

Nordic Journal of Surveying and Real Estate Research, Special Series, Vol. 3 (2008)

Received on 10 June 2007

and in revised form on 6 August 2007

Accepted 6 August 2007

The institutional changes, social capital and old expropriation consequences in Poland

Magdalena Zaleczna¹ and Malgorzata Havel²

¹Department of Investment and Real Estate, University of Lodz

Ul. Rewolucji 1905 r. nr 41, 90-214 Lodz, Poland

mzaleczna@uni.lodz.pl

² Helsinki University of Technology, Institute of Real Estate Studies,

P.O. Box 1200, FI-02015 TKK, Espoo, Finland

barbara@cc.hut.fi

Abstract: *The institutional environment of the Polish real property market is certainly developing. There have been changes in the legal system, economic environment and the social attitude. However, one important problem still remains: a lack of the general restitution law. In this paper, the term "Restitution" is used to describe the situation when property owners were deprived of their property rights by virtue of the socialist state power, and now they or their heirs want to either regain the property or receive some compensation.*

The property rights were broken during the socialist time because very often property owners did not receive any kind of compensation in the expropriation or nationalization processes. Now there are problems with defining the form of restitution and the potential limits of the claims. This produces the questions about justice, state continuity and social capital.

The aim of this paper is to look at the possible restitution solutions with regard to institutional changes of the Polish real estate market and the building of social capital. There are questions about looking for the balance - should the state compensate? How high the compensation should be? How does society react and evaluate when a group of former owners or their heirs is going to derive some benefits? And finally, are these really benefits or is it just compensation?

Keywords: *restitution, compensation, social capital, Poland*

1 Institutional changes

Institutions are composed of formal rules (the Constitution and legislation), informal restrictions (accepted conventions, codes of ethics and standards)

and the effectiveness of putting them into effect (North, 1990). All the institutional relationships are aimed at stabilization of the real world of economy, which is exposed to the asymmetry of information, market uncertainties, limited knowledge and naturally imperfect solutions and how they reach consensus by allowing social agreement and by regulating individual actions (Hogdson 1988).

Property rights reflect the country's economic system and social values. Weak property rights were typical of socialist regimes, and since 1989 the private property has been a fundamental factor in the transition into the market-based democracy. Since then, the post-socialist economies of the Central and Eastern Europe have been engaged in transferring real property from public to private ownership (privatisation and restitution). Nevertheless, occasionally, opposite transactions take place when public bodies have to acquire private property, even in a compulsory way. Nowadays, however, there is a clear and strict difference between the current processes and those taking place on a regular basis in the socialist times. In democratic countries constitutions or often special legal acts describe the conditions of expropriation, underlining the real public interest and just compensation needs. Poland shares this attitude having the Constitution rules and the Act on Real Property Management indicating how the compulsory purchase may be executed. From this perspective, the rights of Polish citizens are fully protected.

But there still is a fundamental loophole and eighteen years of transition have not produced any clear solution for the old expropriation and nationalisation in Poland. Successive drafts have not found enough political or social support to be implemented. There is still a lack of the general restitution law necessary to bring back real property to former owners or to compensate them for it on a large scale. This means that the institutional framework has been still incomplete (Laszkiewicz 1999, Jozefiak 1999).

2 Old expropriation and nationalization results

The owners of the real property which was taken away from them for the purpose of the rural land reform did not obtain any equivalent compensation. Domestic owners of the property nationalized on the basis of the 1946 Act on Nationalization of the Basic Branches of the National Economy were supposed to receive some equivalent but very often they were not paid anything. Owners of the real property located within the borders of the City of Warsaw were deprived of their rights to land without any compensation¹. Persons, who left their property beyond the Bug River,

¹ The government of the Polish People's Republic (PPR) took over about 17,000 real estates in Warsaw (the 1945 Act); the owners were only allowed to write petitions to receive some sort of a leasehold right to their previous property. Some of them exercised that option but the effects were diversified – no answer, negative answer or rarely a positive one. Today, there are legal reasons for claiming

Poland's former territory, are the only ones who have a legal act giving them a ground to solve their problems². Altogether, there were 16 legal acts constituting the background for compulsory purchase. Compensation, equivalent or even pension was often mentioned but very rarely enforced (Laczkiewicz 1999). The expropriation was abused. It also should be stressed that within the meaning adopted by the European Court of Human Rights, **expropriation de facto** – is not understood as a formal removal of the legal title but as **an interference with the sphere of legally protected property interests**.

