

## **LIBERTARIAN PATERNALISM AND SELF- -GOVERNMENT HOUSING POLICY IN POLAND**

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### **A b s t r a c t**

The article pertains to the issue of libertarian paternalism in relation to public housing policy in Poland. Libertarian paternalism is an idea developing on behavioral grounds, the main task of which is ensuring paternalistic protection and social care by the government and local self-government administrative organs, while at the same time maintaining the society's freedom of choice and increasing social-economic well-being. In the article, the issue of libertarian paternalism is described, a set of instruments of the described concept is implemented for purposes of working out solutions to problems connected with the housing policy of territorial self-government units in Poland (communes), and the proposed solutions validated in a post-socialist country. The work is of a conceptual-remedial character. Within it, selected tools in the scope of behaviorally informed interventions, serving to implement solutions that increase the effectiveness, efficiency and economy of operations of public organizations under conditions of dynamic decentralizing changes, have been indicated. The most important conclusions arising from the deliberations carried out make it possible to look at housing policy in Poland through a prism of a modern market economy.

## LIBERTARIAŃSKI PATERNALIZM A SAMORZĄDOWA POLITYKA MIESZKANIOWA W POLSCE

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### Abstrakt

Artykuł dotyczy zagadnienia libertariańskiego paternalizmu odniesionego do polityki publicznej w zakresie mieszkalnictwa w Polsce. Libertariański paternalizm jest koncepcją rozwijającą się na gruncie behawioralnym i jej głównym zadaniem jest zapewnienie paternalistycznej ochrony i opiekuńczości społeczności przez rząd i organy administracji samorządowej, z zachowaniem wolności decyzyjnej społeczności, i zwiększenie dobrobytu społeczno-ekonomicznego. W artykule opisano zagadnienie libertariańskiego paternalizmu, wykonano implementację instrumentarium omawianej koncepcji na potrzeby wypracowania rozwiązań zaradczych w polityce mieszkaniowej jednostek samorządu terytorialnego w Polsce (gminy) oraz walidację proponowanych rozwiązań w kraju postsocjalistycznym. Praca ma charakter koncepcyjno-zaradczy. Wskazano w niej wybrane narzędzia z zakresu behawioralnych interwencji publicznych, służące wdrożeniu rozwiązań zwiększających gospodarność, efektywność i skuteczność organizacji publicznych w warunkach dynamicznych zmian decentralizacyjnych. Najważniejsze wnioski płynące z przeprowadzonych rozważań pozwalają spojrzeć na politykę mieszkaniową w Polsce przez pryzmat nowoczesnej gospodarki rynkowej.

### Introduction

Over the recent years, increasing interest in the behavioral approach in social sciences can be observed, which facilitates the implementation of solutions and concepts developed, among others, by this approach in a field of issues which had previously been examined in line with the traditional approach. At the same time, problems with the self-government housing policy in Poland urge one to consider the need to seek contemporary solutions. These solutions should improve social effectiveness, optimize the goals and undertakings of the housing policy, and ensure that the residents' housing needs are fulfilled. The indicated premises encourage one to look at the aims and undertakings of self-government housing policy through a prism of libertarian paternalism, falling within the modern behavioral approach in social sciences.

The subject matter of the article refers directly to the aims of the work which have been formulated as follows: 1) familiarization with the issue of libertarian paternalism (LP) in the context of social sciences, 2) an attempt at implementing solutions proposed by libertarian paternalism for the purposes and tasks of the housing policy of communes in Poland, 3) an attempt at validating the proposed solutions under the conditions of a post-socialist country. The study hypothesis is the belief that the efficiency of a commune's housing policy can be increased by applying the principles of libertarian paternalism.

