Poland Report
Claudia-Yvette Matthes, Radoslaw Markowski, Frank Bönker (Coordinator)

Sustainable Governance Indicators 2017
Executive Summary

The two national elections held in Poland in 2015 altered the country’s political landscape and shifted power relations between the two major parties, the centrist Civic Platform (PO) and the conservative Law and Justice party (PiS). In the May 2015 presidential elections, PiS candidate Andrzej Duda defeated PO’s candidate and previous president Bronisław Komorowski. The parliamentary elections in October vested PiS with a majority of seats in the Sejm and allowed for the formation of the first one-party government in post-socialist Poland, led by prime minister Beata Szydło (PiS) and, behind the scenes, by long-standing PiS party leader Jarosław Kaczyński. Capitalizing on its clear parliamentary majority and the strong party discipline, the government has initiated radical changes in institutions and policies.

Under the PiS government, the quality of democracy in Poland has greatly suffered. Following the Hungarian example, the first activities of the new government targeted the Constitutional Tribunal, the public media and the civil service. While the government has not changed electoral law so far, it has tried to weaken independent private media by urging state-owned enterprises to place advertisements in certain outlets and to sell certain newspapers. It has infringed upon civil rights by increasing options for telephone and internet surveillance without a court order and has discussed additional restrictions on the freedom of assembly. The conflict between the government and the Constitutional Tribunal has led to a situation of legal uncertainty in which the courts can either follow the government’s interpretation or that of the Constitutional Tribunal and other important judicial institutions. The quality of democracy has also suffered from the strong discourse launched by the government against Muslims, the LGBT community and “gender-ideology,” the increasing corruption and cronyism in state-owned enterprises and rising political polarization.

While these political changes were not issues in PiS’s 2015 election campaign, the main policy changes launched since the end of 2015 have been in line with the party’s campaign pledges. The PiS government has succeeded fairly quickly in realizing its major campaign pledges such as the increase in the minimum wage and family allowance, tax relief for small businesses, the lowering of the retirement age or the reversion to a higher age for entering school. Since the opposition in parliament has little leverage, the main
obstacles to the government have been street protests, as in the case of the withdrawn abortion law reform, and the EU, as in the case of suspended taxes on banks and supermarkets. Because of the strong growth of the Polish economy, negative economic and fiscal effects of the adopted measures and the uncertainty over part of the government’s economic policy have only slowly been felt.

While the PiS government changed the portfolios of ministries several times, set up new cabinet committees, overhauled the Civil Service Act and strengthened the position of central government vis-à-vis subnational governments, its strategic capacity has primarily rested on its majority in parliament, strong party discipline and the uncontested role of party leader Jarosław Kaczyński. In line with its general drive to reduce checks and balances, the PiS government has bypassed the legal requirements for regulatory impact assessment and public consultation by strongly relying on legislative initiatives by individual members of parliament rather than the government. Likewise, the role of expert advice has declined.

With the new government, Poland’s international orientation has changed. Because of the PiS government’s intransigence, the country’s standing and weight within the EU have clearly suffered. At the same time, however, Poland has played quite an active role within NATO and the Visegrad group.

Citation:

Key Challenges

During its first year in office, the PiS government prompted a mushrooming of conflicts. Internally, the government has strongly clashed with other public institutions (Constitutional Tribunal, public media), the opposition parties and street protestors. External conflicts have occurred with the European Commission and most EU members, as well as with Russia. Despite these conflicts, however, the PiS government succeeded in dismantling major democratic checks and balances and in implementing far-reaching policy changes. For a couple of reasons, however, the rest of the term might become less smooth.
First, while the popularity of the PiS government has benefited from the robust economic growth, declining unemployment and the adoption of a number of popular reforms such as the increase in the minimum wage and the family allowance, many citizens still oppose the government as they are committed to democracy, appalled by the government’s discourse on refugees and detest the reburial of Lech Kaczyński, the reinvestigation of the Smolensk plane crash and the entire PiS narrative. As shown by the successful protests against the amendment to the abortion law, many of these citizens can mobilize against the government, even more so if the opposition forces eventually overcome their infighting.

Second, there are some signs that the power struggles within the government and the PiS are increasing. The strong ministers, most notably Ziobro, Gowin, Macierewicz and Morawiecki are vying for influence, and Prime Minister Beata Szydło has been anxious to defend her position. The resulting conflicts can easily undermine the government’s capacity to act.

Third, policymaking will become more difficult when the negative effects of some of the adopted policies are felt, when investment and economic growth decline and fiscal deficits grow. Moreover, the pending reform of the health care system is likely to become a fiscally costly and politically divisive reform.

Finally, the growing isolation within the EU has become a problem for Poland which is, after all, highly dependent on EU structural funds. The PiS government’s attempt to close ranks with the other three Visegrad countries in order to use this as a stronger entry card into the core EU decision making circle has not worked so far. Moreover, as the patience with Poland in the European Commission and the European Parliament wears thin, direct or indirect sanctions against the country might become more likely.
Policy Performance

I. Economic Policies

Economy

While the Polish economy is still on a strong footing and has continued to grow well above the EU average, GDP growth has slowed in 2016 and has not met the government’s target. Boosted by a strong increase in social transfers, improving labor market conditions, low lending rates and low inflation, it has largely been driven by the growth of personal consumption. By contrast, investment has declined significantly. One reason was the low utilization of EU structural funds at the start of the new programming period. However, investment has also suffered from the uncertainty over the PiS government’s economic policy and the general development of the country. PiS chairman Jarosław Kaczyński has denounced the decline in investment as a deliberate attempt to weaken the PiS government by the part of the business community allegedly connected to the former government.

Citation:


Labor Markets

Poland’s favorable overall economic record has been associated with a marked decline in unemployment. The unemployment rate has fallen further and reached 8.8% in July 2016, the lowest level since 2008. The employment rate has slowly but constantly increased during the last years to 67.8%, but is still below the EU-28 average of 70.1%. Regional variations in (un-)employment, both between and within regions (voivodships), have been strong and persistent. Temporary employment contracts represent another problem, as Poland has the highest rate in the EU. The PiS government has done little to
foster the integration of youth, less-skilled workers and women in the labor market and to increase the share of regular employment contracts. Its main reform project in the field of labor market policy has been the increase of the minimum wage from 3 PLN to 13 PLN per hour or PLN 2000 (€ 450) per month in July 2016. While this politically popular move has improved the financial situation of low-wage earners, it has raised concerns about negative employment effects and a rise of the shadow economy.

