Differentiated Integration and the Future of Europe. Debate in Poland

Abstract: Differentiated integration among EU Member States can result from both the widening and deepening of the integration process. The Member States that adhered to the EU in 2004 and 2007 have so far been subjected to differentiation as a consequence of the enlargement (i.e. as ‘new’ Member States). However, the case of Poland shows that concerns over sovereignty and identity, as well as a growing unwillingness to transfer further competences to the EU level, might also play an important role in the positions of the various Member States of Central Europe vis-à-vis differentiation. Following Poland’s accession to the EU, its political elites early on voiced common concerns about the establishment of a ‘super state’ during the crisis about the future of Europe and treaty change. Since the commencement of the economic crisis in the EU and the change in focus (i.e. on the euro zone), the major political parties in Poland have begun to voice quite diverse and opposing positions. Hence, it is worth exploring the current debate in light of the previous one, looking for patterns of both continuity and change. This paper is based on a thorough examination of the Polish debate on differentiated integration which developed during the euro zone crisis and has accelerated since the Polish presidency in 2011. The main objective is to analyse core elements of the debate among the Polish elite, with particular focus on the future of the euro zone and Poland’s possible euro membership. To this end, positions and statements of the government, major political forces and think-tanks have been analysed. As a result, three elements are highlighted: 1) the dual discursive strategy of the Civic Platform government; 2) the highly divergent approaches to differentiation among the major political parties; 3) the increasing probability that Poland will stay outside the euro zone on a long-term/quasi-permanent basis.

Keywords: Euro zone, differentiated integration, EU accession, Polish euro membership

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Introduction

A growing number of scholars and think-tank analysts have recently been examining the subject of differentiation and the European integration process. On one hand, they have noted that the concept of differentiated integration (or flexible integration) is hardly a new phenomenon in the European Union, as it dates back at least to the entry into force of the Treaty of Maastricht (1993). On the other hand, they’ve noted a considerable deepening of the differentiation processes in relation to the eurozone crisis and the resulting ‘necessity’ to transfer further competences to the European level. Some authors see differentiation as an expression of national sovereignty, whereas others perceive it as part of the integration process, whereby authority relationships become increasingly complex as sovereign power is dispersed in the EU. The latter call for a more pragmatic approach to the EU dynamics of integration and disintegration.1

What is differentiated integration? Legally, it means divergence in terms of the validity of the formal rules (acquis communautaire) across the EU Member States. Differentiation can vary temporarily (short-term/temporary versus long-term/permanent differentiation), territorially (the number of member States included), and in terms of its scope (entire policies or selected legal acts). Politically speaking it constitutes a move away from the principle of uniform patterns of integration for all the Member States within a single political entity. The aims of differentiated integration are mainly to accommodate the heterogeneity of states’ priorities and to avoid political impasse.

Differentiation can result both from the widening and the deepening of the integration process. The Member States that adhered to the EU in 2004 and 2007 have so far been subjected to differentiation as consequence of enlargement (in the form of both exemptions and discrimination). However, the case of Poland shows that concerns over sovereignty and identity might play an important role in the approach of the Member States of Central Europe to differentiated integration, as some political forces appear inclined to follow the example of Great Britain and distance themselves from the euro-zone core and from attempts to strengthen European integration. Inasmuch as Poland voiced concerns with regard to the establishment of a ‘super state’ already during the previous debates (2004–2007) about the future of Europe (related to the Constitutional Treaty and the Lisbon Treaty), it is worth exploring the current debate, while looking

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for patterns of continuity and change with regard to strengthening European integration, differentiation, and the changing power relations in the EU. The newest wave of the differentiation debate is focused on the euro zone crisis and its consequences. In Poland it gained significance at the time of the Polish presidency of the Council in 2011, when Poland felt compelled to contribute to the ongoing European debate.

This paper analyses the core elements of the debate among the Polish elite on differentiated integration, with particular focus on the future of the euro zone and Poland’s possible euro membership. It starts with a brief discussion of the phenomenon of differentiated (flexible) integration, both before and after the euro zone crisis. It then proceeds to outline the main elements of the Polish debate on treaty reform in 2004 and 2007. The main body of the text concerns the 2011–2014 period, focusing on the principal elements of the positions and statements of the government, major political forces and think-tanks during this time. Media discourse analysis is outside the scope of this paper as the question of differentiation has been rarely explored by the media, which instead has focused mainly on the economic costs and benefits of eventual euro accession. In the course of the analysis, three main elements are highlighted: 1) the dual (domestic and external) discursive strategy of the Civic Platform government; 2) the divergent approaches to differentiation taken by the major political parties; 3) the increasing chances that Poland may stay permanently outside the euro zone, perhaps by following the ‘British path’ after its 2015 parliamentary elections (based on conjecture about their results). This last element highlights that the strengthening of differentiation may result not only from enlargement modalities but also from the growing unwillingness to transfer further competences to the EU level.

1. Differentiated integration – its history and current state

The political debate about differentiation (flexibility) of the integration process should be distinguished from the existing legal provisions allowing for the differentiated application of primary and secondary European law. In fact, the idea of a ‘multi-speed Europe’ originated from a speech by German chancellor Willy Brandt (1974) and was further developed in the report prepared by Belgian prime minister Leo Tindemans (1976). The idea was that although all Community members shared the same goals, those more economically advanced could reach them faster than others. It should be noted however that Brandt was against permanent differentiation and was convinced that the stronger states could create a positive dynamic that over time would attract the weaker ones to
integrate further.\textsuperscript{2} It is noteworthy that the debate continued to thrive with respect to the future of monetary integration and the inauguration of the European Monetary System.