### **The idea of libertarian paternalism – literature and background**

The concept of libertarian paternalism has been promulgated by two American behavioral economists, i.e. R.H. Thaler and C.S. Sunstein (THALER, SUNSTEIN 2003, 2008, 2012, SUNSTEIN, THALER 2003). Over the course of the past century, a heated discussion regarding the essence and significance of libertarian paternalism has flared up (see, e.g. DESAI 2011, HAUSMAN, WELCH 2010, HILL 2006). In Poland, this approach is not yet well known (see GODŁÓW-LEGIĘDŹ 2013, MARKIEWICZ 2013).

The concept of libertarian paternalism refers to two separate sociopolitical approaches, i.e. libertarianism and paternalism, remaining in what seems to be contradiction to one another<sup>1</sup>. Doubts regarding the seeming contradiction are explained by the very forefathers of the discussed concept, arguing for the benefit of the validity of combining the ideas of libertarian paternalism into one whole. This combination makes it possible to add a new meaning to the elements of both philosophies considered simultaneously, whereas analyzed separately, they may remain in opposition to each other.

The libertarian aspect of the concept sets, as its goal, the liberty of an entity in the political-social context. As THELER and SUNSTEIN (2008, p. 5) indicate, “the libertarian aspect of our strategies lies in the straightforward insistence that, in general, people should be free to do what they like (...). We strive to design policies that maintain or increase freedom of choice. When we use the term libertarian to modify the word paternalism, we simply mean liberty-

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<sup>1</sup> The authors of the present article do not side with either party to the scientific debate. The presented viewpoint regarding the alleged internal contradiction and validity of propagating the idea of libertarian paternalism is in accordance with the viewpoint and approach of the forefathers of the discussed doctrine. Professors THALER and SUNSTEIN (2003) argue that these terms do not remain in opposition to one another. Literature, however, does not lack voices of various forms of criticism targeted at libertarian paternalism (see, e.g. GRÜNE-YANOFF 2012, JONES et al. 2011, MITCHELL 2005, REBONATO 2012).

preserving. And when we say liberty-preserving, we really mean it. Libertarian paternalists want to make it easy for people to go their own way; they do not want to burden those who want to exercise their freedom”.

On the other hand, the paternalistic aspect of the concept aims to protect and assist the interests of entities, through a set of premeditated activities, and sets the borders for the liberty promoted by libertarianism. According to THALER and SUNSTEIN'S (2008, p. 6) conception, “the paternalistic aspect lies in the claim that it is legitimate for choice architects<sup>2</sup> to try to influence people's behavior in order to make their lives longer, healthier, and better”. In order for this aim to be realized, the conscious strive of private and public sector institutions ought to be taken advantage of to direct people's choices in a way that improves the quality of their life.

THALER and SUNSTEIN (2003, p. 175) built the idea of libertarian paternalism by putting it up against three commonly accepted false convictions on the basis of which the spreading of the beliefs of libertarian paternalism is valid and socially desirable. These convictions are: 1) the common belief that people make decisions which are best for them<sup>3</sup>; 2) the conviction that there are viable alternatives to paternalism, and 3) the opinion that paternalism always involves coercion<sup>4</sup>. The first of these emphasizes the behavioral aspect of mankind's decision-making. Studies prove that in some cases individual make inferior choices. They could be better (THALER 2000) if decision-makers were to have: 1) complete information (see TYSZKA 2010, pp. 61–63), 2) unlimited cognitive abilities (KAHNEMAN 2003b, p. 1469), 3) strong will (see JOLLS et al. 1998, p. 1479, MULLAINATHAN, THALER 2000) as well as 4) representing the image of the *economic man*<sup>5</sup> rather than the *real man* (see BRZEZICKA, WIŚNIEWSKI 2014). The second conviction is connected with the postulate of libertarian paternalists. It assumes the organization and presentation of decision options in a way that ensures the decision-makers' freedom, as well as the best variants of choice for them, remaining in agreement with their own judgment of what is best (Conviction 3). The assumption of LP is designing decision options which make it possible to improve the inhabitants' quality of life while maintaining their freedom of choice, as well as by programming impulses, or so-called nudges, which lead the inhabitants to make good decisions. In such a form, libertarian paternalism is a relatively weak form of paternalism. Weak and non-invasive, it does not restrict choices but organizes

<sup>2</sup> A choice architect is such person whose influences the decisions made, e.g. creates variants of choice, creates circumstances, builds the decision context (THALER, SUNSTEIN 2008. p. 3).