Citation:

Taxes

Poland’s tax system is characterized by a personal-income tax with two rates: 18% up to an income of PLN 85,528 and 32% for those who are above this level. Moreover, the system features a standard corporate-income tax of 19%, a relatively high standard VAT rate (23%) and high social-insurance contributions. Compared to other East-Central European countries, the corporate tax burden and the extent of red tape as well as frequent temporal changes associated with the taxation of enterprises have been relatively high. Tax reform had not featured very prominently on the agendas of the previous governments, except a new Tax Administration Act that was adopted in July 2015 and reduced the fragmentation of the tax administration, assigned more tax administration staff to inspection and enforcement, and reduced the number of documents required by tax payers.

For the PiS government, the problem has not been the lack of tax reform, but the frequent changes and the uncertainty over major reforms. In 2016, it adopted further measures to improve VAT collection and extended the application of the higher VAT rates for 2017-18 (previously set to expire at end of 2016). It reduced the corporate income tax rate from 19% to 15% for small taxpayers and taxpayers in their first year of existence and increased the tax-free allowance for personal income tax. The introduction of two new taxes – a progressive retail tax on supermarkets and a tax on bank and financial institutions assets – stirred controversy with the European Commission, which has criticized both taxes for violating EU competition rules. In the case of the retail tax, the tax was suspended before it was actually levied when the European Commission opened an investigation of the policy. The PiS government has announced further measures to reduce the tax burden for people with low and medium incomes, but failed to specify them during the period under review.
Budgets

Thanks to the combination of robust economic growth and restraint in spending, Poland successfully reduced its fiscal deficit from its 2010 level of 7.9% of GDP to less than 3% in 2015. This allowed Poland to exit the EU’s excessive deficit procedure one year ahead of schedule. The PiS government has pursued a more expansionary fiscal policy. According to the minister for development and, since September 2016, finance, Mateusz Morawiecki, a stable budget is “not a holy cow.” While the fiscal deficit actually fell in 2016 because of one-off revenue from the sale of radio frequencies for mobile internet and a significant drop in public investment, increases in social spending and the uncertain implementation of the PiS government’s tax plans, as well as increasing interest rates on government debt, will raise fiscal deficits. The modification of the official expenditure rule in December 2015, which created additional space for spending in the 2016 budget, has reduced the credibility of the country’s fiscal framework. While the PiS government has announced it will improve medium-term budgetary planning, it has not addressed the lack of an independent fiscal council, so that Poland still is the only OECD country without such an institution.

Research and Innovation

The Polish system for research and development (R&D) has been significantly restructured since 2010. Science and higher-education reforms in 2010 and 2011 have spurred significant changes, including a move toward more competitive funding, the creation of two R&D agencies respectively for applied and basic research, and efforts to tackle fragmentation by focusing funding on the best-performing institutions. In July 2012, the first six national leading scientific centers (KNOW) were selected. These efforts have gradually shown their results. However, Poland continues to score poorly in the EU’s Innovation Union Scoreboard rankings, and the Deloitte R&D Survey 2016 found that 44% of Polish companies do not implement an R&D strategy. Like its predecessor, the PiS government has emphasized its commitment to promoting research and innovation. Minister for Science and Higher Education
Jarosław Gowin presented a new strategy for science and higher education with measures for fostering research at Polish universities and for stimulating the cooperation between universities and business in September 2016. The Ministry of Development’s Action Plan for Responsible Development, adopted in February 2016, has called for further increases in R&D spending.

Citation:

**Global Financial System**

Poland has not been an agenda-setter with regard to the regulation of international financial markets and this is not expected to change with the current government. Poland’s previous PO-PSL government supported the idea of a financial-transaction tax, but opposed that of an EU banking union. Poland’s financial sector has remained stable despite rapid expansion, as various stress tests have demonstrated. A new act on macroprudential supervision over the financial system went into effect in November 2015 that widens the mandate of the Financial Stability Committee.

**II. Social Policies**

**Education**

Although education expenditure in Poland is significantly lower than the average expenditure in the European Union, Polish students now achieve relatively good results at schools due to various reforms adopted since the late 1990s. The PiS government has reversed part of the previous reforms. As one of its first measures, it reversed the controversial obligatory lowering of the school age and made it possible for parents to send their children to school at the age of seven, as was the case until 2014. Second, it passed a bill in November 2016 that aims at closing the lower secondary schools (gimnasiums) introduced in 1999 and returning to the previous two-tier school system (eight-year primary school followed by upper secondary or vocational education). The planned reorganization has been criticized by the teachers’ trade union (ZNP - Związek Nauczycielstwa Polskiego) and others for risking the achievements of previous reforms and worsening academic outcomes by
earlier vocational streaming. Criticism has been leveled against government attempts’ to change the curricula with a view to rewriting Polish history and removing many liberal and cosmopolitan texts and values from the core of teaching programs. Teachers critical of the current government fear losing their positions and or being fired.

Social Inclusion

Social inequalities have visibly declined since the early 2000s. This has partly been due to Poland’s strong economic performance and the EU structural funds which were predominantly aimed at helping less-developed regions and relatively poor households. In addition, previous governments have been successful in mitigating regional disparities through regional-development policies. Moreover, government policies have helped improve families’ financial conditions, especially those suffering from poverty, and have increased average educational attainments. The most dramatic pockets of poverty have shrunk, and income inequality has fallen substantially since the early 2000s. In-depth sociological studies have shown that poverty in Poland is not inherited across generations. Still, the PiS was able to capitalize on looming popular dissatisfaction with social inclusion in the country. By raising family allowances and increasing the minimum wage, the PiS government has contributed to a further decline in social inequality.

