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Strategic Reserves in National Security System of the Republic of Poland


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ABSTRACT

People instinctively sought to ensure their own security since the dawn of time. This simply existential need impelled people to seek new solutions for its assurance. You may say that the need for security shaped the attitudes of people, and greatly contributed to the current development of civilization. This article is dedicated to the strategic reserves of our nation and its role for the security of local communities in Poland. The primary problem, that has been addressed herein, is the possibility to provide strategic reserves in crisis situations, on the basis of analyses carried out by the Material Reserves Agency, taking place in recent years.

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1. Introduction

People always cared for their safety and its provision. This so-called existential need stimulated people to seek for the ways of ensuring security.
One may say that the urge to feel secure shaped people’s behaviour, and extensively contributed to the current phase of civilisation development.

At the beginning of existence man has learned from animals that in times of plenty he should gather food in order to survive the times of shortage that follow. The need to make reserves was, among other things, the cause of the development of primitive manufacturing that served the purpose of feeling secure and protecting against hunger. The first goods that were stored by the earliest people were, of course, food and water. Over time, people started to collect and store new types of products.

During times of communism collecting various food products for winter gave the sense of security and was associated with economic efficiency and frugality. *Each individual seeks to watch over, as far as he can, own goods and protect them against any damage. However, the man is left to left to one’s own resources and unable to spend time on looking after the property over and over again (...). The goods are well protected by a man when they cannot be destroyed by a harmful action, whether deliberate or non-intentional, or such an action is seriously hindered*.

This article has been devoted to the strategic reserves of the Republic of Poland and their role for providing security of local communities in our country. The main research problem which is being discussed is the possibility of the provision of strategic reserves in crisis situations on the basis of analyses carried out by the Material Reserves Agency, taking place in recent years.

2. The necessity to create reserves

As it is indicated in the literature, *the economy of each country is exposed to all sorts of disturbances, irrespectively of the degree of economic development, economic system, geographic location or the political system of a particular nation*.

The importance of the reserves for the defensive capability of a nation is clearly emphasized in Resolution No. 168 of the Council of Ministers of December, 11 1989 on the rules of creating national reserves and their management, in which the purpose of forming the reserves is clearly ex-

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plained, that is, realisation of particularly important tasks for the economy and ensuring the performance of the defensive and mobilisation tasks in the national economy, in connection with rules of Universal Duty to Defend the Polish People’s Republic [PPR].

Necessity to create and manage reserves to realize the duties in the field of defence and security are expressed in the provisions on the national reserves of 1996 and in provisions of 2010 where the meaning of national reserves for security, order and public health were emphasized, as well as their role in the fulfilment of international obligations. It is hereby worth to state that the strategic reserves system, its purpose and duties has been also discussed in *National Security Strategy of the Republic of Poland 2022*, a document adopted by the resolution of Council of Ministers of April, 9 2013.

With reference to an objective which has been defined as a development of resistance to security hazards, including extraordinary and unpredictable events, it was indicated that its realisation takes place mainly by strengthening protection of critical infrastructure and building the system of strategic reserves.

3. **Institutions and bodies appointed to implement tasks in the field of national reserves between 1950–1996**

The first act which formally declared the need to create national reserves in Poland was Act of March 7, 1950, under which The State Reserve Bureau had been established. This body was responsible for issues related to national consumptive and material reserves. This office was subject to the Economic Committee of the Council of Ministers, on the motion of which, the office was designated with its form of functioning and attitude towards local branches. The same procedure was applied for issuing the rules of the duties of the State Reserve Bureau which specified, in particular, forms and mode of cooperation of the office with government authorities, public institutions and socialized (public) enterprises. In subsequent years, as a result of changes in the legal system, the Prime Minister specified the rules of creating national reserves and forms and mode

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3 Ibidem.


5 Act of March 7, 1950 on the State Reserve Bureau (Journal of Laws 10, item 103, as amended).
of cooperation of the State Reserve Bureau with other institutions and public entities.

By decrees of the President of the State Reserve Bureau of 1960, there has been established an “Okręgowy Zarząd Zakładów »Technomag«” in Warsaw, “Składnica Artykułów Rolnych” in Warsaw, and “Państwowe Magazyny Uslugowe”, however after 10 years, since the 1st January 1970, the above mentioned bodies no longer existed. Then, under internal resolutions of the President of the State Reserve Bureau, the following institutions were established: “Zarząd Organizacji Dostaw »Intermat«” and “Zarząd Zakładów Komplecacji Dostaw »Centromag«”. Tasks, obligations and powers relating to the field of reserves with material assets, financial assets and internal entities of the office were submitted to the office of the Minister of Health and Social Affairs.