<sup>3</sup> THALER and SUNSTEIN (2003, p.175) call this conviction a *false assumption*

<sup>4</sup> THALER and SUNSTEIN (2003, p. 175) refer to the second and third principle as *two misconceptions*.

<sup>5</sup> THALER and SUNSTEIN (2012, p. 17 and onwards) describe the economic man under the term of *Econ*.

decision options (SUNSTEIN, THALER 2003, p. 1162). Such an approach assumes that the housing policy in the commune ought to be concentrated around the idea of creating solutions which, while maintaining the “personal freedom of an entity”, would make it possible to create conscious choices and make “proper decisions” for a given society.

### **Instruments available to libertarian paternalism**

The concept of libertarian paternalism contains its own set of instruments affecting the social-economic-political space by a set of activities directing the decision-makers to making optimal choices. Among the expressions of libertarian paternalism, one can, in practice, list three main activities in particular:

- 1) default option,
- 2) nudge,
- 3) making necessary decisions.

The *default option* can be defined as a predefined variant of choice in the case of a passive (inert) attitude of the decision-maker (THALER, SUNSTEIN 2012, pp. 19, 20). An *nudge* (otherwise understood as motivation) is a factor which significantly changes the behavior of *the real man* (THALER, SUNSTEIN 2012, p. 19). A nudge to making a good decision is such choice architecture which leads the decision-maker to making a good choice without the need to limit his or her freedom of choice. On the other hand, “necessary decisions” are such which need to be made to ensure the decision-maker’s well-being, even if the actual decision-maker is not aware of the existence of a necessity for a decision to be made. They are directed at realizing a goal. These elements can be applied disjunctively or conjunctively, whereas the strength of their influence is inversely adapted to the level of the subject’s decision-making inertia. In the case of a strong passive attitude, stronger instruments will be required, while the strength of their influence can decrease along with increased decision-making activity (see Fig. 1).

In addition to the above-mentioned, there is a series of principles the first letters of which come to form the acronym NUDGES, an exception to this being the first word, the second letter of which provides information and commences the acronym. (THALER et al. 2010, 2013, based on OLEJNICZAK, ŚLIWOWSKI 2014, p. 22 and THALER, SUNSTEIN 2012). A description of the principles has been included in Figure 2. Literature also makes mention of other activities which can be assumed by public organs in the context of libertarian paternalism. GODŁÓW-LEGIEDŹ (2013, p. 38 based on SUNSTEIN 2013, p. 1834, 1835) lists: the disclosure of information, warnings, and the default rule. SCHNEIDER and INGRAM (1990) delineate 5 main instruments

