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The Golden Straitjacket of Poland's Membership in the EU

Abstract: This article aims to evaluate the first decade of Poland's membership in the European Union. The analysis covers three major aspects: modernisation of the economy, state administration, and shaping a democratic political system. The article attempts to show that the processes of EU integration resemble a 'golden straitjacket' – a garment that seems desirable and even resplendent, but turns out to be a constraint on freedom.

Keywords: economy, administration, democracy, Poland, European Union

Introduction

The aim of this article is to evaluate the first decade (2004–2014) of Poland's membership in the European Union. It focuses on the three main areas which are of fundamental importance to the functioning of a modern democratic state: the economy, state administration, and democracy. These are the areas considered as those in which Poland achieved a clear success with its accession to the EU. However, it is worth taking a critical look at this success. Was the first decade a truly a unique period in the history of Poland, one that led to unprecedented civilisational growth and modernisation in all spheres of the economy, state administration and

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¹ Some of arguments and claims made in this article have also been presented elsewhere at greater length. See: T.G. Grosse, *W objectach Europeizacji (In the embrace of Europeanization)*, Warszawa 2012. I thank the two anonymous reviewers for their helpful comments on the first version of the article.

political life? It should be kept in mind that some measure of integration had already occurred in the 1990s, following the democratic transition of 1989. The first years of EU membership were undoubtedly a decade of modernisation and systemic transformation in their own right. Thanks to the overall success of the Polish transformation, democracy and market capitalism could put down roots. The average quality of life improved. thanks to the influx of foreign capital and funds from the EU cohesion policy. Does this mean, however, that the decade between 2004 and 2014 was a period of unique growth of Polish governance, society and economy? Or perhaps the ostensible prosperity was only transient and will not lead to sustainable development? The dynamic growth was possible thanks to the influx of foreign capital, but foreign investors did not necessarily build long-term competitive advantage. In short, the economic growth was mostly exogenous (i.e. it relied on external funds and strategic decisions), and Poland exploited a systemic niche that had been created as a by-product of the 2004 enlargement, namely that areas were brought within the EU that were attractive for investors thanks to their relatively low labour costs and access to the internal market. The existence of this niche is, however, only temporary, and Poland's 'boom' will only last as long as labour costs remain low. When it comes to cohesion policy funds, it has to be stressed that they mostly stimulated internal demand, and to a considerably lesser degree brought about structural changes that would increase the competitiveness of the Polish economy. For this reason, it is likely that the beneficial effects of the cohesion policy will not outlive the moment when the EU's support programs for Poland cease their operation.

Hence one might ask if the first decade of Poland's membership in the EU may be viewed as a period of lost opportunities and depletion of the country's assets and reserves. To answer this question we should take into account the growing public debt (which is exponentially higher than the debt level of the Polish People's Republic before 1989). The decline in demographic indices post-2004 has likewise been dramatic. According to the estimates of Poland's Main Statistical Office (GUS),² the population of Poland in 2035 will be smaller in comparison to today's by over 2.2 million and will drop to approximately 35.9 million. Further population loss is also possible as a result of emigration. According to GUS's demographic yearbook,³ in the years 2004-2008 alone over 2.2 million Poles left

² Prognoza ludności na lata 2008–2035 (The population forecasts for the 2008–2035), Warszawa 2009.

³ Rocznik demograficzny 2009 (Demographic Yearbook 2009), Warszawa, p. 458.

the country supposedly 'on a temporary basis' (for stays abroad longer than two months). However, the experts highlight that these 'temporary immigrants' in fact only rarely come back to Poland, and that the 'temporary immigration' demonstrated in the statistics in reality quite often took on a permanent character.⁴ Even more worryingly, migrants are typically more active, entrepreneurial, better educated and younger than the population average. Sociologists sometimes dub this group as 'the trailblazers'. The fact that this young, active and highly-educated demographic leaves Poland is a direct consequence of the enlargement and of the opening of the labour markets in the core EU countries. Studies of Polish migrants' attitudes show that they very often perceive emigration as a chance of having a better life than in their home country

Other worrying trends include growing income disparity, crises in many spheres of public services (e.g. healthcare, science and humanities, and also sadly tertiary education) and the decline of branches of the economy that used to constitute the foundation of Poland's growth (shipyards, the textile industry, coal mining). In this perspective, integration can be viewed as a period of depletion of resources necessary for long-term growth. The proverbial 'life on credit' indeed improves the quality of life of the generation taking out credit, but comes at a cost for the future debtladen generations.

All this may be associated with a tendency on the part of national political elites to show increasingly less interest in structural, economic and social problems. This would imply that European integration makes the elites complacent and causes them to exempt themselves from responsibility for the long-term development of the country. The elites enjoy the short-term benefits of integration and are oblivious to the depletion of the resources needed for further growth. They also forfeit their chance to take effective control of development policies.

Membership in the European Union has undoubtedly been a developmental opportunity that required a considered strategy and a concerted effort on the part of the Polish elites. But this does not release them from their responsibility for the future fate of the country, and it should not lead to the transfer of all powers to the European institutions. It is equally undeniable that EU integration imposes certain 'rules of the game' on those countries entering the EU. These rules provide a framework for growth, expressed not only in economic and social terms, but also on the geopolitical level. Following the transformation which began in 1989

⁴ P. Sieńko and T. Formicki, *Drenaż mózgów polskiej gospodarki (The brain drain of the Polish economy*), "Gazeta Finansowa", 24.04.2010, p. 6.

Poland has changed its strategic alliances, exiting the Eastern Bloc and entering the Western sphere of influence. However, while the country may have changed its allegiance, it has not shed its peripheral status. This means Poland still has a relatively small influence on the key decisions within the European system of power. As a result, European integration also imposes limitations on Polish policy makers and greatly influences the development processes in the country. This situation can be compared to a 'golden straitjacket', a garment that gives the promise of comfort and glamour, but turns out to be restrictive. By the same token, EU accession promises manifold benefits, but, once adopted, it imposes specific solutions on domestic policy.

There is an obvious tension between the opportunities offered by European integration and the constraints that it imposes. With accession, Poland has gained a historic opportunity to improve its international position, and the possibility to upgrade its status from periphery to semi-periphery of Europe. But this is only a potential opportunity, and as such it may be squandered. In the worst-case scenario, EU membership may perpetuate Poland's economic dependence and its peripheral geopolitical status.

