

Granting of Cash Benefits Under Social Welfare System

1. Introduction

Social welfare is one of the institutions of the government social policy that provides cash and non-cash benefits. In the cash benefit category there are permanent benefits, temporary benefits, purpose-specific and special purpose-specific benefits, and business start-up benefits. The social welfare responsibilities and forms in which it is provided to the beneficiaries is regulated in Poland by the Social Welfare Act of 12 March 2004¹. Practice shows that the most desirable form of social welfare by the beneficiaries are cash benefits.

In the field of granting social welfare benefits the relationship between two individual factors is visible – a subjective feeling of the interested person that the assistance is necessary for him/her and free evaluation of the social welfare body that decides about granting benefit following the principle of individualization.

The Constitution of the Republic of Poland, dated 2 April 1997, does not refer directly to the question of social welfare. Art. 67 par. 1 reads as follows – „The citizen is entitled to social security in case of disability to work, in case of sickness or invalidity and after reaching the retirement age. The scope and forms of social security is laid down by a parliamentary act.” Paragraph 2 of the Article stipulates that ”The citizen without a job, not of his own will and having no other means of support is entitled to social security benefits whose scope and forms is laid down by a parliamentary act”. Poland is not a social welfare state, thus deduction of the right to social welfare under Art. 67 par. 2 of the Constitution is really doubtful. In this scope the right to social security is rather meant for persons without a job, not of their own will and having no other means of support, which is connected with the unemployment. The social welfare system pursuant to Art. 3 par. 1 of the Social Welfare Act supports persons and families in their efforts aimed at satisfying essential needs and enables them to live in non-humiliating conditions. The article stipulates that the objective of social welfare system is to satisfy “essential” life needs. However, the term „essential” does not indicate to what extent those needs are essential. The social welfare system may cover only the means of biological subsistence, but may also satisfy various social needs.

In the judicature of administrative courts an attention should be paid to the verdict of 12 May 2006 (Ref. No. IV S.A./Wr 433/05), which indicates that it is appropriate to interpret the term

¹ Journal of Laws of 2008, No. 115, item 728

„essential” using the second meaning of this word as better reflecting the spirit of the act and adopted international standards to this extent.

Tasks under the Polish social welfare system are either own tasks or delegated by the government administration. All three levels of local government – municipality, county and province perform social welfare tasks as their own tasks, and additionally municipalities and counties perform social welfare tasks delegated by the government administration. The performance of government delegated tasks is financed under the Social Welfare Act (Art. 18 par. 2 and 20 par. 2) by the state budget.

The provisions of Social Welfare Act and their practical application have to be analysed by the auditors of the regional chambers of audit in the local government operations, from an angle of general principles and social welfare objectives that cannot be omitted when analysing specific benefits.

The first general principle is a subsidiarity principle under which a person claiming a benefit should first and foremost take advantage of aid from other sources, and only in the event of their absence rely on the aid of relevant social welfare body. The second general principle is the activity principle, which manifest itself in the obligation of the beneficiary to act jointly with the social welfare centre personnel. The above two principles are followed by a third general principle, viz. personalization principle, which implies that the social welfare body adapts type, form and size of assistance to each individual case. This implies that the social welfare body may customize a solution under the forms and means of assistance stipulated in the Act.

The granting of cash benefits under social assistance system will be analysed on the example of a municipality with a population approximately eight hundred thousand people and will involve systems audit and performance audit.

2. Social welfare responsibilities and their allocation to local government units.

The operations of social welfare system in Poland after 1945 may be divided as follows:

- a) 1945 – 1989
- b) 1990 – 2003
- c) period beyond 2004

In the first period social welfare was centralized and at the same time it was managed by a few ministries and it was defined in many acts of different level. The administrative system was widespread and there a lot of red tape, and it did not have at its disposal the social welfare specialists of the right calibre. The social welfare assignments were performed by the Minister of Labour, Wages and Social Affairs, Minister of

Education, Minister of Justice, Minister of Health and Social Welfare. Despite the fact that the Act of 12 August 1923² was formally binding, the social welfare was provided under ordinances, instructions and all kind of official letters. Social welfare organisations were allowed to provide social aid to a small extent. These included: Polish Red Cross, Polish Social Welfare Committee and Caritas.