A different vision was presented at the beginning of 1980s, ascribed primarily to Jacques Delors. The concept of ‘variable geometry’ stipulated that members of the enlarging Community could not and would not always have similar goals; as a result the prospect of permanent differentiation was considered for the first time.\textsuperscript{3} This debate intensified when the Treaty of Maastricht was negotiated, whereby a legally sanctioned form of flexibility – the opt-out – was introduced. In 1994 German politicians Wolfgang Schauble and Karl Lamers proposed that, in view of the imminent Central European enlargement, a ‘core Europe’ needed to be established, based on Economic and Monetary Union (EMU) as well as defence cooperation. The German proposal was followed by the French (‘concentric circles’) and British (‘Europe \textit{a la carte}’) concepts.\textsuperscript{4} A flexibility measure, in the form of the so-called \textit{enhanced cooperation} was then introduced into Amsterdam Treaty, although a number of rigid conditions were attached to it, which effectively restrained its practical application.

In legal terms, various differentiation modes existed within the Communities since their foundation, both on the basis of primary and secondary law. However, such differentiation was strictly limited in scope and time, and consequently one can conclude that differentiation was initially of marginal importance to the European integration process. However over time the concept of differentiation grew, connected with the processes of \textit{deepening} (for instance, the establishment of the EMU) and geographical \textit{widening} (enlargement) of the European Communities/European Union.\textsuperscript{5} As argued above, the European Communities developed in a relatively uniform way until the beginning of the 1990s. Subsequent

\begin{itemize}
\item[]\textsuperscript{2} A. Stubb, \textit{Negotiating Flexibility in the European Union. Amsterdam, Nice and Beyond}, London 2002, p. 34.
\end{itemize}
waves of enlargement included transitional periods, but these were temporary and lasted no longer than a few years.

Differentiation resulting from enlargement has typically taken two forms: temporary exemptions or discrimination. Exemptions meant postponing the entry into force of the rules and standards that would be too costly to implement at the moment of accession, taking into account the level of development of the new Member State(s) (i.e. environmental standards). On the other hand, discriminatory differentiation temporarily deprived the new member of certain rights and benefits resulting from membership, as their implementation was deemed too costly for the EU (i.e. agricultural subsidies, access to the labour market). It has been claimed that the successive rounds of expansion between 1973–2007 were responsible for a total of 267 cases of legal differentiation (112 in primary law and 155 in secondary law), and that such differentiation was usually short-term (an average of 4.5 years). It is worth mentioning that the 1973 enlargement (Great Britain, Ireland and Denmark) mostly involved differentiation based on exemptions, whereas the eastern enlargement (2004 and 2007) mostly involved discriminatory differentiation.

Meanwhile, with the creation of the Schengen area and the Economic and Monetary Union differentiation became permanent, as it not only resulted from the widening, but also from the deepening of the integration process. Whereas differentiation linked to widening (enlargement) is explained by issues of effectiveness and cost distribution, differentiation linked to deepening results from concerns about national sovereignty and identity, with some Member States opposing any further supranational centralization of political decisions in the EU. This aversion to deeper integration, especially on the part of richer European states such as Great Britain, Denmark or Sweden, resulted in these countries being granted a specific status in the EU and in the creation of the European Economic Area for countries such as Norway, which wished to have a stake in the single market but was reluctant to engage in the political integration entailed by full membership. On the other side of the spectrum, the lack of EU readiness to absorb poorer, unconsolidated democracies led to the establishment of the European Neighbourhood Policy. The ENP partner countries adopt only a part of the EU rules, depending on their political will and readiness to pursue further economic integration.

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7 Ibidem, p. 693.
As a consequence of the above mentioned processes, the European Union is gradually becoming more a system of differentiated integration than a federation or quasi-state.9

Inasmuch as different forms of differentiated integration are hardly a novelty to the EU, it is worth examining the role and specificity of these developments vis-à-vis the differentiation which has resulted from the economic and euro zone crisis. It is generally acknowledged that the crisis has again highlighted the issue of differentiation, only this time in terms of a 'permanent structural element of the European order'.10 Does this make the differentiation debate concerning the euro zone unique and qualitatively different from the differentiation trends of the past? Beginning in 2008, the European Union was confronted with an unprecedented crisis in its history. The financial crisis turned into an economic crisis, and then into a political and symbolic one, i.e. a crisis of legitimacy of power. Until then the common currency had constituted a symbol of EU strength and unity, as well as the foundation for both economic and social integration in Europe.11 The crisis, hitting the core of the EU construction, revealed the impossibility of maintaining the EMU in its initial form. It also made clear that Member States’ coordination of economic policies had to be strengthened and that further integration with respect to banking, fiscal and ultimately political union was imperative by virtue of the spill-over logic. Hence during the ongoing crisis the Union became more heterogeneous, while simultaneously being subject to more pressure for further transfer of competences to the supranational level. Thus further differentiation appeared inevitable as the politicization of European integration grew and the process ceased to be a bureaucratic endeavour. Any further step on the road to integration generates ever more significant political costs in the Member States, which logically leads to an expansion of differentiation.12

According to some authors the post-crisis differentiation is changing EU governance modes, affecting EU cohesion and its internal balance of power.13 It also requires a new strategy for the Union’s future development. The EU has been divided into several groups of states, linked to their participation in the euro zone, the Euro Plus pact (2011), or

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10 P. Borkowski, op.cit., p. 400.
the fiscal compact (2012), respectively. As of 2014 the euro zone consisted of 18 Member States, whereas the Euro Plus pact was signed by 23 states (the exceptions being Great Britain, Sweden, Hungary, the Czech Republic and Croatia), and the fiscal compact had 25 signatories (all EU states except Great Britain, the Czech Republic and Croatia).

