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Public Utility Services in Poland and Belarus

Abstract

The text deals with the definition of public services and their scope in Belarus and Poland. As a result of the conducted research, it was found that it is difficult to accept one criterion indicating that the given services are public. A permanent criterion of non-payment for the services provided cannot be accepted, as there are public services which are paid for. A wide group of beneficiaries may indicate that it is a service or product of general interest. A comparison of the scope and services of public utility in Belarus and in Poland shows their wider scope present in Belarus.

The aim of the study is to investigate:

- whether the scope of public utility has evolved in the last thirty years, after the political transformation that took place in Poland and Belarus,
- what scope of public utility services is provided by the public administration in Poland and Belarus,

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– whether services of general interest can be provided by private entrepreneurs in these two States.

Conducting the research required the use of a comparative research method aimed at comparing the legal regulations regarding the conduct of activities in the field of public utility in Poland and in Belarus. The historical-legal method was also used to show the evolution of the scope of public utility services through the change of legal regulations.

Key words: public utility, public services, protection of health, ensuring energy security

1. Introduction

The development of human society and its normal existence is impossible without the production and delivery of services of general interest, but the very concept of public utilities and public goods are undergoing the evolution that can affect the development of almost all areas of human life.

Public utility is defined as the involvement of the public sector in the implementation in the economy of the state.¹ The scope of the public interest is constantly changing. In the past, the activity related to fixed telephony was the domain of the state, now in the field of telecommunications there has been a change to mobile telephony provided by private entrepreneurs.

The given text concerns the scope of public utilities in Poland and Belarus, the scope of activities of public utilities, and the explanation of the modern concept of public utilities.

The aim of the study is to investigate:

- whether the scope of public utility has evolved in the last thirty years, after the political transformation that took place in Poland and Belarus,
- what scope of public utility services is provided by the public administration in Poland and Belarus,
- whether services of general interest can be provided by private entrepreneurs in these two States.

Conducting the research required the use of a comparative research method aimed at comparing the legal regulations concerning the conduct of activities in the sphere of public utility in Poland and Belarus. The historical-legal method was also used to show the evolution of the scope of public services through the change of legal regulations.

1 P.A. Samuelson, W.D. Nordhaus, *Ekonomia*, Poznań, 2019, p. 65.

The scope of services of general interest is something variable and constantly evolving. It happens that some services in the initial stage of development were provided only by state-owned enterprises, e.g., passenger rail transport, telephone services, so that after some time private entrepreneurs were allowed to provide these services. It also happens that some services, originally created by the private sector, become so important for the functioning of society that the public administration was forced to subject the provision of those services to regulation, supervision to ensure continuity, cheapness, and thus universal access to these services. An example is the provision of access to the reliable and cheap Internet, without which the economy, society and education cannot function, especially in the period of the Coronavirus pandemic, which has lasted since the end of 2019. Public services distinguish their importance to the whole society. A simple distinction between public and commercial services cannot be made by the criterion of their profitability for the service provider, as both can be both profitable and non-profitable. Also, it is impossible to distinguish between public utility services by the criterion of the entity that performs them, as they are provided by entities related to the public and private sectors. The lack of payment for the provided services may indicate that they are public utility services, and they can be performed by both public and private entities. Whether a given service is of public utility is evidenced by its importance to the society, economy, specific social groups, or the region.

The provision of public services in Poland and Belarus takes place in different political and economic conditions, which makes it difficult to compare them. In Belarus, it is visible that services of general interest are identified with the activity of the state, state-owned enterprises, and the activity of regions and communes. Activities in the field of public utility by private entities are limited to activities in the field of sports and recreational activities and encounter difficulties in obtaining permission to start such activities on the part of the government administration.

In Poland, operating in the field of public utility is possible by entities of the State government, local government and the private sector. Private organizations of public benefit, e.g., associations, foundations, may provide services free of charge, as they may receive a part of the income tax paid by natural persons, provided that these persons declare that they donate a part of the tax for the activities of these organizations. In this way, they are independent in the provision of public services from financial support from the public sector.

