Executive summary

The parliamentary elections in September 2005 changed the political landscape of Poland once again. Fed up with the scandals and corruption of the post-communist Democratic Left Alliance (SLD), voters made the conservative party Freedom and Justice (PiS) with its leading figures, Lech Kaczyński and Jarosław Kaczyński, the biggest party in government. The PiS initially formed a minority government backed by the rightist League of Polish Families (LPR) and the populist agrarian party Samoobrona. In May 2006, the three parties formed a coalition government, which broke apart after fierce internal struggles in August 2007. The break-up of the coalition led to early elections, the result of which in October 2007 was the PiS being voted out of office.

The PiS government had an ambitious program with a strong anti-communist and anti-liberal tenor. Emphasizing the need for a clear break with the past and a determination to fight against communist and post-communist networks, it called for the founding of a "fourth republic" characterized by a strong state, a more resolute fight for Poland’s national interests and a "unified Poland." The rhetoric, politics and policies of the PiS government contributed to the strong political polarization inside the country and to Poland’s isolation within the European Union.

In its attempt to break with the past, the PiS government infringed upon civil rights and the separation of government powers. It increased government control over the public media, intervened in the judiciary, launched a radical lustration law (partly scrapped by the Constitutional Court in May 2007), dissolved the Agency for Gender Equality and manipulated the fight against corruption for political means. Keen on staying in power, the government itself became soon involved in major corruption scandals. Some government members also became notorious for their rightist and homophobic speeches.

In economic policy, the PiS government left a much weaker imprint. Benefiting from strong economic growth and preoccupied with other issues, the government postponed fiscal adjustments and did little to make more effective the country’s labor market policy or to streamline the tax system. It irritated foreign investors by stopping the privatization of state-owned electric power and petrochemical enterprises to defend "national interests" and by clashing
with the European Commission over the takeover of the Polish Pekao bank by the Italian bank Unicredito. The installment of PiS party members as company board directors delayed the restructuring of the remaining state-owned enterprises.

In social policy, the PiS government also failed to initiate substantial reforms. It addressed neither the severe problems of Polish health care nor the country’s low retirement age. In family policy, the PiS government subscribed to the traditional “male breadwinner” model and showed little concern for the reconciliation of parenting and employment.

External and internal security featured more prominently on the government agenda. Somewhat skeptical toward multilateral security guarantees and the European Union’s policies toward Russia, the PiS government tried to forge a special relationship with the United States. The government’s endorsement of U.S. policy in Iraq and the planned U.S. anti-missile shield lacked popular support, and its intransigence alienated many EU members. The PiS government took a tough stance on crime, but failed to develop a more comprehensive policy toward new security risks. Migration policy focused on the rights of refugees, the treatment of foreign spouses of Polish citizens and the repatriation of ethnic Poles, but paid little attention to the integration of immigrants into society.

In environmental, research and innovation and education policies, the PiS government’s record was mixed. While the government launched some measures to strengthen R&D, its education policy was largely preoccupied with issues such as reading lists and school uniforms and failed to address the structural weaknesses of the Polish education system, most notably the lacking synchronization of the education system and labor market demand. Environmental policy played only a subordinate role, with the government’s insistence on building a highway in a protected European nature reserve leading to a fierce battle with the European Commission and provoking the first major environmental conflict in Poland since 1989.

Under the PiS government, executive capacity was weak. The authoritarian style of Prime Minister Jarosław Kaczyński could not hide the weakness of his office. The government enjoyed only a fragile parliamentary majority and thus failed to strengthen the traditionally weak role of the Chancellery of the Prime Minister or to improve interministerial coordination. The executive further reduced its strategic capacity by dissolving the Government Center for Strategic Studies, which had provided strategic analyses for the cabinet since 1996, and by making little use of non-governmental experts. The government’s hands-on approach resulted in conflicts with regions and local governments
over national funding, EU fund applications and international contacts.
Executive accountability has suffered from limited policy knowledge on behalf of the population. Given the frequency of corruption and other scandals, many citizens are fed up with politics and do not pay attention to the information provided by the media. In contrast, the rights and resources of the Sejm are relatively strong, and a powerful audit and ombuds office, both fully accountable to the National Assembly, further contribute to the control of the executive. The role of intermediary organizations has been weak. While Poland has a developed associational sector and a number of provisions for the consultation of interest groups, including a council to bring together trade groups and business associations, most interests groups had little influence under the PiS government. In the 2005 electoral campaign, the coherence of party programs was limited. This particularly applied to the parties that formed the PiS government.

