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AFTER TUSK: POLAND IN EUROPE

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SUMMARY

Poland has just experienced the most successful decade in its modern history. It took advantage of the opportunities presented by EU integration and has enjoyed stable political and economic development. Not hit by the economic crisis and led by the tandem of Tusk and Sikorski, Warsaw won the confidence of its main EU partners, most notably Berlin, and earned a strong position within the bloc. The nomination of Tusk for the post of the president of the European Council marked the end of this unprecedented era. The next decade may be more difficult and a continuation of Poland's successful run is by no means certain. The country needs a new economic model to sustain its impressive growth. It faces political dilemmas with regard to accession to the eurozone as well as to its eastern and defence policies.

The premises upon which Poland's successes have so far been built are becoming shaky – including its relationship with its main partners, Germany and France, which was weakened by the Ukraine crisis. If Poland is to maintain a central position within the EU, it will have to set out on a course of economic modernisation, perhaps pushed by accelerating its eurozone membership. Poland has also launched a major overhaul of its armed forces, making it potentially an important player in EU efforts to integrate the defence sector – but only if Warsaw and its European partners seize the moment.

The departures of Donald Tusk and Radosław Sikorski mark the end of an era in Polish politics. Tusk will take office as president of the European Council on 1 December, and Sikorski left the Ministry of Foreign Affairs after the government reshuffle in September to become Marshal of the Sejm (chair of the Polish parliament). Together, the former prime minister and the former foreign minister emblemise Poland's success in recent years in achieving clear economic gains and making a splash in foreign and European affairs. Against a backdrop of financial and economic crisis, Poland emerged as an important player on the European stage.

As the only country in Europe not to experience an economic slump, Warsaw benefited politically from the crisis – and became an important ally to Berlin. In particular, Tusk had an excellent relationship with German Chancellor Angela Merkel. Distrust had once dominated relations between Warsaw and Berlin, but in the past few years, pragmatic, close collaboration became the norm. This new closeness reflected the key thrust of Polish policy towards the European Union: Poland aimed to become a central player in EU politics, and it firmly believed that efficient foreign and European policy would result not from unilateral action but from cooperation with its most important partners (and with Germany above all others).¹ Two events were

¹ See Piotr Buras, "Poland-Germany: Partnership for Europe?", Center for International Relations, 2013, available at <http://csm.org.pl/en/books/category/18-2013?download=47:poland-germany-partnership-for-europe>.

particularly important in elevating Poland into the top league of EU member states: in the negotiations on the EU Multiannual Financial Framework 2014–2020, Poland played a leading role together with Germany and France in finding a compromise, and Poland was instrumental, along with Sweden, in the development of the Eastern Partnership initiative.²

The change of leadership in Polish politics will not change everything. The new prime minister, Ewa Kopacz, is one of Tusk's most trusted allies. And Sikorski's successor, Grzegorz Schetyna, is not known for holding any firm opinion on foreign policy that would mean a change of course. But as much as Poland's continuity in foreign and European policy is rightly praised, the fact remains that Poland will soon have to make important decisions in this area. The end of the Tusk–Sikorski era comes at a time when some of the central assumptions on which Poland's EU policies and successes were based over the past few years are no longer valid.

The sources of Poland's rapid economic growth over the last decade appear to be gradually drying up. More and more often, Warsaw's skill in preserving its place at the EU's centre of power is being challenged, in its relationship with the eurozone, on energy and climate policies, and on defence policy. Last but not least, the Ukraine crisis has revealed the limits of the old strategy in a key field of Polish foreign policy. Serious dilemmas in all these areas mean that Polish foreign and European policy may change much more than just its leadership. The domestic political context does not seem to be favourable for an ambitious foreign and European policy. The success of the opposition national-conservative Law and Justice party in the November 2014 local elections (for the first time since 2007, the party led by Jaroslaw Kaczynski won more votes than the ruling Civic Platform of Donald Tusk) was a warning signal for the ruling coalition. Interestingly, Law and Justice gained most support among the youngest voters (as well as among the oldest ones). Against this background, the next – “post-Tusk” – years of Poland in the EU may prove to be significantly more difficult than the first decade. The country's success is indisputable, and Poland certainly has the potential to become a European leader. But it is premature to expect that “after ten years of EU membership, a new Golden Age for Poland may be on the horizon”.³

The euro: a vehicle for transformation?