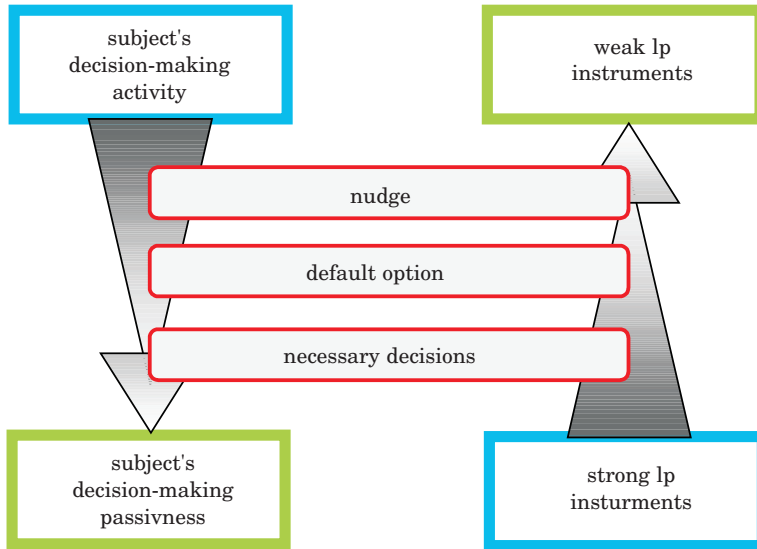


Fig. 1. Set of instruments available to libertarian paternalism in housing policy  
Source: own elaboration.

among the behavioral assumptions of politics: *authority, incentive, capacity-building, symbolic and hortatory* and *learning*. These activities take the form of a softer form of interventionism by the state or administrative bodies. All of the presented variants and possibilities ensure a certain permissible intervention in the individual choices of decision-makers, in a way that does not limit these choices but rather motivates one to make and promotes those choices that will be optimal.

The set of above-mentioned administrative activities is not without significance to the newest achievements of behavioral science. The elements can be classified together as **behaviorally informed interventions** (OLEJNICZAK, ŚLIWOWSKI 2014). These are activities assumed by public administration bodies aimed at achieving a goal in the in terms of improving the population's quality of life and social well-being (DATTA, MULLAINATHAN 2012, p. 10 and onwards). OLEJNICZAK and ŚLIWOWSKI (2014, p. 24, 25) define behaviorally informed interventions by applying them in reference to projects, regulations and programs that are based on the behavioral approach and possess the following characteristics: "they clearly define the addressee – user of the intervention, and assume his/her perspective; they assume that not only the user, but also the actual creators of the intervention, have cognitive limitations: limited rationality, willpower and self-interest; in their construction of the change mechanism, they apply corrective solutions or ones making use of the cognitive

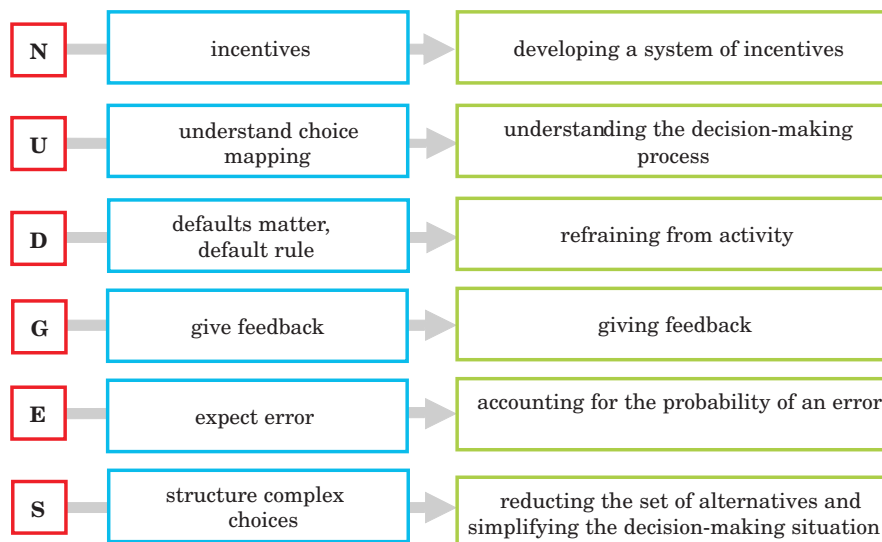


Fig. 2. Interpretation of the concept of NUDGES

Source: own elaboration on the basis of OLEJNICZAK, ŚLIWOWSKI (2014, p. 22), THALER, SUNSTEIN (2012).

mistakes and limitations of addressees; they apply pilot runs, experiments and simulations for testing these solutions before implementing them on a broad scale”.