Strategic Outlook

The PiS government not only failed to address Poland’s existing economic, social and institutional problems, but also it created a number of new ones. The government under Prime Minister Donald Tusk that emerged from the parliamentary elections in October 2007 thus faces a very ambitious reform agenda.

To continue stable and strong economic growth, Poland needs to liberalize its product markets, do away with red tape, further strengthen R&D, continue infrastructure projects, ensure a better match between its education system and its labor market and streamline its tax policy. Fiscal policy should become more restrictive as to not risk further delays in Poland’s transition to the euro. Moreover, labor market policy needs to be more effective. By improving Poland’s economic prognosis, such reforms are also important in stopping the massive migration from Poland and the associated risk of brain drain.

Economic reform is closely linked with social policy reform. On the top of the agenda should be health care system reform. Characterized by the coexistence of a decrepit public system and an expanding, largely unregulated private system, health care in Poland desperately needs reforming. In the case of pensions, where Poland adopted a pioneering reform in the late 1990s, challenges are less daunting and are largely confined to parametric changes – first of all an increase in and an equalization of retirement ages. In family
policy, policy-makers should take the ongoing changes in parental role models more seriously and attach more emphasis on helping parents to reconcile family and work.

Economic and social policy reform would benefit from institutional reforms. As the experience of the PiS government has confirmed again, Polish governments suffer from a limited strategic capacity, a weak Chancellery of the Prime Minister and limited interministerial coordination. Part of the challenge in tackling these problems ultimately stem from the fact that Polish governments tend to be coalition governments. However, some problems can be addressed within the confines of the constitution and the existing political system. This applies to an expansion of planning capacities in the Chancellery and in the line ministries, a stronger use of academic expertise, a lifting of restrictions on the legislative initiative of line ministries, a strengthening of RIA, a regular monitoring of institutional arrangements and a tougher stance against corruption.

The PiS government has put two additional problems on the agenda. To begin with, it has strongly damaged Poland’s international reputation and credibility, most notably within the European Union. The combination of intransigence and a lack of professionalism, so typical of the PiS government, has alienated Poland’s international partners. The restoration of Poland’s reputation, which is a precondition for a greater international role, also requires the adoption of a less narrow understanding of Polish national interests and a broader approach toward new international problems.

A second legacy of the PiS government that needs to be addressed is the strong polarization of Polish society. The government’s confrontational style has increased the distrust among political actors, and its attacks against the achievements of the "third republic" have deepened the cleavages between the urban and the rural, the liberal and the conservative, the traditional and the modern Poland. To reduce this polarization and the imminent danger of deadlock, a more inclusive and pragmatic style of politics is needed.
Status Index

I. Status of democracy

Electoral process

- Fair electoral process
  Score: 10
  The registration of candidates and parties is fair and transparent, and there is no evidence of discrimination within the process. The registration of candidates for national parliamentary elections presupposes the creation of an election committee consisting of at least 15 members and supported by at least 1,000 citizens. Election committees then have to document the support of at least 5,000 voters for a candidate. In the case of parties, which can be established easily, an authorized party organ can act as an election committee. The requirement to provide at least 5,000 voter signatures for each candidate does not apply for election committees or parties that register candidates in at least half of all constituencies.

- Fair electoral campaign
  Score: 7
  By law, candidates and parties are guaranteed equal access to media outlets during an electoral campaign. In practice, however, public media, most notably public TV stations, show a clear pro-government bias. In 2005, the State Election Committee responsible for the national parliamentary elections officially criticized the National Council of Radio and Television over the lack of equal access. Under the Law and Justice (PiS) government, the pro-government bias of the public media increased further. In the 2006 local and regional electoral campaigns, the public media took the side of parties that were part of the governing coalition. However, the public media’s uneven coverage was balanced by the efforts of the vibrant and more pluralist private media.