For the Central European countries, euro zone differentiation was supposed to be, both in principle and according to the accession treaties, of a temporary and instrumental nature. However, the current political and economic circumstances suggest that this differentiation might become long-term or quasi-permanent, as is the case, for example, for Sweden. Consequently it is justifiable, in the context of examining differentiation processes, to speak of an EU divided into core and integration circles, and not any longer about a multi-speed Europe. (It is worth restating here that the notion of a ‘multi-speed EU’ assumes that the goals of all the members are identical, and it is only the time frame for their realization that is subject to differentiation.) Meanwhile it is becoming more and more evident that the goals themselves might be different (for instance when it comes to membership in the euro zone), and thus such differentiation could become long-term or permanent.

Obviously, the precise term ‘differentiation’ does not itself have to be used by the political actors who allude to it, as the case of Poland makes clear. Instead, notions such as ‘disintegration’, ‘core’, ‘centre’, ‘peripheries’, ‘marginalization’, ‘circles of integration’, ‘political union’, ‘federalization’, ‘ politicization’ or ‘sub-regional centre’ appear in the discourses of various actors and circles. Their use is determined by the audience (domestic or external) and the perceived gains in the domestic political context. Nevertheless the rhetoric concerning the differentiation process is highly useful to make sense of the post-crisis evolution of the European Union, and the interpretation of this process is currently reflected in two contrasting visions of Poland’s European policy.


Before the accession, the Polish debate on the European Union focused almost exclusively on the costs and benefits resulting from its prospective membership. Moreover, statements on the future of the integration process were deliberately avoided so as to assure the smooth conduct of

14 It should be noted that the Czech government announced its decision to proceed with accession to this treaty in March 2014.
the accession negotiations. The Constitutional Treaty was supported only by the ruling Democratic Left Alliance (‘SLD’). It was criticised by the majority of political forces: both pro-European (Civic Platform – ‘PO’; and Law and Justice – ‘PiS’) and anti-European (League of Polish Families – ‘LPR’; Self-defence – ‘Samoobrona’). Their critique was aimed in particular at the new majority voting system in the Council, as it formally weakened the negotiating position of Poland in comparison with the system in the Nice Treaty. This was reflected in the famous slogan ‘Nice or death’, voiced in the parliamentary debate by Jan Rokita, then deputy of the Civic Platform. Heavy criticism was also directed at the fact that Europe’s Christian heritage was not mentioned in the treaty preamble. Further discontent, albeit to a lesser extent, concerned the new institutions: the permanent presidency of the European Council and the EU foreign affairs minister.\textsuperscript{15}

In 2007, on the initiative of the German presidency, discussion on the mandate for a new Intergovernmental Conference was resumed. The goal was to modify the rejected Constitutional Treaty so that it could be accepted by all Member States. Poland proposed an alternative method of weighting votes in the Council, based on the square root of the number of citizens of each country.\textsuperscript{16} In addition, the new Polish government of Law and Justice demanded inclusion of the principle of energy solidarity into the new treaty, a greater role for national parliaments, and excision of the provisions stipulating the primacy of the Union law over national law (especially constitutional law). It continuously campaigned against the above-mentioned new institutions, which in its opinion would lead to the creation of a European ‘super-state’.

It is worth underlining that in early 2007 the ruling Law and Justice party, and the main opposition party – Civic Platform – were united in their support of the above-mentioned positions, in particular the square root system. Both parties were firmly opposed to the deepening of the integration process at the expense of smaller and weaker states, as exemplified (in their perception) by the move away from the Nice Treaty. The square root idea had indeed come from the circles of the more conservative architects of the Civic Platform’s foreign policy (including Jacek Saruysz-Wolski, former Polish Minister for European Integration, MEP, and currently vice-president of the European Peoples’ Party). In their interpretation, the Constitutional


\textsuperscript{16} In accordance with this method, for example Germany would have had 9 votes, Poland 6, and Estonia 1.
Treaty shifted the balance of power for the benefit of those who wanted ‘more Europe’ and ‘less European solidarity’, especially in favour of France and Germany, and this change needed to be averted. In the Polish Sejm (Parliament) the negotiating mandate containing the square root proposal was endorsed by all parties but the Democratic Left Alliance.

Overcoming Polish opposition to the double majority voting system in the Council was considered by some to be the most important challenge facing the German presidency. Its strategy was, if necessary, to isolate Poland and force it to accept a compromise. The Polish Prime Minister was threatening to use Poland’s veto power, but the President was suggesting that compromise was possible. At the June 2007 summit in Brussels Lech Kaczyński agreed to withdraw the square root proposal as it was supported by no other country, and in return accepted the prolongation of the Nice system until 2014, including temporary provisions in force until 2017. Interestingly, the Civic Platform party immediately voiced fervent criticism of the President and the government for giving in on its initial position too quickly. They argued that simply postponing the entry into force of the new, less favourable, voting system – instead of eliminating it altogether – was a failure.