The second period was formally initiated by the enactment of the Act of 30 November 1990³. However, the Act is closely correlated with the earlier economic crisis of 1980s, with new problems that occurred in relation to the introduction of free market economy. On the one hand willingness to improve living standards and aspirations of the people were raising, and on the other hand new phenomena occurred such as unemployment or homelessness. In 1990 the social welfare was transferred from the Ministry of Health to the Ministry of Labour and the Ministry of Labour and Social Policy was established. All forms of assistance scattered in various legal acts were collected in one parliamentary act. The public administration objectives were regulated and the rules of co-operation with social organisations were established. The Act focused more on the assistance rather than welfare aspect of the benefits. The role of the benefits was to satisfy vital life needs of individuals and their families with provision of decent living conditions and to lead to self-sufficiency of the beneficiaries. The Act introduced a new assistance category i.e. social work. The Act focused on family protection. Difficult life situations include: poverty, orphanhood, homelessness, maternity protection, unemployment, physical and mental disability, prolonged sickness, alcoholism, drug addiction. To become eligible for non-cash benefits one had to meet income criterion – income of a single person or income per family member, corresponding to the lowest old-age pension. The Act was amended and consequently an income threshold, also called poverty threshold was introduced. In 1996 special periodic benefit and special purpose-specific benefits were introduced. They could be granted to people failing to meet income criterion. The legal framework of the Act was also supplemented by other parliamentary acts:

- **Act of 26 October 1982 on Education For Sobriety and Control of Alcoholism** – the public administration bodies were entrusted assignments related to alcohol problem prevention and control. Since at that time the Act on Drug Addiction Control was missing the regional chambers of audit allowed for funding under this act the combat with another social dysfunction, viz. drug addiction.

- **by virtue of the Act of 7 January 1993 on Family Planning, Protection of Human Foetus and Pregnancy Termination Conditions** – an obligation was imposed to extend social, medical and legal care for pregnant women.

- **the Act of 14 December 1994 on Employment and Counteracting Unemployment** laid down forms of assistance to the unemployed – the established countermeasures

² Journal of Laws No 92, item 726, as amended

³ Journal of Laws No 87, item 506, as amended

included: granting of unemployment benefits, employment agency, vocational counselling, assistance in reskilling, qualification upgrading.

- **by virtue of the Act of 24 April 1997 on – Counteracting Drug Addiction** – attention was drawn to educational and informational activities, treatment of addictions and rehabilitation of drug addicts.

- **the Act of 27 August 1997 on – Occupational and Social Rehabilitation and Employment of the Disabled** – assistance in rehabilitation and protection of the disabled working under employment contracts, establishing preferences for the employers hiring the disabled.

At that time preparations were also underway to enter the European Union and to harmonize Polish solutions with the EU law requirements. From the scope of social welfare the social disability pension was excluded, family benefits were modified, the alimony fund was liquidated, more emphasis was put on higher use of benefits in the form of services, especially for the elderly, the disabled, the sick and maladjusted families. Opportunities were also created for non-governmental organisations and non-public social welfare facilities to provide social welfare services.

The third period was started by the Act of 12 March 2004 that became effective on 1 May 2004 when Poland accessed the European Union. The Act widened the scope of the social welfare beneficiaries by adding foreigners. It provided for the supervision of the head of provide over the proceedings and post-audit measures. It further developed the rules of co-operation with the non-governmental organisations and other entities. The execution of social welfare assignments is delegated to such entities on the grounds of a contract awarded to the contractor that is selected through a public bidding process and bid evaluation. The social welfare assignment execution bidding process is held on the grounds of subsidiarity, effectiveness, fair competition and transparency principles. The eligible entities may make proposals themselves to implement the assignment. The rules of granting cash benefits for the refugees were also regulated, social work and vocational counselling regulations were modified, the provisions on benefits in the form of services were extended. The Act was also expanded on such issues as foster families, child and family care.

The statutory catalogue of social welfare assignments is open and comprises:

- granting and payment of benefits stipulated by the Act;
- social work;
- running and development of necessary social infrastructure;
- analysis and evaluation of factors breeding demand for social welfare benefits;
- performance of assignments based on identified social needs;
- development of new forms of social welfare and mutual aid in relation to identified needs.

The assignments under the Polish social welfare system are performed both by the central and local government administration. The assignments performed by the latter include own mandatory assignments and own assignments. The municipalities and counties perform also assignments in the field delegated by the government administration. The social welfare assignments are performed by the social welfare centres in municipalities and by family aid centres in counties.