Restitution is important for two main reasons – economic and socio-political ones. Restitution is one of the means by which private property markets and individual decision-making over real property has been created in transitional economies (Grover, Flores 2004). The restoring of original legal status creates the link with the prior socialist system, and it also means that the government is the successor of the previous one. The ways and means used in the restitution process were very different among post-socialist states. Although Poland had a much bigger private property market than the other socialist countries (Lerman 1999), it has not conducted the restitution process.

Concentrating on the economic side it should be mentioned that the current situation in Poland produces problems for the whole property market. In a process called “small restitution” some owners try to regain their former property by virtue of civil and administrative courts' verdicts. In many cases, a relevant administrative decision is the very first step in the long process of individual restitution. In spite of many potential claims, only few have been solved in this way. Most of the eligible persons are still waiting for the restitution law. Due to the lack of the general restitution law, potential claims expose investors to a high risk as they are not sure about the timing and security of their investments - an investment project can be arrested if an individual lawsuit is brought. Besides, the State finance is exposed to a possible strain as compensation in cash will have to be paid to those former owners who succeeded in long and expensive trials³. It also poses a threat to local communities; when a lawsuit with former owners is lost, the claimed property has to be returned or huge compensation has to be paid. Finally, the ultimate stock of property held by a community is uncertain.

restitution in some of these cases, but the administrative track is long and complicated.

² About their long fight for the legal solution see Broniowski v. Poland case, application 31443/96, European Court of Human Rights.

³ In Poland, courts are independent in their verdicts and there is no rule of precedence. It means that in similar cases verdicts can vary significantly, the level of compensation is one of the most problematic questions (components of compensation – some judges can evaluate that it is only *damnum emergens*, some that it is also *lucrum cessans*).

3 Restitution attempts

The process of restitution is long and creates some social, economic and political problems. It needs a number of stages to be concluded (Grover, Flores 2004):

- the policy for restitution should be selected, including which property rights may be restored, to which claimants, and in what form compensation is to take place, for example, the specific recovery of the property or compensation,
- the claims need to be verified,
- the physical property should be recovered or the compensation paid,
- the property should be taken over by the owners or their heirs and successors in title.

In Poland there have been many draft restitution laws produced since 1990 in account of natural persons⁴. But in fact, the Polish restitution is still in the first stage. The political parties have had many concepts on how to implement restitution. The potential solutions have been strictly connected with the political option of the proposing party.

Following the most important matters – such as the categories of the entitled persons, the means of restitution, the conditions of restitution and the expected costs, the draft laws differed in many respects (see the table in Annex). Legal reasons for a claim remain the same but forms of restitution have changed dramatically from natural restitution (*restitutio in integrum* - reversion of the expropriated property) through equivalent real property and restitution bonds to compensation in cash.

The best opportunity for the implementation of restitution was March 2001, when the Parliament enacted a relevant law, which, however, was rejected by the President of the country (veto). He justified his decision by indicating an inaccurate calculation of the restitution's costs, and prediction of problems with natural restitution much larger than stated by lawmakers. He also indicated that the law infringed the constitutional rules of social justice and equal treatment. The President stressed that if implemented, the act would deprive communities of important part of their income⁵. Some doubts raised by the President referred to the fact that the number of the entitled claimant was limited to those holding a Polish citizenship. The government coalition failed to gather the three-fifths majority necessary to override the President's veto, and the Bill was rejected by the Parliament.

⁴ Another group of interest – churches and religious communities have restitution rights to their real estates. The Jewish community, Orthodox, Catholic and Evangelic churches are the most common among them. In spite of legal grounds existing in many cases, there are still disputes without solutions.

⁵ According to the act communities would have to give back real property valued at 10 billion PLN and (in Warsaw at 13.5 billion PLN), without any assistance from the State.

4 Restitution and justice

Restitution in Eastern Europe often took place more than forty years after the original expropriation or nationalization. This fact produced one of the major problems concerning the difference between the value of the taken property and the value actually reimbursed. Property markets have changed fundamentally during such a long period. Changes in markets, infrastructure, and agricultural production methods since then may have changed what constitutes economically viable units (Riddell 2000). Physical changes may have taken place to boundaries and access, the land unit may no longer be identifiable having been absorbed into a larger unit, or permitted land use may have fundamentally changed (Ossoko 2003). The land restituted may be subject to legal restrictions and obligations that may not have existed at the time of expropriation (Walsh & Taff 2002).

These issues create a better environment for compensation by way of natural restitution. But still it is necessary to prove the title rights to the lost property (by means of legal documents, pictures, witnesses), and appraisers have a problem with gathering enough data to value the property.