Consequently, it can be seen that in 2007 the main political parties were in agreement with respect to their perception of the threats resulting from strengthened intergovernmentalism, and the growing power and influence of the biggest Member States, especially Germany, in the functioning of the European Union. Equally, the creation of the permanent European Council presidency and the position of the EU minister for foreign affairs was also univocally perceived as a challenge by both Civic Platform and Law and Justice. This was considered to be a first step towards the creation of a ‘super-state’, a controversial term that a few years later returned, disguised as ‘political union’ or ‘federation’. The motif of German hegemony was also to become a recurrent discursive pattern.


The position of the Civic Platform government in the debate on differentiation, the euro zone, and the future of the EU is identified here on the basis of the following documents: ‘Priorities of Polish Foreign Policy 2012–2016’ (March 2012); ‘Annual Address of the Prime Minister on

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the future of the European Union’ (December 2011); ‘Annual Address of the Minister of Foreign Affairs on the goals of Polish Foreign Policy’ (March 2013, and May 2014), as well as the speeches of Foreign Minister Sikorski delivered in Berlin in November 2011, and in Leiden in June 2013. The controversial character of the Berlin speech and the fact that its content was not agreed upon with either the Prime Minister or the President should be underscored. However, the speech resonated widely and became a key reference point for European politicians and policy analysts. It is thus analysed below notwithstanding its nature.

3.1. Government’s Position

Minister Sikorski’s Berlin speech was delivered on 28 November 2011, in the midst of Poland’s well-prepared and well-executed, albeit not particularly influential, presidency of the Council. The speech was widely applauded in Europe and heavily criticised at home. It seems that the speech had three main goals: 1) to make clear that the ‘big bang’ enlargement had nothing to do with the causes of the crisis; 2) to call on Germany to assume active leadership and undertake real actions in order to save the monetary union; 3) to point out the necessity of strengthening the political system of the EU.18

According to Sikorski’s reasoning, in reality Germany benefited from the crisis in Southern Europe and should therefore bear special responsibility for leading EU reforms aimed at avoiding the collapse of the euro zone. Such actions would be fully supported by Poland as long as they do not entail German domination in Europe. According to Minister Sikorski the Union was facing its most difficult dilemma: either more integration or disintegration. The notions of ‘federation’ and ‘political union’ were both used in the speech, but neither of them was clearly defined, although it was noted that the latter should be based on the ‘balance between responsibility, solidarity and democracy’. Poland supported the idea of a new treaty so long as it would make the Union more effective. A few ideas on institutional changes were included: a smaller rotation-based Commission of 12 members, a pan-European list for EP elections and merger of the presidencies of the European Council and Commission. Significantly, maintaining cohesion between the euro zone and the rest of the EU was singled out as an important goal, which reflected Polish concerns about

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differentiation, i.e. creating an integrated core around the euro-zone and leaving the non-euro zone members behind.

However, the Annual Address presented by the Prime Minister to the Sejm at the end of Polish presidency of the Council on 15 December 2014 did not contain any references to federation or political union. The focus was instead on two issues: 1) disintegration tendencies and the emergence of circles of integration; and 2) the urgency for Poland to participate in the euro-zone rescue efforts in an attempt to stay within the integration core (while being outside of the euro-zone) and maintain the ‘Community Europe’. According to the Prime Minister, Poland would be better off in a Union of strong community institutions than in a Union of competing Member States, where decisions were taken by the most powerful states. As the voice of Poland is never going to be dominant, it is safer to advocate the idea of a European community, even if this means fewer prerogatives for capitals and more prerogatives for Brussels. Thus the government adopted the traditional way of thinking, i.e. that the smaller and weaker Member States benefited from strong supranational institutions and were put at a disadvantage if these institutions were weakened. In this narrative, differentiation ultimately leads to (or is equal to) disintegration, and Poland doesn’t have much choice but to advocate for a stronger EU and stronger EU institutions.

Moreover, the Prime Minister made it clear that the old French idea of deepening the Union around the core of the euro-zone was making a comeback. For Poland, currently remaining outside the euro-zone, this would mean ending up in the second or even third circle of integration. As this would be clearly against Polish interests, Poland should actively participate in the reform of the euro-zone. As it intends to become a member one day, it is crucial that it is able to shape the rules of the club it will join in the future. According to the government’s position there was a serious risk that some Member States would form an exclusive club of the richest and most powerful, while neglecting the more ‘peripheral’ members of the EU. The greatest risk was a ‘silent division of Europe’. Hence, it was made clear here that differentiation was understood as a division into a centre and peripheries, and that Poland had to avoid the status of the periphery at all costs and assume the obligations associated with saving the euro-zone. According to that logic, more obligations meant more powers,

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associated with staying in the game and in the end being included in the new integration ‘centre’.