2. The Concept of Public Utility

The concept of 'public good' is related to the public interest. 'Public good' is the production of collective goods. The production, distribution, and consumption of 'public good' do not always take place under market conditions. 'Public good' can be defined as a specific type of service produced by the public sector of the economy for general (including joint) consumption by individuals and enterprises. Public goods are non-exclusive, which means that the producer (supplier) of a public good is not able to exclude (legally, physically, economically, and politically) others from consuming the same good at the same time. Consumption of such a good by one person does not limit the possibility of its consumption by others. The difference between a public good and a private good is that the public good has certain basic characteristics that distinguish it from the private good, such as: uncompetitive consumption, indivisibility, and no possibility of exclusion.

In the past, public utility was identified with the public sector:² government and local government. The activities in the field of public utility were related to the economic activities carried out by local government units together with the State Treasury and their subsidiaries. The activities of public interest are considered as being of general interest or when they become a matter of public concern.³ Activities in the sphere of public utility are essential for the functioning of local government, the state and the residents. Public utility satisfies, *inter alia*, basic needs of residents and commercial entrepreneurs. The fulfilment of these needs allows, among others, the efficient functioning of the state. When the central and local government administrations are unable to perform their tasks related to the implementation of the public utility effectively, it means that they cannot cope with satisfying the needs of the residents and entrepreneurs.

It is assumed that, regardless of the political system in a given country, activities in the sphere of public utility concern:

- a) ensuring the safety of the functioning and development of society in the external and internal world, countering the aggression of another state, ensuring a sense of physical, fire, communication and legal security of citizens and entrepreneurs, developing security measures (military equipment, weapons, ammunition, etc.);
- b) ensuring communication in the society, among entrepreneurs and among countries (which includes, among other things, providing a road network for cars, trains, aircrafts, ships, servicing transport infrastructure, bridges), postal

2 E. Wojciechowski, *Samorząd terytorialny w warunkach gospodarki rynkowej*, Warsaw 1997, p. 18.

3 A. Khan, *The Economics of Regulation, Principles and Institutions*, vol. I, Cambridge 1988, p. 6.

- services and telephone communications (fixed and mobile communications, access to the Internet, access to other means of communication that will be used for communication in the future), provision of lighting for public roads;
- c) ensuring energy security through access to electricity, gas, fossil energy sources, fossil fuels, liquid fuels used to drive mobile vehicles (cars, trains, airplanes, etc.);
 - d) protection of health and life through access to health care and the functioning of services preventing the loss of life and health by residents, preventing environmental pollution, which may adversely affect the health of residents;
 - e) providing help and care to the elderly, chronically ill, dependent people;
 - f) ensuring sanitary safety through water supply, collection and treatment of wastewater, collection and disposal of waste;
 - g) financial services – such as making funds available to entities with creditworthiness;
 - h) education services – by ensuring access to kindergartens, secondary schools, high schools, vocational schools and universities;
 - i) services in the field of access to cultural goods such as: theatres, operas, operettas, cinemas, etc.;
 - j) recreation and sports services – by providing access to sports facilities such as: swimming pools, sports fields, sports halls, playgrounds for children and parks.

Public utility services are characterized, *inter alia*, by the fact that they are available to almost everyone, constantly and reliably.⁴ Accessibility to almost everyone means that these services are cheap, i.e., everyone can afford to use public goods, e.g., public transport in the city – a working person, a pensioner, a pupil, and a student. The ease of access to services of general interest does not mean that they are provided for free, but that the payment is quite affordable. The provider of these services does not take advantage of a monopolistic position, or the central or local government administration has an impact on the prices of public utility services provided by private entities. Widespread availability of public services means that they can be used by everyone after meeting the conditions for the provision of these services, and that the safety of using these services for the other beneficiaries is not endangered by a single beneficiary (e.g., no intoxicated people can use planes, buses or trains).

Public services can be profitable and generate income for those who provide these services. Therefore, they can be made or provided by private entrepreneurs.

⁴ Also K. Horubski, *Pojęcie zadań użyteczności publicznej w ustawie o gospodarce komunalnej*, "Przegląd Prawa i Administracji" 2014, No XCVIII, p. 38.