Poland's position in the EU and its ability to assert itself as an important foreign policy actor depends on its economic power, which has been impressive over the past few years compared to other European economies. Since 2008, the

first year of the global economic crisis, Poland's cumulative GDP growth has been more than 20 percent. The EU as a whole recorded a decrease of 1 percent. Since the country's accession to the EU in 2004, Poland's GDP has grown by 49 percent, making Poland (tied with Slovakia) the fastest-growing economy in the EU.⁴ Between 1989 and 2009, Polish GNP increased by 80 percent, a speed comparable to China or Turkey in the same period. Polish GDP per capita only reached 65 percent of the EU average in 2011, but it was higher than that of Hungary, for example, which in 1990 had a GDP per capita 10 percent higher than that of Poland. EU membership proved to be an important driver of Polish success, through the single market but also through financial inflows from the EU, which in 2013 made up 25 percent of Poland's GDP.⁵ It is not surprising, then, that the tenth anniversary of Poland's EU accession and the twenty-fifth anniversary of the country's first free parliamentary elections were both causes for celebration.

Given this success, it may seem surprising that a change of economic policy is pressing. But Poland's past growth model is not suited for the future. The old model was based on the effective use of EU subsidies (worth €61.4 billion by 2014), the flexibility of Polish companies, low wages, and a flexible exchange rate, which made it significantly easier to avert crisis, especially through the devaluation of the zloty between 2008 and 2010.

These factors made the Polish economy robust, but they will be of little help in achieving the country's next big goal: adjusting wages and reshaping Polish society's financial standing to conform to Western European standards. EU financial support will end or be significantly reduced in 2020 and thus will cease to be a trigger for Poland's economic growth. More importantly, Poland's economy today is driven by efficiency, not by innovation. For example, only a small fraction of Polish exports (6 percent) are products that require modern technologies for their manufacture (the proportion is significantly higher even in Hungary and the Czech Republic).⁶ For this reason, jobs in Poland are badly paid, which is good for Poland in terms of competitiveness with the rest of Europe, but may lead into the long-term dead-end known as the middle-income trap. Already, four million Poles are either unemployed or work as migrant labourers in the EU, driven abroad by unsatisfactory wage levels in Poland.

Poland's economic transformation and modernisation have largely depended on two external sources: EU structural funds and, just as importantly, the country's very close economic relationship with Germany, which accounts for 25 percent of Polish foreign trade. With its skilled and low-cost labour force, Poland perfectly complements the German

² Ignacy Niemczycki, “Czy Polska dojrzała do przewodzenia Europie?”, *Polityka Insight*, June 2014, p. 6.

³ Günther Verheugen, “Poland's New Golden Age”, *Project Syndicate*, 4 November 2014, available at <http://www.project-syndicate.org/commentary/poland-reemergence-in-europe-by-g-nter-verheugen-2014-11>.

⁴ “Polskie 10 lat w Unii”, Ministerstwo Spraw Zagranicznych, 2014, p. 12, available at http://ec.europa.eu/polska/news/documents/10lat_plvue.pdf (hereafter, “Polskie 10 lat w Unii”).

⁵ “Polskie 10 lat w Unii”, p. 97.

⁶ See Krzysztof Blusz and Paweł Świeboda, “Po naprawie Rzeczypospolitej czas na ‘drugą Polskę’”, *Instytut Idei*, June 2013, pp. 24–28, available at http://www.instytutobywatelski.pl/wp-content/uploads/2013/06/instytut_idei_numer3.pdf.

export industry, and Poland has benefited substantially from this symbiosis, especially during the German export boom of recent years. However, what was an asset in the last decade will most probably become a liability in the years to come. Firstly, the flipside of dependence on Germany is the previously mentioned structure of the Polish economy, in which big, innovative, and home-grown companies play a relatively minor role. And secondly, as stagnation spreads in Europe, German growth is slowing – the German growth forecast for 2015 was lowered from 1.3 to 1.1 percent. As Wolfgang Münchau argues, “hardest hit [by European stagnation] will be the central European countries which do not use [the] euro”.⁷ Polish officials consider Europe’s gloomy growth prospects to be a serious risk. This may drive Poland away from the Nordic, German-led camp that preaches the virtues of fiscal discipline and reform. For example, it was Polish Finance Minister Mateusz Szczurek who proposed a €700 billion fund to boost investment and growth in Europe – a move not welcomed by Berlin.⁸

If the Polish government were to embrace a new transformation agenda, it could ensure the country’s future prosperity and also reposition Poland in some important areas of its European policy. Probably the most significant example is energy and climate policy, in which Poland as a coal-dependent country is a slacker. As a new study has shown, if Poland were to adjust to new European climate goals, it could provide a positive impulse for innovative modernisation – rather than representing a liability, as it is usually portrayed in Polish public debate and among political elites.⁹ However, the concessions obtained at the October 2014 European Council by the Polish government (which hailed the concessions as a success, although they fell short of the government’s ambitious goals) may slow down the process and could in the long run have negative effects.