In such a context it is rather surprising that the document ‘Priorities of Polish Foreign Policy 2012–2016’, published in March 2012, did not contain any reference to the economic and political reform of the euro-zone and the differentiation of the integration process. It was only stated that Poland’s foreign policy goal was ‘a strong Poland in a political union’, although there was no elaboration as to the meaning of the term ‘political union’. The Polish vision of the united Europe was described as founded on three principles: competitiveness, solidarity, and openness. The first meant consolidation of the single market and the elimination of protectionism disguised in ecological and social slogans; the second – investing in cohesion and addressing the inequalities in economic development between the Member States, as well as fostering a common energy policy that takes into account the interests of the entire EU; and finally the third principle referred to support of the membership aspirations of the ‘Eastern Partnership countries, Balkans and Turkey’. It was in fact a catalogue of traditional Polish demands regarding the single market as well as cohesion, energy and enlargement policies. It was not adjusted to the previously identified changes and threats within the European integration process. In this sense it could be argued that the document was actually obsolete at the moment of its publication. On the other hand, one could also interpret it as a deliberate move to not present Poland’s official position regarding the changes that were taking place in the EU. It might be noted that a similar approach was adopted during the early phases of the constitutional debate.

The problem of EU reform in the context of the euro-zone crisis was only considered in the Annual Address of the Minister of Foreign Affairs on the Priorities of Polish Foreign Policy presented in the Sejm on 20 March 2013. It was underlined that a new European construction was emerging, fuelled by the cooperation in banking and finance and concentrated around the euro zone. Differentiation into integration circles had become a reality, according to Minister Sikorski. Thus it was in Poland’s strategic interest to accede to the euro zone integration centre as soon as possible. It was not only about economic decisions but also far-reaching geopolitical decisions. The Minister declared Poland’s close alliance

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21 Informacja Ministra Spraw Zagranicznych o zadaniach polskiej polityki zagranicznej w 2013 r. (Annual Address of the Minister of Foreign Affairs on the Tasks of Polish Foreign Policy
with Germany and his hope to keep Great Britain, an important ally for Poland on matters of the single market, energy and enlargement policies, in the EU. Moreover, Poland persistently and consistently voiced its aspirations to join the integration core.

However, the problem with such a strategy was that Poland’s accession to the euro-zone in short and medium term was highly unlikely, both for economic and political reasons. Although in February 2013 seventy-eight per cent of respondents supported European integration (82 per cent in February 2014), only 29 per cent supported accession to the euro-zone. As a result, no substantial efforts regarding euro-zone accession could be expected from the Civic Platform government before the parliamentary elections in autumn 2015. Finally, these elections might bring the Law and Justice party into power, and PiS is highly sceptical about acceding to the euro zone and has presented an alternative vision of the Polish grand strategy in the differentiating European Union. This makes the government’s strategy – to simultaneously stay in and out of the game – even more difficult.

In June 2013, at Leiden University (Netherlands), once again Minister Sikorski spoke against thinking in terms of division of the EU and the concert of powers. He pointed out that the division of Europe into the ‘old’ core and ‘new’ peripheries is not the only one and in addition does not accurately reflect the economic realities. If you divide the Union into a ‘Europe of growth’ and ‘Europe of stagnation’, the picture would look quite different and such a division would valorise the achievements of Central Europe, and Poland in particular. Thus, according to the Foreign Affairs Minister the focus on euro zone consolidation should not overshadow the entire project of European integration. The speech again

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23 Various opinion polls conducted in 2014 showed the Law and Justice party ahead of the Civic Platform party or if it came in second the difference was almost negligible, as was the case in the elections to the European Parliament in May 2014, where Civic Platform got 32.13% of the vote, while Law and Justice got 31.78%. See: http://pe2014.pkw.gov.pl/ (last visited 13.08.2014).


The Annual Address on Foreign Policy delivered to the Sejm on 8 May 2014 was dominated by the Ukrainian-Russian conflict, the Eastern Partnership, and EU-Russia relations, as well as the Polish proposal for an energy union that stipulated EU-level purchases of oil and gas and the development of domestic energy resources (coal and shale gas), aimed at reducing the EU’s external dependence and the construction of new pan-European infrastructure.25 The ‘eastern crisis’ was used to advocate once again against differentiation and in favour of a ‘more integrated, political union’ and strong leadership. According to the Minister, the crisis should be considered by all political forces in Poland as an incentive to integrate further within the EU and to enter the euro zone. The international situation makes it clear that more economic interdependencies between Poland and EU are vital to Polish interests. Thus entering the euro zone is not only about the economy, but also about security.

Analysis of the government’s positions shows that the term ‘federation’ appears in statements that are prepared for an external European audience, whereas domestically, i.e. in the context of confrontation with the opposition, the notions of ‘political union’ or ‘Community Europe’ are used. In an attempt to promote accession to the euro zone, the government has drawn very clear and stark alternatives for the future of Poland in the EU: either joining the integration centre (euro zone) in alliance with the biggest player – Germany, or becoming marginalised and exposed to external threats. In the European arena, the government has advocated against differentiation and attempted to play an impossible game: shape the new euro zone rules while staying outside the euro zone, remaining aware of the domestic political constraints on euro zone accession in the short and medium term. Thus two different discourses have been used – one for external (EU) audiences, and one for domestic audiences. When it comes to the former, the government has opposed differentiation, which could lead to serious divisions and ultimately disintegration, and advocated deeper integration. As to the latter, the division into the core (euro zone) and the periphery (non-euro zone countries) has been presented as

evident and inevitable, thus justifying the necessity to enter the euro zone as soon as possible. However, this way of thinking has resonated poorly, both with the main opposition party (to be expected) as well as with public opinion.

