

## Legislative / regulatory inflation in Poland: a legal, economic and social perspective

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The goal of the proposed research project is to comprehensively examine the phenomenon known as legislative/regulatory inflation (defined as the growth in the number, volume and changeability of the primary legislation) in Poland over 1997 – 2019 period. The puzzle underpinning the proposed project is that: data on the volume of newly introduced legal acts imply that each citizen should devote over four and a quarter hours per day to familiarize with the newly adopted legislation. Obviously devoting not only 4 ¼ but even single hour daily to the reading of the legal acts promulgated in the Official Gazette remain far beyond the cognitive capacity (and willingness) of the citizens. Thus, the research project attempt to shed light on the way, how the legal rules (in their contemporary abundance) are able to affect people behaviour, and how citizens navigate through the growing piles of legal acts. The departure point of the proposed project is the examination of legislative statistics, documenting the number and volume of newly adopted legal acts - and attempting to examine key drivers behind legislative/regulatory inflation. Then, it shifts the attention from raw numbers of legal acts towards their impacts – to examine the extent to which the growing volume of legal acts translates into the actual restrictions and limitations in the day-to-day business-related activities. To this end, it relies on (i) the secondary data scoring each newly adopted primary legislation in terms of its expected impact on the economy and entrepreneurship, as well as (ii) primary data gathered using the text mining research on the full-text legal acts. The commercially provided legal database (like Wolters Kluwer’s LEX or LEGALIS by C.H.Beck) enable to export the full-text versions of all primary legislation acts that were into force on any specific day. Consequently, it is planned to compile a database of laws (provisions) binding at the end of each parliamentary term from 1997 to 2020, and perform text mining exercises (in the Python environment) aimed at mapping the extent of business regulations (sector-specific indicators of the business regulation). Next, it examines the strategies applied by the citizens to cope with the problem of legislative/regulatory inflation. To this end, the survey of citizens (including employees and entrepreneurs) will be commissioned to (i) identify sources of information about legal acts, (ii) measure the perception of legislative/regulatory inflation, (iii) assess the awareness of the three selected regulations from the area of commercial relations/tax law that respondents are supposed to know and (iv) uncover their strategies to cope with day-to-day interactions with bureaucracy and private entities, given the lack of familiarity with specific legal acts. The findings of the research on the features of the Polish law resource (provisions) will be used to verify the hypothesis that sectoral business regulations influence the pattern production cycle in subsectors of the Polish economy. This thesis is based on the results of a study of the relationship between regulation and institution (investor protection) and loan and capital ratios.

Finally, the proposed project looks at the common (in economic activity related cases, including economic crime and business-to-business litigation) as well as administrative court system (tax cases). The puzzle highlighted above questions the feasibility of the dominant models of the relation between legal norms and citizens behaviour based on the principle of *ignorantia iuris nocet*. If citizens are unable to know the respective norms, they cannot rationally decide to comply with them - indeed, the survey on legal awareness of Polish general public pointed to stunning lack of knowledge of basic issues including day-to-day operation within the legal system. Thus results obtained in the project (including data on strategies used to cope with legislative/regulatory inflation like heuristics - rules of thumb allowing ‘good enough’ decision making under imperfect information) will enable further theorizing on the way how normative systems might affect human behaviour. Also, the results on key drivers of legislative/regulatory inflation will inform the theory of regulation that currently are built on the assumption of benefiting either the general public or pressure group. Thereby, such theory is unable to explain the plentitude of regulation with negligible impact, as observed in Poland.