The mandatory assignments of municipalities may be divided into:

a) assignments related to building social welfare system:

- development and implementation of strategy for solving social problems with the focus on building social welfare schemes, prevention and solving of alcohol abuse problems and other social dysfunctions,
- setting up of a municipal child and family care and prevention system,
- drawing up of a catalogue of needs of municipality in the field of social welfare;
- setting up and maintenance of social welfare centre including the provision of funds for employee wages.

b) provision of social aid in the form of direct or indirect financial support:

- granting and payment of periodic benefits, purpose-specific allowances
- granting and payment of purpose-specific allowances to cover expenses caused by a calamity
- granting and payment of purpose-specific allowances to cover expenses related to health care services to the homeless and other persons without income and eligibility for services under the legislation on universal health care insurance with the National Health Fund
- granting of purpose-specific allowances in the form of credit ticket.

c) non-cash benefits

- giving shelter, providing a meal and necessary clothing to the persons deprived of that,
- organisation and provision of caring services including specialist ones,
- aid to the foreigners who were granted the refugee status by the Republic of Poland
- social work,
- organisation and provision of caring services including specialist ones for people with mental disorders,
- running and securing places at daily support educational and caring facilities,
- extra meals to children,
- giving a funeral including the homeless,
- referring to the social welfare home and covering the cost of stay of a municipality inhabitant in such home.

Meanwhile own assignments of municipalities comprise:

- granting and payment of special, purpose-specific benefits

- granting and payment of aid for business start-up in the form of allowances, loans and contributions in kind
- running and securing places at social welfare homes and support centres with municipality coverage and referring people requiring care to such homes.
- collaboration with county employment office in the field dissemination of job offers and information about job vacancies, dissemination of information about vocational counselling and training courses.

Under the social welfare system the municipalities perform also assignments of the government administration. These include:

- granting and payment of permanent benefits,
- payment of health care contributions under the legislation on universal health care insurance with the National Health Fund,
- organisation and provision of specialist caring services at the place of residence and running of mutual aid homes for people with mental disorders,
- granting and payment of purpose-specific allowances to cover expenses in relation to the natural disaster or environmental calamity,
- implementation of assignments under government welfare schemes aimed at protection of living standards of individuals, families and social groups
- granting and payment of purpose-specific allowances, giving shelter, meals and necessary clothing to foreigners.

Funds for the implementation and handling of the aforementioned assignments are provided by the state budget.

County responsibilities

Because of the level of county the assignments performed by this unit of local government system have supramunicipal and similarly to the municipal level are performed as own and delegated assignments. **Own assignments** are as follows:

- a) development of strategy how to address social welfare issues and provision of specialist advise including methodological counselling, training and in-service training courses for social welfare workers
- b) organisation of various forms of child care – organisation of child care by foster families, provision of cash aid for partial coverage of costs of support of children placed there, provision of care and upbringing to children fully or partially without parental care including in particular running of adoption and care centres, covering the costs of support of children from the county staying at day-long care and educational centres, granting financial aid for life start-up and for continuation of education by the people leaving such facilities,

- c) running and development of social welfare homes infrastructure at supramunicipal level, running of county support centres (including homes for mothers with minors and pregnant women), administration of sheltered apartments for people from a territory larger than one municipality, setting up and running county family centres,
- d) taking other activities on as needed basis e.g. implementation of protective schemes.

A set of public administration assignments delegated to the county include:

- a) support to foreigners with refugee status – implementation of integration schemes, payment of health care contributions, providing assistance in case of emergency interventions, funding of the stay of foreigners' children at care and educational facilities,
- b) running and development of infrastructure of support facilities for people with mental disorders,
- c) implementation of assignments under government welfare schemes aimed at protection of living standards of individuals, families and social groups and development of specialist support.

It should be noted that the assignments under the Polish social welfare system may be performed independently by the central and local government administrative bodies, may be also commissioned by such administrative bodies to non-governmental organisations providing social welfare services and to church legal persons and their organisational units. Such assignment is commissioned following a prior bidding process. The social welfare assignments to be contracted out may not include eligibility for benefits, payment of social insurance and health care contributions and payment of cash benefits. The social welfare assignment execution bidding process is held on the grounds of subsidiarity, effectiveness, fair competition and transparency principles. The eligible entities may upon their own initiative submit a proposal to execute a social welfare assignment. In the event of a proposal submission by the eligible entity the social welfare body is obliged within 2 months to examine the advisability of delegation of a certain assignment to eligible entities, taking into consideration the degree of compliance of the bid with the social welfare priority tasks, the guarantee for implementing assignment in line with effective standards, funds available for assignment execution and benefits related to assignment execution by such entities. Having analysed the advisability of assignment execution by the eligible entities rather than by own services, the social welfare body advises the proposal maker about an approximate timing of initiating the bidding process.