3.2. Perspectives of Polish Political Parties

The positions of the main political parties are analysed below on the basis of deputies’ interventions during the parliamentary debates that followed the annual addresses from the Prime Minister and Foreign Affairs Minister on Polish Foreign and European policy in the years 2011, 2013 and 2014. These were the most important parliamentary debates on the topic within the period under scrutiny. All the interventions have been carefully analysed, but particular importance has been attached to the statements by those party leaders or deputies considered as ‘specialists’ in European/Foreign Affairs in their respective parties. In this sense, one may be reasonably assured that their opinions reflect, and also help form, the general party’s position on the issues under consideration in this paper.

The main lines of the argument were formed during the parliamentary debate at the end of the Polish Council presidency in December 2011, and have continued unabated ever since. The vision of the ruling coalition was largely supported by the two leftist opposition parties (Left Democratic Alliance, Your Movement) and fundamentally criticised and opposed by the right-wing opposition party (Law and Justice).26 Issues of differentiation, deepening of European integration, cooperation with Germany and the risk of losing sovereignty were discussed during both parliamentary debates in 2011 and 2013.27 On the other hand, in the parliamentary debate on Foreign Policy in May 2014 issues of security and eastern policy dominated the debate on the future of Europe. Consequently, differentiation and integration within the euro zone were, in comparison with previous debates, rather of secondary importance.28 The arguments and tone of

the interventions were more emotional, populist and demagogic, which might be explained by the fact that the debate took place in the last days of the electoral campaign to the European Parliament.

In 2011 the left-wing parties (possessing a distinct minority in terms of number of Parliamentary seats) indicated that the main problem of the EU was the unfinished integration process: the existence of an economic community instead of a common economy. The crisis was diagnosed as the effect of moving away from a federalist policy and reflected a lack of courage on the part of politicians, who were avoiding real dilemmas and open debate about European federation and the European constitution (L. Miller). Federation was the right path for both Europe and Poland. Ever more integration and accession to the euro zone were in the Polish interest. Poland must be included in the integration core and the goal should be ‘one European state’ (J. Palikot). The left-wing opposition parties also confronted the right-wing opposition by pointing out that Law and Justice effectively contributed to the exclusion of Poland from the integration centre (J. Palikot). It was made clear that isolation was a weakness, and the weaker the state the less sovereign it became (L. Miller).

In 2013 the left was more critical of the government. It was imperative to deepen integration, strengthen the role of the EU in the world and avoid divisions in Europe. Meanwhile, the government was passive in its European policy and not putting strategic proposals for EU development on the table (T. Iwiński). For the leftist parties, the real guarantee of Poland’s security was not political alliances but the multiplication of economic ties within Europe. Poland’s best security guarantees were membership in the euro zone and Poland’s importance for the German economy. On the other hand, the government’s energy union initiative was bound to fail, especially considering that Poland was the only Member State vigorously opposing the EU climate policy (J. Palikot). It was worrying that, in the face of the erosion of the community method, rising intergovernmentalism, and growing divisions in the EU, the government remained so surprisingly inactive with respect to the adoption of a strategy toward the euro (L. Miller).

K. Szczerski, from the right wing opposition party Law and Justice (PiS), underlined in 2011 that the government’s strategy was founded on the wrong assumptions, namely that the EU had only one centre and that the centre had an internal hierarchy based on economic potential. In this vision, the hegemon – the state that was most powerful economically (i.e. Germany) – was entitled to discipline the other members. The entire construction was supported by ‘pseudo-democratic arrangements’ (including politicization of the Commission or pan-European electoral
lists) and pursued an economic model based on ‘monetarism and ratings’. All this resulted in political inequality and a democratic deficit that went against the ideas of Europe’s founding fathers. An alternative vision advocated by PiS meant more freedom and solidarity (instead of more integration and centralization), a polycentric Union (instead of division into centre and periphery) and a Union of equal states and equal rules for all members (instead of hierarchy and discipline). The PiS vision was about solidarity (the EU develops as fast as the least developed state), democracy (democratic legitimacy can be provided by national parliaments only) and openness (enlargement).

The right-wing opposition was also highly critical of the process whereby, instead of looking for economic remedies, European decision-makers established a federal political centre under the pretext of fighting the economic crisis. ‘Federalization’, i.e. strengthening of the centre, constituted a threat to Poland, not a solution (W. Waszczykowski). It was a mistake for Poland to accept the argument that if the euro collapsed, the entire EU would collapse too (L. Dorn). The final point of criticism was Poland’s alliance with Germany: while aspiring to the ‘big guys club’, Poland neglected its regional partners and surrendered its role of trusted representative of Central and Eastern European (CEE) interests (W. Waszczykowski).

In 2013 the right-wing opposition continued to criticise the government for its lack of an autonomous vision of European policy (A. Mularczyk). In this perspective Poland was merely an observer that adapted to the events created by other players. PiS opposed inclusion of Poland into the ‘core’ if such ‘core’ was to be managed and controlled by Germany and the European Commission. Poland should aim at a community of equal states, freedoms of the single market, and European solidarity, understood as an alternative to the ‘egoism of the euro core’ (K. Szczerski). The ‘community of interests with Germany’ was illusionary. Despite that ‘alliance’, Poland was not part of the decision-making centre anyhow, as the most important decisions were taken by the triangle Berlin – Paris – London. Adoption of the euro would not give Poland any more decision-making powers, while non-euro status did not prevent Great Britain from playing a major role. Another problem was that the slogan ‘more Europe’ had so far translated into the anti-democratic therapy of centralised control of state budgets and further loss of sovereignty. According to Law and Justice, the EU should have instead focused on cooperation with the USA and Russia. The perspective of an ‘economic zone from Vancouver to Vladivostok’ was deemed ‘more realistic than the illusion of a European federation’ (W. Waszczykowski).
In 2014 PiS continued to oppose the ‘federalization and politicization’ of the EU and Poland’s entry into the euro zone. Poland should instead concentrate on building a ‘sub-regional centre from Gdansk to Istanbul’ that would be able to counter-balance the Berlin – Paris – Brussels triangle (W. Waszczykowski). Moreover, the new banking union (and future fiscal union) was in contradiction to the interests of the Polish business community. Poland should not enter the euro zone exclusively out of political considerations, without paying attention to economic interests. Finally, in order to become a truly important partner in Europe, Poland must concentrate on building its own industrial, energy, technological and demographic base (K. Szczerski).