Behaviorally informed interventions have been gaining importance in the recent years and are being carried out in many highly-developed world economies. The extent of their reach includes different spheres of socio-economic life, e.g. social insurances (see CRONQVIST, THALER 2004, THALER, BENARTZI 2001), the pension system (BENARTZI, THALER 2007, BENARTZI et al. 2007), increasing organ donations for purposes of transpantology (CHILDRESS, LIVERMAN 2006) and decreasing energy consumption by households (SCHULTZ et al. 2007). Research on behaviorally informed interventions is being carried out in many countries; in Great Britain and in the United States, government units have been appointed in order to analyze their efficiency. A new field of behavioral sciences and practical applications referred to as *nudging* is also developing (OLEJNICZAK, ŚLIWOWSKI 2014, p. 21).

## **Aims and tasks of communes in the scope of housing policy**

### **Aims and tasks of housing policy in the context of libertarian paternalism**

Housing policy is one of the policies realized by central and/or local authorities. As LIS (2011, p. 10) points out, housing policy depends on ensuring the functioning of the housing market in those spheres in which it is capable of ensuring the effective production of construction and assembly works, as well as correcting its possible failures by influencing the functioning of the housing market and its result, i.e. the quantity, prices and quality of housing resources, aimed at fulfilling the needs of the population. This means that the housing system is created by the inner-relations of private and public entities involved in the process of creating and using the stock (LIS 2012, p. 89, ZALECZNA 2010, p. 51). In this perspective, the main aim of housing policy is to create conditions that ensure households the possibility of fulfilling housing needs, which will be in agreement with their preferences, aspirations and economic possibilities. Moreover, fulfilling the housing needs of members of the self-government community is a statutory obligation of a commune (NOWAK 2014, p. 1). The indicated activities are examples of behaviors of a paternalistic nature.

The main principles behind how a self-government in Poland operates in regards to housing policy have been determined in the Act of 8 March, 1990 on the Commune Self-Government. Issues concerning securing the housing needs of the commune's residents in Poland are additionally regulated and specified by the Act of 21 June 2001 on the protection of tenants' rights, the communal housing stock and the civil code amendment. According to Art. 4 of the Act, "creating the conditions for fulfilling the housing needs of the local self-government community is among the own tasks of a commune". These acts contain a description of areas of direct influence and the influence of the commune in terms of housing.

Commune authorities in Poland ought to be treated as the main choice architects in self-government housing policy. The commune can propose different solutions depending on its own needs and financial abilities, as well as those of its inhabitants. A series of administrative-legal and economic-social instruments can be used to realize these tasks, at various stages of carrying out activities. This takes place by applying appropriate instruments at the stage of the investment process, during the phase of obtaining right to housing, and at the stage of living in and using the housing stock, which are listed in detail by POLAK (2010, p. 261):

- 1) Instruments at the planning stage – administrative-legal instruments:  
housing development strategies, multi-year programs of managing the



- housing resources of the commune, study of conditions and directions of spatial development, local spatial development plans;
- 2) Instruments at the stage of preparing the investment:
    - a) administrative-legal instruments: legal principles regulating land management in communes, the right of pre-emption to acquire real estate, the exclusion of agricultural and forest land from production, reparation and dividing land, expropriation of real estate, decisions regarding land development and management conditions, decisions on environmental conditions, issuing building permits, and permissions for and conditions of connecting to utilities;
    - b) economic-social instruments: sale of real estate, letting real estate for perpetual usufruct, permanent management, lease, rental and lending, provision of real estate as in-kind contributions to companies, transferring – as the equipment of state-owned companies being created and capital of partnerships being created, transferring real estate within the framework of a public-private partnership being created, mobilization of building land, construction of technical infrastructure equipment, betterment levies;
  - 3) Instruments at the stage of realizing the investment:
    - a) administrative-legal instruments: the law concerning the principles of financially supporting public housing, creating social flats, night shelters, and sheltered housing;
    - b) economic-social instrument: co-financing investments assumed by private entities working to make a profit and housing associations functioning as a non-profit or limited-profit organizations (e.g. Social Housing Associations, pol. Towarzystwa Budownictwa Społecznego – TBS's), the construction of council and social flats, participation in the construction of flats with limited rent payments established in public-private partnership, creating night shelters, homes for the homeless and sheltered housing, taking over former company flats, purchasing flats on the market;
  - 4) Instruments at the stage of using the housing resources:
    - a) administrative-legal instruments: law regulating the responsibilities of communes as the owners of housing stock and as a public utilities management operators, evictions from housing resources;
    - b) economic-social instruments: possessing council housing stock, privatization of council housing, renovations and modernizations of housing resources, rental policy, late payments and their recovery, housing allowances, water and sewage management, taxes and fees on residential real estate.