Citation:

Health

Public health insurance covers some 98% of Poland’s citizens and legal residents and is financed through social insurance contributions. However, access to health care is highly uneven, as public health insurance covers only a limited range of services, and out-of-pocket payments feature prominently in the system. Moreover, the poor quality of some services falls far under citizens’ expectations, and for some services, patients must wait for an unreasonable duration. The PiS government has called for a comprehensive health care reform and for expanding health care spending. Plans presented in summer 2016 envisaged the abolition of the National Health Insurance Fund NFZ and the funding of health care by a special fund in the state budget financed by income tax revenues, i.e., a return to the system that existed in Poland before the major reform of 1999. One bill has been adopted granting people over 75 years of age free access to medication from 1 September 2016 onwards.
Families

Poland’s employment rate among women falls below the OECD and EU averages, and its child-care infrastructure is weak. While the PO-PSL government put an emphasis on improving women’s labor market integration and on fostering a more balanced division of labor among the sexes, the PiS government has followed a more traditional approach. The cornerstone of its family policy, which featured prominently in the 2015 election campaign and has been highly popular, has been the ‘Family 500’ program, in effect since 1 April 2016. It increased family allowance for parents with two or more children to PLN 500 (116€) for each child irrespective of the parents’ income. Departing from the original campaign pledges, only poor families are eligible to the PLN 500 already for the first child. The estimated costs amount to PLN 22.9 billion (about 5.3 billion euro) or 1.3% of Poland’s GDP. Critics fear that the Family 500 program will reduce female labor market participation without having positive effects on the birth rate.

Citation:

Pensions

Poland introduced a three-pillar pension system following World Bank recommendations in 1999. Starting in 2011, pension contributions were partially redirected from the second – obligatory, but private and funded – to newly created subaccounts in the first, public pillar. In addition, the sustainability of the first pillar was improved in 2011 by the adoption of an increase in statutory retirement ages, which would have been phased in between 2013 and 2020 (for men) or 2040 (for women), until everyone retires at the age of 67 for both sexes. Every government has ignored repeated EU recommendations to reform the costly pension systems for miners and farmers. As pension age was a hot topic in the 2015 election campaign, the current PiS government immediately used its parliamentary majority to suggest a decrease of the pension age again, an initiative the party had already tried to bring to parliament through a referendum before the elections. A bill allowing women to retire at the age of 60 and men at the age of 65 was eventually passed in parliament on 16 November 2016. The lowering of the retirement age has reduced the sustainability of the Polish pension system and is likely to increase poverty among women. Discussions within the government about a general reorganization of the three-pillar system have not yet been conclusive.
Integration

As migration to Poland has been relatively low, issues related to Poland as a sending country have featured far more prominently on the political agenda than have issues related to Poland as a receiving country until recently. Ukrainians and Vietnamese make up the largest group of migrants to the country, with the number of Ukrainians working in Poland estimated at one million. In 2012, the Tusk government adopted a new law on migration and integration, as well as a reform of Polish citizenship law. Given impetus by EU law and demographic changes in Poland itself, the reforms have made it easier to acquire Polish citizenship and to apply for a work and residence permit in a single procedure. They also prolonged the period given to foreign graduates to find employment in Poland. However, Poland still did not take any action to sign the U.N. Convention on Migrant Workers’ Rights, and the institutional framework for dealing with immigrants is still very weak overall.

Since the onset of the EU refugee crisis in mid-2015, the PiS has adopted an intransigent stance. It has denounced Muslim immigrants as potential terrorists, health risks and a threat to Polish culture and society. Internationally, Poland was criticized for failing to demonstrate sufficient solidarity with its fellow EU member states and with those fleeing civil war or political prosecution. The PiS government first agreed to abide by the EU’s distribution mechanism but rejected it again after the Brussels attacks in March 2016.

Safe Living

Crime figures in Poland have fallen and have been relatively low for some time. Trust in the police has suffered from the resignation of the head of police, Zbigniew Maj, who faced a corruption investigation in April 2016. The PiS government, most notably Minister of Defense Antoni Macierewicz has been criticized for undermining the public’s feeling of security by exaggerating the risk of terrorist attacks. The effectiveness of the new Anti-Terror Law, introduced in June 2016, has been contested. The Constitutional Court and the Venice Commission of the Council of Europe have criticized the extended options for telephone and internet surveillance without a court order. Another critique is the weak oversight of secret services. The parliamentary committee for control was reduced from nine to seven members and the chair does not alternate any longer between government and opposition.
Global Inequalities

Development cooperation has become a more relevant issue in Poland since EU accession, even though it is still not a priority of the Polish government. While Poland became the 28th member of the OECD Development Assistance Committee (DAC) in October 2013, it remains one of its smallest donors. In October 2015, the Kopacz government had agreed to implement its new development program for 2016-2020 which aimed primarily to support projects with NGOs in Ukraine, Belarus, Georgia and Moldova, as well as projects in East Africa and South America for a total of PLN 1.5 billion annually. The new PiS government has paid less attention to development cooperation than its predecessor. At the EU-Africa summit that took place in Valetta, Malta on 12 November 2015, however, it promised to contribute one million euro to address reasons for migration from Africa.

Citation:

III. Environmental Policies

Environment

Poland has enshrined the principle of sustainable development in Article 5 of its constitution, and has broadly adopted EU environmental standards. However, as evidenced once more in the 2015 election campaign, there is a broad political consensus in the country that economic growth should be given priority over protection of the environment. Governments have been especially keen on protecting the domestic coal industry, which is a large employer and reduces the country’s dependence on Russian energy, an issue that has taken on even greater prominence since the Ukrainian crisis. Regarding the coal industry, both the PO-PSL and the PiS government have sought to obstruct attempts by the European Union to tighten targets for the reduction of carbon emission. The PiS government has also followed a liberal approach toward the exploration and production of shale gas and has presented plans for building new nuclear-power stations. At the same time, the share of renewables in Poland still stands at a meager 1%. The government’s disregard for environmental issues is reflected in its plans to cut down parts of the Białowieża primeval forest. Since Białowieża is a protected Natura 2000 site, environmentalists mobilized the EU Commission which finally launched an infringement procedure against Poland in April 2016.
Global Environmental Protection