Poland needs a new push for modernisation that can foster higher growth than today’s 2–3 percent. It must transform its economic structure in favour of innovation. And it needs to find ways to create more attractive and better-paid jobs. These goals will necessitate an extensive reform of economic and fiscal policy, which will be Poland’s main economic and societal challenge for at least the next decade. According to a World Bank report on 101 middle-income economies in 1960, only 13 had become high-income by 2008.¹⁰ As three well-known economists recently said, Poland has now got its “five minutes” to seize this opportunity. If the country

fails to take advantage of the moment, the authors noted, “Tusk’s presidency of the European Council will remain one of many individual successes which the Poles achieve from time to time in the international arena, but it will not become, against many hopes, a symbolic turning point epitomising the increase of Poland’s ranking in the European concert of nations.”¹¹

Igniting this push for modernisation will require not only strong political leadership but also a concrete goal that can galvanise both government and society. Without a clearly defined idea, the powers of political inertia and party-political considerations will make change difficult to accomplish. This is the lesson of the recent past: strong external impulses, whether the perspective of EU accession or the requirements linked to the use of EU structural funds, were instrumental in pushing to advance reforms and transform the country. One idea that could add new energy might be an acceleration of the introduction of the euro. Polish elites agree that, as a central precondition for successful eurozone membership, Poland must not just fulfil the formal Maastricht criteria, but must also ensure that it has a powerful and competitive economy that can prevent the “Spanish scenario” taking hold in Poland. There is a widespread conviction among leading decision-makers and political advisers that Poland should stay away from the eurozone as long as the common currency bloc (which is often dismissively referred to as the “zero growth zone”) has structural problems and that Poland’s “rationale in joining the eurozone is today much less evident than [in] 2004”.¹²

However, introducing the euro could strengthen the Polish economy in the medium term and consolidate Poland’s place at the political centre of Europe (since remaining outside the eurozone jeopardises Poland’s central position in the long term). Given that well over 50 percent of Polish foreign trade is conducted with eurozone members, staying outside the euro poses risks for the Polish economy. But the argument in favour of adopting the euro sooner rather than later does not only involve the measurable immediate effects of joining Europe’s common currency. The road to the eurozone, paved with the reforms that would be required to join, could be an impetus for the transformation of Poland’s economy, which is necessary whether it adopts the euro or not. Thus, the introduction of the euro could be exploited as a useful vehicle for change. As the Polish economist Andrzej Wojtyna has said, “deferring this decision [...] increases the risk of erosion of the achievements of transformation as there is no external institutional anchor for past and future reforms.”¹³

7 Wolfgang Münchau, “Eurozone stagnation is a greater threat than debt”, *Financial Times*, 19 October 2014, available at <http://www.ft.com/intl/cms/s/0/326bocec-5560-11e4-89e8-00144feab7de.html>.

8 “Keynote address from Mateusz Szczurek, Minister of Finance of Poland”, Bruegel Institute, Brussels, 4 September 2014, available at <http://www.bruegel.org/nc/blog/detail/article/1426-keynote-address-from-mateusz-szczurek-minister-of-finance-of-poland/>.

9 Maciej Bukowski and Zbigniew M. Karaczun, “W polskim interesie. Jak wykorzystać politykę energetyczno-klimatyczną UE jako wsparcie rozwoju Polski do 2030?”, WISE Institute, 2014.

10 These countries were Equatorial Guinea, Greece, Hong Kong SAR (China), Ireland, Israel, Japan, Mauritius, Portugal, Puerto Rico, the Republic of Korea, Singapore, Spain, and Taiwan. See Pierre-Richard Agénor, Otaviano Canuto, and Michael Jelenic, “Avoiding middle-income growth traps”, *VOX*, 21 December 2012, available at <http://www.voxeu.org/article/avoiding-middle-income-growth-traps>.

11 Maciej Bukowski, Andrzej Halesiak, and Ryszard Petru, “Polska ma swoje pięć minut”, *Rzeczpospolita*, 5 September 2014.

12 Minister of Finance Mateusz Szczurek, speech at the conference “Polska 2015-2025. Zadania na rok i kolejne 10 lat” (*Poland 2015-2015. Task for One and the Next Ten Years*), Warsaw, 19 November 2014.

13 Andrzej Wojtyna, “Po expose: bez przełomu w sprawie euro”, *Rzeczpospolita*, 2 October 2014.

In the post-Tusk era, the question as to when and whether this attempt will be made is becoming an increasingly pressing issue. Prime Minister Kopacz did not make a clear statement on the euro in the government policy statement made before the Polish parliament on 1 October. This may not seem remarkable, given the sceptical attitude of the majority of Poles towards eurozone membership and the fact that membership would require a change of the fundamental law, for which no political majority is in sight.¹⁴ Nevertheless, both the old and the new government leave much to be desired in terms of enthusiasm for reform and focusing on the future. If nothing changes in the next few years, the star of the Polish economy could soon be eclipsed.