The deputies of the ruling coalition asserted that Poland’s goal was to strengthen Europe and not to withdraw from the EU, like Great Britain (G. Schetyna). It was in the interest of Poland to build a political union, including in the social dimension, and not rely solely on economic cooperation. In fact, there was no alternative to the alliance with Germany. Great Britain could not be considered an alternative as it had different preferences and its actions had led to its effective marginalization in Europe. Finally, the CEE alliance was an illusion: no country had asked Poland for regional leadership. In fact, the greater the influence of Poland on Germany’s position(s), the more impact it would have in the region (D. Rosati). The Civic Platform also stressed that a new European Union had emerged, based on deepening of the integration core within the euro zone, and that reversal of that process was not possible. Under the circumstances Poland should actively take part in the process and Germany was its most important ally in Europe (G. Schetyna).

In May 2014 the parliamentary debate, taking place just a few days before the EP elections, was attended by the Prime Minister Donald Tusk, who linked the problem of Europe’s disintegration to Russia’s neo-imperialist policies. He stressed that eurosceptics and the radical right were on the rise in the EU and largely supportive of the Russian president’s policy. Consequently, according to Tusk all attempts to loosen European integration were in fact weakening the EU position and strengthening Russia.

To sum up, there were two main positions that emerged between the main political forces in Poland in the debate about the EU’s future and deeper integration and differentiation. The first was represented by the governmental coalition and the left-wing opposition, and it aimed at fully integrating Poland into the emerging EU centre led by Germany. Accordingly, Poland’s accession to the euro zone should be considered not only in economic terms but also, and even more importantly, in political and
security terms. If outside the euro zone, Poland would be marginalised and left behind, which was highly dangerous in view of the growing Russian assertiveness in the eastern peripheries of the EU. The second position, represented by the right wing opposition parties, did not accept the dichotomous vision of EU differentiation into the euro zone centre and the non-euro peripheries. From their perspective, Great Britain constituted a good example of how a Member State should defend its interests. Poland should work on establishing an alternative centre of power within the Union, based on regional alliances, including with candidate and neighbouring states. ‘Federalization’, or any deepening of the integration process, was perceived as fostering more centralization, hierarchy and undemocratic trends in the development of EU institutions, at the expense of the interests and sovereignty of Member States.

Hence the advocates of the first vision perceive differentiation as a crucial threat that weakens the EU both internally and externally, and at a time when it particularly needs to be strong and united. The imperative for the EU is to deepen integration and for Poland to enter the euro zone core. Proponents of the second vision understand differentiation as a positive process that might help to avoid German domination and Brussels-centralization, while allowing for more flexible integration and reaching out across the EU borders towards candidate and neighbouring countries. Accordingly, it is not true that Poland is bound to either enter the ‘euro core’ dominated by Germany or become marginalised. It could adopt a more proactive approach, including strengthening cooperation with other European partners who distance themselves from the euro zone core.

3.3. Experts’ Debate

Questions of further EU differentiation and Poland’s dilemmas regarding accession to the euro zone, the future of political Europe, and Poland’s new European policy have also become important topics of interest among key Polish research institutes and think-tanks in recent years. For the purpose of this analysis, the papers and commentaries of ten institutions that deal with the political and economic aspects of European integration have been reviewed. The following questions/issues have marked the

29 The review included think-tank papers published between July 2011 and July 2014 by Polish Institute of International Affairs (PISM), demosEuropa, European Centre Natolin (CEN), Centre for International Relations (CSM), Sobieski Institute, Kosciuszko Institute, Casimir Pulaski Foundation, Stefan Batory Foundation and Warsaw European Council on Foreign Relations Office.
main lines of the expert debate: a) to what extent might Poland gain or lose from the emerging divisions in the EU?; b) what are the economic and political consequences of different scenarios related to Poland’s entrance into the monetary union (fast track accession, postponed accession, no accession)?; c) to what extent does the crisis constitute a real turning point in the integration process, one which could help construct a truly democratic Union?; d) can Poland develop a vision of a new Union that would promote Polish interests but at the same time assume responsibility for the entire continent?

Poland’s first ten years of EU membership were marked by two crises: first a constitutional one, then an economic one. During the euro zone crisis Poland and the entire Central European region have been somehow valorised: it is now the South and no longer the East that has become the source of problems, both actual and potential. This increased prestige and weight of Central Europe is linked to alliance with Germany, both economic and political. In the experts’ assessment Germany has replaced Great Britain, Poland’s more traditional Atlantic ally which is now drifting away from the EU. Poland is also seen as a victim of ‘partial membership’ as it has remained, after ten years, outside the EMU, which has become crucial to the integration project during the crisis.