The expropriation in western societies is now based on the rule that such compensation should be paid so that the landowner's financial situation remains the same (Viitanen 2002). However, the legal rules in details may vary in some countries (Jackson 2004). Poland accepts western societies' rules taking market price as an indicator. But is it possible in the case of old expropriation claims? We are aware of the fact that the restitution legislative scheme will have a significant economic impact on the country as a whole. On one hand there is a problem of compensation for old detriments, building the respect for property rights and regulation of the ownership relations, but on the other hand there is a financial burden for the whole society. Poland as other post-socialist countries, faces many social and economic constraints, and exercises a very difficult choice how to fulfill the pecuniary and moral obligation towards the persons suffering injustice under the former regime.

The particular historical and political background creates an exceptionally difficult situation. The authorities have to take into account resolving the problem of restitution of about 170,000 persons involved – (but nobody knows how high the real number is) – and the very substantial value of their claims is probably more than 80 billion PLN. In that context, the authorities and society had faced very difficult legal and moral issues. These issues may justify limitations on compensation amount.

It should also be noted that under Article 1 of Protocol No. 1 to the European Convention of Human Rights and Fundamental Freedoms⁶, the

⁶ “Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law. The preceding provisions shall not, however, in any way impair the right of a State to enforce such laws as it deems necessary to control

State is entitled to expropriate property – including any compensatory entitlement granted by legislation – and to reduce, even substantially, levels of compensation under legislative schemes. The principle of a “fair balance” inherent in Article 1 of Protocol No. 1 itself presupposes the existence of a general interest of the community (see *Broniowski v. Poland* ECHR judgment). The reasonable proportionality between the rights of a former owner or his heirs and the means in the possession of the State understood as a society should be reached. A fair balance between the demands of the general interest of the community and the requirements of the protection of the individual’s fundamental rights (see *Sporrong and Lönnroth v. Sweden* ECHR judgment). What Article 1 of Protocol No. 1 requires is that the amount of compensation granted for property taken by the State be “reasonably related” to its value⁷. In Polish circumstances limitations on compensation amount seem to be justifiable and the current draft of restitution act is based on this assumption⁸.

The social attitude to restitution may be seen as one of the indicators of social capital’s level in Poland. Social capital, in essence, is the institutions, relationships, attitudes and values governing interactions amongst people and contributing to economic and social development (Iyer, Kitson, Toh 2005). It has been defined as ‘the networks, norms, relationships, values and informal sanctions that shape the quantity and co-operative quality of a society’s social interactions’ (Performance and Innovation Units 2002, p. 5). Defined this way, social capital includes shared values and rules for social conduct including trust and civic responsibility. Social capital may also be important in that it influences the social and political environment that in turn shapes norms such as those with respect to government, the rule of law, and civil and political liberties (Olson 1982).

The question about Polish society attitude to restitution is connected with the problem of the emerging civic society and social solidarity. According to the European Social Survey 2002-2003, the Polish society is much more distrustful in its perception of the central and local governments and fellow citizens. The survey of the legitimization of the government system conducted among 21 countries produced an average result of 14.4 points; Finland scored 18.5 points and Poland less than 10, which put it in the last position of the ranking. The assessment of politicians’ reliability also yielded considerably different outcomes – Finland being on the one

the use of property in accordance with the general interest or to secure the payment of taxes or other contributions or penalties”. Poland ratified the Convention on 19.01.1993 and adopted the Tribunal jurisdiction on 1.05.1993.

⁷ Poland has full autonomy in choosing the way, scope and limits of the restitution process but is bound by rules of equal treatment of entitled persons and justice, without any legal solution it is a case of continuing violation, see: draft of restitution law of 2005, parliament document no 133.

⁸ There is a question how high the limitation may be, in case of Persons who left their property beyond the Bug river; they can have no more than 20% of the value of property.

brim scored 5.2 and Poland less than 4. Another area where the lack of confidence surfaced was interpersonal relations – Finns’ trust in other people was rated at 19 points compared with 12 among Poles.

In fact the issue of restitution has two different respondent groups – those entitled to claim and the rest of society. Are these groups on the right track to compromise on restitution ways and compensation level or not? It is justifiable to think that one of the obstacles to the restitution process is the current unfavourable attitude of the Polish society. Right after the dramatic political change in 1989, the group of people feeling restitution’s obligation was much bigger than nowadays – 65 % in 1991 versus 42% in 2004 – see tab. 1. The negative attitudes are reinforced by the media’s news about frauds and dishonest attempts of bogus owners to take property over.