- Inclusive electoral process
  Score: 9
  The right to participate in elections is safeguarded by the 1997 constitution and bylaws and is respected by the government administration. Some problems exist for the large number of Polish citizens who live outside Poland and for the disabled or seriously ill. Since migrants are not allowed to vote by mail, they
often have to travel long distances to a Polish embassy or consulate if they want to vote. The electoral participation of the disabled or seriously ill is complicated by the lack of absentee voting by mail and of movable ballot boxes. Sometimes it is also difficult for disabled citizens to access polling stations.

**Access to information**

The 1997 constitution guarantees the freedom of the press and of opinion. However, Polish governments have always tried to influence the media, and this attempted influence increased under the PiS government. By changing the rules over the membership selection of the National Council of Radio and Television, the PiS government effectively limited the independence of public TV and radio stations. The government’s 49 percent ownership share allowed it to directly interfere in the personnel policies of the newspaper Rzeczpospolita, one of the two top nationwide dailies. The paper’s editor-in-chief was installed by Prime Minister Jarosław Kaczyński. In view of such government intervention, the NGO Reporters Without Borders has identified Poland in both 2005 and 2006 as a European Union member state that holds the least respect for press freedom. However, government influence on the public media is balanced by an independent private media, which claims a large market share.


**Media pluralism**

As 50 percent of all Poles regularly watch public station TVP (Telewizja Polska), Poland is a European country where public television claims the highest market share. However, the overall ownership structure of Polish media is quite diversified, with private electronic and print media often compensating for biases or deficiencies in public media. The influence of public television is balanced by a number of private stations; radio and print offer a pluralism of providers. The role of foreign capital has grown in private media. Media mogul Rupert Murdoch has invested in TV Puls, a television channel that offers programming on Catholic issues; Germany’s Axel Springer owns a majority stake in television station Polsat; and German publishing house Bauer purchased media group Broker FM, which owns radio station RMF, the Polish radio market leader. German media companies also own several daily and weekly newspapers (Newsweek Polska and Fakt) in addition to women’s magazines. Foreign owners have largely refrained from intervening in the
internal structure, hiring policies or political direction of Polish media.

Article 61 of the 1997 constitution provides for a citizen’s right to information. The details of the article were specified in a law over the access to public information, approved September 2001. This law gives Polish citizens the right to demand access to public information, data or assets that are either held by public bodies, private bodies that exercise public tasks, trade unions or political parties. The requests can be verbal or written and have to be addressed by the authorities within 14 days. The only exemptions are information deemed a state secret; confidential information which is protected by a specific law; or information that could infringe personal privacy or business secrets. If access is denied, citizens can appeal to the administration and, later on, in court. Since such rights are not widely known, citizens have so far made little use of them. If citizens do pursue information, requests to public bodies are often answered too late. The civil rights commissioner has called for greater transparency, arguing that a citizen’s right to information should be given priority over protecting the privacy of public officials.

Civil rights

The 1997 constitution and all relevant laws guarantee civil rights and provide sufficient means for protecting those rights. Problems have arisen from the situation surrounding the Polish court system and some measures taken by the PiS government. The courts suffer under inefficient and time-consuming procedures. According to the World Bank, enforcing a contract in Warsaw takes almost 1,000 days, while the OECD average is 350 days. Some measures enacted by the PiS government have also infringed upon civil rights. This first applies to the 2007 lustration law, which called for the lustration, or exposure and subsequent barring from public office individuals who were part of the former communist regime, of about 700,000 people in different professions. Other cases included the strong politicization of the office of public prosecutor and a heavy reliance on criminal law.

Annotation: World Bank, "Doing Business 2007"

Non-discrimination

The Polish legal system prevents discrimination. There is an ombudsman for civil rights, and ethnic-minority political parties do not have to pass the 5
percent threshold to gain representation in the bicameral National Assembly. However, Poland has so far failed to implement the EU anti-discrimination directive. Moreover, the 2005 change in government brought a backlash in gender policy. As one of its first measures, the PiS government dissolved the Agency for Gender Equality. Some government members also became notorious for their rightist and homophobic speeches. Education Minister Roman Giertych (League of Polish Families, LPR) called for measures that would discriminate against homosexual teachers. In a number of cases, the government and the public prosecutor also took a lenient position toward anti-Semitic propaganda, mainly broadcast from the right-wing Catholic radio station Radio Maryja.