Eastern policy: no unilateral action

Poland will also have to find a new impetus for its eastern policy. Some interpreted Radosław Sikorski's resignation as the end of Poland's aggressive policy towards Russia, a policy in which Ukraine's association with the EU was declared as Poland's supreme goal, no matter what the cost.¹⁵ Early clumsy comments by the new prime minister, who compared herself to a mother who cared first and foremost about protecting her children before helping others, created the impression that Poland would take a less active role in the Ukraine conflict than it had done previously.¹⁶ Kopacz also stressed in her speech before parliament that an important goal in her policy towards Ukraine would be "to prevent an alienation of Poland due to the setting of unrealistic goals". This is why, she said, "the goal of my government will be to pursue a pragmatic policy towards what is happening in Ukraine".¹⁷ The fact that the former minister of defence, Tomasz Siemoniak, has been named deputy prime minister in Kopacz's government may suggest that foreign policy is now being given a less prominent role, with national security instead deemed to be the priority. Given the geopolitical context and change of personnel, it could result in less foreign policy activism. Now that the hawk is gone, will there follow an era of doves?

Sikorski's departure may have a powerful symbolic impact, but the real dilemmas of Poland's eastern policy transcend a change of personnel. Poland will still insist on Ukraine's territorial integrity, its association with the EU, and the rejection of a return to routine in the relationship with Russia. However, these principles will not be sufficient

as guidelines for operative politics, in which Poland must address various uncertainties that challenge its role as Ukraine's main advocate.

To begin with, it is impossible to ignore the fact that there has been a significant shift in European crisis management over the past few months. Poland used to be at the forefront of the EU's eastern policy: it initiated the Eastern Partnership and it was one of the architects of the change of power in Kyiv in February 2014. But recently, Warsaw has lost its starring role in Ukrainian conflict resolution. Germany has taken over de facto leadership in the EU's relationship with Russia and Ukraine. Berlin shaped the so-called Normandy format, which began with a meeting during the seventieth anniversary commemorations of D-Day in Normandy, and was attended by representatives of Germany, France, Russia, and Ukraine, but not Poland.¹⁸ This format of four would gradually become the central format for negotiations with Russia and would lead to the unstable ceasefire at the beginning of September.

There were several implications to the fact that Poland was not invited to participate in the talks. First of all, its exclusion was a bitter loss of prestige for a country that until then had stood as no other for the EU's eastern policy and whose fundamental security interests and foreign affairs priorities were affected by the negotiations. Because of its exclusion, Poland no longer felt responsible for the political process and made it clear in unmistakable terms that Germany would now have to bear sole responsibility for its outcome. Poland's marginalisation caused resentment towards Germany at home and provoked impassioned reactions from the Polish media, which accused Berlin of seeking a bilateral deal with Russia while disregarding the interests of Poland and Ukraine.¹⁹ These reactions were emotional and exaggerated, but they nonetheless reflected the opinions of part of the Polish elite and also indicated the damage that the Ukraine crisis had done to the German-Polish relationship. The question as to how and whether Poland can again take a leadership role in the EU's eastern policy is therefore also connected to the potential for renewed German-Polish coordination on the crisis.

Secondly, Ukraine itself is also fraught with uncertainty. Russian President Vladimir Putin's unpredictability is clearly the greatest cause for concern – what are his goals? How far is he prepared to go? But an additional and equally important risk factor is the uncertainty surrounding political developments in Kyiv. How reliable are the elites of Ukrainian politics as partners for Poland and the EU? The October parliamentary election offered cause for optimism, since it returned a strong pro-European majority and provided the new leadership with powerful legitimacy.

¹⁴ Support for accession to the eurozone has been constantly decreasing. According to a CBOS poll conducted in October 2014, 41 percent of Poles firmly oppose adopting the common currency and 27 percent said they were "quite against it". This represents the lowest-ever level of support for Poland's accession to the eurozone. See "Najniższe w historii poparcie dla przyjęcia euro w Polsce. Obawy dominują też w elektoracie Platformy", 30opolityka, 6 November 2014, available at <http://30opolityka.pl/news/2014/11/06/najnizsze-w-historii-poparcie-dla-przyjecia-euro-obawy-dominuja-tez-w-elektoracie-platformy/>.

¹⁵ Part of this section was based on Piotr Buras, "Poland and the Ukraine Crisis: From 'Policy Shaper' to 'Policy Taker'?", *RUSI Newsbrief*, 26 November 2014, p. 1.

¹⁶ Rick Lyman, "New Leader Likens Poland to 'Reasonable Polish Woman'", *The New York Times*, 19 September 2014, available at http://www.nytimes.com/2014/09/20/world/europe/new-leader-likens-poland-to-reasonable-polish-woman.html?_r=0.

¹⁷ "Expose premier Ewy Kopacz", Warsaw, 1 October 2014, p. 3, available at <http://platforma.home.pl/images/Expose-premier-E-Kopacz.pdf>.