1. Integration with the internal market

An important consequence of EU membership has been the integration of the Polish economy with the internal market. On one hand this integration has brought with it obvious benefits, such as open access to a huge market for Polish products, possibilities of cooperation with foreign partners, and opportunities to entice foreign investors. On the other hand, it was associated with a sea change for Polish economic entities. All of a sudden they were expected to compete as equals in the spheres of industry, agriculture and services against stronger and more experienced international entities. They were also obliged to comply with the rules and regulations of the EU's internal market. Some of these regulations could be viewed as obstacles by Polish economic entities: for example the ban against allocating public funds to improve the competitiveness of domestic enterprises. There were also other limiting regulations (e.g. regarding climate policy) that brought asymmetrical benefits to companies operating in different parts of the EU and seemed to put Poland at a disadvantage inasmuch as its economy relies heavily on coal as an energy source.5

⁵ T.G. Grosse, Niskoemisyjna gospodarka w Polsce: wpływ europeizacji na politykę rządu (Low Emission Economy in Poland: the impact of Europeanization on government policy), Warszawa 2011.

The internal market has created a niche for a development model based on low production costs and close export cooperation with leading companies from the EU, especially from Germany. As one analyst succinctly put it,⁶ a large part of the German export machine found its operations base in Poland. Thus, the growth of Polish economy was fuelled by an influx of foreign investors who benefited from the low labour costs and relatively educated workforce, and also took advantage of preferential treatment offered by the public authorities (e.g. tax cuts and tax holidays). With the benefit of hindsight it can be argued that the government's policy was constructed in such a way as to offer preferential treatment to foreign investors over domestic entrepreneurs.⁷

This tendency was further strengthened by integration with the EU. European institutions urged the governments of Central Europe, including Poland, to open up to Western investors and encouraged the privatization of state enterprises. During the accession negotiations adoption of such an attitude actually became one of the key conditions of EU membership. The European Commission opined on and approved most of the investment incentive schemes prepared by the national authorities for foreign capital. The Commission provided logistical support and even transferred financial aid to government agencies that were created to support external investors. These actions were reinforced by the EU's cohesion policy, which focused on investments into infrastructure. The improvement of road infrastructure naturally made Poland even more attractive for foreign investors, as it facilitated the transport of materials and export of goods.

The economic model described above has one critical flaw: it is highly exogenous, and therefore dependent on external entities and directly linked to the economic condition of Poland's partners (especially Germany).¹⁰ It is based on low production costs, which in the perspective

⁶ M.A. Orenstein, *Poland. From Tragedy to Triumph*, "Foreign Affairs", Vol. 93(1)/2014, pp. 23–27, at p. 24.

⁷ For more on the weakness of the economic policy of Polish authorities, see: D. Klonowski, *The effectiveness of government-sponsored programmes in supporting the SME sector in Poland*, "Post-Communist Economies", Vol. 22(2)/2010, pp. 229–245.

⁸ N. Bandelj, From Communists to Foreign Capitalists: The Social Foundations of Foreign Direct Investment in Postsocialist Europe, Princeton 2008, p. 83; N. Bandelj, How EU Integration and Legacies Mattered for Foreign Direct Investment into Central and Eastern Europe, "Europe-Asia Studies", Vol. 62(3)/2010, pp. 481–501.

⁹ G. Medve-Bálint, *The Role of the EU in Shaping FDI Flows to East Central Europe*, "Journal of Common Market Studies", Vol. 52(1)/2014, pp. 35–51.

¹⁰ W. Jacoby, Managing globalization by managing Central and Eastern Europe: the EU's backyard as threat and opportunity, "Journal of European Public Policy",

of the near to medium future may increase so dramatically that Poland will cease to be attractive to foreign entities. This is the main reason why Polish decision makers (especially the liberal-leaning ones) tried to block rapid wage increases in the country. Clearly, a significant increase in wages would precipitate a change of the economic model. However, neither the investors (which is understandable) nor the Polish government are interested in switching the economic model from the current one based on cost competitiveness to a more sustainable one based on innovation. This situation threatens to develop into the so-called *middle income trap*. ¹¹ However, leaving the niche will be difficult, because there are no economic or political forces in Poland that are seriously interested in the problem.

There can be no doubt that integration with the internal market and adoption of the exogenous model led to rapid growth, especially in the major metropolitan centres or other areas that attract foreign investors. Support from EU funds also contributed to an increase in living standards and average income levels. Gross domestic product per capita (in purchasing power parity) increased spectacularly from 10,900 EUR in 2004 to 17,500 EUR in 2013 (the same indicator for EU-28 overall was 25,700). ¹² But there is one shadow that hangs over Poland's success story in the last decade: the growth in the cities (and especially in Warsaw) has widened the gap between them and the rural, peripheral and border areas. Civilisational gaps within regions (voivodeships) are also growing, even though one of the goals of cohesion policy was to reduce regional disparities. ¹³ There are so-called 'pockets of poverty', especially in the least-developed regions. In 2013 between 10 per cent and 13 per cent of the population was

Vol. 17(3)/2010, pp. 416-432; A. Nölke and A. Vliegenthart, Enlarging the Varieties of Capitalism. The Emergence of Dependent Market Economies in East Central Europe, "World Politics", Vol. 61 (4)/2009, pp. 670-702; G. Medve-Bálint, op.cit., p. 38; K. Jasiecki, Kapitalizm po polsku (Capitalism in Polish), Warszawa 2013.

The middle income trap is a theoretical economic development situation whereby a country which attains a certain income (due to given advantages) will get stuck at that level. Countries in the middle income trap have lost their competitive edge in the exportation of manufactured goods because their wages are on a rising trend. Cf. K. Lee, Schumpeterian Analysis of Economic Catch-up: Knowledge, Path-Creation, and the Middle-Income Trap, Cambridge 2013.

¹² Eurostat: main tables, annual national accounts, epp.eurostat.ec.europe.eu (last visited 27.10.2014).