The mentioned instruments connected with the housing policy of a commune are examples of activities which can be considered as paternalistic. In this case, the commune is subjected to specified paternalistic models connected with: orders and recommendations.

## **Housing problems in the context of libertarian paternalism**

The greatest burden of realizing the aims and tasks of the housing policy is carried by communes, which have limited possibilities. Communes have control of limited resources, which are often in deficit and have to be managed in a way that aims to fulfill the needs of the inhabitants of the community. AUGUSTYNIAK et al. (2013, p. 1010) assess that “the largest system dysfunction of the sector is, in fact, housing policy, which does not ensure the availability of housing suitable for the needs of a broad spectrum of society”. AUGUSTYNIAK et al. (2013, p. 1010) also list 3 aspects of housing availability, the optimal management and development of which may affect the stability of the system and fulfillment of housing needs:

- 1) Fulfilling basic housing needs connected with eliminating homelessness. This problem has not yet been solved. Continued activity in this regard ought to pertain to ensuring the stability of protection of the homeless.
- 2) Enabling the mobility of the population. This deals with ensuring housing in the dynamic sense – facilitating the fulfillment of housing needs accounting for various circumstances, including the spatial mobility of the population (see BRZEZICKA, WIŚNIEWSKI 2015). The structural deficiencies in the scope of the availability of housing in the council housing stock allocated for rent significantly decrease the population’s mobility opportunities. A similar role is played by elements connected with the lack of mobility conditioned by the place of work (see AUGUSTYNIAK et al. 2013).
- 3) Adjusting the size of a dwelling to current needs and economic possibilities. In developed economies, this aim is realized by the complex system of verifying housing needs, the forms of fulfilling housing needs, and the housing policy aiding lower income groups. A focus on meeting the needs of various groups of owners and users occurs here: allocation in the context of verified needs of tenants, conditional housing, flats to rent for university students, smaller surface area of flats for the elderly, etc.

The above-mentioned examples of activities are examples of such which can be considered to be libertarian. In this case, the commune is not subjected to specific paternalistic models. The indicated aspects are not connected with: orders (e.g. legal), assignments (e.g. state), or recommendations (e.g. tax). These are free market activities of a libertarian nature.

## Interventions in the scope of the housing policy of a commune

Deliberations to date regarding the problems of the housing sector, libertarian paternalism and aims and tasks in the scope of self-government housing policy can be grouped together in the topic of “behaviorally informed interventions”. It can be assumed that commune housing policy is a public policy in the scope of housing (see SZCZAWIŃSKA 2012, p. 206). This, in turn, leads one to wonder whether the behavioral instruments can be used to increase the efficiency of the housing policy, fulfill housing needs, and increase social well-being, all while maintaining the freedom of choice.