The provision of public services in the field of health care, public transport (air transport, bus transport), telecommunications, the Internet, the protection of people and property, heating, garbage disposal, education, sports, cultural services is carried out by private entrepreneurs who do this after obtaining permission from the state or self-governing administration. The public administration may or may not influence the pricing of a public service by approving it. A private entrepreneur who runs a sport and recreation centre or a hospital can receive remuneration for services rendered at a level acceptable to clients, i.e., based on market principles. This does not change the nature of the paid services as public. The activity of the state and local self-government in the provision of services of general interest often concerns unprofitable services, which private entrepreneurs are not interested in. The State Treasury and local government units fill the gap in this respect, as they can provide public services that bring economic losses but are necessary for residents and entrepreneurs. Services of general interest should not be identified with the person performing them, but with their purpose and nature. It does not matter for the recipient of public utility services whether the possibility of making telephone calls and access to the Internet is provided by a private, state or local government operator. However, it is important that this access is uninterrupted, of adequate quality, and that prices are affordable.

The functioning of the economy requires an efficient payment system, settlements between entrepreneurs and consumers, and access to repayable funds, such as loans, letters of credit, guarantees, etc. Banks, credit institutions, entities dealing with payment settlements play an important role in the economy. These entities have a private structure, but they are supervised by the government administration. Financial sector entities are special entrepreneurs, because all over the world efforts are made to eliminate cash payments in favour of the non-cash payments, i.e., payments by transfers, cards, etc. This contributes, *inter alia*, to combating the financing of terrorism and money laundering. Making payments between entrepreneurs with the use of interbank settlements contributes to the reduction of tax avoidance. The payment settlement services provided by banks contribute to the fight against terrorist financing and money laundering. Therefore, the activities of financial sector entities exhibit certain features of public services. In addition, the chances of access to expensive selection are levelled by providing repayable funds by banks and credit institutions to entities with creditworthiness. These are, for example, real estate serving as housing for consumers or new technologies for entrepreneurs who have not managed to raise enough capital to be able to develop investment activities with their own funds. The safe functioning of the banking and financial sector is so important for the economy of every country that these entities are subject to special supervision, including the provision of services.

3. Public Services in Belarus

From the point of view of the institutional economy, the public sector in Belarus is a set of institutions functionally united by the goals of producing public goods and by non-market methods of regulating economic activity. Public sector institutions are represented by public sector organizations and non-governmental non-profit organizations.

In Belarus, the state as the main political and legal institution, using its prerogatives of power, through legislative, executive and judicial organs, organizes relations among members of society and creates conditions for their coexistence. The public service sector represents the interests of the entire community and is, therefore, often referred to as the public sector.

Public utility and public goods in Belarus appear as:

- the main result of the activity of a specific sector of the economy – the public sector,
- the most important representative of a special product in the economy – services,
- a source of the in-depth specification of enterprises, organizations, institutions producing a specific public good.

The following criteria can be proposed that correspond to the concept of 'public good' in the economy of Belarus:

- a) they are provided free of charge or at a lower cost than the same in the commercial sector;
- b) they are produced in the interest of a larger community with unrestricted access;
- c) they are often compulsory and cannot be avoided;
- d) new recipients do not compete with the existing ones by consuming the goods;
- e) personal consumption of goods cannot be measured;
- f) the possibility of banning the consumption of goods is difficult;
- g) the benefits are generated owing to the government financing based on monitoring changes in the social effect; appropriate changes are introduced in the annual budget.

Thus, it is possible to define a public good in the Belarusian economy as a product, work or service of great social importance, provided from government funds on a gratuitous or conditionally gratuitous basis.

The economic model of Belarus differs from many former Soviet Union republics by the strong influence of the government and the presence of a large public sector compared to the limited private sector.⁵

⁵ И.М. Лемешевский, И.П. Деревяг., Национальная экономика Беларуси, Минск 2012, pp. 47–53.

The modern system of public services in Belarus is based on the use of the direct government regulations. This interaction is necessary for the Belarusian authorities to be able to produce public services effectively, strengthen the impact of positive externalities, as well as maintain economically unjustified costs ensuring the objectives of social policy, and reduce the negative impact on the economy of the external effects of this service provision process.

There is no clear legislative division into the commercial sector and the public goods production sector in Belarus. It is customary to define the institutional structure of the public sector and its boundaries according to the System of National Accounts (SNA) adopted by the United Nations in 1993. In the Republic of Belarus, according to the system of national accounts, economic activity is divided into sectors.⁶ Entities conducting economic activity are assigned to appropriate sectors of the economy in accordance with the principle of functionality, from the point of view of the homogeneity of their functions and sources of financing, which implies their similar economic behaviour.