¹³ Cf. T. Czyż and J. Hauke, Evolution of regional disparities in Poland, "Quaestiones Geographicae", Vol. 30(2)/2011, pp. 35–48; M.G. Woźniak, Spójność społeczno-ekonomiczna w kontekście tendencji do upowszechniania się kryzysu finansów publicznych w Unii Europejskiej (Socio-economic consistency trends in the context of the dissemination of the public finances crisis in the European Union), "Nierówności społeczne a wzrost gospodarczy", Vol. 25/2012, pp. 5–29.

threatened with extreme poverty. The situation was especially dire for residents of the Warmia, Mazury, Podlasie and Świętokrzyskie voivodeships (provinces). The smallest risk of poverty (below 5 per cent) occurred in the Silesia, Lower Silesia, Mazovia, Opolskie and Lubuskie voivodeships. It should however be emphasised that the figures for Mazovia demonstrated the existence of considerable income disparities between Warsaw and the rest of the province (voivodeship). ¹⁴ The capitol city was undoubtedly a beneficiary of integration. With EU accession it joined the ranks of Europe's largest cities. But some regions did not share in the benefits, notably Eastern Poland, which is one of the slowest growing regions in the whole of the EU. Even some parts of Mazovia, which after all is a central region, only seemed to benefit to a negligible extent.

Another problem is the growing public debt (incurred at both the central and local government levels.) In 2013, it exceeded the level of 58 per cent of GDP.¹⁵ At the same time, private debt levels also spiked, reaching approximately 75 per cent of GDP. Foreign debt likewise increased from approximately 133 billion USD in 2005 to 365 billion in 2012.16 Given the declining value of the dollar, the debt level was actually much higher than before the political transformation of 1989. An important factor facilitating borrowing was the easier access to external sources of finance, made possible by the internal market and the presence of Western banking institutions in Poland. The need for credit also increased, both among public authorities and privately-owned companies. Public authorities were bound by the requirements of the EU cohesion policy and by the need to fund excessively overstaffed administrations. In the private sector, the growing need for funds was primarily related to the increasingly consumerist lifestyles introduced along with capitalism. This led to the proverbial 'living on credit', which precipitated the risk of a debt crisis and the possibility of a rapid exit of foreign investors. A large part of the debt can be attributed to consumption rather than productive investment. For a time, this increased domestic demand made Poland an attractive market for foreign investors. However, the 'spending spree' period did not contribute to strengthening the competitiveness of the local economy. Another troubling issue was the decrease in the state's responsibility for providing a range of public

¹⁴ Ubóstwo w Polsce w 2012 r. (Poverty in Poland in 2012), Warszawa 2013, p. 9. See also: J. Szlachta, Trajektorie rozwojowe polskich województw – wymiar Unii Europejskiej (Developmental trajectories of Polish provinces – European Union dimension), "Zeszyty Naukowe WSEI", No. 8(1)/2014, pp. 73–93.

¹⁵ European Economic Forecast – Autumn 2013, Luxembourg 2013, table 42.

¹⁶ Statistical Yearbook of the Republic of Poland 2013, Warszawa 2013, p. 617.

services (e.g. health care), due both to the rising costs and to the desire to balance the state budget (and introduce cost cuts).

Another consequence of the Polish economic model is the continuing deficit in international trade. This means that the Polish economy was only moderately competitive on the global market. Although the balance of trade with EU countries was positive, the total trade balance was negative as a result e.g. the outflow of capital linked to property income and interest. Such figures underscore the aforementioned exogenous character of the Polish economy and the dominant role of foreign investors (including equity investors). The investors derive profits from activities conducted in Poland, but their income is rarely used for meaningful and long-term investments into production in the country – much more often the income is transferred abroad.

It is interesting to note yet another manifestation of the exogenous economic model, namely the preponderance of foreign institutions on the Polish financial market. After ten years of EU membership, approximately 65 per cent of banks are owned by external parties. Research indicates that such a strong presence of foreign banks on the Polish market is not only quite unique in Europe (comparable only with some countries of Central Europe and with the UK), but also brings with it a number of negative consequences. It is conducive to speculation, including real estate speculation, and it stimulates consumption at the expense of investments in production. Furthermore, it hinders the implementation of macro-prudential policy by local regulators. Another danger is the lack of cooperation of the financial sector with state authorities (as it seems likely that foreign entities will feel less inclined to cooperate in this respect). As a consequence, the government may lack the financial sector's support for fostering endogenous growth.²⁰

¹⁷ Ibidem, p. 615.

¹⁸ See: T. Poghosyan and A. Poghosyan, Foreign bank entry, bank efficiency and market power in Central and Eastern European Countries, "Economics of Transition", Vol. 18(3)/2010, pp. 571–598; R.A. Epstein, The social context in conditionality: internationalizing finance in postcommunist Europe, "Journal of European Public Policy", Vol. 15(6)/2008, pp. 880–898.

¹⁹ S. Kawalec and M. Gozdek, Raport dotyczący optymalnej struktury polskiego systemu bankowego w średnim okresie (Report on the optimal structure of the Polish banking system in the medium term), Warszawa 2012, pp. 6–24.

²⁰ Endogenous development is targeted at creating long-term growth processes based on internal growth factors. External investment sources (public or private) should only be tapped with a view toward strengthening endogenous growth processes, and external aid should be treated as an additional component aiding internal growth mechanisms. Cf. T.G. Grosse, Wybrane koncepcje teoretyczne i doświadczenia praktyczne dotyczące rozwoju regionów peryferyjnych (Selected theoretical concepts and experiences of peripheral regions), "Studia

These reflections are aptly encapsulated by Andrew Janos in his remarks about the existence of a growth gap between Western Europe and Central Europe.²¹ According to Janos, the chasm became deeper and deeper over a long period of time (at least since the 17th century), and its primary cause was the economic model formed in this (Central) part of Europe. It consisted of excessive consumption and insufficient accumulation of savings or investments in production. The level of investment in innovation and into improvement of production effectiveness was particularly low. Another characteristic of this part of Europe was economic and political instability, which resulted from the region's dependence on external geopolitical centres of power (in Poland the situation first appeared when the elector of Saxony, Augustus II, was elected to the Polish throne, and continued throughout the 18th and 19th centuries).