Table 1. Polish society’s attitude towards restitution

Attitude towards restitution	Dates of polls									
	03.91	11.92	05.95	05.97	12.97	04.99	11.99	01.00	02.01	05.04
	In %									
Advocates	65	53	45	41	52	44	40	47	38	42
Opponents	28	41	38	38	28	37	40	39	48	41
Undecided	7	6	17	21	20	19	20	14	14	17

CBOS opinion polls

There is a social distrust and a feeling that in the current difficult financial situation of the State budget, some citizens would receive extra money, and the burden would be paid by the rest of society. However, the polarization of the opinions relates to the political option declared – see tab. 2. In 1999, the differences were bigger than nowadays – people who declared center and right views were more often advocates of restitution, 65% and 61% respectively, versus 24% from the left side. The numbers have changed, and according to the latest opinion poll, the center and right followers support restitution in a smaller part – 41% and 54% respectively, while the left side in 34%. These numbers are the results of the general public opinion about the socialist State. To people missing the socialist time, restitution is not justifiable: it would give additional resources to groups privileged in the pre-socialist period. Also there is a common anxiety about very high costs of restitution.

Table 2. Polish society's attitude towards restitution according to the political opinion declared

Attitude towards restitution	Political opinion declared			
	left	center	right	No specified
	1999			
	In %			
Advocates	24	65	61	43
Opponents	57	26	25	35
undecided	19	9	14	22
	2000			
Advocates	41	65	55	52
Opponents	50	17	33	28
undecided	9	18	12	20
	2001			
Advocates	35	49	67	42
Opponents	55	41	28	44
undecided	11	10	5	14
	2004			
Advocates	34	41	54	37
Opponents	57	45	35	36
undecided	10	15	11	28

CBOS opinion polls

There is another important issue – who should be entitled to restitution from the social and legal points of view. A stable group of society approves restitution only for Polish citizens living in Poland – see tab. 3. This opinion, however, is not consistent with the international law. If restitution is decided to include all former owners, which is actually the most possible legal solution, it may create the social discontent and distrust in Poland.

Table 3. *Opinions about the possible restitution's subjects*

In your opinion restitution's subject should be:	Dates of the polls		
	2000	2001	2004
	In %		
All previous owners	15	15	13
Only Poles, even if they are foreign citizens now	4	5	5
Only Polish citizens, even if they do not live in Poland now	7	6	5
Only Polish citizens living in Poland	56	56	55
difficult to say	18	18	22

CBOS opinion polls

In 1991, 21% of opinion poll respondents evaluated that restitution would be good for the economy, 26% thought that it would be neutral and 32% saw a negative influence – see tab. 4. After 13 years, the number of people thinking positively and neutrally about restitution effects decreased to 12% and 20% respectively. But the group of people seeing only potential negative effects increased to 53%.

Table 4. *The evaluation of restitution's results*

In your opinion is restitution profitable for Polish economy?	Dates of polls					
	03.91	11.92	05.95	11.99	02.01	05.04
	In %					
Yes, profitable	21	20	17	10	10	12
Neither profitable nor unprofitable	26	24	27	22	19	20
Not profitable	32	36	34	55	60	53
Difficult to judge	21	20	22	13	11	15

CBOS opinion polls

Looking at the opinion poll results, Polish society does not feel a collective moral obligation to conduct restitution, only less than half of the respondents answered that it would be morally just – see table. 5. This means that citizens do not feel responsible for the actions of their country. In their opinion the wrongs were committed under a prior government, not connected with the current one.

Table 5. *The moral evaluation of restitution*

In your opinion is restitution morally just?	Dates of the polls	
	2001	2004
	In %	
Yes, it is morally just	48	45
Neither yes nor not	36	36
No, it is unjust	15	16
Difficult to judge	1	3

CBOS opinion polls

This social attitude creates a very difficult environment for the authorities. They need to conduct restitution but there is low level of social justification for restitution policies. Restitution burdens all citizens in favor of small group and there is no common, social feeling of responsibility for previous damage. The possible solution is to inform the society about current hidden cost of restitution and find a social compromise between the demands of former owners and opinion of the rest of the society⁹. Nowadays, only newspapers announce as a curiosity that a former owner or his/her heirs won the case and should receive compensation. The entitled persons feel the current bureaucratic process for restitution as Kafkaesque (Chodakiewicz, Currell 2003) and the conflict of interests is very visible.