The main sectors are non-financial organizations, financial institutions, government organizations, households, non-profit organizations working for the benefit of the households.

The 'governmental organizations sector' includes institutional units that, in addition to performing their political and economic regulatory roles, mainly provide non-market services (and possibly produce public goods) for individual or social consumption in the spheres of health protection, social security, education, culture and art, recreation and public administration services, maintaining order and security, defence, science, road infrastructure, agriculture.

The sector of state organizations is the backbone of the public sector. In Belarus, the authorities act on behalf of the society and use state property in their own interest. The institutional structure of the public sector of the Republic of Belarus consists of state organizations with republican and communal forms of ownership and organizations with state participation in the share capital. The economy of the public sector is often equated with public finance.

In Belarus, public goods can be differentiated according to the territories within which they are consumed. Nationwide public goods are produced, distributed and consumed throughout the country. The production of nationwide public goods does not go beyond the state. Domestic public goods contribute to the creation of human capital, where government plays a significant role in spending on education

⁶ See: An official website of the National Statistics Committee of the Republic of Belarus, <https://www.belstat.gov.by/> (accessed: 16.02.2022).

and health. The government finances the education of specialists whose activities influence economic development.

Local public goods are produced, distributed and consumed at the local level, and at the same time only a narrow group of recipients has access to them.

In the Belarusian economy, the following entities conduct economic activity in the field of public utility:

- state monopoly (e.g., air transport and rail transport),
- State Treasury companies with significant state capital (e.g., in the chemical, food industry and construction),
- companies with the Treasury share of approximately 50% in share capital (trade, gastronomy, hotels),
- companies with the Treasury share of less than 30% in share capital (real estate services, accounting, advertising and marketing).

A significant part of the public sector in Belarus is succession to the USSR. State-owned enterprises on the territory of today's Belarus were established in the years 1950–1970. In Belarus, more than half of the country's population works in the public economy.⁷ State-owned enterprises account for 73.3% of industrial production, 16.2% of retail turnover, and 32.5% of the catering sector.⁸ The share of the public sector in GDP has not changed for many years and is around three-quarters.

The social sphere of the Republic of Belarus includes the branches of the national economy that produce services for supporting the life of its population. The social sphere highlights the structure of the national economy through the provision of services: meeting the needs of the society in terms of professional activity, socio-economic activity and spiritual culture. In Belarus, the following sections can be assigned to the social sphere: healthcare; sport, culture and mass media; education, and social benefits in the form of pensions and retirees.

The production of public goods and services is entirely financed from the state, regional or municipal budgets, and they are provided free of charge, which ensures government guarantees of their availability. The state guarantees a minimum standard of their provision in each region, preserving one social space, and by this realizing the basic constitutional rights of its citizens.

In the Republic of Belarus, investments in public goods are distributed in the following areas: defence, law and order, security, healthcare, education, culture, sports, eliminating the consequences of the Chernobyl nuclear power plant

⁷ <http://belstat.gov.by/> (accessed: 16.02.2022).

⁸ Budget of the Republic of Belarus for 2021, <https://www.minfin.gov.by/upload/bp/budjet/budjet2021.pdf> (accessed: 16.02.2022), p. 84.

accident, development and maintenance of roads and logistic systems, energy and environmental protection.

In connection with the events in Belarus, the structure of state expenditure on public goods has changed significantly since August 2020. The huge part of the budget is devoted to the maintenance of repressive power, law enforcement and courts. For example, budget expenditure on the administration of the President and his officials in the first months of 2021 increased by 142% (2.42 times) compared to January–February of 2020. Funding for education and medicine has decreased correspondingly. For example, the salaries of academic teachers, which were already several times lower than the salaries in the EU, decreased in 2021.

Non-profit organizations (NPO) occupy a special place in the structure of the public sector in Belarus. Non-profit organizations are self-organized forms of the population and organizations created to implement social and other non-commercial activities. In the Republic of Belarus, the following types of non-commercial legal entities based on membership are envisaged: public associations, religious organizations, political parties, trade unions.

According to the latest data, there are 2,665 social associations in Belarus. This is an extremely low number. For example, in the Czech Republic, with a population of just over 10 million, there are 20 times more social associations. Moreover, the statistics on the number of such organizations in Belarus have not changed over the past 15 years. Most Belarusian non-profit organizations operate in the field of physical culture and sport (714).