In order to properly identify and adjust the scope of aid, CYRAN (2010, p. 103) proposes grouping housing needs into the following categories:

- 1) Category I – houses for the homeless, whose needs can be realized by placing them in social welfare homes, homeless shelters or night shelters;
- 2) Category II – temporary rooms, for people who have been evicted from occupied dwellings, lacking the right to social flats;
- 3) Category III – housing for people who are temporarily experiencing poverty, and whose needs can be realized by renting social flats;
- 4) Category IV – housing for people whose income does not make it possible for them to pay market rents, and whose needs can be fulfilled by renting council flats;
- 5) Category V – housing for people whose income is sufficient to rent houses at the going market rate, whose housing needs can be fulfilled by renting within the social housing association stock;
- 6) Category VI – housing for people whose income is sufficient for meeting their housing needs on the free market.

Each of the mentioned groups requires applying different instruments of the local authority housing policy as well as the use of mechanisms of behaviorally informed interventions. Each of the mentioned categories is assigned activities which are possible to assume in the scope of libertarian paternalism (default option, nudge, necessary decisions), with the categories and activities compiled in Table 1. Moreover, for each activity in each category, the intensity of this activity was assigned, shown in the table with the use of plus signs (+ + + – very high intensity, + + – high, + low), and in the case of the absence of the occurrence of a specific activity, it was noted that such does not take place (marked as *ne* – non-existent).

Households with low incomes and insufficient economic independency, homeless people, special groups (those leaving orphanages, prisons) (categories I–III) require strong social intervention by the commune in order to fulfill their housing needs at the basic level by the direct allocation of social or council flats from the local authority housing stock. In these groups, applying the “default

option”, understood as the pre-established variants of choice in the case of an observed passive attitude of inhabitants takes on extreme high values (see Table 1). Applying “nudges” can be effective in the case of Category III and partially effective in the case of Category II. “Necessary decisions” do not apply for these categories, due to these people’s temporariness and lack of stability determined, above all, by the level of their incomes.

Table 1

## Public Interventions regarding local authority housing policy

Actions in the framework of libertarian paternalism	Category*					
	I	II	III	IV	V	VI
“Default option” Pre-established variants of choice in the case of a passive (inert) attitude of the decision-maker.	+++	+++	++	+	ne	ne
“Nudge” – factor which motivates the decision-maker to make a good choice, without the necessity of limiting his/her freedom of choice.	ne	+	+++	+++	++	++
“Necessary decisions” – are such which need to be made for the well-being of the decision-maker, even if the decision-maker himself is not aware that such necessity of decision exists.	ne	ne	+	++	+++	+++

\* strength of activity: +++ – very high, ++ – high, + – low, ne – non-existent

Source: own elaboration.

Social groups with average incomes, for which purchasing a flat and its maintenance would be too much of a burden (Category IV), require adequate support which makes it possible to change housing needs into effective demand by using a wide range of nudges (see Table 1) providing the motivation to change their housing situations, including tax breaks, cheap mortgages, as well as direct grants and subsidies. In this group, “necessary decisions”, which depend on supporting the development of cheap social housing construction with moderate costs of rent in the area of the commune, and shaping spatial and environmental policy, have far-reaching application.

Moreover, there are social groups (Category V) which, despite sufficient incomes, do not wish to own a flat for whatever reasons; their housing needs can be fulfilled by supporting the development of the local market by the commune, including renting flats of different standards. “Nudges” are the causal agents in this group, while “necessary decisions” are supportive actions of high significance.

In the case of households which are able to fulfill their housing needs (Category VI) on market terms, the commune should, in turn, ensure a well-functioning housing market, especially in the sphere of access to building land, preparing spatial development plans, creating a network of technical infrastructure, housing construction, and efficient turnover and financing

(MUCZYŃSKI 2011, p. 44). In this group, “nudges” hold less importance – households do not need to be particularly motivated to take action connected with the housing economy. On the other hand, it is imperative to intensify “necessary decisions”.

In areas of ensuring access to public goods, which housing undoubtedly is a part of, choice architecture ought to be especially developed, enabling (or even making it easier for) those interested to make decisions that are important to them. The individual importance of a decision is the basis for preparing and creating decisions of a wider – social character.