For the next 26 years, as a result of constant political shifts, many institutions were appointed that in that period of that time were responsible for the issues related to national reserves.

4. History of the Material Reserves Agency since its establishment in 1996

As a result of the changes on international level as well as macroeconomic transformation taking place in the Republic of Poland, a need for the revision of the law on the strategic reserves has arisen. The change in the types of security hazards from military to asymmetric, and also the change of the way of functioning of the economy from centrally planned to market economy in the area of the European Union, caused the necessity to introduce new legal regulations concerning strategic reserves.

On the basis of the Act of May 30, 1996 on national reserves and obligatory fuel reserves, the Material Reserves Agency (MRA) was estab...
lished subjected to the Ministry of Industry and Trade to the competence of which the materials, resources and fuel reserves belonged. Moreover, the Agency took over the tasks and duties as well as material and financial resources from the Central Administration of the State Reserves and from the Medicines and Health Products Reserves Agency subjected to the Minister of Health and Social Affairs under the authority of which the management of medicines and health products as well as sanitary products were passed. Both Agencies carried out the duties and tasks in terms of the reserves management.

Under Act of June 21, 1996 on the office of the Minister of Economy the competences of the aforementioned minister were extended to the responsibility for, among other things, the national reserves, and coordination of the implementation of tasks in the scope of national reserves carried out by the Material Reserves Agency, Medicines and Health Products Reserves Agency and Agricultural Market Agency.

Starting from March 31, 2002 the Medicines and Health Products Reserves Agency was closed and the duties of the former agency were taken over by the Material Reserves Agency. In March 2004 this agency also took the tasks and duties connected with gathering, collecting and managing state agricultural products reserves, semi-finished agricultural products and food products. Thus, all tasks connected with the national reserves management were transferred to the jurisdiction of the Material Reserves Agency. Therefore, the use of the reserves, including resources, materials, fuels, medicines, health products, agricultural products and semi-finished agricultural products and also determining the schedule of works and expenditures regarding reserves and initiating investments ventures for the reserve needs belonged to the duties of the Material Reserves Agency.

5. Material Reserves Agency’s scope of authority by law and its tasks

The rules for creating, storing, sharing, liquidating and financing the strategic reserves, together with the way of functioning and duties of the Ma-

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10 Ibidem.
Strategic Reserves Agency are re-described by the provisions of the Act of October 29, 2010 on strategic reserves\(^{11}\) which started to be effective since February 5, 2011. Supervision over the Agency was given to the minister competent for economy.

According to Art. 26, the Material Reserves Agency has been established as an executive body within the meaning of the Public Finance Act of August 27, 2009\(^{12}\). It has been authorised to fulfil statutory duties in the scope specified by the afore-mentioned Act and by Act of February 16, 2007 on stocks of crude oil, petroleum products and natural gas, the principles of proceeding in circumstances of a threat to the fuel security of the State and disruption on the petroleum market\(^{13}\). On the basis of Art. 27 of the Act, the Agency’s tasks in the area of strategic reserves are as follows:

1) maintaining strategic reserves, including their storage, replacement and/or exchange, and caring out maintenance of stored strategic reserves;
2) implementing the decisions of the Ministry of Economic Affairs concerning creating, sharing and liquidating strategic reserves, under provisions of the Act, by:
   a) purchasing certain amount of goods destined for strategic reserves;
   b) organizing the release of strategic reserves if they are made accessible;
   c) ensuring the processing of strategic reserves kept in the form of raw materials and semi-finished products before their release;
   d) selling liquidated strategic reserves or transferring them to bodies specified in the Act free of charge;
   e) transferring liquidated strategic reserves to recycling or disposal, in accordance with principles of waste disposal and waste management regulations;
   f) entering into agreements with companies and entities under which the Agency may use the strategic reserves which are owned by them,