The main reason for the low number of public organizations in Belarus is the rather complicated registration procedure. To create a local social association in Belarus, it is necessary to have at least 10 founders in two or more administrative and territorial units to which this NGO will expand its activities. The national association needs 50 founders who live in at least four regions of Belarus and Minsk.

The problem of arbitrary refusals to register non-profit organizations is still present in Belarus. The officials of the registering body have the discretion to decide whether to register a given public association. Belarus is one of the few countries where there is criminal liability for membership or leadership of an unregistered public association. Another problem in the development of non-profit organizations in the Republic of Belarus is the lack of funds and sufficient subsidies from the state.

The systematic decrease in the socio-economic indicators of the state in the provision of public goods of great social importance (education, science, health care, culture) will practically not be reflected in the Belarusian society until the emergence of an open confrontation between the society and the government, whose actions should be aimed at protecting public interests.

The main problems in producing public goods are as follows:

- the quality of provided public services,
- the amount of provided public services,
- the scope of provided public services,
- the costs related to the production and provision of the services.

State actions aimed at eliminating market failures are far from the reality. The state, being a monopolist in the production of public goods, is deprived of incentives to minimize costs, improve the quality of products, and introduce new technologies. In most cases, the main objectives of the state's policy in the field of public goods are achieved by using various methods of legal regulation, one of which is direct government intervention.

The coexistence of public and private offer does not yet create a perfect market if public institutions receive subsidies and cover losses from tax revenues, whereas private ones depend on their own profitability. The best option to improve the provision of public services is the interaction of state and market institutions applying some government regulations in conjunction with the market mechanism. This interaction leads to the following results:

- enables the balance of public and private interests to be achieved; leads to the presence of service orientation to the needs of the population,
- lowers the costs of providing services,
- simplifies the procedures for evaluating work results,
- accelerates the implementation of changes,
- adapts service organizations to the changing external environments.

Restructuring the public goods sector requires a complete reform of the entire political and economic system of the Republic of Belarus.

4. Public Services in Poland

The provision of Art. 6, Sec. 1 of the Act of 25 September 1981 on State Enterprises,⁹ stipulates that public utility enterprises are aimed at meeting the needs of the population on an ongoing basis and are aimed at the production or provision of services in the field of: sanitary engineering, public transport, electricity supply to the public, gas and heat, management of state housing resources, management of state green areas, funeral services and maintenance of cemetery facilities, and cultural services. A similar definition of public utility services is included in Art. 1, Sec. 2

⁹ Dz.U. (Journal of Laws) of 2021, item 1317.

of the Act of 20 December 20 1996 on Municipal Management.¹⁰ Municipal management includes, in particular, public utility tasks aimed at meeting the collective needs of the population on an ongoing and uninterrupted basis through the provision of generally available services. Listed in Art. 6, Sec. 1 of the Act on State Enterprises, the scope of public utility activity is exemplary and constitutes an open catalogue. Both acts were drafted in the last century, the provisions in question have not been amended since their entry into force. The open catalogue of the scope of activities of state public utility enterprises indicates that they can deal not only with the activities listed in Art. 6, Sec. 1 of the Act on State Enterprises. The government administration provides public utility services using the following organizational and legal forms: State Treasury companies,¹¹ state-owned enterprises, executive agencies,¹² state cultural institutions, and foundations. Local self-government may carry out tasks in the field of public utility with the use of the following organizational and legal forms: companies, local government budgetary establishments, and in special cases, also associations and foundations.

In Poland, public utility services are provided by: legal persons belonging to the State Treasury, public benefit organizations, churches and religious associations, foundations, associations, natural persons, private entities, and three levels of local self-government: communes, districts, regions. Legal persons belonging to the State Treasury and local self-government provide public services to the greatest extent. The scope of their economic activity results, *inter alia*, from tasks specified by the statutory law concerning local self-government of a particular level. Municipalities (Art. 7, Sec. 1 of the Act of 8 March 1990 on Municipal Self-Government¹³) can deal with, among others: municipal roads, streets, bridges, squares; waterworks and water supply, sewage, disposal and treatment of municipal wastewater, maintenance of cleanliness and order and sanitary facilities, landfills and disposal of municipal waste; electricity, heat and gas supply; activities in the field of telecommunications; local public transport; healthcare; running care centres and institutions; municipal housing construction; public education; markets and market halls. Poviats conduct activities in the field of public utility related to (Art. 4, Sec.1 of the Act of 5 July

¹⁰ Journal of Laws of 2021, item 679.