5 Conclusions

The Polish authorities and society have been required to deal with a variety of restitution claims that had originated under the totalitarian regime, and they have had to act in a manner ensuring that the rights of all those wronged are given equal consideration. What Article 1 of Protocol No. 1 requires is that the amount of compensation granted for property taken away by the State should be “reasonably related” to its value. The taking of property without payment of an amount reasonably related to its value will normally constitute a disproportionate interference, and a total lack of compensation can be considered unjustifiable.

If expropriation took place under the current conditions, it would compensate the market value of a property – as a rule - according to the Polish law. Expropriation that happened under the socialist regime can now produce different results. If a former owner has the possibility to sue the responsible body, he or she could win even the full compensation (but it depends on the judgement of an independent judge). If the current legal

⁹ The hidden costs result from e.g. legal cases: many agreements in courts, verdicts e.g.: 2002 Lomza, 0.5 million PLN from State Treasury as a compensation; 2003 in Krakow, 2 million PLN from State Treasury as a compensation, 2005 in Lodz, 1.5 billion PLN from the municipality – the municipality tries to shift the responsibility onto State Treasury and many others, there is no general data.

regulation does not give any chance for winning in court, the owner has to wait for the restitution law. Tension and discontent increase more when there are verdicts giving a lot of money to a small number of people, while the rest of the entitled claimants have to wait not knowing for how long or how much they would be paid in the end.

Restitution is necessary to build the institutional framework for the real property market in Poland. There has been still an open question how to conduct it and limit the compensation¹⁰. The social compromise should be reached, but without an awareness-raising campaign or a public discussion the standpoints of entitled persons and the rest of society remain discordant.

References

- Chodakiewicz M. J., Currell D., (2003) Restytucja: The Problems of Property Restitution in Poland (1939–2001), in: Chodakiewicz M. J., Radzilowski J., Tolczyk D., eds., *Poland's Transformation: A Work in Progress*, Charlottesville, VA: Leopolis Press,
- European Court of Human Rights, case Broniowski v. Poland, (2004) application 31443/96
- Grover R., Flores-Borquez M., (2004) Restitution and Land Markets, paper presented to FIG Working Week, Athens, Greece,
- Hodgson G. M., (1988) *Economics and Institutions. A Manifesto for a Modern Institutional Economics*, Polity Press, Oxford,
- Iyer S., Kitson M. , Toh B. (2005) Social capital, economic growth and regional development, *Regional Studies* 39, 1015–1040.
- Jackson R. M., (2004) Evaluation of the efficiency, expediency and equality of compulsory purchase in Europe, School of the Built Environment, University of Northumbria, Newcastle upon Tyne,
- Jozefiak C., (1999), Skutki ekonomiczne reprivatyzacji), in: *Reprivatyzacja w systemie prawa*, eds. M. Lipinska, Dzial Wydawniczy Senatu, Warszawa,
- Laczkowski W., (1999) Ustrojowe podstawy reprivatyzacji w III RP, in: *Reprivatyzacja w systemie prawa*, eds. M. Lipinska, Dzial Wydawniczy Senatu, Warszawa,
- Laszkiewicz K.H., (1999) Problemy zwiazane z realizacja roszczen z tytułu utraty własności, in: *Reprivatyzacja w systemie prawa*, eds. M. Lipinska, Dzial Wydawniczy Senatu, Warszawa,
- Lerman Z (1999) *Agriculture in ECE and CIS: From Common Heritage to Divergence*, The World Bank, Washington, DC
- North D.C., (1990) *Structure and Change in economic history*, W W Norton&Company, New York – London,
- Olson M., (1982) *The Rise and Decline of Nations: Economic Growth, Stagflation and Social Rigidities*, New Haven, Yale University Press,
- Ossoko A (2003) *Land Administration as Infrastructure for Land Privatisation Procedures in Central Eastern European Countries*, paper presented to FIG Working Week, Paris

¹⁰ People who lost their property beyond the Bug river are discontent and try to gain more than only 20% of value of the lost property.

- Performance and Innovation Units (2002) Social Capital: A Discussion Paper, April. PIU, London.
- Riddell J (2000) Agricultural land leases and the development of effective land registration systems, in Csaki C & Lerman Z (eds) Structural Changes in the Farming Sectors of Central and Eastern Europe, The World Bank, Washington, DC
- European Court of Human Rights, Sporong and Lönnroth v. Sweden (1982) Series A, no. 52.
- Walsh S J & Taff G N (2002) Drivers of Landcover and Landuse Change Associated with Land Restitution Policies in Gauja National Park, Latvia, Department of Geography, University of North Carolina, North Carolina, USA
- Viitanen K., (2002) Just compensation in Expropriation? Paper presented to FIG International Congress, Washington.