According to Rachel Epstein,²² integration with the EU has not significantly decreased the differences between Western and Central Europe. To some extent it even contributed to perpetuating the existing model of exogenously-inspired development in Central Europe. The new post-accession state of affairs actually retains the defining structural features of the old model. Epstein claims that growth continues to be based on excessive consumption of imported goods, whereas domestic investments in production are insufficient, especially when it comes to innovativeness. The prosperity of the entire region depends on the inflow of foreign equity, which is particularly visible in the banking sector. Other researchers²³ add that the region still suffers from instability as a result of its economic dependence on the West. The worsening of Poland's situation is also due to economic problems in Western Europe and to the pro-cyclical effects of capital (which leads to an increase in inflation and asset prices during a boom, but to a sudden economic collapse if there is capital outflow during a recession).

The abovementioned researchers concur that European integration has duplicated Poland's earlier trend of dependent growth, and as a consequence has not provided a stimulus for modernization based on endogenous growth factors. However, one should not blame the shape of

Regionalne i Lokalne", No. 1(27)/2007, pp. 27-49.

²¹ A.C. Janos, East Central Europe in the Modern World: The Politics of the Borderlands From Pre- to Postcommunism, Stanford 2000, pp. 68–69, 414.

²² R.A. Epstein, Overcoming 'Economic Backwardness' in the European Union, "Journal of Common Market Studies", Vol. 52(1)/2014, pp. 17–34.

²³ W. Jacoby, The EU Factor In Fat Times and In Lean: Did the EU Amplify the Boom and Soften the Bust? "Journal of Common Market Studies", Vol. 52(1)/2014, pp. 52–70; M. Myant and J. Drahokoupil, International Integration, Varieties of Capitalism and Resilience to Crisis in Transition Economies, "Europe-Asia Studies", Vol. 64(1)/2012, pp. 1–33.

the Polish economic model solely on the aspirations and ambitions of Western investors and political elites, even if they actively influenced its formation. The responsibility also rests on local elites in Central Europe, who decided to forfeit their autonomy in economic relations in order to obtain geopolitical objectives, the primary one being integration with the West. A related problem was also the self-complacency (or even dormancy) of the elites during the process of European integration, which coincided with shifting the responsibility for the country's economic future to the European level.

2. 'The New Marshall Plan'

Financial aid from the cohesion policy and agricultural policy funds were an important incentive for Poland's EU integration. The volume of financial aid transferred to Poland by the EU has been spectacular and can only be compared to the Marshall Plan that aided the recovery of Europe in the aftermath of World War II and kick-started Western Europe's economic growth. (It should be recalled that funds from the Marshall Plan were initially planned to be distributed also in Poland, but the Communist government refused to accept the aid.) After 2007, the majority of all EU aid funds were directed to Central Europe, and Poland became the biggest beneficiary. According to the Ministry of Regional Development, in the years 2004–2013 Poland received upward of 82 billion euro in cohesion policy funds. They were disbursed within 172,000 projects.²⁴

While the sheer volume of aid can only be viewed as advantageous, experts raise some doubts as to the effectiveness of its allocation. The scholarly consensus seems to be that cohesion policy investments modernised the Polish economy only in a superficial manner. They were mostly used to co-fund infrastructure investments, or projects that improved the living conditions of local populations (such as sidewalks and bike paths). The funds were all too rarely deployed to strengthen the competitiveness and innovativeness of the Polish economy. Therefore, the growth that they brought with them threatens to be ephemeral. Regrettably, the cohesion policy funds in Poland had relatively little effect on long-term growth.²⁵ The use of cohesion policy funds in order to foster innovation

²⁴ Bilans członkostwa w UE – Fundusze Europejskie (The balance of the membership in the EU – European Funds), 30.04.2013, https://www.funduszeeuropejskie.gov.pl (last visited 27.02.2014).

²⁵ T.G. Grosse, Innowacyjna gospodarka na peryferiach? Wybrane koncepcje teoretyczne

has been insufficient and ineffective. For this reason, the implementation of the cohesion policy in Poland can be said to have generated demandside and not supply-side effects.²⁶ The former involve increasing the income levels of the population, fostering an increase in consumption and contributing to improving the quality of life, but have only a short-term impact on economic growth. In contrast, supply-side effects have a longer lasting impact on economic growth, because they rely more on structural changes and enhance the endogenous potential of the national economy.

While it must be admitted that cohesion policy funds accelerated the growth of Poland's cities and towns, an analysis of the allocation and use of funds on the level of poviats²⁷ shows that the majority of cohesion policy funds in the years 2007–2013 were spent in the most dynamically developing (mainly urban) areas.²⁸ Thus, they further increased the existing spatial disparities. One should also point out that Polish authorities were mostly focused on securing the European funds, and much less concerned with strategically planning their use or taking into account long-term local development needs.

Poland attained a special status during the implementation of the cohesion policy for the period 2007–2013. It was the largest beneficiary of such funds in Europe. In contrast to the preceding period (i.e. 2004–2006), Poland was able to participate in the negotiations regarding the European cohesion policy that took place in 2006, because at this point the country was an official member of the Community. When it came to disbursement and implementation of the funds, the EU imposed an organizational framework that had to be respected by beneficiaries. Some decision makers in Poland were even disappointed that the programme framework was so rigid, inasmuch as it excluded the possibility of freer allocation of the funds by regional decision makers.²⁹ Of course, Poland was just one of

oraz doświadczenia rozwoju regionów peryferyjnych (Innovative economy in the periphery? Selected theoretical concepts and the experience of peripheral regions), Warszawa 2007.

²⁶ P. Churski, R. Perdał and A. Borowczak, Zróżnicowania rozwojowe na poziomie lokalnym a absorpcja środków polityki spójności – wyzwania krajowej polityki rozwoju (Diversity of local development and the absorption of cohesion policy – national development policy challenges) in: Przyszłość wolności. Wymiar krajowy – regionalny – międzynarodowy (Future of Freedom. National – regional – international dimensions), A. Kukliński and J. Woźniak (eds.), Kraków 2014, pp. 279–316.

²⁷ Poviats are the second-level unit of local government and administration in Poland, equivalent to a county, district or prefecture in other countries.

²⁸ P. Churski, R. Perdał and A. Borowczak, op.cit.