¹⁸ See Piotr Buras, "Has Germany sidelined Poland in Ukraine crisis negotiations?", European Council on Foreign Relations, 27 August 2014, available at http://www.ecfr.eu/article/commentary_has_germany_sidelined_poland_in_ukraine_crisis_negotiations301.

¹⁹ Roman Kuzniar, "Nie możemy liczyć na Niemcy", *Rzeczpospolita*, 26 August 2014; Paweł Zalewski, "Niemiecka bomba pod fundamentem Europy", *Gazeta Wyborcza*, 4 September 2014.

However, a lot will depend on the ability and willingness of the leadership to embark on the reforms necessary to establish the rule of law and to break through Ukraine's oligarchic structures. A repetition of the situation after the Orange Revolution of 2004, when Ukrainians bungled the opportunity for a genuine new beginning and did not adequately tackle the task of reform, would be a massive blow to the country's modernisation and to its credibility in the West, including in Poland.

One thing is certain: If the EU wants to continue on its current course, it will have to prepare for a long and expensive conflict with Russia. And in spite of the crisis facing the country, it is mostly up to the Ukrainian elites whether they are prepared to do their part. Poland's commitment to supporting Ukraine will be influenced by the Ukrainian elites' willingness to pursue reforms in the next few months.

Polish engagement in and for Ukraine has not always been reciprocated by the Ukrainian elites. It did not go unnoticed in Warsaw that Ukraine's leaders, including the new foreign minister, Pavlo Klimkin (formerly Ukraine's ambassador to Berlin), did not insist strongly on Poland being part of the negotiation format. Instead, they chose to bet on Germany. Although Poland had previously been Ukraine's strongest ally and promoter, it seemed that Ukraine did not believe Poland had enough power and endurance to play a leading role in negotiating a deal with Moscow to end the war in eastern Ukraine. From Kyiv's perspective, Berlin seemed to hold all of the cards. Moreover, the Ukrainian leadership, stuck between a rock and a hard place, was sometimes more eager than were its Polish advocates to compromise (for example, on the Deep and Comprehensive Free Trade Agreement, the gas deal with Russia, or the ceasefire). As a Polish diplomat noted, "it happens that we seem to be more Ukrainian than the Ukrainians themselves".²⁰

Thirdly, Poland's dreams of a common Central European coalition under its leadership were dashed by disparity among other Visegrád countries (Hungary, Slovakia, and the Czech Republic) towards Russia and Ukraine. As the Ukraine crisis unfolded, the Visegrád Group proved to be a disaster, at least from the Polish perspective, as the other members pursued policies that starkly contradicted Warsaw's. Hungary opposed sanctions against Russia and even signed energy deals with Moscow. Slovakia hesitated in providing crucial assistance to Ukraine through reverse flow on the strategic gas pipeline (Transgaz). And the Czech Republic said it was not interested in strengthening NATO's presence in the new member states. Poland received little support from its regional partners, aside from the Baltic states and Sweden, in its efforts to persuade NATO to provide more reassurance for Central Europe. All in all, in the early phase of the Ukraine crisis, Poland contributed significantly to the EU's response to Russia by raising

awareness of the serious nature of the conflict through Tusk's visits to European capitals in February, as well as by pushing for bolder sanctions. But by the end of 2014 it found itself alienated from its partners and on the margins of the diplomatic process.

The new Polish government's statements must be understood in this context of marginalisation. Both Kopacz and Schetyna used their first public statements to stress that Poland would closely co-ordinate its eastern policy with its EU partners, rather than pursue a separate strategy. This is nothing new, substantively – it was also the credo of the Tusk–Sikorski government. It was Sikorski who, in 2009, announced the end of Poland's "Jagiellonian policy", which had assigned to the country a particular mission in Eastern Europe (as under the eponymous ruling dynasty of the Middle Ages), a mission that included ensuring the independence and prosperity of Ukraine.²¹ Instead, the country's eastern policy would be subordinated to its wider interests within the EU, most notably the need for good relations with Germany and France, which would be the country's absolute priority. Obviously, this new approach was soon modified again, not least because Tusk and Sikorski recognised that Poland's strong footprint in the eastern neighbourhood could be, if properly managed, an asset rather than a liability in defining its position within the EU.

Is the new government on the verge of changing strategy because of the Ukraine crisis? There is no reason to believe that the cautious statements of the new Polish leaders reflect a conscious strategy shift or an intention to abandon Poland's ambitions to shape the EU's approach to Russia and Ukraine. Rather, the more muted tone from Warsaw could simply stem from the recognition that, in the current circumstances, there is limited scope for an alternative policy to that pursued by the EU in dealing with the Ukraine crisis.