\(^{11}\) Journal of Laws, No. 229, item 1496, as amended.
\(^{12}\) Journal of Laws of 2013, item 885, as amended.
\(^{13}\) This Act specifies the rules for creating, maintaining and financing stocks of crude oil, petroleum products and natural gas, caring out inspections at the companies which have an obligation to create and maintain reserves, as well as at entrepreneurs that provide storage services that were commissioned to create and maintain reserves. It also specifies the principles of proceeding in circumstances of a threat to the fuel security of the State and of fulfilling international obligations concerning the market supply with crude oil, petroleum products and natural gas.
and executing the provisions of the agreements concluded with these entities;
3) carrying out investment related to the construction or modernization of technical infrastructure to maintain strategic reserves;
4) supervising the entities which store national strategic reserves on the basis of separate agreements concluded with these entities;
5) developing a project of informing about the product range that fell under strategic reserves, about the quantity of goods, their value, ways of financing, use, distribution no later than up to September 30 each year for the first half of the year and up to March 31 each year for the previous year;
6) drawing up plans, information, procedures and reports and other documents to the extent specified in the Act or other laws;
7) performing other tasks specified in Acts or in the Government Programme of Strategic Reserves\textsuperscript{14}.

6. Structure and organization of MRA

The Agency operates on the basis of laws and a statute which is enacted by an order of minister competent for economy\textsuperscript{15}. The scope of tasks of the organizational units and branches of the Agency is determined by organizational regulations ordained by the President of the Agency. President is the authority of the Agency who manages its activity and represents it. The President works with the help of deputies and is appointed by the Prime Minister from candidates selected through an open and competitive recruitment, upon the request of minister competent for economy. The Prime Minister dismisses the President of the Agency. In turn, Deputies of the President of the Agency, in a number not greater than two, are appointed by the minister competent for economy, candidates selected through an open and competitive recruitment, upon the request of the President of the Agency. The minister competent for economy dismisses the Deputies upon the request of the President of the Agency.

In the structures of the Material Reserves Agency there are: 13 supplies depots, 6 regional branches, and since the last year, 21 warehouses.

\textsuperscript{14} Ibidem.

\textsuperscript{15} Order No. 11 of Minister of Economy of March 11 2011 on designating a statute of Material Reserve Agency (Official Journal of Minister of Economy of No. 2, item. 15, as amended).
7. Dividing reserves, the purpose of creating reserves and principles of their release

As it was observed, in connection with research carried out between 1995–1996, “the principles and functioning of the reserves in the years 1970–1994 were governed by the resolutions of the Council of Ministers, the executive orders of ministers, as well as the instructions of the Chairman of the Planning Commission at the Council of Ministers”. The problem of the reserves was also reflected in Acts that appointed offices of particular ministers, to the competences of which this issue belonged. However, the substantive question of the reserves functioning in the economic system was not governed by these Acts.

It was not until 1996 that the division of the reserves was settled, constituting a separated State Treasury asset. The reserves were divided into:

– mobilization reserves – which serve the purpose of realizing tasks related to defence and national security, with particular emphasis on the needs of the Armed Forces and public security in time of an increased defensive vigilance of the nation;

– economic reserves – which serve the purpose of meeting the basic material, product and fuel needs of the national economy and maintaining continuity of the supply of the population of our country with basic agricultural products, semi-finished food, health products and medical goods, as well as eliminating or mitigating disruptions in the functioning of the national economy resulting from unforeseen events and circumstances and natural disasters.

It should also be emphasized that, pursuant to provisions on the protection of classified information law, all information concerning planning, allocating and quantity of the state reserves, could be labelled as “classified”. Pursuant to the provisions of the Act of October 29, 2010 on strategic reserves, in years 1995–1996, on the initiative and order of the Minister of Trade and Industry a research project has been initiated, “State reserves management model in conditions of system transformation”. The results of examinations has been taken into account during creation of regulations in 1996 and discussion about most important problems in connection with research and their results were included in a book: Z. Bolkowska, Cz. Skowronek, Rezerwy państwowne. Funkcje, organizacja, ekonomika, Agencja Rezerw Materiałowych, Warsaw 1997.

16 See point II. of the Annex No. 1 do The Protection of Classified Information Act of January 22, 1999 (the latest unified text: Journal of Laws of 2005 No. 196, item. 1631 as amended), that was legally binding until 02.01.2011.
serves: strategic reserves are created in the event of national security threats and defence, public health and safety hazards, or in the event of the occurrence of a natural disaster or crisis situation, in order to support the implementation of tasks in the field of security and national defence, restoration of critical infrastructure, mitigation of disruptions in the continuity of providing supplies for the economy proper functioning and for satisfying the basic needs of citizens, saving their lives and health, as well as the fulfilling international obligations of the Republic of Poland (art. 3). As it is indicated in the content of Art. 4 of the Act, strategic reserves may include: raw materials, materials, equipment, machinery, construction elements of flyovers, road or railway bridges, elements of critical infrastructure, petroleum products, agricultural and food products, food and its ingredients, medical and health products, veterinary medicinal products and substances, and biocidal products.