¹¹ E.g., Energa Joint-Stock Company with its seat in Gdańsk, PKP Polish Railway Lines Joint-Stock Company with its seat in Warsaw; Polish Post Joint-Stock Company with its seat in Warsaw, Polish Defence Holding Limited Liability Company with its seat in Warsaw, Tauron Polska Energia Joint-Stock Company with its seat in Katowice.

¹² The provision of Art. 18 and following of the Act of August 27, 2009, on Public Finances, i.e., Journal of Laws of 2021, item 305.

¹³ Journal of Laws of 2022, item 559, hereinafter A.M.S.G.

1998 on Poviats Self-Government¹⁴): public education, health protection, public transport and public roads; maintenance of district public utilities and facilities. Self-government voivodships provide public services in the following scope (Art. 14, Sec.1 of the Act of 5 June 1998 on Voivodship Self-Government¹⁵): public education, including higher education; health protection; public transport and public roads; activities in the field of telecommunications.

Special provisions may result in other tasks of local self-government units relating to public utility services, e.g. construction or operation of telecommunications infrastructure and telecommunications networks and acquisition of the right to telecommunications infrastructure and telecommunications networks; provision of telecommunications networks or access to telecommunications infrastructure; services for: telecommunications undertakings and end users (Art. 3, Sec.1 of the Act of 7 May 2010 on Supporting the Development of Telecommunications Services and Networks¹⁶). The activity of local self-government units in the construction of telecommunications infrastructure and telecommunications networks may be undertaken if in a given area: there are no telecommunications infrastructure or telecommunications networks; the existing telecommunications infrastructure and telecommunications networks are not available or do not meet the needs of the local self-government unit (Art. 3, Sec.1a of the Act of 7 May 2010 on Supporting the Development of Telecommunications Services and Networks). Other acts specify the scope and manner of implementing a specific task, e.g., two acts indicate how to meet housing needs and to implement construction of apartments by a commune. These are the Act of 26 October 1995 on Certain Forms of Support for Housing Construction,¹⁷ the Act of 8 December 2006 on Financial Support for the Creation of Residential Premises for Rent, Sheltered Flats, Night Shelters, and Shelters for the Homeless, Heating Facilities and Temporary Rooms.¹⁸ The Act of 15 April 2011 on Medical Activities¹⁹ specifies the scope of running hospitals, medical clinics and the organizational and legal forms in which the activity in question is carried out, i.e., limited liability company, joint-stock company, budgetary unit, or independent public health care facility.

14 Journal of Laws of 2022, item 1526, hereinafter A.P.S.G.

15 Journal of Laws of 2022, item 547, hereinafter A.V.S.G.

16 Journal of Laws of 2022, item 884.

17 Journal of Laws of 2019, item 2195.

18 Journal of Laws of 2018, item 2321.

19 Journal of Laws of 2022, item 633.

Private entrepreneurs may provide public utility services and perform them in the following organizational and legal forms: commercial companies, associations, foundations, and individual entrepreneurs, unless a specific regulation indicates the need to use a certain organizational and legal form. Private entities sometimes provide services in the field of general interest free of charge, e.g., care for dependent persons,²⁰ education, and medical care. Private entrepreneurs obtain means for this type of activity from the transferred 1% tax from natural persons, from donations, funds received from the state budget or local self-government units. In the latter case, public sector entities perform public tasks through private entities, which perform commissioned public tasks for funds from the state budget or local self-government units. Public services can be performed by private entrepreneurs for payment (e.g., public transport of natural persons by coach) or partially for payment i.e., when the beneficiaries only bear part of the costs of public services they use (e.g., the possibility of using a private swimming pool by the residents of the commune, which subsidizes the tickets purchased by the locals).