Poland has largely implemented EU environmental standards. However, it has been one of the primary internal critics of the EU’s climate policy and emissions-trading system. Across the political spectrum, large parts of the Polish political elite have feared that ambitious international or European climate-protection regimes will reduce Poland’s energy independence and place too heavy a burden on the Polish economy. In line with this approach, it was also Prime Minister Szydło’s goal at the World Climate Council in Paris, held in late November 2015, to get special conditions acknowledged because of the countries energy and economic dependence on its coal industry.
Quality of Democracy

Electoral Processes

Regulations governing the electoral process were consolidated within the election code in January 2011. Provisions regarding the registration of parties and candidates are liberal and ensure a fair registration procedure. Every Polish citizen has the right to stand for election. Senators need to be at least 30 years old, while presidential candidates must be at least 35. Candidates for the Sejm (the lower house of the Polish parliament) can be proposed by organizations such as parties or by voters themselves. A group of 1,000 individual citizens or more can form a so-called electoral committee by signing the proper documentation and submitting it to the National Electoral Commission. Parties representing ethnic minorities receive favorable treatment, as they are allowed to collect fewer signatures than required of “normal” parties in order to take part in elections. The election code also introduced a gender quota, mandating that men and women each must account for at least 35% of Sejm candidate lists. There were no signs of discrimination against specific candidates and parties in any of the last elections held – the presidential elections in May 2015 and the parliamentary elections in October 2015. There are, however, not enough qualified female candidates in local elections.

Citation:

Legally, parties and candidates have equal access to public and private media. At least for nationwide candidate lists, the election code requires public TV and radio stations to reserve time for the free broadcasting of campaign materials and for televised candidate debates. The pluralistic nature and quality of the private media in Poland had allowed all parties and candidates the opportunity to reach the public with their messages, although public
broadcasters were hesitant to give equal broadcast time to ‘second-order’ candidates in the campaign for the first round of the 2015 presidential elections. After PiS took power in October 2015, they introduced new legislation on public TV and Radio in December 2015 which has strongly increased a partisan bias in public media reporting. In the coming elections, media access for parties and candidates will be unbalanced.

The 2011 election code made voting rights more transparent by consolidating provisions for different election levels into a single law. Almost all adult citizens in Poland have the right to vote. While there is no blanket disenfranchisement of convicts or individuals who have been declared incapacitated, existing provisions are not fully in line with the rulings of the European Court of Human Rights. As Polish citizens are automatically registered to vote, there is no need for prior registration before elections. Since August 2014, all citizens, not only the disabled and those living abroad, have been able to vote by mail. In the November 2014 local elections, an information-technology failure led to delays in the reporting of the election results. While an expert commission did not find any evidence of voting-fraud, a series of technical problems might have contributed to moderate bias in the electoral outcome. The 2015 presidential and parliamentary elections went more smoothly.

Citation:

Party and campaign financing regulation is clear and effective. While party financing is regulated by the 2001 Political Parties Act, the rules governing campaign financing are part of the 2011 election code. Parties depend heavily on public funding, which is provided only to parties that win at least 3% of the vote. Party spending is monitored by the National Election Office, the executive body of the National Election Commission, which consists of nine active or retired judges appointed by the president. Monitoring is strict, but focuses exclusively on spending financed by public funds. According to the election code, only registered electoral committees can finance campaigns, and there is a maximum spending limit for campaign purposes of approximately €7 million. In practice, separating party and campaign financing has sometimes turned out to be challenging. Other problems include the insufficient coverage of pre-campaign spending, the short window of time in which objections can be raised by the National Election Commission, and the lack of detail transparency in commission reports of electoral committee revenues and finances. A 2014 amendment to the Political Parties Act limited parties’ risk of losing money as a result of minor accounting mistakes. However, the fact that an election committee’s financial and criminal liability rests with its financial officer makes it difficult to find individuals willing to be nominated to the
position. A referendum in September 2015 put the reform of party financing on the public agenda. While the referendum ultimately failed because of a low participation rate of 7.8%, more than 80% of those participating voted to abolish the existing system. Debates about party and campaign financing rules have also been prompted by decisions of the National Electoral Commission to sanction two opposition parties for procedural errors and inaccurate bookkeeping.

Citation:

Polish law provides for various forms of direct democracy. On the local and regional level, a referendum is called when it is supported by 10% of the electorate. On the national level, referendums can be called only by the lower house of parliament (the Sejm), or the president. However, popular initiatives are also possible. A total of 100,000 voters can collectively submit a draft bill, which the Sejm then has to pass or reject. In September 2015, a referendum to introduce single-member districts, abolish the current system of party financing and settle tax law disputes in favor of tax payers failed due to the low participation rate of 7.8%, the lowest turnout at a referendum since 1989.

Also in September 2015, the Senate declined to approve referendums that would have returned the school entry age to seven, lowered the retirement age and prohibited the privatization of national forests, as suggested by the PiS and the incoming president Andrzej Duda. Since the 2015 elections, no national referendums have been held. However, various groups have used popular initiatives to submit draft bills to the Sejm. The bill on the abortion law was again introduced on the initiative of a pro-life association. The Committee for the Defense of Democracy (KOD) introduced a bill to protect the constitutional court from governmental interference. PiS party leader Jarosław Kaczyński wants to change the constitution in order to allow the president to call a referendum in case he has political reservations against a bill.

Access to Information

The Polish government no longer respects the independence of the media. The National Council on Radio and Television, which oversees the public media, has become a politicized body again. Cases of politically motivated appointments and dismissals at TVP, Poland’s public TV broadcaster, and the
public Polskie Radio abound. The director of TVP even stepped down voluntarily in the beginning of 2016 as a reaction to a new media law allowing the treasury minister to swiftly replace senior public broadcast officials. A second media bill was originally planned to enter into force in July 2016. It aimed at transforming the legal status of public media from commercial law companies into ‘national institutions’ obliged to report positively about the government and to disseminate Christian values, transferring media oversight to a new National Media Council (Rada Mediów Narodowych) consisting of members nominated by the Sejm and financing public media by a fee tied to electricity bill payments. However, pressure by the European Commission and the Council of Europe led the government to postpone the passage of the law. In response to the takeover of the public media by the PiS government, up to a million previous viewers have declined to watch the main news program of TVP (now often dubbed TV-PiS). The other two major TV channels, TVN and POLSAT, as well as the print media, have been effective in countering the biased message of the (once) public TV.