Entities which create various options and solutions in the scope of choice architecture communes along with the statutory duties placed on them and possibilities of carrying out these tasks and responsibilities.

The instruments of housing policy used in activities undertaken by the commune in the scope of housing policy carried out are to ensure, at the same time, the increased efficiency of managing the council housing stock as well as the development of residential construction. They can be considered as both – “necessary decisions” (in the scope of own tasks) and “nudges”.

Necessary decisions include, above all, actions regarding spatial planning, providing access to utilities, and preparing long-term plans and strategies (e.g. multi-year program for managing the local authority housing stock). Necessary decisions also include investments in the construction of social flats and flats intended for rent, maintaining the housing stock in satisfactory technical condition, rationalization of rents or the verification of contracts with tenants.

From the point of view of realizing the housing needs of inhabitants, nudges directed towards the inhabitants, aimed at mobilizing local communities to obtain flats, appear to be more important. As had been mentioned, the role of the nudges is also fulfilled by a part of necessary decisions. These are mainly actions enabling the initiation of the investment process, which implies zoning land in local plans for residential construction along with providing access to the necessary utilities. Additional nudges for persons working towards obtaining a flat can be the result of assisting the development of residential construction realized within in the form of social housing associations. The commune, in the case of co-financing investments from its own funds, can propose flats that are part of the social housing association stock to tenants of council flats, in exchange for freeing up the currently rented ones. Another motivation (nudge) can be the created system of exchanging flats, aimed at optimally matching tenants to dwellings in terms of location, rented surface area, costs of maintenance and the standard of the inhabited dwelling.

At the same time, all decisions and actions assumed by the commune in order to increase the efficiency of housing policy are provided with safeguard instruments – buffers, resulting mainly from the Act on the protection of

tenants' rights..., e.g.: there is no legal possibility to bring the lease to an end with immediate effect (with the exception of a social flat); if the lease is to be brought to an end by the landlord, the tenant must first be notified and warned in writing.

## Summary

The above deliberations made it possible to present the conditions of applying libertarian paternalism in local authority housing policy. In this perspective, libertarian paternalism makes it possible for there to exist, within a commune, a point where two groups of stakeholders whose rights and responsibilities as well as interrelations may lead to a situation of conflict can meet and reach an agreement. Libertarian paternalism is an area which connects:

- 1) the economic-legal plane, connected with using the limited resources of a commune (meeting the aims of the commune), carrying out conscious housing policy under conditions of limited housing stock, counteracting social exclusion;
- 2) the social plane, connected with fulfilling the basic needs of the inhabitants (meeting the aims of the inhabitants), assuming own investment undertakings, counteracting own exclusion.

Undoubtedly, the very determination and formulation of the scope of own tasks carried by the commune, including those pertaining to housing policy, falls strictly within the principles of libertarian paternalism. Creating conditions by the commune for ensuring housing to its citizens is characterized, above all, by the paternalistic aspect, similarly to the observed accelerated decentralization tendencies, resulting in powers and financial resources being carried over to lower levels of territorial division.

In order to achieve the assumed objectives, however, self-governments must introduce a managerial approach to managing the public sector, or so-called new public management, which is characterized by a strong aspect of libertarianism. This model of management is to ensure the efficient, effective and economic operation of public organizations (ZALEWSKI 2005, p. 66).

In addition to activities connected with spatial management, if the commune is to achieve its aims in the scope of housing policy, increasing the housing stock, both council and social flats, as well as private ones intended for rent, is of key importance to achieving the aims of a commune in the scope of housing policy. When the financial resources of the commune are limited, this is difficult to carry out without the cooperation and increased involvement of

private entities, which is the main reason behind introducing new public management and, at the same time, libertarianism.

Such a viewpoint makes it possible to look at Poland from a different perspective in the context of its post-socialist nature. The observed changes which have and are taking place indicate that the era of post-socialism has passed, and a new era of managerial economics has begun.

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