3. General principles applicable to granting cash benefits under social welfare system

a) Subsidiarity principle

The subsidiarity principle has been embedded in the Polish model of the welfare system since the interwar period in 20th century. It was laid down in the Act on Social Welfare of 16 August 1923. Once the local governments have been reinstated the subsidiarity principle was incorporated into the Social Welfare Act of 29 November 1990, and the currently effective Social Welfare Act of 12 March 2004 also adopted this principle.

Pursuant to the Art. 2 par. 1 of the Social Welfare Act the social welfare aims at enabling individuals and their families to overcome hard life situations, otherwise they would not be able to overcome using own rights, resources and capabilities.

The subsidiarity term under the Polish social welfare law may be considered using two aspects:

- a) subsidiarity of social welfare vis-à-vis own resources, capabilities and duties of the loved ones,
- b) subsidiarity of the social welfare vis-à-vis other social security systems.

The first understanding of subsidiarity principle means in practice that the same entity should do everything to live with dignity, and if he does not cope then the responsibility to this extent is transferred to the family. Subsidiarity to this extent i.e. own capabilities and means is absolute. It means that a social welfare body may always refuse to provide assistance. Meanwhile the subsidiarity of social welfare vis-à-vis duties resting on shoulders of the loved ones is relative. In the light of Art.16 par. 2 of the Social Welfare Act the municipality (county) may not refuse assistance to a needy person, despite the existence of legal and moral obligation of natural (or legal) persons to satisfy basic social needs.

Having any funds obtained from other social security systems does not preclude an option of getting social welfare benefits. A prerequisite here to be met by the needy person is no ability to cover costs of subsistence despite prior use of own funds and capabilities.

b) Activity principle

It stems from the Art.4 Social Welfare Act and it involves an obligation of taking joint actions by the persons and families enjoying social welfare benefits to solve hard life situation. In practice it implies that a person claiming a benefit is obliged to co-operate actively with a worker from a social welfare centre. Most frequently an obligation to undergo

a drying-out treatment, to raise qualifications – which translates into an obligation to attend courses, vocational training, search for a job actively. The obligation to take joint actions involves also an obligation to supply documents, to inform about any material changes in one's position. The life position of such person is assessed individually, which implies that the needy person may not fully wave aside the guidelines provided by a social worker. A refusal to accept the proposed job due to too low compensation, having too high qualifications to perform the offered job, a refusal to perform socially useful work, a refusal to undergo a drying-out treatment in a detox treatment facility by an addicted person may represent grounds to refuse granting the benefit. An instruction to conduct in such manner by the social welfare centre is implied directly in the Art.11 par. 2 of the Act. However, the lack of joint actions having negative impact on possibility to grant the right to the benefit is not the only factor considered when taking a decision about the benefit. Pursuant to the Art. 11 par. 3 the social worker may also consider the position of people supported by the person claiming the benefit or enjoying the benefits.

c) Principle of individualisation of social welfare benefits

In legal terms the social security system is understood as a system of guarantees and funds used to satisfy needs of people unfit to work and needs related to particularly difficult life situation. There are three basic forms of social security: social insurance, social provision and social welfare. The idea of social welfare regardless of the period – era is a universal idea. While characterizing individual forms of social security we have to note that they have individual and subsidiary nature and that benefit entitlement is devoid of claim design. A person claiming a benefit may receive it depending on the assessment and discretion of the social welfare body. Thus we deal with a principle of individualisation of entitlement to aid that should be followed in such manner that it does not violate the idea of equality. This also implies that social welfare benefits differ from the social insurance or provision benefits. The difference is that prior to their receipt the life position of the needy person is subject to individual assessment and if the outcome is positive a decision is issued about granting the benefit and its level. Meanwhile under the social insurance and provision system we deal with schematism and formalism of benefits.