Citation:

Poland’s media market is one of the largest in Europe, offering a diverse mix of public and private media organizations and reflecting a broad spectrum of political opinions. While the public TV station TVP and its four channels claim a large share of the market, and local authorities often publish newspapers and magazines, most Polish print media and radio in general are privately owned. Despite a tendency toward concentration, media ownership remains diversified. Foreign owners still control more than half of the Polish media market. Compared to other countries in East-Central Europe, Poland’s media-ownership structures are relatively transparent, and there are no “media moguls” in the market who use their ownership positions to further a political agenda. Since the 2015 elections, however, media pluralism has substantially declined. For one thing, the public media have become highly partisan. For another, the PiS government has sought to limit the market shares of independent media. It has forced state-owned enterprises to refrain from placing advertisements in newspapers considered leftist or liberal. Gazeta Wyborcza, the main daily, for instance reported a 21% loss in ad sales in 2016 due to this ban. Likewise, public gas stations and other enterprises have been urged not to sell particular newspapers. In addition, the government has started to discuss measures aimed at limiting foreign media ownership of media.

Citation:
Access to public information is guaranteed in Article 61.1 of the Constitution of the Republic of Poland, and the Law on Access to Public Information provides for far-reaching access to official information. The law defines public information as information on public matters, and covers trade unions and political parties as well as the government. In response to an EU directive, a September 2011 amendment facilitated the reuse of government information by citizens, and called on public institutions to provide resources enabling citizens to access information. While the PiS government has left the legal framework more or less untouched, it has been more restrictive than its predecessor in granting public access to information and has sometimes openly misinformed the public.

Civil Rights and Political Liberties

The PiS government’s attempts to take control of the judiciary have raised some doubts about the government’s respect for civil rights. So has the anti-terrorism legislation introduced after the terrorist attacks in Brussels in March 2016. It has extended options for telephone and internet surveillance without a court’s order, has increased the period that suspects can be held without charges and has widened the Internal Security Agency’s (ABW) access to data. Further concerns have been raised by the weakening of parliamentary oversight of the secret services.

Despite the PiS government’s hands-on approach to the media and the judiciary, political liberties are still largely respected and protected by state institutions. There is a strong political opposition, especially outside the parliament whose right to speak up in public is neither forbidden nor restricted. The controversial 2012 amendments to the Law on Public Assembly from 2012 making it easier for municipalities to ban demonstrations by invoking concerns over ‘public safety’ remain a problem. The PiS government has begun discussing ways to make the provisions even more restrictive by privileging state-organized and regular public events over one-off demonstrations organized by social actors.

A comprehensive Anti-Discrimination Act in line with EU directives has been in effect only since the beginning of 2011. The implementation of the Act on Equal Treatment largely rests with the Commissioner for Citizens’ Rights (Rzecznik Praw Obywatelskich), which was originally established in 1987. This body’s effectiveness has suffered as it has assumed more responsibilities, as the expansion has not included a corresponding increase in resources. Anti-discrimination policy has not featured prominently on the agenda of the PiS government. Quite to the contrary, the PiS government has launched a strong discourse against Muslims and has spoken out against the LGBT community.
and ‘gender-ideology’. The non-pluralist world view of the PiS government can be seen in financing for cultural activities or the removal of a TV spot on how to separate garbage because a homosexual cook is acting in this spot.

Rule of Law

Under the PiS government, legal certainty has strongly declined. Some of the government’s many legal initiatives have been so half-baked that they had to be amended or suspended. On several occasions, high-ranking PiS politicians have shown their disrespect for the law, including the pardoning of the former director of the anti-corruption office KBA, Mariusz Kamiński, by President Andrzej Duda in November 2015 and the protracted conflict between the government and the Constitutional Tribunal. The latter conflict has led to a situation in which the courts can either follow the interpretation offered by the government or that by the Constitutional Tribunal and other important judicial institutions.

Polish courts are relatively well-financed and adequately staffed, but have become less independent from the executive under the PiS government. First, by re-combining the office of the minister of justice with the prosecutor general, the PiS government strengthened the political influence over the judicial system. Second, in its tug-of-war with the Constitutional Tribunal, the government has sought to limit the power of the court by changing court decision rules making it it increasingly difficult, if not outright impossible, for it to reach decisions. However, these changes, which provoked massive criticism inside the judiciary, by the European Commission and the Venice Commission of the Council of Europe, have not been accepted by the Constitutional Court.

Supreme Court and Constitutional Tribunal justices are chosen on the basis of different rules. In the case of the Supreme Court, the ultimate decision is made by the National Council of the Judiciary, a constitutional body consisting of representatives of all three branches of power. The 15 justices of the Constitutional Tribunal are by contrast elected individually by the Sejm for terms of nine years, on the basis of an absolute majority of votes with at least one-half of all members present. The president of the republic selects the president and the vice-president of the Constitutional Tribunal from among the 15 justices, on the basis of proposals made by the justices themselves. A controversial amendment to the Law on the Constitutional Tribunal, adopted in June 2015, tightened the deadline for proposing candidates to replace the Constitutional Tribunal judges whose terms were to expire later in the year. This allowed the PO-PSL majority to replace five justices in the final session of the Sejm in advance of the parliamentary elections. Whereas the PO and PSL argued that because the new Sejm would not convene until November 12, the vote was necessary to preserve the Constitutional Tribunal’s continuity, the
PiS saw it as a politically motivated attempt to prevent the new majority from electing the judges since only three of five judges’ terms of office had ended before the parliamentary elections. President Duda refused to swear in the judges, and one of the first decisions of the new parliament was to provide for the re-election of all five new judges, including the three whose term had expired before the elections. This decision led to conflict between the government and the Constitutional Tribunal that has not been resolved.

