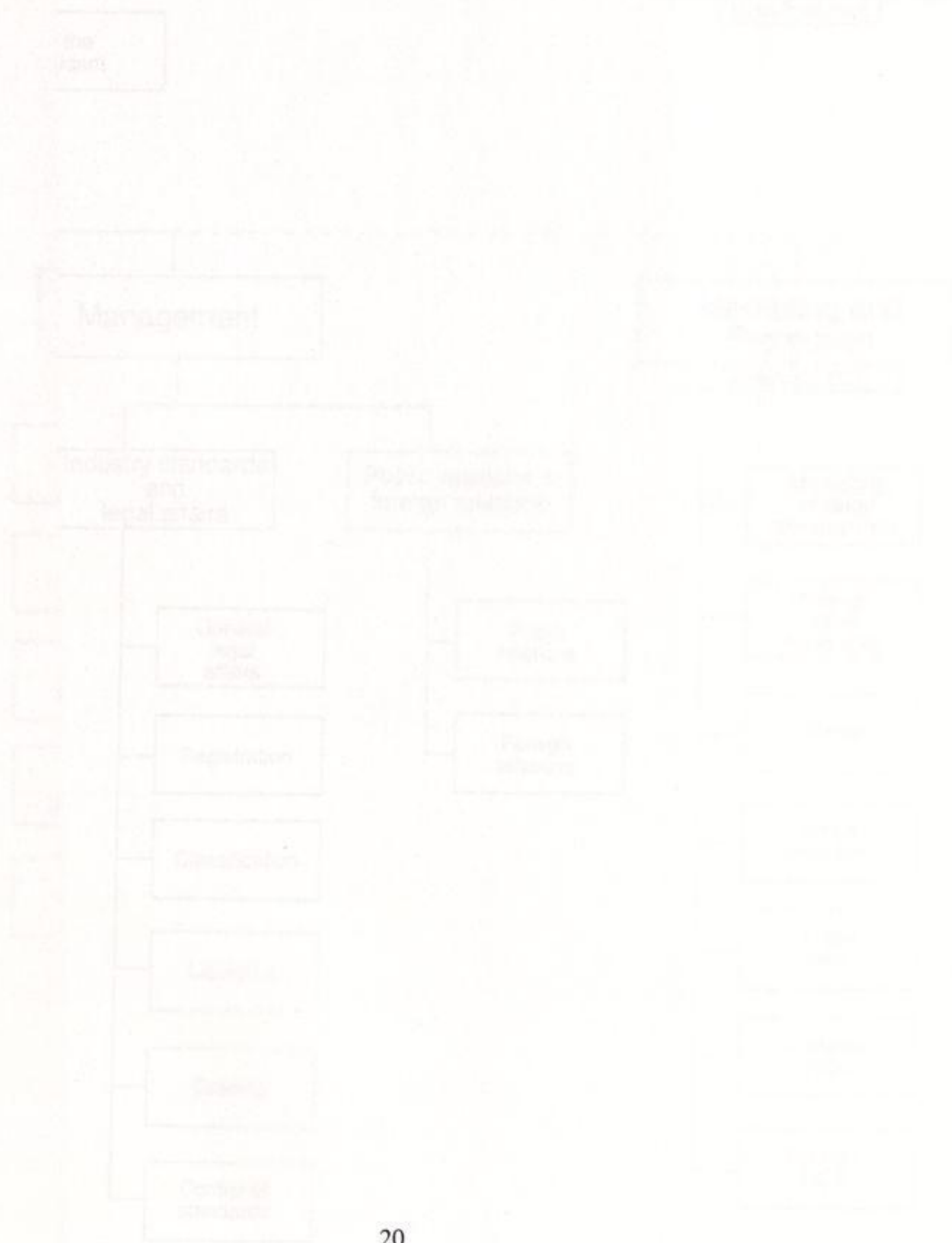
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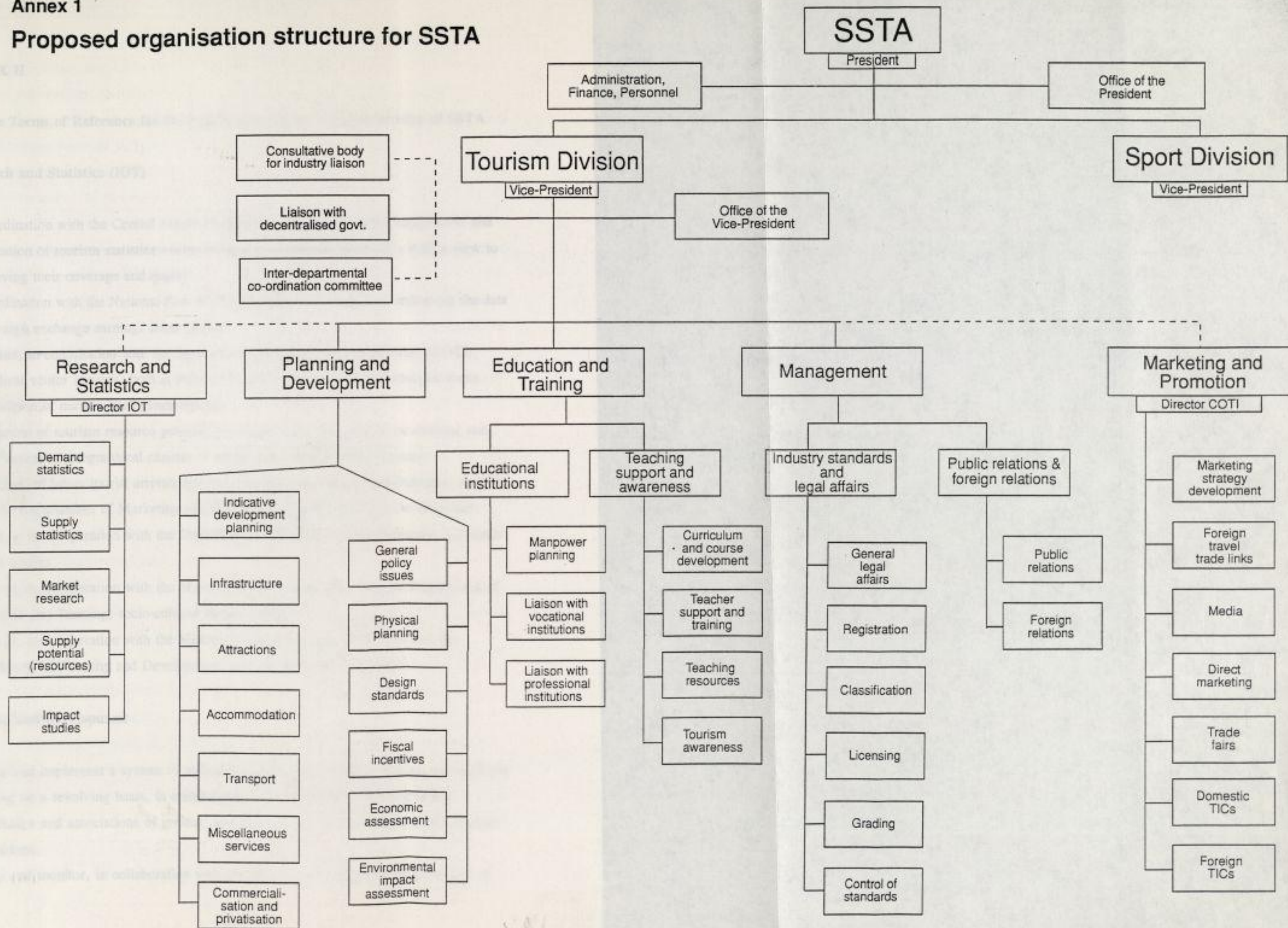
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Proposed organisation structure for SSTA