²⁹ Cf. Ewaluacja systemu zarządzania i kontroli Regionalnego Programu Operacyjnego Województwa Zachodniopomorskiego na lata 2007–2013 (Evaluation of the management and control system of the West Pomerania Regional Operational Programme 2007–2013), Warszawa 2014.

the 27 member states participating in the negotiations, and many of them had divergent interests that were often in conflict with those of the Polish government.³⁰ In addition, Polish officials and diplomats of that period had scant experience in EU diplomacy, and as a consequence their impact on the outcome of the EU negotiations was limited.

As a consequence, Poland focused on the unquestioning implementation of EU development policies (and therefore on the required operational planning), and not on proactively shaping the policies' strategic goals in Poland's interests. Due to the organizational effort and the need for funding from the national sources that was involved, the implementation of the cohesion policy practically precluded the possibility of emergence of a national development policy which would be independent of the EU.³¹ For example, just before the launch of the cohesion policy for the period 2007–2013, Polish authorities focused on the preparation of strategic and operational documents that would ensure implementation of this EU policy. At the same time, they chose not to pursue activities linked to drafting and updating strategic documents that would define a comprehensive *national* policy of regional development for that period.

This 'New Marshall Plan' – if we can use this term to refer to the flow of EU aid –undoubtedly had many advantages. It contributed to the construction of important infrastructure and the completion of other large projects, and it also brought about an overall improvement of living standards in Poland. But it must be remembered that it also shaped the modernization processes and blocked the creation of national development policies (both horizontal and regional). The plan was also centralised at the EU level. This centralisation was to some extent a learning experience for Polish decision-makers, because they were exposed to new organizational solutions and absorbed the bureaucratic know-how. On the other hand, Polish elites became passive and overly dependent on 'the opinion of Brussels'. This issue is elaborated on at a greater length in the next section of this article, where the impact of EU integration on the modernization of Polish administration is analysed.

³⁰ T.G. Grosse, Polityka spójności ekonomicznej i społecznej Unii Europejskiej. Trzy poziomy gry o interesy oraz modele rozwoju ekonomicznego (Policy of economic and social cohesion of the European Union. Three levels of the game and models of economic development) in: Przestrzeń w zarządzaniu rozwojem regionalnym i lokalnym (Space in the management of regional and local development), T. Markowski (ed.), Vol. 211, Warszawa 2004.

³¹ Cf. T.G. Grosse, An Evaluation of the Regional Policy System in Poland: Challenges and Threats Emerging from Participation in the EU's Cohesion Policy, "European Urban and Regional Studies", Vol. 13(2)/2006, pp. 151–165; T.G. Grosse, EU Cohesion Policy and the peripheries of the New Member States in: Regional Development in Central and Eastern Europe, G. Gorzelak, J. Bachtler and M. Smętkowski (eds.), London–New York 2010, pp. 313–328.

3. Superficial modernisation

An important aspect of EU membership is the modernization of Polish administration. The European Commission placed a great deal of emphasis on this problem in the course of accession preparations and negotiations. The Commission's main concern was the capacity of administration and the judiciary to implement European policies and law.³² Some experts – including many who are themselves part of bureaucratic structures – hail the modernisation of Poland's administration as one of the great benefits of integration. ³³ This achievement is all the more important as, for historical reasons, Poland enjoyed the structures of a modern and independent state for only a very short period in the 20th century. And it practically never achieved what might be called a 'citizen-friendly state'.

But the majority of scholars are somewhat sceptical on this issue. They argue that the modernisation of the administrative system is in fact superficial and that it was achieved at a substantial cost. A good illustration of this is the documented tendency of civil servants to focus on the mindless implementation of European funded projects, and neglect strategic planning.³⁴ Ironically, this neglect does not involve the *writing* of strategic documents (there is a surfeit of those), but a lack of skill and insight in translating strategic goals into action. As a result, Polish administration is quite successful in mechanically implementing European policies and regulations, but is not sufficiently proactive when it comes to their creation. Earlier in this article the costs of modernisation were mentioned.

³² G. Pridham, Unfinished Business: European Political Conditionality after Eastern Enlargement in: The European Union and Democracy Promotion, R. Youngs (ed.), Baltimore 2010, pp. 16–37; A. Mungiu-Pippidi, When Europeanization Meets Transformation. Lessons from the Unfinished Eastern European Revolutions in: Democracy and Authoritarianism in the Postcommunist World, V. Bunce, M. McFaul and K. Stoner-Weiss (eds.), Cambridge 2010, pp. 59–81.

³³ P. Żuber, Warunki prowadzenia debaty na temat przyszłości Unii Europejskiej w Polsce (Terms of the Polish debate on the future of the European Union) in: Unia Europejska. Dylematy XXI wieku (The European Union. Dilemmas of the twenty-first century), A. Kukliński and J. Woźniak (eds.), Vol. IV, Kraków 2011, pp. 149–152. See also: I. Bache, G. Andreou, G. Atanasova and D. Tomsic, Europeanization and Multi-level governance in south-east Europe: the domestic impact of EU cohesion policy and pre-accession aid, "Journal of European Public Policy", Vol. 18(1)/2011, pp. 122–141, especially at p. 126.

³⁴ Ocena systemu realizacji polityki spójności w Polsce w ramach perspektywy 2004–2006 (Evaluation of the implementation of cohesion policy in Poland in the framework of the 2004–2006 perspective), Warszawa 2011, pp. 187–192. Comp. J. Bachtler, C. Mendez and H. Oraže, From Conditionality to Europeanization in Central and Eastern Europe: Administrative Performance and Capacity in Cohesion Policy, "European Planning Studies", Vol. 22(4)/2014, pp. 735–757.

One of the most visible of these is the excessive growth of administrative structures. The swell in employee numbers is often compared to the notoriously overstaffed administration before 1989. In 2012, Polish public service employed more than 430,000 people.³⁵ This growth is quite spectacular even when compared with 2005, when the figure stood at approximately 367,000; hence in seven years employment in public administration grew by 15 percent, and it was local government administration that absorbed much of the growth. In contrast, shortly before the systemic transition in 1989, public administration on all levels had a relatively modest payroll of 168,000,³⁶ i.e. two times less than in 2012. So in fact the comparisons of today's situation to the state of affairs before 1989 seems to miss the mark.