In accordance with the provisions of the Act, assortments of strategic reserves and their number are determined by the Government Programme of Strategic Reserves, which is a multiannual program within the meaning of Public Finance law, financed from the state budget. This Programme is outlined by the minister competent for economy in cooperation with designated state authorities. The Programme (or its revision), upon the request of the minister competent for economy who is obliged to submit it no later than until April 30 of the same calendar year, is adopted through a resolution by the Council of Ministers up to May 31 the given year\(^1\).

Strategic reserves are created by a decision of the minister competent for economy, according to Government Programme of Strategic Reserves. The decision shall specify, in particular, assortment and the quantities, as well as the allocation of the reserves.

Implementation of the decision, in the subject of the establishment of strategic reserves, is entrusted to the Material Reserves Agency. The Act also defines the rules for buying products for strategic reserves, as well as their subsequent maintenance and liquidation.

8. THE RELEASE OF STRATEGIC RESERVES IN THE LIGHT OF LAW CURRENTLY IN FORCE

The release of strategic reserves\(^2\) is made, immediately based on a decision of the body that created the reserves in order to support the implementa-

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\(^1\) It has not been enacted yet.

\(^2\) In accordance with Article 2 point 8 of Act, the release of strategic reserves means designating them for a specific organ in a certain assortment and number and their release to use.
tion of security tasks, responsibilities concerning national defence, duties regarding the recreation of critical infrastructure, mitigating disruptions in the functioning of the national economy that hinder the continuity of the supply of products and to fulfil basic needs of the citizens, save their health and life, and also fulfil the international obligations.

Article 18 paragraph 2 of the Act states that this decision is taken ex officio or – in the scope of certain tasks indicated by the provisions of the Act – upon the request of an authorized body, that is the Minister of National Defence, competent Minister of Justice, competent Minister of Internal Affairs, competent Minister of Agriculture or competent Agricultural Market Minister, Minister of Justice or Transport, Minister of Health and other bodies carrying out tasks in the scope of security and national defence, crisis management and protection of critical infrastructure, public health and order and safety of citizens. The release for the aforementioned bodies is made free of charge. The decision is subjected to the execution by Material Reserves Agency.

The Act imposes an obligation on the President of the Agency for Material Reserves (in art. 21) to develop and submit for approval to competent Minister of Economy a detailed procedure for strategic reserves release, including temporary release of specialized assortment of strategic reserves.

9. Conclusion

Until recently, both the type of reserves the Material Reserves Agency had at its disposal and places of the reserves storage were treated as a state secret. Nowadays, the information on the assortment, range, size and location of reserves, including information showing, in general, allocation of the reserves – are “classified”. Many articles that appear in the daily press that discuss the functioning of the Agency emphasize its confidential character. It is the main reason of having not much knowledge by an ordinary citizens about the Agency but also of a small amount of scientific publications regarding this institution and scientific analysis of its legal actions.

The importance of reserves for state defence system is emphasized in all legal acts concerning them. The strategic reserve system and its impor-

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20 In legal terms, if the release of such products as construction elements of flyovers, road or railway bridges is not carried out upon request of the competent Minister of Transport, the competent Minister of Economy has a duty to coordinate the decision project with the competent Minister of Transport. It also concerns the release of specialised assortment of strategic reserves.
tance is described in the assumptions of the “National Security Strategy of the Republic of Poland 2022” in which the need for its development for the purpose of the protection of the national security is included.

Material Reserves Agency is responsible for managing the strategic reserves of the country, as well as for ensuring the availability of the structures of the Agency if a need occurs to react immediately and assist society in case of an emergency. Modern strategic reserves management and their storage to support the population and the economy in crisis situations belongs to the mission of the Agency\textsuperscript{21}. This institution is undoubtedly one of the most important organizations serving the aim of national security.

Eliminating and mitigating negative consequences for society resulting from unforeseen events and natural disasters is one of the most important tasks of the Material Reserves Agency. It is important to increase the awareness of local communities and the sense of security by promoting knowledge about the functioning of the system of strategic reserves and the role of the Agency in the response to crisis and recovery after it. The conclusions seem obvious: it is essential to inform the society about actions concerning security measures. Most important is, however, that the local organisations and institutions responsible for the security of local communities knew the procedures of the release of strategic reserves. This will help in the event of a crisis to react quickly and support the society in the most effective possible way.

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