The implementation of the benefit individualisation principle is connected with giving up detailed and exhaustive determination of benefits. The law maker defines only generally the purpose of the benefit and eligibility criteria and thus resigns from determining prescriptive actual status giving entitlement to the benefits, prescriptive determining of type and level of benefit. These elements have evaluative dimension for the body granting the benefit. The freedom in this area enables individualisation of decisions within the limits of social welfare forms and measures prescribed by law. The discretionary nature covers taking a decision about granting a benefit, determining the type of benefit matching the circumstances and level

of benefit. Benefit individualisation may not, however, undermine the principle of equal treatment of individuals who have similar position. Individualisation should represent a point of departure in needs assessment rather than the outcome of assessment exclusively. The discretionary nature of benefits has its pros and cons. An advantage is a possibility to individualise each life situation with related needs of the individual. A disadvantage is far-fetched freedom in the recognition of need that should be satisfied by the system.

Individualisation of benefits manifests itself also through a variety of social welfare benefits. The forms of social welfare benefits are as follows: cash benefits, benefits in kind, benefits in form of services, institutionalised aid.

The individualized nature of social welfare benefits comes hand in hand with their optionality. A person who was denied an entitlement to benefit by a social welfare body may not sue such decision. However, under the Polish system there is no full freedom in granting benefits. A person who believes that fulfils eligibility criteria to get a benefit in case of a negative decision is entitled to appeal against such decision to a social welfare body at a higher level. The appeal must be lodged within 14 days from the date of decision receipt through the agency of the organisational unit that issued the decision.

4. Forms of granting cash benefits

a) Permanent benefit

Permanent benefit is paid by a municipality and it is an assignment delegated by the government administration, which means that funds for permanent benefits are transferred to the municipality by the state budget. The permanent benefit is classified under mandatory benefits ruled by the subsidiarity principle. A person who has funds in the form of tangible assets (e.g. real properties) may be granted a permanent benefit in the form of a short-term support, provided that his problem will be solved within set timeframe. If the time limit has expired with no effect and the obligation has not been met, then a decision about granting benefit may be cancelled pursuant to Art. 106 par. 5 of the Social Welfare Act.

Article 37 of the Social Welfare Act stipulates that the permanent benefit may be granted to the following persons:

- a person of full legal age who runs a household alone, unfit to work because of age or totally unfit to work, if the income of such person is lower than income criterion for a person running a household alone i.e. **the amount of PLN 477**. The income criteria are revised every 3 years.
- a person of full legal age staying with a family, unfit to work because of age or totally unfit to work, if the income of such person and the income per family member are lower than income criterion for a person staying in a family i.e. **below PLN 351 per person**.

A person who manages on his own is a person who runs a single-person household. Persons applying for admittance to social welfare homes or staying at such homes are considered to be

running household alone, if prior to the admittance to the social welfare home such persons were entitled to the permanent benefit. **Inability to work because of age** is when woman has reached 60 years of age, and man - 65 years of age. **The total inability to work** means inability in the understanding of legislation on old-age and disability benefits paid from the Social Insurance Funds or if such person was classified in the 1st or 2nd class of invalidity, or has significant or moderate degree of disability. In case of persons staying with a family and applying for a permanent benefit a material requirement is income level. The permanent benefit may be granted only to a person whose income and the income per family member are lower than the income criterion. Both requirements have to be met jointly, which implies that if the claimant has income higher than criterion and the family members have low income the benefit will not be paid. **The level of permanent benefit** is a difference between income criterion for a person running household alone (or a person staying with a family) and the income of such person or the income per capita in a family. The amount of permanent benefit paid monthly ranges from PLN 30 to PLN 444.

a) Temporary benefit

At present the granting and payment of temporary benefit falls into the scope of own mandatory assignments. In the 1990 – 2004 period it was government administration assignment delegated to municipalities. It was not mandatory and its payment depended on the funds appropriated for this purpose from the state budget. Consequently the temporary benefit was rarely paid. The change of temporary benefit character does not imply, however, that the claimant has justified claim for its payment. The municipality may not refuse to pay the temporary benefit due to the lack of financial capabilities. However, it may after examining its financial capabilities, to grant the temporary benefit at a certain level.

The temporary benefit is paid to the following persons:

- a person who runs a household alone, if the income of such person is lower than income criterion for a person running a household alone,
- to a family whose income is lower than the income criterion.

The reasons justifying a claim for temporary benefit are in particular: prolonged disease, disability, unemployment, no eligibility for benefits under other social security systems. The reasons specified in the parliamentary act are exemplary. The level of temporary benefit depends on the discretion of the social welfare body. Despite exceeding of income criterion, in some particularly justified cases under Art. 41, item 2 of the Social Welfare Act the temporary benefit may be granted, provided that a part or full amount of benefit has been returned.