As was shown above, the programming and enforcement of the cohesion policy implementation is mainly in the hands of EU institutions. This involves negotiations of policy frameworks at the European level, including the impact of EU regulations and programme guidelines prepared by the European Commission. The representatives of regional authorities from the voivodeship often emphasised in interviews³⁷ that they can only work and plan within the framework of European regulations or their preliminary drafts. They are also aware that cohesion funds are controlled mainly by the European Commission and they often expressed their anxiety 'not to cross the Commission'.38 Such views show the hierarchical importance of European regulations for the operational work in Polish provinces. Incidentally, some of the European guidelines are startlingly detailed. Guidelines and recommendations of the Commission indeed play a major role. Poland was obliged to incorporate them into national law and implement them in the form of numerous programme guidelines formulated by the relevant national authorities. This resulted in the need to adjust internal, legal and organizational solutions to EU requirements, and sometimes led to interpretative difficulties. These difficulties were often settled in a way that could complicate the disbursement of EU funds by their recipients. An additional challenge was added in the form of changes to the guidelines, which were introduced by European officials and resulted in legal inconsistencies between national and EU regulations. All these problems caused delays in the implementation of various programs.

³⁵ Statistical Yearbook of the Republic of Poland 2013, op.cit., p. 138.

³⁶ Rocznik statystyczny 1989 (Statistical Yearbook 1989), Warszawa 1999, p. 499.

³⁷ Interview No. 12/2013.

³⁸ Interview No. 11B/2013.

The phenomena described above testify to the high degree of centralization of key decisions and organizational arrangements on the EU level. Additionally, legal and organizational solutions on the national level were often incomplete or delayed. They were changed and supplemented in the course of implementation of the cohesion policy. Due to this, planning policy, developed at the government level, had a palpably makeshift feel. There was an excessive focus on documents and guidelines created by the EU institutions, resulting in a purely 'reactive' approach to EU programmes and to information coming from the EU. What was lacking was a strategic base linked to documents prepared on the national level, as has been previously discussed. In addition, officials of the Ministry of Regional Development focused mainly on the absorption of funds and measuring their performance against established EU indicators, neglecting issues related to Poland's strategic development.³⁹

Perhaps unsurprisingly – but certainly ironically – this state of affairs can be viewed as a continuation of the traditions of Communist bureaucracy, which was also characterised by strong centralisation and central planning within economic sectors. The centralisation exists despite several waves of decentralising reforms (including some linked to Poland's preparations for EU membership). Also, no government actions were taken to improve coordination between ministries. It appears that EU policies have provided new measures that strengthened the old tendencies. Such was certainly the case with the central planning of agricultural policy and rural development. 40 On a more general level, the EU also contributed to the continuation of bureaucratic rationality, which is concerned primarily with its own interests and not with serving citizens. European programmes were thus overloaded with paperwork and clerical tasks that gave power to the officials and were specifically designed to facilitate the fulfilment of their duties, or to provide protection against possible allegations of wrongdoing. Public service or the implementation of the objectives of public policies were only secondary considerations.

Another problem related to cohesion policy management in Poland was the lack of transparency of decisions regarding the so-called 'systemic projects', i.e. the most important projects managed at government level. These systemic projects had blatantly weak links to, or justifications in, the strategic documents and were mainly deployed to strengthen party

³⁹ Interview No. 2, 19/2013.

⁴⁰ T.G. Grosse and Ł. Hardt, Sektorowa czy zintegrowana, czyli o optymalnej strategii rozwoju polskiej wsi (Sectoral or integrated, or the optimal development strategy of the Polish countryside), Warszawa 2010.

interests.⁴¹ An example of this tendency was the informal practice of 'securing' projects in Warsaw by politicians from the provinces. All these phenomena were reminiscent of the practices of Communist state administration in the times of the Polish People's Republic, and as such they cannot be viewed as a hoped-for result of EU accession. Instead, the cohesion policy has provided the 'fuel' that made it possible for the administration to revive these traditions and customs.⁴²

4. Democratic window dressing

Democracy was introduced in Poland as a result of the political transformation of 1989. A condition of membership in the European Union was respect for the fundamental principles of democratic governance (i.e. the Copenhagen criteria). The European membership requirements forbid authoritarian rule, limiting the freedom of the press and association, and the violation of basic human rights. But the democratization of the Polish political system seems superficial and EU accession may in fact have shored up this tendency. European membership means that many public decisions have been transferred to the European level, and thus the possibility for voters or democratic institutions (e.g. the Parliament) to exercise influence has diminished.⁴³ It is not a coincidence that Polish political elites only rarely address issues of real importance, and instead focus on symbolic or image-related matters in their political discourse. In Polish politics, important decisions are usually made only in response to European initiatives. For example, during the so-called European Semester, Poland was encouraged to launch structural reforms, though in practice only new fiscal measures were implemented.44

The accession process itself exemplifies the abovementioned tendencies. It involved the mass implementation of the EU *acquis* without any possibility of negotiations, and without adapting them to the specific

⁴¹ Interview No. 20/2013 and 28/2013.

⁴² For a similar view on the impact of EU cohesion policy on the increase of corruption in Slovakia, cf. M. Beblavŷ and E. Sičáková-Beblavá, *The Changing Faces of Europeanisation: How Did the European Union Influence Corruption in Slovakia Before and After Accession*? "Europe-Asia Studies", Vol. 66(4)/2014, pp. 536–556, especially pp. 547–549.

⁴³ Cf. V.A. Schmidt, *Democracy in Europe. The EU and National Polities*, Oxford-New York 2006; V.A. Schmidt, *Democracy in Europe: The Impact of European Integration*, "Perspectives on Politics", Vol. 3(4)/2005, pp. 761–779; T.G. Grosse, *Changes in Western democracy: a systemic crisis, or a chance to overcome it?* "Politeja", No. 3(21)/2012, pp. 133–154.