On closer inspection, Poland's current approach to Ukraine does not differ much from Germany's strategy, notwithstanding the tensions about NATO reassurance and the noisy media debate.²² Warsaw did not push for military support for Kyiv, not least because it feared escalating the conflict and doubted the reliability of the Ukrainian army. And Warsaw does not deny the need for political negotiations with Moscow, even though it does not hold out much hope for success (a view it shares with Berlin). As much as Poland's leaders might be frustrated about being sidelined in the EU–Russia–Ukraine negotiations, they do not see – at least in the short term – much room for defining a substantially different policy.

20 Confidential interview with the author.

21 Radosław Sikorski, "1 Września – Lekcja Historii", *Gazeta Wyborcza*, 28 August 2009.

22 See Piotr Buras, "Zabawa w piaskownicy", *Rzeczpospolita*, 9 September 2014.

However, it would be premature to expect that Poland's interest in the EU's eastern policy will diminish or be entirely abandoned. Rather, Poland will focus on securing the EU's long-term engagement in Ukraine and in other Eastern Partnership countries, as well as on helping to preserve these countries' choice to associate with the EU and to follow the European way of modernisation. After Ukraine's October parliamentary elections, which returned a strong pro-European government, Warsaw will support and orchestrate the EU's financial and political assistance to Kyiv and will try to make sure that the Russian strategy of postponing the implementation of the DCFTA does not succeed in derailing the agreement altogether. Thus, Poland's priority will remain the same: preserving Western Europe's cohesion in the face of dramatic geopolitical changes in the eastern neighbourhood. However, Poland will have to find a way to get back to the table – and it must not just follow Berlin's lead but also propose its own ideas and solutions for Ukraine. Otherwise, it will not be able to claim a leading role as a promoter of the EU's eastern policy.

Security and defence policy: the return of Atlanticism

The increased friction between Poland and Germany became even more noticeable in the run-up to the NATO summit in Wales in September – and the significance of the discord for Poland's conception of its own foreign policy should not be underestimated. Poland expected the NATO summit to send a strong signal that the alliance members were standing together against Russia. But many Polish observers did not believe this message was sent. Decisions were taken that were aimed at meeting the Russian challenge, including the formation of a NATO Response Force spearhead unit that would be ready for action at all times, the adoption of a robust Readiness Action Plan, and an agreement to increase forces at the NATO base at Szczecin to 400 men. But some of the other decisions (which had a clear German signature) did not meet Polish expectations. The insistence that the NATO Russian Founding Act of 1997 was still valid, for instance, was heavily criticised in Poland. This act, among other things, excludes the permanent deployment of NATO forces in Central and Eastern Europe. Although NATO did decide to reinforce its presence in Poland and the Baltic states on a rotating basis, Poland believed that the act should be entirely discarded, in view of the fact that Russia had breached the fundamental principles of the document with its aggression against Ukraine. Many commentators in Poland were also disappointed by the merely symbolic nature of the financial support allocated for the Ukrainian army. And although several of the summit's concrete decisions were welcomed, Poland was left with a sour taste, believing that NATO had not presented a clear response to Russia's actions.

The European allies – particularly Germany and France – were seen as mostly to blame for this disappointment. The Obama administration did not appear to be more interested

than Berlin or Paris in an advanced NATO response to Russia (and the United States, along with Berlin, welcomed the postponement of the implementation of the DCFTA in view of Russia's retaliatory measures). But the Americans seemed more willing to reassure the Central and Eastern European NATO members than were the two big EU partners. This impression was bolstered both by US rhetoric (such as President Barack Obama's speeches in Warsaw and Tallinn) and by the US's concrete actions, such as the deployment of forces and combat aircraft to Poland. Poland came to believe that only the US offered real backing in security policy, because of Berlin's restraint on Russia and on military issues, the Bundeswehr's incapacity, and France's indecision over the Mistral deal with Russia. After years in which Poland had reoriented its security policy towards Europe (partly because of its disappointment with Obama) and launched initiatives to strengthen the EU's Common Security and Defence Policy (for example, the idea of setting up a European headquarters), this represents a remarkable return to Atlanticism. Of course, today, there is no need to choose between America's and Europe's security policy. Nevertheless, this change of mood may have consequences for Poland's politics and its position within the EU.

These developments are part of the bigger picture of Polish security policy, which has been shaped by factors that predate this year's Ukraine–Russia crisis. After joining NATO in 1999, Poland felt secure and began to treat its security policy more like most other (Western) European states: not as the primary means to defend its territory or prosperity (this was served best by NATO and the US), but rather as a tool to build political partnerships, achieve economic goals, and gain more influence in the EU. This was the background to the Polish decision to enter into military engagement in Afghanistan and Iraq on the side of the US. However, after a decade of activism, this policy's record is seen as disappointing. Intervention in Iraq was not only questionable – it also failed to achieve the anticipated benefits for the Polish economy. Afghanistan proved to be a useful experience for the Polish army but a political disaster, and seriously undermined public support for any military intervention.