Citation:

Corruption has been a major political issue in the period under review. On the one hand, the PiS government has accused the previous government of corruption. However, the evidence for this claim provided in the government’s May 2016 report on the wrongdoings of the PO-PSL governments has been meager. The report has not yet led to many investigations and arrests. On the other hand, the PiS government has itself been under fire for corruption andcronyism in state-owned enterprises. In September 2016, Minister of the Treasury Dawid Jackiewicz lost his job for filling major positions in state-owned enterprises with PiS acolytes with limited qualification. The director of the Central Anti-Corruption Bureau (CBA), Paweł Wojtunik, who had come into office after the arrest of its controversial former head Mariusz Kamiński in 2010, was forced to resign in November 2016 when Kamiński, who had become the new coordinator of the secret services, questioned his security certificate. Wojtunik was replaced by Ernest Bejda, a close collaborator of Kamiński.
Governance

I. Executive Capacity

Strategic Capacity

Motivated by EU demands and partly by the objective of improving its absorption and use of EU funds, the Tusk government expanded the planning capacities of the Chancellery of the Prime Minister (Kancelaria Prezesa Rady Ministrów, KPRM) and replaced the previously uncoordinated assortment of sectoral plans with a more systematic approach in which a long-term strategy developed by the Chancellery (Poland 2030: The Third Wave of Modernity) established a framework for a limited number of medium-term strategies. The PiS government has relied on this framework and has developed its own long-term strategy. A first draft of the new Strategy for Responsible Development was presented by Minister of Development Mateusz Morawiecki in February 2016. Ultimately, however, policymaking under the PiS government has been guided by the grand visions and inspirations of PiS party leader Jarosław Kaczyński.


Scholarly Advice

While the PiS government consults with experts, policymaking has been ideology-driven rather than evidence-based. In the case of education reform, e.g., expert assessments were almost completely disregarded. The government’s ideological approach has led many experts who once showed some sympathy for PiS to break with the party. For instance, the economist Ryszard Bugaj stepped down from his long-term commitment as an advisor to PiS in 2016 for political reasons.


Interministerial Coordination

The policy expertise of the Chancellery of the Prime Minister was strengthened under the Tusk government. Under the PiS government, the quality of the staff has declined.

All draft bills are reviewed by the Chancellery’s Council of Ministers Committee Department before their presentation in the Council of Ministers, and the prime minister is formally allowed to return items on policy grounds. However, a number of factors have limited the actual gatekeeping role of Prime Minister Szydło. First, the number of ministries has increased from 17 to 21 under the PiS government. Second, there is a core group of ministers who enjoy a special standing in the government, including Defense Minister Macierewicz, Minister of Justice Ziobro, Minister of Science and Higher Education Gowin and Minister of Development Morawiecki. Finally, PiS party chairman Jarosław Kaczyński serves as the ultimate gatekeeper in the PiS government.

Under the PiS government, the Chancellery has kept its enhanced formal involvement in the preparation of policy proposals by the line ministries. As its gatekeeping role has declined, however, so has its actual influence on the development of policy proposals.

As with the preceding Tusk and Kopacz governments, the number and role of cabinet committees under the PiS government have been limited. However, the latter set up an Innovativeness Council, consisting of five ministers, in February 2016 and an Economic Committee at the end of September 2016. The latter is in charge of coordinating the finalization and implementation of the Strategy of Responsible Development.

Senior ministry officials play a substantial role in interministerial coordination. All meetings of the Council of Ministers, the Polish cabinet, are prepared by the Council of Ministers’ Permanent Committee, which is made up of deputy ministers from the ministries. The Committee for European Affairs, which is in charge of EU coordination, also relies strongly on coordination by top civil servants. In contrast, bureaucratic coordination at lower levels of the hierarchy is still relatively limited, even though the joint administration of EU funds has helped to intensify interministerial exchange. Changes in personnel, especially in the security agencies, have secured the dominance of the government over administration.

Informal mechanisms of coordination have played an important role under the PiS government. PiS chairman Jarosław Kaczyński has served as the grey eminence behind the scene. He has taken many important decisions himself, and the standing of government ministers has been strongly dependent upon their relationship with him.
**Evidence-based Instruments**

From 2001 to 2015, Poland established a relatively comprehensive system of regulatory impact assessment (RIA). The PiS government has left this system largely unchanged in formal terms, but has not taken RIA seriously. It has bypassed RIA by strongly relying on legislative initiatives by MPs, and the quality of RIA has been low.


The quality of the RIA process has strongly declined under the PiS government. The involvement of stakeholders and the publication and communication of results have become rather selective, and there has been no independent body in charge of checking the quality of individual RIAs.

Article 5 of Poland’s constitution enshrines the principle of sustainable development, according to which the state ensures the protection of the environment, guided by the principle of sustainable development. Sustainability checks are not an integral part of regulatory impact assessments, and the PiS government has been less concerned with issues of sustainability than its predecessors.

**Societal Consultation**

The Polish government is obliged by law to consult all parties affected by proposed legislation. In addition, there is a Council of Social Dialogue whose members are appointed by the president. In October 2015, this council replaced the traditional Tripartite Commission which had ceased operations in June 2013 because of conflicts between trade unions and the government. The PiS government has often bypassed public consultation by relying on legislative initiatives by parliamentarians. Consultations both inside and outside the Council have been largely formal. The government’s clear majority in parliament has reduced the need for winning over social actors, and the government perceives many of them as enemies. Moreover, the quick passage of major laws has reduced the time available for meaningful consultation.

Unlike the employers’ associations and other trade unions, the trade union NSZZ Solidarność enjoys a special relationship with the government. Several of its representatives were given positions in the Ministry of Family, Labor and Social Affairs.
Policy Communication

Ministry communication is coordinated by the Government Information Center, a department of the Chancellery of the Prime Minister. It regularly reports on government activities and connects to other ministries’ press departments. However, the actual coordination of government communication has been low. Particularly, the Ministry of Economic Development and Ministry of Family, Labor and Social Affairs often put out contradictory statements. The information given by ministries has tended to be selective and highly propagandistic.

Implementation

Favored by its absolute majority in parliament and the internal discipline of PiS, the PiS government has been quite effective in implementing its policy objectives. It has succeeded in realizing its major campaign pledges, such as the increase in the minimum wage and the family allowance, tax relief for small businesses, the lowering of the retirement age or the reversion to a higher age for entering school, and it has realized them rather quickly. Since the opposition in parliament does not have much leverage, the main obstacles to the government have been street protests, e.g., the withdrawn abortion law reform, and the EU, as in the case of the suspended taxes on banks and supermarkets.