Name of the bill	Eligible persons:	Legal reasons: for a claim	Limits on claims:	Forms of compensation	Estimated restitution cost	Major problems:
Parliament's bill –restitution and compensation on 17 July 1998, then withdrawn	A natural person being an owner on the expropriation date and holder of Polish citizenship plus the heirs	Loss of property – primarily ownership of real estate. Reasons for expropriation: • Taken over by the State by virtue of some laws, • Taken over by the State in the years 1944-60 without any administrative decision or the underlying decision were recognised as invalid, • Taken over by the State violation of the law • Property was left in the former eastern territory of Poland in relation to WWII	No limits	Natural restitution (reversion of the expropriated property), equivalent real estate, restitution bonds The bonds were anticipated to be used as a payment for: • units of open investment funds, • State's and local communities' assets, • privatised property of the State and local communities • some charges due to the State or local agencies	83.1 billion PLN worth of property 185m PLN – administrative and information costs	• Lack of precise calculations of the restitution's costs • Lack of regulations concerning real estates being currently sort of leased Lack of regulation concerning the heirs and co-owners (the number of claims, forms of restitution when the eligible persons have different opinions)
Parliament's bill-expiry of restitution claims and compensation law, put forward on 3 Nov. 1998, then rejected	A natural person being an owner or co-owner on the expropriation date plus the heirs, if holders of Polish citizenship on the day the law was enacted.	Expropriated property, taken over by the State by virtue of some laws, or with violation of the law	Max 30,000 PLN per person.	Restitution bonds - anticipated to be used as a payment for: • State's assets • State's privatised property • some charges due to the State	30,000 x170,000 (estimated number of claims) = 5.1 billion PLN	• Lack of methodology allowing to examine the claims • Lack of precise solutions for the issuance and trading in the restitution bonds • Too general description of the restitution costs
The restitution of real estate and other assets of natural persons expropriated by the State or municipality of Warsaw and compensation law of 7 March,	A natural person being an owner with Polish citizen on the expropriation date, if holder of Polish citizenship on 31 Dec. 1999, and the heirs who inherit under the	Loss of property – primarily ownership of real estate. Reasons for expropriation: • Taken over by the State by virtue of some laws • Taken over by the State in the years 1944-62 without any administrative decision or the underlying decision were recognised as invalid,	Compensation reduced to 50% of the lost property's value	Natural restitution (reversion of the expropriated property), restitution bonds. The bonds were anticipated to be used as a payment for: • property being sold by the State • interest in real estates put on a special list • a whole or part of a	44 billion PLN, but the whole process of restitution requiring in fact 66.9 billion PLN	• Lack of precise calculations of the restitution costs • Too narrow range of eligible persons Communities' deprived of their real estate without any compensation
MOI, passed by Parliament, then vetoed by the President	Polish law, if holders of Polish citizenship on 31 Dec. 1999	• Taken over by the State violation of the law • Occupied by the Nazis after 1 Sept. 1939, and then seized by the Government or the municipality of Warsaw		privatised enterprise • municipal flats the difference between worth of returned property and recognised property		
Government's bill from 2002	A natural person who was the owner on the date a property in the territory of Poland was expropriated, with a Polish citizenship, plus the heirs	Property expropriated by the State with violation of the law or without any compensation	The highest limit of 50% of loss value, but the rule – digression (the higher the value of the lost property, the lower the percentage of compensation)	Natural restitution or equivalent real estate	12 billion PLN	• Lack of solutions addressing real estate left in the former eastern territory of Poland • Lack of solutions addressing real estate taken over by the Municipality of Warsaw
Government's bill from 2005	A natural person being an owner on the expropriation date plus the heirs; A Ltd or share company	Loss of property – primarily ownership of real estate. Reasons for expropriation: • Taken over by the State by virtue of some laws, • Taken over by the State in the years 1944-62 without any administrative decision and the underlying decision were recognised as invalid, • Taken over by the State violation of the law • Occupied by the Nazis after 1 Sept. 1939, and then seized by the socialist government	Compensation reduced to 15% of the lost property's value	Compensation in cash, in 4 yearly instalments, starting point - 2008	40-60 billion PLN	• Lack of solutions addressing real estate taken over by the Municipality of Warsaw,

¹ The project is being changed so other problems are unknown.