The principles for determination of the level of temporary benefit:

- in case of a person running a household alone – up to the level of a difference between income criterion for a person running household alone and the income of such person – the

amount of temporary benefit may not be higher than PLN 444 per month.

- in case of a family – up to the level of a difference between income criterion for a family and the income of such family – the amount of temporary benefit may not be lower than 50% of the difference between the income criterion for a person running a household alone (**PLN 477**) and income of such person or the difference between the income criterion of a family and income of such family. A minimum amount of temporary benefit may not be lower than PLN 20 per month – the municipality council may increase the minimum amount. To cover the temporary benefits the municipalities receive purpose-specific subsidies from the state budget.

The granting of temporary benefit by a municipal social welfare centre is based on administrative discretion, which does not mean, however, freedom. The body taking a decision about benefit in addition to beneficiary needs should also consider its own payment capacity.

b) Purpose-specific benefit, special purpose-specific benefit

The purpose-specific benefit is granted to persons meeting income criteria who are in difficult life situation (e.g. defined in Art. 7 of the Social Welfare Act). The purpose-specific benefit may be granted to satisfy essential living needs e.g. to cover costs of treatment, purchase of food, medicines, fuel, clothing, necessary household accessories, costs of minor repairs, giving a funeral to the homeless and persons without income and possibility to get benefits from the National Health Fund may be granted purpose-specific benefit to cover partially or fully the costs of health care services.

The purpose-specific benefit is also granted under Art. 40 of the Social Welfare Act to the persons who fail to meet income criteria – in this case it does not have to be returned. This applies to the persons who suffered losses due to calamities, natural or environmental disaster.

The person or family with income exceeding income criterion also special purpose-specific benefit may be granted in the amount not exceeding an income criterion of a person running a household alone or family, which is not subject to return, or purpose-specific benefit, provided that the received cash benefit is returned partially or fully.

Granting of both benefits is based on free administrative discretion and the eligibility criteria are underdefined – „specific certain circumstances”, „vital living needs”. Despite the fulfilment of eligibility criteria the social welfare body is not obliged to grant both types of benefit. A major role here plays the fulfilment of subsidiarity, benefit individualisation and activity principles. The purpose-specific benefit does not have to correspond to the amount vital to satisfy a need.

c) Grant for becoming economically independent

A grant for becoming economically independent is provided for in the Art. 43 of the Social Welfare Act and is a one-off purpose-specific benefit. The detailed eligibility criteria, maximum amount, detailed conditions and aid granting procedure are defined by the municipality council by virtue of a resolution. The grant is optional and may be extended only to the persons who do not enjoy aid from any other source. The grant may be denied to persons who evade taking a job in the understanding of the legislation on employment promotion and labour market institutions or avoid attending a vocational training course. The grant may be extended to persons who want to start small business, but are not eligible for a bank loan due to the lack of credit worthiness, and thanks to the grant they may overcome difficult life situation and obtain a permanent source of income.

Social welfare benefits in Poland – table 1*

Item	No. of beneficiaries ('000)	Granted benefits in PLN million
Year 2007	2 366	3 326,0
Cash benefits:	1 940	2 493, 3
Permanent benefit	184	602, 8
Temporary benefit	553	541, 1
Purpose-specific benefits	1 108	736, 6
Non-cash benefits including:	1 245	832, 8
shelter	11	21, 8
meal	1 086	430, 4
clothing	16	3,0
Giving a funeral	5	9, 4

*Source: Statistical Annual Yearbook of the Republic of Poland, 2008, Table 27 (298)

Social welfare benefits in Poland, p. 390

5. Support provided by the Urban Social Welfare Centre in Łódź as a part of own activities

Social welfare services in the form of cash benefits is illustrated below using an example of the City of Łódź.

