



World Elite Database (WED) Methodological Report: Construction of the Economic Elite Population for Poland

Version 2024.11

Established in 2020, the World Elite Database (WED) project is an international consortium of scholars working together to develop a new standardized data regime to study, and share data about, elites across the world. It aims to solve the problems of comparability and heterogeneity in the study of national power structures, and to foster a cooperative community of scholars interested in studying elite populations systematically.

The logic behind the selection criteria that the WED project uses is explained fully on our website. The aim of this WED Methodological Report is to document important national sources, decisions and questions regarding the construction of study populations for each country. Each Report, as well as other information about the WED, are available at: <https://worldelitedatabase.org/>

Each national WED population uses standardized criteria for each of three selection criteria that together are intended to represent the economic elite of a country: the heads of the publicly listed companies, other large companies, the wealthiest individuals in the country, and other relevant entities participating in the making of economic regulation. Because the precise sources and logic used to define these populations is subject to researcher discretion and expertise, these Reports are intended to clarify the specific logic and sources used by each national team.

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General information

The WED Poland data contains information on 122 individuals in 126 positions. The selection of these individuals and positions is explained in the following pages of this Report, which outlines the specific selection criteria used for the study population. If not stated otherwise, the reference year of all data is December 31, 2020.

1) First Criterion (1.a.) : The publicly listed companies

We selected 20 companies from the main stock market index, which is the WIG20, with 39 positions (CEO and Chairs). Due to the cumulation of offices, the number of individuals is n=37.

The WIG20 index is based on the value of a portfolio with shares in 20 major and most liquid companies in the WSE Main List. It is a price index and thus when it is calculated it accounts only for prices of underlying shares whereas dividend income is excluded. The WIG20 index may not include more than 5 companies from a single exchange sector.¹ Constituents of the WIG20 index are 20 companies with the highest position in the ranking selected based on data following the trading session on the third Friday of February, May, August, and November. The ranking is based on 12-month turnover values and free float capitalization based on the closing price selected from the last 5 trading sessions before the ranking day. Companies that meet the Monthly Turnover Ratio (MTR) criterion in the last 12 months before the ranking date are eligible for the index. Companies in the last quartile of free-float capitalization are excluded from the ranking.²

Due to annual revisions of the WIG20 listing, there are four rankings. Most of the companies have not changed, however after quarterly adjustments on December 18th, 2020 two companies have left WIG20: Play and mBank, while two new were enlisted: Allegro and Asseco Polska. The second criterion is based on 20 companies that were consisting of WIG20 for most of 2020. We have selected 20 companies that consisted of the WIG20 Index for most of the 2020 period (1.01.2020-18.12.2020).

The maximum market cap was 9.906 billion USD (KGHM Polska Miedź SA), and The minimum was 0.6 billion USD (Alior Bank). 1st quartile: 7.563 billion USD, median: 4.34 billion USD, 3rd quartile 2.055 billion USD. For all selected companies, we include the CEO and the Chairperson of the supervisory board (this also applies to the second criterion). One

¹ <https://gpwbenchmark.pl/en-karta-indeksu?isin=PL9999999987> [access 5.04.2022]

² https://gpwbenchmark.pl/pub/BENCHMARK/files/PDF/metodologia_indeksow/new/2021_12_30_WIG20_en.pdf [access 5.04.2022]

company due to ownership structure changes had the CEO selected only, and one individual was Chairperson in two listed corporations, and CEO in a third one, meaning that only 37 individuals were included under the first criterion.

2) First Criterion (1.b.) : Other large companies (non-listed) or state-controlled/owned enterprises

We selected 32 individuals from 22 firms with more than 6844 employees AND more than USD 1.603 billion turnover in 2020 (each threshold is the lower quartile from the companies in criterion 1). To identify these companies we used the Rzeczpospolita 500 list.³

3) Second Criterion: The Rich-List

We selected 25 individuals from the magazine's Wprost list of the 100 Richest Poles. The mean market capitalization of billion USD was 0.90514 billion USD. Half of this mean is 0.45257 billion USD. Because this threshold is higher than the second rule, which is to include all billionaires with a net worth larger than the upper quartile (0.423 billion USD), we used the latter threshold.

As a source of information, we used Wprost magazine's list of 100 Richest Poles. This source has a long tradition in Poland, dating back to 1990, and is useful for historical comparisons. The methodology is not fully disclosed and has been refined for over thirty years. It covers not only company value appraisal but also personal property (mainly real estate). The list covers only citizens of Poland but it does not mean that their core business is located in Poland. The editorial office of the journal reveals, that some people are not listed despite meeting the criteria, because they are reluctant for their wealth to be disclosed.⁴

4) Third criterion: Other entities participating in the making of the economic regulation

The Polish economy is post-socialist, with industry developing late (predominantly after World War II), while maintaining a fairly large agricultural sector (fragmented private land ownership). After 1989, the economy was marketized and opened to international penetration. The result was rapid stratification and an extreme imbalance between capital and labor (Piketty 2020). Today in Poland, income inequality is among the highest in Europe, accompanied by regressive taxation and the resultant weak redistribution (Bukowski and Novokmet 2021).

In addition to foreign companies, which have gained dominant positions in many sectors (e.g., food industry, large-scale trade, etc.), the share of state-controlled enterprises (e.g., in the energy sector) is still quite large (Bałtowski and Kwiatkowski 2022). Some of these are the

³ <https://rankingi.rp.pl/lista500/2021> [access 5.04.2022]

⁴ <https://www.wprost.pl/blogi/jacek-pochlopien/10134428/kulisy-listy-100-najbogatszych-polakow-tygodnika-wprost-jak-powstaje-zestawienie.html> [access 5.04.2022]

last bastions of weakening labor unions (e.g., mining). The unionization rate is relatively low for Poland with only 10.5% of employees being members of labour unions (CBOS 2021).

The privatization processes that started after 1989 together with the outspring of grass-roots entrepreneurship effected in creation of a robust group of business owners, leading to the emergence of possessing class in Poland. While most of those businesses comprise the SME sector, the owners of big capital and large companies are founding the upper class, however do not resemble the oligarchs from former USSR countries.

Given these conditions and using the four different parameters to identify co-producers of the economic rules, we selected a total of 33 individuals:

- 10 public officials (the chairman of the central bank, 4 ministers, 3 representatives of two parliamentary economic councils, and 2 chairmen of the agencies regulating competition and financial activities).
- 12 interest group leaders (8 business association leaders, the leader of the most important economic think tank, 4 union leaders including 3 presidents of the largest unions, and the union leader of the crucial, mining industry).
- 3 representatives of institutional investors (the president of the venture capital association, the chairmen of two state development agencies).
- 8 representatives of crucial intermediaries (the president of the Warsaw Stock Market, 4 presidents of the Polish branches of the international auditing agencies, and 3 executive partners of the main legal companies).

References

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