⁴⁴ T.G. Grosse, Semestr Europejski: poprawa zarządzania czy zmiana ustrojowa? (The European Semester: improving the governance or systemic change?), "Analiza natolińska", No. 7(65)/2013, available at: www.natolin.edu.pl (last visited 27.10.2013).

local conditions. 45 Although the changes were of vital importance for citizens, they did not have any possibility of voicing their opinions in a public debate. The implementation of the acquis was not an object of social dialogue. 46 In this way, public involvement was severely limited. Such a manner of implementation precluded the possibility of building strong institutions and democratic standards in Poland. This limitation on public debate, combined with the technocratic method of managing accession, decreased the interest of political elites in the provisions concerning European integration. This led to avoiding Europe-related themes in electoral campaigns (their so-called depoliticisation).⁴⁷ Yet another result was the weakening of Polish parliamentarianism as a consequence of the rapid, mechanical integration of EU regulations into national law, without any proper debate and without taking into account voters' preferences. 48 The effectiveness of the mechanical transfer of EU laws was considered more important than building solid foundations for Polish democracy.

Another lost opportunity was the possibility to use EU accession in order to overhaul Polish institutions and strengthen coordination between political elites in the sphere of EU policy. Even the respective responsibilities of the government and the President in this sphere are not strictly codified, and there is a dearth of effective coordinating mechanisms. Cooperation between the government and opposition is naturally even more difficult.⁴⁹ As a result, in the first years of its EU membership Poland was a relatively passive actor on the European stage, with the exception of selected sectors (e.g. climate policy, although in this case Poland was active in blocking EU proposals, and not in actively contributing to their creation). Given the country's peripheral location and relatively small geopolitical clout, this can lead to a situation whereby Poland will find itself as an 'object' rather than a 'subject' of integration processes.

⁴⁵ Cf. A. Mungiu-Pippidi, op.cit., p. 73.

⁴⁶ See: T.G. Grosse, *Social dialogue during Enlargement: The case of Poland and Estonia*, Acta Politica, International Journal of Political Science, Vol. 45(1/2)/2010, pp. 112–135.

⁴⁷ U. Sedelmeier, *Europeanisation in new member and candidate states*, "Living Reviews in European Governance", Vol. 6(1)/2011, http://www.livingreviews.org (last visited 27.01.2014), p. 21.

⁴⁸ Cf. A. Mungiu-Pippidi, op.cit., p. 73.

⁴⁹ Cf. T.G. Grosse, Prezydencja w Radzie Unii Europejskiej jako instrument wzmocnienia polskiej polityki europejskiej. Ocena ex-ante (The Presidency of the Council of the European Union as an instrument to strengthen Polish European policy. The ex-ante evaluation) in: Prezydencja w Unii Europejskiej. Polska 2011 (Presidency of the European Union. Poland 2011), A. Nowak-Far (ed.), Warszawa 2011, pp. 21–46.

In reflecting on the condition of Polish democracy in the context of European integration, attention must be given to some alarming figures concerning the extremely low turnout in general elections. The lowest turnouts were recorded for European Parliament elections in 2004 (20.87 per cent), 2009 (24.53 per cent) and 2014 (23.83 per cent). In 2004, Poland had the second lowest turnout of all EU countries (the lowest being in Slovakia). In 2009, it was third lowest (the lowest being in Lithuania and Slovakia)⁵⁰ and in 2014, Poland was again the third lowest in terms of turnout (the two countries with even lower turnout being the Czech Republic and Slovakia). The figures for Polish national elections seem much higher in comparison, but are also very disappointing when viewed against the background of similar elections in other countries. The average turnout in Polish parliamentary elections in the period 1989–2007 was 49.53 per cent, so it can be said that in more than 20 years (and in seven separate elections), on average only every second Pole casts a vote. In comparison, in the period 1972–2004 in all 106 democratic countries of the world the average turnout in elections to representative bodies was 75.5%.51

Given the low turnout, it is not surprising to find that the level of trust in those public institutions which potentially should represent and defend the interests of society is likewise very low in Poland. In a study conducted in 2012,52 respondents declared their 'distrust' three times more often than their 'trust' when it came to describing their attitudes to political parties (65 per cent distrusted them and 20 per cent trusted them.) The same study also showed Polish people's distrust of newspapers (55 per cent distrusted them), the Sejm and the Senate (the two chambers of the Parliament) (55 per cent), the government (49 per cent), television (49 per cent), the courts (44 per cent) and public officials (41 per cent). This high level of distrust is clearly a worrying sign. Among the distrusted institutions are those that are the veritable foundations of democracy (Parliament), those that should be just and impartial (the courts), as well as those that should exert civil oversight over the sphere of politics (the media). Yet the levels of distrust were higher than of trust for all these institutions. Another related problem is the low level of mutual trust in society, and a markedly weak presence of national community. Only less

⁵⁰ M. Sacewicz, Działania na rzecz zwiększenia odsetka osób będących czynnymi wyborcami w wyborach do sejmu i senatu (Measures to increase the percentage of people who are active voters in the elections to the Sejm and the Senate), Warszawa 2011, p. 4.

⁵¹ A. Blais, Frekwencja Wyborcza (Election turnout) in: Zachowania Polityczne 2 (Political Behaviour 2), R.J. Dalton and H. D. Klingemann (eds.), Warszawa 2010, p. 239.

⁵² Zaufanie społeczne (Public confidence), Warszawa 2012, p. 12.

than a quarter of respondents (23 per cent) agreed with the statement that most people can be trusted. Nearly three-quarters (74 per cent) maintained that one should be careful and stay on one's guard in all social contacts.⁵³ This widespread and deep-rooted mistrust clearly can impair the quality of Polish democracy.

Paradoxical as it might seem, European integration could have contributed to exacerbating these weaknesses. The representatives of the European institutions and Western diplomats were involved in the transformations in Central Europe. In an informal manner they tended to favour certain organizations and political views over others, the latter of whom were viewed as a threat to the integration process. The national elites who were most involved in the accession process mirrored these perceptions. They deliberately curtailed the representation of the full spectrum of political movements, and as a consequence the emerging democracy was profiled to reflect only the views and objectives of a certain group. A fairly diverse range of instruments was used, ranging from political pressure via diplomatic channels to information campaigns and activities directed at the Polish public through to various types of support (including financial) for liberal-leaning groups and organizations that favoured the proposed model of European integration. 55

Cosmopolitan and liberal worldviews were privileged.⁵⁶ Such ideas and values explicitly informed mainstream EU policies and were consistent with the norms of pro-integration political correctness. They were also largely adopted by the local political elites. This was partly due to the elites' geopolitical agenda and their desire to integrate Poland with Western political structures as soon as possible. The exclusion of certain discourses from the mainstream was also in part an instrument of internal party rivalries, used to strengthen one's own political formation and weaken

⁵³ Ibidem, p. 1.