Table 2*

Year	Permanent benefit		Temporary benefit		Purpose-specific benefit, special purpose-specific benefit		Grant and a loan for becoming economically independent		Aid to foster families		Grant and loan to become economically independent and to continue education		cash benefits for means of subsistence and to meet expenses of learning Polish by refugees	
	1 amount	2 No. of pers.	3 amount	4 No. of pers.	5 amount	6 No. of pers.	7 amount	8 No. of pers.	9 amount	10 No. of pers.	11 amount	12 No. of pers.	13 amount	14 No. of pers.
2004	19 800 000	6 578	5 158 016	14 322	4 580 245	14 509	431 546	88	11 000 000	1 523	4 000 000	912	27 107	6
2005	19 911 621	5 897	8 911 439	15 236	3 064 038	13 158	214 093	53	11 787 336	1617	3 890 753	870	101 366	17
2006	20 756 603	6 095	11 279 380	15 544	2 655 726	10 629	173 730	39	12 679 902	1 804	3 629 539	884	25 940	9
2007	21 226 306	6 021	11 387 596	14 096	2 424 839	8 822	594 931	120	13 517 512	1 869	3 345 736	833	73 461	14

*Cash benefits under the social welfare system performed by the City Social Welfare Centre in Łódź – data from the operational reports of the Centre for the 2004-2007 period.

Explanations for the Table 2

Column 5, 6

In addition to data specified in columns 5 and 6 it should be noted that:

- In the November-December **2004** the Centre joined a pilot government scheme "**A meal for the needy**". The scheme provided for help in the form of a free meal or purpose-specific benefit for the purchase of a meal or food. Under the scheme 1,504 people enjoyed a hot meal, whereas **718 were paid a purpose-specific benefit to purchase food**. The total value of aid granted amounted to PLN 408,482, of which PLN 209,022 was allocated from the city budget.
- **in 2005** aid was also granted in the form of **purpose-specific benefits** for the purchase of **hot meal or food**. This form of aid was enjoyed by **15,499 people** and the total value of aid amounted to PLN **4,554,509**. The funds for the scheme implementation were allocated both from the municipality budget (PLN 2,645,900) and from the state budget (PLN 5,189,247). The City Social Welfare Centre in Łódź provided also assistance in the form of food coupons to **362 people** for the total amount of **PLN 69,215**.
The Municipal Pharmacy scheme was followed up. Under the scheme the poorest people were provided part financing to the purchase of medicines, wound dressings, specified in a list drawn up. The objective of the scheme was to improve treatment efficiency, and also to induce people financially weak to start treatment. In 2005 **the prescribed medicines were purchased by 2,523 people** – 6,266 pharmaceuticals were handed out with the total value of **PLN 340,514.20**.
- **In 2006** – the City Social Welfare Centre was also the direct implementing body for the Decree of the Council of Ministers dated 29 August 2006 *on specific conditions for the implementation of aid scheme for agricultural holdings to mitigate impact of draught* (Journal of Laws of 2006, No. 155, item 1109). Under the Scheme **256 farmers' families** were paid purpose-specific benefits with the total value of **PLN 234 928**.
- **In 2007** aid was also granted in the form of **purpose-specific benefits for the purchase of hot meal or food**. This form of aid was enjoyed by **13,604 people** and the total value of aid amounted to **PLN 10,413,495**. The funds for the Scheme implementation were allocated both from the municipality budget (PLN 2,898,874) and from the state budget (PLN 11,198,980). Total Scheme cost – PLN 14,097,854.
The outstanding balance i.e. **PLN 1,893,407** was spent on: **purpose-specific benefits "Municipal Pharmacy"** – PLN 850,489, **purpose-specific benefits to cover expenses caused by a calamity** – PLN 53,354, **credit tickets** – PLN 959, giving a funeral – PLN 806,871 and to cover cost of meals – PLN 181,734.

In addition to financial aid the City Social Welfare Centre extended a significant **non-cash support** to children leaving: foster families, care and educational facilities, special school and educational facilities, youth educational centres and young offenders' homes aid was granted to secure appropriate housing conditions:

- **2004 - 191** children leaving all kind of homes received non-cash aid worth **PLN 231,001**.
- **2005 - 134** children leaving all kind of homes received non-cash support to start independent lives worth **PLN 228.279**.
- **2006 - 154** young people leaving homes were granted non-cash aid to start independent lives worth **PLN 303,735**.
- **2007 - 153** young people leaving homes were granted non-cash aid to start independent lives worth **PLN 306,974**.

Column 9, 10

The aid specified in columns 9 and 10 includes financial aid for the foster children coming from and living in the territory of Łódź, children – of the inhabitants of other counties, taken care by foster families within the city of Łódź and under the agreements signed with other countries funding of children's stay – Łódź city dwellers taken care by foster families, living in other counties.

