

Stephan Raabe: The Fourth Republic Has Hardly Borne Fruit so Far. Poland's Record of 2006: Politics and the Economy. Facts, Figures, Analysis

As claimed by the country's prime minister, Jaroslaw Kaczynski, 2006 was the best year for Poland in 17 years. However, if viewed critically, we come to another conclusion: According to the Bertelsmann Transformation Index, Poland slipped from seventh to ninth rank in 2005, the rating of its governmental action deteriorated noticeably, and the most positive thing the country could be credited for was a 'successful but occasionally weak management'.

It can certainly not be said that the PiS government, which took office late in 2005, was able to correct the weaknesses of the country's transformation management: The problems encountered in forming a consensus have increased, and in international cooperation and resource efficiency, things are looking even worse. 14 months after he assumed office, Mr Kaczynski has not provided any evidence that he is capable of organising the country better.

Nevertheless, the prime minister describes the record as positive, stating that on the national plane, Poland was on track to success, that its international strength had grown, and that it had a government which carefully considered every move in foreign policy. Presidential adviser Mr Cichocki largely shares this opinion, arguing that Poland's foreign policy was successful – despite the 'very difficult situation'. Specifically, he mentioned the pressure exerted by Russia, the development in Ukraine, the weakness of the EU, closer relations with Germany and the US, the problem of energy security, the crisis of NATO, the unstable situation in domestic policy, and the reform of the foreign ministry. However, the fact is that Warsaw eyes Russia, Germany, and the EU with suspicion, rejects the EU constitutional treaty, and has not been remarkable for constructive commitment within the Union so far.

Poland's people, on the other hand, view matters differently. They view the EU quite positively and consider Germany their most important partner after the US. And the Euro Barometer attests that Poland's population ranks among the most contented citizens of the EU.

According to those in power, the country is on its way to the Fourth Republic which, however, is still short of completion. Not only the Third Republic after 1989, but also its representatives, such as the former foreign secretary, Mr Bartoszewski, and the line he followed in his time are morally and politically discredited. However, Mr Kaczynski's vision of a new, more solidary policy which watches better over national interests appears nebulous and unsubstantial. Due to political corruption, nationalist machinations, and a sex scandal, the parties that form Poland's current ruling government – the PiS, the Liga, and the Sam – lost much of their credibility and failed to make the idea of a 'moral revolution' appear in a positive light. At best, one in four Polish citizens still believes today that the Fourth Republic stands for more honesty, justice, and prosperity.

What also raises some concern is that two of the coalition partners of the ruling government, the Sam and the LRP, are opposed to reforms and show a questionable understanding of democracy. It remains to be seen whether they will cause damage to themselves by their own government work. After all, the breakup of the coalition caused by the government crisis of September 2006 was only temporary as Mr Lepper, who had renounced the office of vice president, abandoned

his decision quite soon: Presumably, everyone's fear of new elections was so great that they decided to stay together.

The parties of the current opposition appear weak and politically immobile. The liberal-conservative 'Civic Platform' (PO) shows no profile, while the 'Democratic Left Alliance' (SLD) is currently going through a phase of regeneration after its electoral setback. The only political party to profit from the generally poor show of the Sam is the agrarian 'Polish People's Party' (PSL).

Today, Poland's political-party system is dominated by a large number of political groups. However, only eight of them are of any importance, and only three have been in existence for more than six years. Internal structures are generally underdeveloped, nor are things looking good for the parties' internal democracy. Nevertheless, Poland's party landscape began to stabilise itself after 2001 so that today, especially after the parliamentary elections of 2005, its structure is clearer than before. The PiS, the Sam, and the LPR, the parties that form the conservative-nationalist government, are confronted by the liberal-conservative Civic Platform, the agrarian social People's Party, and the Democratic Left.

Among the Polish population, defeatism reigns: While 40 percent of the potential voters went to the polls in the parliamentary elections, only 51 percent attended the presidential and 21 percent the European elections. 70 percent consider the work of the Sejm bad, and 45 percent are dissatisfied with the work of the Senate. Most Polish people do not rate President Kaczynski's work as good; however, his twin brother, Poland's prime minister, comes off even worse. The general situation of the country is regarded as bad, and sociologists even regard the atmosphere as pathological. The low election turnouts and the fact that people have lost their trust in politics do have their consequences: Legitimation of political actions is limited, and the development of civil society structures is hampered.

Currently, Poland's Catholic Church, which traditionally has a great influence on national politics, appears insecure, weakened by internal disputes, and to a large extent influenced by conservative nationalist groupings like the media group, Radio Maryja. The ruling parties, the PiS and the LPR, are very close to conservative forces within the Church. Meanwhile, even the Church must face claims that certain officials cooperated with the former communist regime, one recent example being that of Cardinal Wielgus, who resigned as Archbishop of Warsaw immediately after his appointment. The Church finds it difficult to establish transparency although in Poland, a country in moral decline, it would be fatal if the Church were to be discredited by a conspiracy of silence, as it is the highest moral authority.

With regard to Poland's economy, the Bertelsmann Transformation Index pointed at a high budget deficit, high structural unemployment, and the amalgamation of politics and the economy in 2005. The only positive aspect mentioned then was the improvement of the institutional and market-economy framework. One and a half years later, its judgement is no better: Poland's budget deficit is still too high, its unemployment rate remains the highest in the entire EU, and the entanglement of politics and the economy in the country is as bad as it ever was. The EU Commission and the Central Bank take a more positive view, attesting that Poland is the only Eastern accession state to make any progress since 2004.

In fact, the main indicators for Poland's economic development in 2006 are not bad, even if this is largely to the credit of the previous government: Economic growth is at five percent; at 15.5 percent and 14.8 percent, respectively, exports have increased faster than imports, and there is a trade balance surplus. Poland is closely interwoven with the EU, and trade relations with

Germany are developing dynamically. Wages within the economy were raised, inflation is at 1.4 percent, and public spending has increased. Poland's national debt exceeds that of the Czech Republic but its social spending ranges above the OECD average. However, there are also negative aspects, such as the still-weak social system, growing social differences associated with a poverty risk for the old and the unemployed, the worst labour market EU-wide with a job migration of more than a million and, as a result of all this, the fact that Poland is an emigration country and affected by demographic change – the population is declining while the average age rises.

The most recent quarterly report of the World Bank also addresses Poland, arriving at the following conclusion: After its accession to the EU, the country's reform programmes were not implemented consistently. The further implementation of the reform agenda is proving difficult, and budget discipline is insufficient. And in its economic report on Poland, even the OECD mentions the great challenges Poland is still facing.

What remains to be said is that Poland's process of transformation and reform is still far from complete. While it is true that a functioning parliamentary democracy and a market economy framework are present, there still is a great need for structural and social reforms. What is also alarming is that Poland's development lags behind that of the EU-15 countries, and that it will probably need two decades to make up this backlog. To resolve permanent deficits, the Polish government must improve its capability of controlling and organising the country. It is the government especially which remains the central challenge in Polish politics.