Since the cabinet consists of a group of people who were more or less hand-picked by PiS party leader Jarosław Kaczyński, the need for using specific organizational devices for exerting pressure on ministers to stay in line with the government’s program has been limited. Despite some internal debates and power struggles, ministers have largely been committed to implementing the government’s program, one bullet point after another.

Ministries are obliged to keep the Chancellery of the Prime Minister informed about legislative progress on a regular basis. If ministries seek to maintain their autonomy, the prime minister, through the Chancellery, or Jarosław Kaczyński, as party leader, can intervene.

There is a large number of executive agencies in Poland. Agencies report to ministries, and ministries have special units responsible for monitoring the activities of agencies and auditing their finances. Under the PiS government, the leadership of state agencies has become highly politicized. As a consequence of the new civil service act that came into effect in January 2016, all employment contracts of previous directors turned invalid, and the positions were no longer filled by open competition, but by personal appointment. A previous provision was cancelled requiring directors of state institutions to have not been members of a political party for five years before
assuming a leading position in state administration. Thus, compliance between ministries and administration has become easier, but the administration has also become dependent on the political will of the majority. Hence, an increase in oversight also means a decline in democratic checks and balances and professional, non-politicized relations between ministries and agencies.

Since 1999, Poland has supported three tiers of subnational governments: municipalities, districts and regions. Since the 2015 elections, the relationship between the central government and the majority of local governments still controlled by parties of the previous government has been strained. The reform of the school system has been associated with a shift of costs to the local level. PiS distrust in the politicians running the 50 biggest Polish cities has led to selective support for other localities, thus sending a strong clientelistic signal to the local authorities that funding and support will be distributed not on merit, but on political grounds.

The process of government decentralization that started in 1998 has been broadly accepted. However, since the PiS government has perceived local governments as a bastion of the opposition, it has tried to restrict their role.

Previous governments have set national standards with the aim of guaranteeing a minimum quality of public services. Institutionally, the regions have a centrally appointed head of regional administration who is responsible for ensuring that national policies are implemented, and that state institutions operating in the region perform their functions properly. The politicization of the civil service under the PiS government has put the meeting of these standards at risk by reducing the professionalism of the administration. Moreover, because of the conflicts between the government and the Constitutional Tribunal, the standards themselves are contested.

**Adaptability**

In the past, government structures in Poland have been gradually adapted to international and supranational developments, most notably NATO and EU membership. Poland’s good reputation and its growing influence in the European Union showed that adaptation had been successful, as the relatively high and increasing rate of absorption of EU funds underlines. The PiS government has been more inward-looking and has paid much less attention to the compatibility of domestic government structures with international and EU requirements in particular.

With the new government, Poland’s international orientation has changed. Although Prime Minister Szydło and her cabinet members do not reject cooperation within the EU per se, they detest all steps towards a deeper integration and are more critical of the German role in the EU. Because of the PiS government’s intransigence, Poland’s reputation and standing within the
EU have clearly suffered. At the same time, however, Poland has played quite an active role within NATO and the Visegrad group. At the July 2016 NATO summit in Warsaw, the PiS government reinforced its commitment to NATO. Poland has also intensified its cooperation with the other Visegrad countries (Hungary, Czech Republic, Slovakia). While the four countries agree on the refugee issue and climate policy, they hold different attitudes towards Russia. Unlike the other countries, Poland has strongly supported the sanctions imposed on Russia by the EU.

Citation:

**Organizational Reform**

The PiS government has adopted a number of institutional reforms, but has not monitored the institutional arrangements of government in a systematic and regular way.

Upon entering office, the PiS government has changed the institutional arrangements of governing. It has changed the portfolios of ministries several times, set up new cabinet committees, overhauled the Civil Service Act and strengthened the position of central government vis-à-vis subnational governments. However, the strategic capacity of the PiS government has primarily rested on its majority in parliament, the strong party discipline and the uncontested role of party leader Jarosław Kaczyński.

**II. Executive Accountability**

**Citizens’ Participatory Competence**

Despite recent attempts to improve access to government information, the average level of knowledge regarding government policy within the Polish public remains limited. Reasons include a tendency toward infotainment in many media outlets, the populist propaganda produced by the government party, and a general detachment from politics among the citizenry. Moreover, political parties, trade unions and most other professional associations do not properly perform their socialization function, and fail to improve their members’ policy knowledge. However, a segment of society has become more interested in politics as government reforms reducing checks and balances
increased feelings of alienation. This group protests against these developments on the streets and elsewhere.

Citation:


Legislative Actors’ Resources

The Chancellery of the Sejm provides sufficient resources to members of parliament (MPs) for the effective monitoring of government activities. MPs have permanent support staff and can draw on the Sejm’s library and the expertise of the Sejm’s Bureau of Research (BAS). In addition to researching legal issues, the BAS publishes a newsletter, discussion papers and a peer-reviewed quarterly Law Review (Zeszyty Prawnicze BAS). Many of its expert reports are of high quality and are thus also used outside parliament.

Parliamentary committees have both de jure and de facto full access to government documents. Members of parliament may demand information from government officials, either in written or verbal form, at the sitting of the Sejm plenary or at a committee meeting. These requests are usually complied with. Still, opposition members of parliament complain that it is often hard to get detailed information about governmental proposals.

Ministers and heads of the supreme organs of state administration (or their representatives) are obliged to take part in committee meetings whenever issues are discussed that fall within their domain. No restrictions are observed in practice. Groups comprising at least 15 MPs and parliamentary party groups have the right to ask for up-to-date information from members of the government. The Sejm then issues opinions, desiderata and suggestions on these reports. The comments are not legally binding, but in a worst case scenario may lead to a vote of no confidence against a minister, and even to his or her dismissal, although this is unlikely as long the government’s absolute majority remains. Parliamentarians tend to make proper use of their means for obtaining information, but sometimes complain about the substantive quality and level of the government’s responses and government parliamentarians’ willingness to cooperate.

Parliamentary committees have the right to invite experts to give statements on hearings on particular issues or to take part in normal committee proceedings. The invitation of experts, ranging from academic scholars to representatives of lobbying groups and non-governmental organizations, is a common practice, and their input is valued. Experts take their role more seriously now than was
the case in the past, and do not primarily play a lobbying role. Still, the possibility of having an expert invited who speaks out against the government is very low.