Column 13, 14

Data in columns 13 and 14 is concerned with **cash benefits for refugees and repatriates for the following purposes:**

- supporting themselves and to cover the costs of attending classes to learn Polish language,
- covering travelling costs, for starting up independent living and ongoing support,
- to cover costs of educating under-age children.
- to cover costs of renovation of a housing unit;

Number of persons covered by the aid of City Social Welfare Centre by type of extended aid is presented in table below.

Table 3

	2004	2005	2006	2007
	1	3	4	5
financial	28 740	28 753	32 672	31 176
non-cash	5 673	9 223	10 456	10 748
services	4 336	4 303	4 360	4 616
Total	33 380	35 232	38 504	36 643

For the assignments delegated by the government administration to the municipality and for the own assignments of municipality the City Social Benefit Centre spent the following amounts (in PLN):

Table 4

	2004	2005	2006	2007
	1	2	3	4
from municipality budget	22 635 515	31 020 662	39 151 566	40 353 378
from state budget	24 657 210	22 027 492	22 935 731	22 014 610
Total	47 292 725	53 048 154	62 087 297	62 367 988

The above data shows that the funds allocated from the state budget for the performance of assignments delegated by the government administration will remain at similar level, with a slight declining trend, whereas the funds allocated from the municipality budget for the performance of own assignments will increase.

Table 5

Year Population	Budget		Aid beneficiaries % of population	City Welfare Centre expenditures % of total budget	Headcount at the City Welfare Centre and in controlled entities	expenditures		Expenditures under agreements	People and families covered by social work
	Income Actual in PLN	Expenditures Actual in PLN				Assignments delegated to municipality and county Total	Own assignments of municipality and county Total		
2004 774 004	1 687 221 322	1 736 144 927	102 000 13,17%	167 654 554 9,65 %	2 301	42 317 364 1 256 168 43 573 532	38 761 626 85 053 779 123 815 405	265 617	
2005 767 628	1 847 629 842	1 899 094 227	103 894 13,53%	226 746 038 12,27 %	2 491	74519512 1313530 75 833 042	64 723 502 82 154 478 146 877 980	4 035 016	
2006 760 021	2 109 913 508,280	2 147 327 8 27, 940	102 000 13,42 %	307 349 630 14,31 %	2 473	135 063 131 1 388 809 136 401 940	75 533 579 91 108 897 166 642 476	4 255 214	82 599 (41 331)
2007 753 190	2 338 376 0 23, 350	2 420 100 9 32, 670	>100 000 13,27 %	334 828 735 13,83 %	2 586	141 148 725 1 802 910 142 951 635	89 373 543 97 194 577 186 568 120	5 308 980	73 671 (37 982)

Closing remarks

1. Granting of cash benefits under social welfare system is not a major objective of social welfare – it may not be an objective by itself.
2. Limitation of activities only to granting cash benefits without active development of other forms of assistance that are helpful in independent overcoming tough life situations, may lead to social exclusion and creation of underclass.
3. Vast majority of beneficiaries, especially persons with various social dysfunctions hand over unique poverty culture from one generation to another.
4. Solving of problems of social welfare beneficiaries is improved by building a system of social welfare bodies based on work of involved social services.
5. The average level of purpose-specific benefits in the operations of the City Social Welfare Centre in Łódź , e.g. in 2005 – PLN 96, in 2006 - PLN 124, temporary benefits e.g. in 2005 - PLN 107, 2006 - PLN 124 shows that aid received by beneficiaries was symbolic. It should be noted that the lowest wage in Poland in 2004 – 2009 was as follows: 824 – PLN 849 – 889.10 – 936 – 1126 - 1276.
6. In practice Poland lack a social welfare system designed on the basis of subsistence level and evaluation methodology of the needs of private individuals.
7. Data in Table 5 shows that the number of social welfare beneficiaries has practically remained at unchanged level. An increase of social welfare spending in 2004 – 2006 by approx. 2.5% per year practically did not cause any visible decline in the number of beneficiaries. Thus, it was probably one of the reasons determining keeping of social spending in 2007 at a level lower than in the previous year.
8. An example of mounting problems in the field of social welfare could be also swelling expenses of the Municipality and higher and higher amount of compensation payments pursuant to Art. 18 par. 4 of the Act on Protection of Tenants' Rights due to Municipality failure to supply a social housing unit on time.

Year	Compensations in PLN .
2005	14 403
2006	29 042
2007	184 697
2008	435 109

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