Already in 2011–2012, well before the Russia–Ukraine crisis, a shift in Polish security policy and strategic thinking had become apparent: it was believed that the era of “adventures abroad” should come to an end. Instead, the Polish government declared that it would refocus on national defence capabilities and territorial defence. The “Komorowski doctrine”, named after President Bronislaw Komorowski, argued that the money spent on costly military interventions should be redirected to finance a major modernisation programme for the Polish army. The doctrine did not become official policy, but it did reflect the changing mood in the country, with a public that was tired of military expeditions. Poland's decision to side with Germany on non-intervention in Libya in 2011 was an expression of this shift. The country's reorientation might be seen as part of a general trend in European member states

towards a narrower national focus, and towards a growing scepticism about the virtues of liberal interventionism. But the reorientation has particular risks for Poland's standing within Europe. Some high-level diplomats have described Poland's active security policy as a "compensation" for its relatively weaker position in the EU due to its status as a non-eurozone country. If Poland's contribution to EU security policy becomes less ambitious, what can fulfil this function instead? Refocusing on narrowly defined national security would also be at odds with the shift towards Atlanticism as the US expects more, not less, engagement from its European allies. In his speech before the parliament, Schetyna was careful to strike a proper balance between "national defence" and "engagement policy", indicating that Poland should also devote more attention to conflicts beyond Europe, including the rise of the Islamic State.²³

However, the tension between these two elements of security policy will grow. The geopolitical crisis in the east will likely enhance Poland's evolution away from activism and common action. In 2014, Polish society's perception that the country's security was threatened reached its highest level since 1991. Combined with the return of Atlanticism, disillusionment about its Western European partners on security policy, and tendencies towards retrenchment, these re-emergent geopolitical concerns will shape Poland's approach to EU defence initiatives.

A case in point is Poland's defence policy and, in particular, the country's ambitious programme for the modernisation of the Polish armed forces. The €34 billion programme has just entered a critical stage and, faced with the crisis in the east, important armaments orders (particularly for the construction of the Polish missile shield) will be placed by spring 2015, earlier than originally planned. The programme is enormously important both to Polish defence policy and to Poland's economy. It could be a major step in elevating the Polish arms industry into the top league of European producers, possibly making it a part of the European Defence Technological and Industrial Base (EDTIB). "We want to participate in the consolidation of the European defence industry", declared Siemoniak in January 2014.²⁴ Poland may join Airbus Group by acquiring 1–3 percent of shares in the company, which would help it to become part of the integration process of the EU defence industry.

The Polish army's modernisation programme also has the potential to involve technology transfer that would help modernise the Polish economy. This could provide an important impetus for restructuring the economy towards an innovative and knowledge-based economic model. If this were to be achieved, cooperation with European partners could be an attractive option. European providers are perceived as more reliable in terms of technology transfer.

²³ "Informacja Rady Ministrów o zadaniach polskiej polityki zagranicznej w latach 2014–2015", Polish Ministry of Foreign Affairs, 6 November 2014, available at http://www.msz.gov.pl/pl/ministerstwo/minister/wystapienia/informacja_rady_ministrow_o_zadaniach_polskiej_polityki_zagranicznej_w_latach_2014_2015.

²⁴ Jędrzej Bielecki, "Ameryka nie jest już faworytem", *Rzeczpospolita*, 16 January 2014.

American companies are seen as having a greater tendency to guard access to their technologies and to be reluctant to share them with their partners.

However, the programme is in fact more likely to slow down rather than accelerate the Europeanisation of Poland's defence. Recent comments by Siemoniak seem to suggest that US providers (in this case, defence contractor Raytheon) may for political reasons stand a better chance of winning contracts.²⁵ This is despite the fact that past Polish experience with American providers has not been encouraging, the best example being the acquisition of the F-16 from Lockheed Martin. The offset programme agreed at the time was meant to support the Polish industrial base, but it did not deliver on expectations. Regardless of the purely military aspects, such as the quality of the armaments supplied, Poland faces a dilemma: geopolitical considerations and the security imperative suggest favouring the American bidders, but economic interests such as the possibility of technology transfer might be better served by choosing European companies. If insufficient innovative impetus is provided by the programme, it would defeat the programme's original purpose of supporting the economic transformation that is so essential to securing Poland's future success.

Poland's ambition of playing an important role in the European arms industry faces many obstacles. Poland's armaments sector is too small at the moment to rival the EU's big players. At the EU summit in December 2013, Poland successfully fought for a level playing field in the still to be consolidated arms industry sector. Warsaw believed equitableness in the sector was being endangered by the attempts of the European Commission (and by six big member states, the signatories of the so-called Letter of Intent)²⁶ to boost the development of European defence by consolidating small and medium-sized enterprises, phasing out offset agreements, and limiting the importance of Article 346 of the Lisbon Treaty which allows for the protection of national markets.²⁷ However, it is by no means certain that Poland will be able to preserve a strong voice in the debate and take part in the consolidation process. Its chances depend to a large extent on the decisions due to be taken in the coming months on the major equipment contracts for the Polish armed forces.