Another challenge is presented by the EU’s evolution towards a ‘new intergovernmentalism’, where all key decisions are taken in the European Council, at the cost of supranational institutions. While the Commission has surely gained new prerogatives in euro zone management, it has become even more subordinated to the Member States in the process. These developments are worrying for Poland, which has always been very supportive of the community method. CSM thus recommended that all Member States should gradually withdraw from using the intergovernmental approach, in favour of the European Commission’s coordination.30

According to PISM analysts, the differentiation of European integration constitutes both an opportunity and a serious risk. On one hand, it could facilitate greater EU openness for new members. This would allow the Union to assume a greater geopolitical role and conquer new markets and resources. On the other hand, differentiation could render non-euro countries even more peripheral and ultimately make them second class members.31 Finally, a Warsaw ECFR analyst pointed out that developments


in the euro zone do not simply constitute a new phase of differentiated integration, but ‘an entirely new phenomenon that requires institutional and political adjustments from all actors in EU politics. It is necessary to strengthen the euro zone and the fate of the EU may depend on how quickly this can be achieved. But it may lead to a two- or three-tier Europe – albeit by default rather than by political purpose’.32

Additionally, euro zone members have become less and less willing to include Poland into the euro zone decision-making process. Poland has been postponing its accession to the (undefined) point in time which would be most beneficial for it (economically and politically), while at the same time demanding access to decision-making processes. Non-euro members have not been able to come up with a common agenda to counterbalance the euro core. According to the demosEuropa report, the chances that Poland, Hungary and the Czech Republic will accede to the EMU before 2020 are negligible. This decision not to enter the euro zone in the foreseeable future has translated into two possible scenarios for Poland: 1) drifting away towards the peripheries and the eventual need to turn to partners outside the EU; 2) pursuing its own agenda in the EU, especially in the context of the single market and foreign policy.33

However, the experts have also stressed that the participation of non-euro zone Member States in the fiscal compact or the Euro Plus pact entails mostly obligations and costs, with minimal impact on decision-making, giving both pacts a ‘blatantly asymmetric’ character. However, the government has been willing to assume those obligations for geopolitical reasons and despite their economic costs. It is also important to note that joining the EMU does not mean that Poland would escape its peripheral status: it might remain peripheral within the euro zone as well, which would entail political subordination and economic dependence on the euro zone core.34 On the other hand, once all other Central European states adopt the euro, Poland might face marginalization as an area of

high exchange risks and transaction costs. For these reasons the Pulaski Foundation strongly recommended that Poland should strengthen its international position by joining the EU decision-making core, centred around the euro zone. Thus euro accession should be perceived both in economic and security terms.

With regard to the changes in the institutional architecture that the EU has been undergoing since 2010, another question was asked by Polish experts, namely: Do we face a turning point, and will the end result be political union? Some analysts indicated that we continue to witness typical EU ad hoc ‘crisis management’, whereby European leaders think about Europe with the electoral calendar in mind, and are not committed to any fundamental reconstruction of the integration process. As a result, the EU is not really faced with a choice between the creation of a federal superpower or marginalization in the global arena. The real dilemma, according to these authors, is whether to remain in the ‘from crisis to crisis’ logic, or to change the technocratic approach to a democratic one. The crisis has strengthened the technocratic and intergovernmental power, but it has also led to the eruption of opposition on the part of European societies. Under such circumstances the confrontation of the EU project with citizens’ aspirations may become inevitable.

Conclusions

The notions of ‘federation’ and bold ideas for deepening European integration appear in statements of the Polish authorities delivered for external, European purposes. In Poland itself the government - having in mind the domestic confrontation with the right-wing opposition, eager to defend ‘national interests’ and ‘sovereignty’ – has spoken more cautiously about ‘political union’ or ‘Community Europe’. While pushing

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for Poland’s accession to the euro zone, the government outlined a stark either-or scenario: either Poland joins the euro zone – the integration centre – in alliance with the main player – Germany, or it will become marginalised and exposed to external threats. This is a classical TINA (‘there is no alternative’) argument, a tactic which was successfully used in the case of Poland’s EU accession. However, due to the necessity for domestic constitutional changes, the electoral calendar and the general lack of public support, it is rather difficult to imagine Poland’s accession to the euro zone before 2020–2025. As a result, it is more and more problematic that Poland will be able to influence the direction and scope of euro zone reforms, while formally staying out of the game.

A certain degree of continuity can be observed between the post-crisis debate on the future of Europe and the debate on the constitutional and reform treaties. However, back in 2007 the main political parties were in agreement as to the threats resulting from strengthened intergovernmentalism and the growing influence of the biggest Member States, especially Germany. In the following years the Civic Platform, while moving from a conservative to a more liberal orientation in foreign policy, adopted a position more favourable to deeper integration and to the ‘federalization’ of the EU, while the Law and Justice party has consistently opposed the ‘super-state’, ‘federalization’ or ‘German hegemony’. Whereas the government and the left consider differentiation in the European integration process as a direct threat to Polish interests, PiS sees it rather as an opportunity to create an alternative centre of power to the imminent German hegemony in Europe. In the context of Poland’s 2015 parliamentary elections and the possibility of a victory by Law and Justice, it is probable that Poland will not only opt for staying outside the euro-zone in the medium to long term, but it might also follow the British path with regard to other, less popular policies such as climate change actions. Consequently, differentiation might establish itself as a permanent and mainstream feature of the European integration process.