It is sometimes difficult to distinguish when public services are provided and when commercial services are provided by public finance sector entities or by private entities. Municipalities and voivodships may conduct commercial activities, i.e., outside the public utility sphere. Poviats do not have such a possibility, which results from Art. 6, Sec. 2 of A.M.P.G. The municipalities have the widest possibilities in this respect, *inter alia*, they can establish commercial law companies and join companies dealing with banking, insurance, advisory, promotional, educational and publishing activities for the local self-government; as well as other companies important for the development of the commune, operating in the field of housing for rent, including the right to the tenant to acquire ownership of the premises in the future; and sports clubs operating in the form of a capital company (Art. 10, Sec. 3 of A.M.S.G.). The provision of Art. 13, Sec. 2 of A.V.S.G. provides that a voivodeship may establish and join limited liability companies and joint-stock companies if the activities of the companies consist in the performance of promotional, educational, publishing activities and in telecommunications activities aimed at the development of the voivodeship. Each level of local self-government in Poland may deal with educational activities in the field of public utility, i.e., municipalities run kindergartens, primary schools and secondary schools; poviats run secondary schools; and self-government voivodeships may run higher education institutions. The provisions of Art. 10, Sec. 3 of A.M.S.G and Art. 13, Sec. 2 of A.V.S.G. indicate

²⁰ More on the concept of dependent people see: W. Gonet, *Finanse publiczne wobec zmian demograficznych*, in: M. Ziolo (ed.) *Finanse publiczne*, Warsaw 2021, p. 154.

that municipal and voivodeship capital companies may engage in educational activities. In this case, interpretation doubts arise when the activities in the field of education carried out by municipalities and self-governmental voivodships are of public utility nature, and when they are commercial activities. A distinction can be made in this respect based on the criterion of payment or partial payment for the provided services. When learners do not pay for their education, it can be assumed that these are public services, and when learners pay for education, it is a commercial activity. However, this will not be a criterion allowing for a precise distinction between public and commercial services, as it may happen that the costs of educational courses organized by municipalities or local self-government voivodships will be financed from external funds, e.g., from private entities that provided the municipality with funds for a specific purpose. In addition, in educational institutions run for children and adolescents, it may happen that children's parents will voluntarily pay partial fees, e.g., for the repair and tuning of instruments in local and state music schools, for equipment with devices used to conduct experiments.

Private entrepreneurs can also provide public services— free of charge, partially for payment or for full payment. It depends on whether the costs of providing the services are covered from sources other than from the beneficiaries.

Public sector entities, i.e., government administration and entities created by them, local self-government units and entities created by them, as well as private entities, including churches and religious associations, provide services of general interest in Poland. The latter are most active in helping dependent and indigent people. Private entities, such as non-governmental organizations, operate as associations or foundations and their activities are not focused on profit, but on the provision of various services of general interest to support dependent people and people in need of periodic financial, psychological, and organizational support.

5. Conclusions

The range of services of general interest varies and is constantly evolving. It happens that some services at the initial stage of development were provided only by state-owned enterprises, for example, passenger rail transport, telephone services, so after a while, private entrepreneurs were allowed to provide these services. It also happens that some services, originally created by the private sector, become so important to the functioning of the society that the public administration is forced to subject the provision of these services to regulation and supervision to ensure continuity, low cost, and thus universal access to these services. An example is the provision of access to reliable and cheap Internet, without which the economy,

society and education cannot function, especially during the Coronavirus pandemic that has lasted since the end of 2019. Public services are distinguished by their importance to the society as a whole. It is not possible to make a simple distinction between public and commercial services by the criterion of their profitability for the service provider, as both can be profitable and non-profitable. It is also impossible to distinguish public utility services by the criterion of the entity that performs them, as they are provided by entities related to the public and private sectors. The lack of payment for the provided services may indicate that they are public utility services, and they can be performed by both public and private entities. Whether a given service is of public utility is evidenced by its importance to the society, economy, a specific social group, or the region.

The provision of public services in Poland and Belarus takes place in different political and economic conditions, which makes it difficult to compare them. In Belarus, it is visible that services of general interest are identified with the activity of the state, state-owned enterprises, and the activity of regions and communes. Activities in the field of public utility by private entities are limited to activities in the field of sports and recreational activities and encounter difficulties on the part of the government administration in obtaining permission to start such activities.

In Poland, operating in the field of public utility is possible by entities from the government, local government and the private sector. Private non-profit organizations, such as associations or foundations, can provide services free of charge, as they may receive a part of the income tax paid by natural persons, provided that these persons declare that they donate a part of the tax for the activities of these organizations. In this way, they are independent in the provision of public services from financial support from the public sector.

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