⁵⁴ A. Grzymala-Busse and A. Innes, *Great expectations: the EU and domestic political competition in east central Europe*, "East European Politics and Societies", Vol. 17(1)/2003, pp. 64–73; U. Sedelmeier, op.cit.

⁵⁵ Cf. M.A. Vachudova, Democratization in Postcommunist Europe. Illiberal Regimes and the Leverage of the European Union in: Democracy and Authoritarianism in the Postcommunist World, op.cit., pp. 82–104, especially, pp. 95–96; M.A. Vachudova, Tempered by the EU? Political parties and party systems before and after accession, "Journal of European Public Policy", Vol.15(6)/2008, pp. 861–879.

⁵⁶ L. Neumayer, Euroscepticism as a political label: The use of European Union issues in political competition in the new Member states, "European Journal of Political Research", Vol. 47/2008, pp. 135–160; P. Blokker, Europe 'United in Diversity'. From a Central European Identity to Post-Nationality? "European Journal of Social Theory", Vol. 11(2)/2008, pp. 257–274, especially p. 258.

one's opponents. Views critical of European integration were stigmatised as 'Eurosceptic'. In Central Europe, the term acquired a highly negative connotation and became a form of negative political labelling that was used to exclude certain groups from the public discourse.⁵⁷

This practice led to a division of Polish political elites into supporters of integration and Euro-sceptics. For example, Poland's right-wing movements tend to be sceptical about integration because they are invested in national sovereignty and the upholding of Catholic values in public life (for this reason, they are strongly pro-life and vocally criticise any attempt to broaden the rights of sexual minorities). Such opinions are in sharp conflict with the prevailing values connected to EU membership and thus they are regularly criticised and even ridiculed by the political mainstream. In a similar way, the EU institutions promoted market reforms, privatization, liberalization and economic integration with the West in such a way as to virtually exclude from the discourse proponents of protectionism and economic nationalism. 58 Experts 59 suggest that this superficial democratization in post-communist countries has facilitated the introduction of radical neo-liberal reforms. The appeals to liberal and cosmopolitan values during the accession process were advantageous for external political and economic interests, but much less beneficial for the creation of a national community. In fact, the shape of the accession process did not give the national community a chance to fully recognise and defend its interests or implement them in a meaningful way into the framework of European policies.

Conclusions

The first decade of Poland's membership in the EU was a great opportunity for Poland. It helped to shape the focus of Polish geopolitical relations and initiated a growth trajectory. But one may legitimately question whether this period of historic opportunity was fully exploited. With hindsight, one has to be critical about the Polish elites' involvement in the process. The last ten years were a period of complacency and passivity. The last decade was spectacularly lacking in vision and long-term strategic thinking. There was not enough creativity in adopting national

⁵⁷ L. Neumayer, op.cit., pp. 142–144.

⁵⁸ Cf. M.A. Orenstein, Out-liberalizing the EU: pension privatization in Central and Estern Europe, "Journal of European Public Policy", Vol. 15(6)/2008, pp. 899–917; M.A. Vachudova, Democratization in Postcommunist Europe, op.cit., pp. 83, 96–97.

⁵⁹ M.A. Orenstein, *Out-liberalizing the EU*..., op.cit., p. 905.

strategic objectives and institutional frameworks to meet the requirements of membership. One can also wonder whether the unquestioning pro-EU attitude did not result in the creation of 'a rut of integration', which has become a burden or restriction on development. The mere fact of becoming a member of the EU did not result in a change in Poland's international standing. It remains a peripheral country, both on the European arena and globally. Paradoxically, Poland's EU membership can contribute to perpetuating this state of affairs. Poland's future international position is in the hands of Poles themselves and it depends on how well they will exploit the chances given by integration.

Earlier in this text, I used the metaphor of the 'golden straitjacket' of EU membership. It is difficult to say whether Poland's growth during the process of integration will lead to lasting prosperity, or will prove to be only short-lived. In the latter case, the gold of the straitjacket may prove to be only gilt, and what will remain will be the restrictions and burdens arising from the accession and connected with EU membership. Already there are some worrying symptoms of 'integration fatigue', such as the debt crisis or the demographic crisis.

The essence of the 'golden straitjacket' metaphor is that the Polish government seems to have transferred much of its agency and prerogatives to the EU level, and its role is more and more limited to that of a transmission belt of EU guidelines. The government adapts to EU requirements instead of actively shaping the integration processes in accordance with Polish national interests. This phenomenon is rooted in specific historical and geopolitical conditions. Firstly, it stems from deeply-rooted assumptions in Polish political culture, which for decades and even centuries was based on adapting to the conditions and requirements set by foreign political centres, and characterised by a deficit of self-governance. 60 Secondly it is associated with a deficit of the 'state', defined as an emanation of the political community and as an entity that should safeguard the community's interests. Conversely, the dominant vision of the state in Poland is that of an entity that can be used and abused to advance particular interests⁶¹ and/or for the benefit of bureaucratic rationality. Thirdly, Poland's submissive attitude arises from a weakness of national community, which is manifested by low levels of social trust. The fourth and final factor is the relatively low economic and geopolitical potential of Poland, which

⁶⁰ Cf. T.G. Grosse, Między europeizacją a wpływem kultury politycznej (Between Europeanisation and the impact of political culture) in: Współczesne oblicza demokracji (Modern faces of democracy), D. Gizicka (ed.), Toruń 2010, pp. 38–61.

⁶¹ Cf. A. Innes, *The Political Economy of State Capture in Central Europe*, "Journal of Common Market Studies", Vol. 52(1)/2014, pp. 88–104.

reduces the chances of Poland becoming an effective player in the European arena. Overcoming these four weaknesses was never going to be easy, but they might prove still more difficult given the restrictive framework of European integration.