²⁵ Interview with Minister of Defence Tomasz Siemoniak, "Ameryka nie zawodzi sojuszników", *Rzeczpospolita*, 29 September 2014. Siemoniak said in this interview that "you cannot escape political criteria while deciding who will get the contracts for the army" and that the "context of the Mistral [Franco-Russian] deal is not helpful for the French bid for the missile defence".

²⁶ The Letter of Intent was signed by France, Germany, Italy, Spain, Sweden, and the United Kingdom. "Letter of intent between the Minister of Defence of the French Republic, the Federal Minister of Defence of the Federal Republic of Germany, the Minister of Defence of the Republic of Italy, the Minister of Defence of the Kingdom of Spain, the Minister of Defence of the Kingdom of Sweden and the Secretary of State for Defence of the United Kingdom of Great Britain and Northern Ireland concerning measures to facilitate the restructuring of European defence industry", 6 July 1998, available at <http://www.defensa.gob.es/Galerias/politica/armamento-material/ficheros/DGM-Letter-intent-ingles.pdf>.

²⁷ See Dominik P. Jankowski, "Beyond Air and Missile Defense: Modernization of the Polish Armed Forces", CEPA, 5 September 2013, available at <http://www.cepa.org/content/beyond-air-and-missile-defense-modernization-polish-armed-forces>.

Moreover, in light of geopolitical events and increased security concerns, the goal of joining EDTIB may now seem to be less of a good idea. The project of defence industry integration is largely economically driven: consolidation and cooperation is seen as the only way to keep the European defence sector alive. But Poland's strategic priority is increasingly security of supply, and the best guarantors of this security are Polish companies. Being part of a pan-European network (without itself having strong assets), as much as it may be economically beneficial, may not best serve this goal. In short, the current geopolitical turbulence may strengthen the already existing tendency in Poland towards self-reliance ("the Polish pivot to Poland", as some jokingly say). It may well bolster a return to Atlanticism in defence policy and reduce Poland's interest in forging EU integration in the sector.

Setting a new direction

After its first successful decade of EU membership, Poland must set new directions for its European policy. Continuing its previous course without alteration is neither advisable nor possible. The international environment and Poland's economic prospects have changed the political picture, posing new dilemmas on growth models, accession to the eurozone, eastern policy, and defence policy. Wise management of EU funds, a good relationship with Berlin, and advocacy for the EU's eastern neighbours will remain important goals, but they will not be enough to secure Poland's future success. Poland's European policy will need to come up with more sophisticated answers to the challenges that loom on the horizon. The end of the Tusk–Sikorski era, therefore, is a moment not just to celebrate the best decade in recent Polish history, but also to have a serious discussion about the unresolved issues that form part of the duo's legacy. It is now up to their successors to find answers to these questions and to define the parameters of Poland's position in the EU for the coming decade.

For many reasons, Poland is a pivotal country for the EU. As a large and (still) growing economy, its membership in the eurozone could have an impact on the club's economic performance and strategy. And any EU policy towards Russia and Ukraine in which Poland is silent or marginalised will hardly be politically sustainable. As one of the few EU member states which spends close to the prescribed 2 percent of GDP on defence, and as a country that is at present launching a big modernisation programme of its armed forces, it is both an attractive market for European defence companies and potentially an important player in EU efforts to integrate the defence sector. Thus, the EU too has high stakes in Poland's struggle to redefine its place in Europe. Poland's challenges are certainly not as dramatic as those in many other EU member states, but the present moment is more likely to be the end of a "Polish golden decade" than its beginning.

But "golden times" never last for ever, so there is no cause for too much pessimism. Most of the answers to the dilemmas outlined here need to be found in Warsaw, but even so, it is clear that the policies, developments, and debates of and in other EU member states will strongly influence the process. This fact, perhaps, has been underestimated in Berlin or Paris, which have seemed to believe that Poland's indisputable European vocation and success in the last decade would make the country more unequivocally trusting towards its partners, as well as thinking that Poland's drive towards Europeanisation would be unstoppable. Therefore, it is – also – up to these partners to make sure that "De-Europeanisation by default" does not take firm hold in Poland.²⁸

²⁸ Gunther Hellmann, Rainer Baumann, Monika Bösche, and Benjamin Herborth, "De-Europeanization by Default? Germany's EU Policy in Defense and Asylum", *Foreign Policy Analysis*, 2005, available at http://www.fbo3.uni-frankfurt.de/44927684/FPA_7.pdf.

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