ANNEX II

Outline Terms of Reference for the Departments in the Tourism Division of SSTA

Research and Statistics (IOT)

- * Co-ordination with the Central Statistical Office (GUS) regarding the compilation and publication of tourism statistics - both on the supply- and demand-side - with a view to improving their coverage and quality.
- * Co-ordination with the National Bank of Poland (NBP) with a view to improving the data on foreign exchange earnings from tourism.
- * Conduct, in consultation with the Department of Marketing and Promotion (COTI), periodical visitor surveys, both at Poland's borders and in primary destination areas.
- * Preparation of market intelligence reports.
- * Evaluation of tourism resource potential in relation to present and future demand and identification of geographical clusters of attractions (natural tourist regions).
- * Projection of future tourist arrivals and infrastructure- and facility-requirements, together with the Departments of Marketing and Promotion, and Planning and Development.
- * Conduct, in co-operation with the Department of Planning and Development, economic impact studies.
- * Conduct, in co-operation with the Ministry of Culture and Art, and the Department of Education and Training, socio-cultural impact studies.
- * Conduct, in co-operation with the Ministry of Environmental Protection and the Department of Planning and Development, environmental impact studies.

Planning and Development

- * Devise and implement a system of indicative national and regional tourism development planning on a revolving basis, in collaboration with the Central Planning Office, voivodships and associations of gminas, and in consultation with private sector tourism associations.
- * Assess and monitor, in collaboration with the Ministry of Transport, the provision of

transport infrastructure for tourism and tourism transportation services.

- * Assess and monitor, in collaboration with the Ministry of Spatial Economy and Construction, the provision of public sanitation infrastructure and facilities (safe drinking water, adequate sewage and solid waste disposal).
- * Assess and monitor, in collaboration with the Ministry of Communications, the provision for tourism use of an up-to-date telecommunication infrastructure and facilities.
- * Establish liaison and collaborate with the Ministry of Health regarding standards of public hygiene in tourism areas and maintaining adequate standards for food preparation and food distribution with a view to tourism.
- * Develop, in co-operation with the Department of Marketing and Promotion new and innovative tourism product concepts based on existing natural and/or man-made attractions and provide guidance in safeguarding these attractions.
- * Establish liaison and collaborate with the Ministry of Spatial Economy, voivodships and associations of gminas in maintaining and improving town-and villagescapes in tourism regions through physical planning and the setting of design standards.
- * Develop new tourism accommodation concepts and plans and devise strategies for their implementation through project assessment (feasibility studies and cost-benefit analyses) and investment promotion (investment portfolios).
- * Assess arising general economic policy issues (e.g. in the fields of monetary and fiscal policy) with a view to their impact on tourism development.
- * Devise sector-specific fiscal policies and implement them where appropriate.
- * Co-operate with the Departments of Research and Statistics, and Marketing and Promotion on projection of future tourist arrivals and infrastructure and facility requirements.
- * Co-operate with the Department of Research and Statistics on economic impact studies.
- * Co-operate with the Department of Research and Statistics and the Ministry of Environmental Protection on environmental impact studies.
- * Co-operate with the Ministry of Ownership Transformation on the transformation, commercialisation and denationalisation of tourism SOEs.

Education and Training

- * Provide an input on the development of manpower demand and supply to the continuous process of indicative tourism development planning.
- * Co-ordinate the implementation of the manpower development programme, including both pre- and in-service training, ongoing and *ad hoc* programmes.
- * Establish and maintain liaison with both professional and vocational institutions providing tourism education and training with a view to maintaining and improving its quality.
- * Establish and maintain liaison with the Ministry of Education regarding the establishment and operation of formal tourism education and training facilities.
- * Develop curricula and courses for tourism education and training at various levels.
- * Provide teacher support and training for tourism teachers.
- * Develop, or assist in the development of, teaching resources, such as handbooks and manuals.
- * Prepare and implement tourism awareness programmes directed at the community at large, as well as specific target groups, such as students in primary schools and government officials at central and decentralised levels.
- * Specify, produce and distribute tourism awareness materials.
- * Co-operate with the Department of Research and Statistics and the Ministry of Culture and Art on socio-cultural impact studies.

Management

- * Conduct general legal affairs in relation to tourism development.
- * Provide regulations as to registration and licensing of tourism related activities, such as the provision of food and lodging, travel trade, and special skill requiring guiding services.
- * Establish and implement, in co-operation with government at decentralised level, an adequate system of classification and grading (standards) for tourist accommodation facilities and tourist restaurants.
- * Devise and monitor, in co-operation with government at decentralised level and private sector tourism associations an effective system of control of licensing and grading.
- * Conduct SSTA's public relations.

- * Establish and maintain good working relationships with international governmental and non-governmental organisations active in the field of tourism, as well as on a bilateral basis with foreign NTO's.

Marketing and Promotion (COTI)

- * Formulate a marketing strategy based on market research for the country as a whole as well as for its separate tourism regions, in consultation with government at decentralised levels and private sector tourism associations.
- * Co-operate with the Departments of Research and Statistics, and Planning and Development in projecting future tourist arrivals and the formulation of targets.
- * Prepare and implement an annual promotion programme, including the choice of distribution channels and budget, in consultation with private sector tourism associations.
- * Establish and operate marketing representations (TIC's) in main origin markets.
- * Co-operate with decentralised government with a view to the operation of regional and local tourist information offices (TIC's).
- * Specify, produce and distribute information and promotional material.
- * Maintain links with the travel trade in origin markets.
- * Participate, as deems fit with a view to an efficient and effective use of funds, in travel trade fairs, direct marketing campaigns and the use of various mass communication media.