Citation:

Task Area
Congruence
Score: 8

The number of Sejm committees exceeds the number of ministries. However, some committees, such as the Deputies’ Ethics Committee, deal exclusively with internal parliamentary issues. Most ministries, including the more important ones, have only a single oversight committee, a so-called branch committee. The distribution of subject areas among committees does not infringe upon parliament’s ability to monitor ministries.

Audit Office
Score: 9

Poland’s Supreme Audit Office (Naczelna Izba Kontroli, NIK) is an efficient and effective institution whose independence is respected. It is accountable exclusively to the Sejm. The NIK chairperson is elected by the Sejm for six years, ensuring that his or her term does not coincide with the term of the Sejm. The Senate has to approve the Sejm’s decision. The Supreme Audit Office has wide-ranging competencies and is entitled to audit all state institutions, government bodies and local-government administrative units, as well as corporate bodies and non-governmental organizations that pursue public contracts or receive government grants or guarantees. The NIK can initiate monitoring proceedings itself or do so at the request of the Sejm, its bodies or its representatives (e.g., the speaker of the Sejm, the national president or the prime minister). The office is also responsible for auditing the state budget. For the first time ever, in September 2016, the Sejm did not approve the annual report of the Supreme Audit Office (NIK). 226 members of parliament voted to reject the report, 193 voted in favor of it and 10 abstained. This was a clear signal that the PiS government wants to get rid of NIK governor Krzysztof Kwiatkowski, who was appointed under the previous government.

Ombuds Office
Score: 10

The Polish ombuds office, the Commissioner for Citizens’ Rights, is an independent state organ and is accountable exclusively to the Sejm. It has substantial investigative powers, including the right to view relevant files or to contact the prosecutor general and to send every law to the Constitutional Court. Because of its strong engagement for citizens’ rights ever since its creation in 1987, the ombuds office has traditionally been accorded a good reputation. However, the effectiveness of the ombuds office has suffered, as the institution has been assigned new tasks in the field of anti-discrimination policy, but lacks sufficient new funds to perform the tasks properly. The current Ombudsman Adam Bodnar, a lawyer appointed in September 2015, has become a very active defender of civil and political rights. He called the
Constitutional Court on the Anti-Terror Law and on the new laws on high ranking civil servants, the Constitutional Court and the media. He is also fighting for the rights of his own office since the Sejm passed a law on 18 March 2016 that makes it easier to remove the person holding the office of the commissioner.

**Media**

Government decisions are widely covered by the country’s main TV and radio stations. Due to the media law, the public TVP is often dubbed as TV-PiS. Jacek Kurski, party ideologist, was appointed as TV director and hired several party loyal journalists as anchors for the news shows and other relevant positions. In the private media, despite a tendency toward infotainment, the quality of reporting, especially of the two major TV companies, POLSAT and TVN, has increased. Rzeczpospolitka, the second-largest daily paper in Poland, has benefited from a change in ownership and editorial staff, and has become less politically partisan. Public trust in the objectivity of the media was always been quite low, but now it is at a very low position. The main TV news show Wiadomosci in TVP has lost 17% of its viewers.

* Citation: Markowski, R., M. Kotnarowski (2016): Rewolucja mniejszościi, in: Polityka, No. 6.

**Parties and Interest Associations**

For the last decade, political parties have functioned under legislation that strictly defines the role of a political party and how parties are financed. Since most funding is public, the government mandates that parties themselves are governed by democratic principles. However, the reality is mixed, with some parties meeting democratic standards while others fall short. The conservative Law and Justice Party (PiS), led by Jarosław Kaczyński since 2003, and the Polish People’s Party (PSL) have been characterized by a hierarchical mode of organization. By contrast, the Civic Platform (PO) has often experienced intra-party controversies. After its defeat in the parliamentary elections of 2015 it took the party some time to reorganize. After internal debates between several wings within the party, it was finally Grzegorz Schetyna, previous foreign minister in the Kopacz government who was elected as party leader in January 2016. In order to stimulate internal discussions and to increase a network also outside party membership, PO launched so-called citizens clubs that convene all over Poland. The other strong opposition party, Nowoczesna, does have democratic internal structures but is more fixed around its leader, Ryszard Petru.
Poland has a relatively developed universe of interest associations. Business associations and trade unions have become increasingly professional over time. The unions, especially NSZZ Solidarność have quite friendly relations with the PiS government, while OPZZ opposed some legal initiatives, most notably the education reform. Leading business associations such as the Konfederacja Lewiatan and the Business Center Club (BCC) have the expertise and resources to carry out research and formulate elaborate reform proposals. Konfederacja Lewiatan monitors many draft bills, and its spokespeople maintain a strong media presence. There are also a number of smaller associations that organize internationally known events such as the European Forum for New Ideas (EFNI), which annually invites leading public intellectuals, academics and politicians, both Polish and European, to the EFNI conference in Sopot.

Poland has a large number of interest associations beyond business associations and trade unions. However, compared to other countries, there are comparatively few environmental groups. Most non-governmental organizations are relatively small, and there are only a few interest associations that focus on, and are capable of, developing full-blown policy proposals. The Catholic Church, still the most influential interest group in Poland, pursues relatively narrow interests, and is largely preoccupied with stabilizing its influence within an increasingly secular society. It currently has good access to the new government. A new social movement that managed to unite many Poles opposed to government efforts to dismantle democracy and judicial independence is the Committee for the Defense of Democracy (Komitet Obrony Demokracji, KOD) which has organized public protests and large demonstrations in several Polish cities since December 2015.
Address | Contact

Bertelsmann Stiftung
Carl-Bertelsmann-Straße 256
33311 Gütersloh
Germany
Phone +49 5241 81-0

Dr. Daniel Schraad-Tischler
Phone +49 5241 81-81240
daniel.schraad-tischler@bertelsmann-stiftung.de

Dr. Christian Kroll
Phone +49 5241 81-81471
christian.kroll@bertelsmann-stiftung.de

Dr. Christof Schiller
Phone +49 5241 81-81470
christof.schiller@bertelsmann-stiftung.de

Pia Paulini
Phone +49 5241 81-81468
pia.paulini@bertelsmann-stiftung.de