Rule of law

Legal certainty
Score: 5

Actions of the government and its administration are largely guided by law. However, the predictability of executive actions is sometimes limited by complex and contradictory regulations. Tax issues, for instance, tend to be solved differently in different regions, even if the Ministry of Finance offers uniform guidelines. In addition, the PiS government’s open disrespect of the law and long-standing institutional arrangements reduced legal certainty. A major case in point were the interventions of Minister of Justice Zbigniew Ziobro into the workings of the judiciary. His enthusiasm for setting his prosecutors on to political opponents showed little regard for the separation of powers or for due process.

Judicial review
Score: 7

The quality of the court system is variable. The Constitutional Tribunal, the Supreme Court and the State Tribunal (which decides on violations of the constitution by top officials) work well and largely fulfill their functions of controlling government and government administration. The performance of the administrative courts is weak, as they tend to adopt a very formal approach (Galligan et al., 2005). The biggest problem, however, is with the common courts at the district and regional level, which suffer under inefficient and time-consuming procedures; instances of corruption too have given the courts a very bad reputation. Under the PiS government, the judiciary was politicized. The Ministry of Justice used its position as prosecutor general in influencing prosecutors’ activities.

Annotation: Denis Galligan and Marcin Matczak, "Strategies of Judicial Review,” Ernst & Young
Poland has sophisticated anti-corruption legislation with regular audits of public finances, a code of conduct for civil servants, strict regulations on the financing of political parties and mandatory asset declarations for thousands of holders of public offices. However, enforcement of these regulations has remained problematic. In an attempt to capitalize on the frustration resulting from the frequent corruption scandals of its predecessor, the incoming PiS government placed the fight against corruption high on its official agenda. In July 2006, it founded the Anti-Corruption Office (Centralne Biuro Antykorupcyjne, CBA) to control the implementation of existing anti-corruption laws. The CBA received investigative responsibilities comparable to those of the police and the intelligence service, such as the authorization to inspect personal data, interrogate or even arrest suspects as well as to carry weapons. However, the office was not independent from government, lacked transparency in its operations and was frequently misused in discrediting political competitors. Moreover, the PiS leadership itself was involved in a major bribery scandal. In September 2006, Adam Lipinski, a close ally of Prime Minister Jarosław Kaczyński and high-ranking member of PiS, was filmed while offering money and a job to Samoobrona party member Renata Beger if she would switch her allegiance to the PiS.

II. Economic and policy-specific performance

<table>
<thead>
<tr>
<th>Basic socioeconomic parameters</th>
<th>score</th>
<th>value</th>
<th>year</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP p.c.</td>
<td>1.89</td>
<td>13894 $</td>
<td>2005</td>
</tr>
<tr>
<td>Potential growth</td>
<td>6.43</td>
<td>5.3 %</td>
<td>2008</td>
</tr>
<tr>
<td>Unemployment rate</td>
<td>1</td>
<td>13.8 %</td>
<td>2006</td>
</tr>
<tr>
<td>Labor force growth</td>
<td>1</td>
<td>0.4 %</td>
<td>2007-2008</td>
</tr>
<tr>
<td>Gini coefficient</td>
<td>7.7</td>
<td>0.311</td>
<td>1999</td>
</tr>
<tr>
<td>Foreign trade</td>
<td>2.5</td>
<td>-15.93</td>
<td>2005</td>
</tr>
<tr>
<td>Inflation rate</td>
<td>8.95</td>
<td>2.3 %</td>
<td>2007</td>
</tr>
<tr>
<td>Real interest rates</td>
<td>6.42</td>
<td>3.1 %</td>
<td>2007</td>
</tr>
</tbody>
</table>
A Economy and employment

Labor market policy

Score: 5

The Polish labor market has suffered from high unemployment, low employment and strong regional disparities. While the official unemployment rate has fallen strongly since February 2003, it is still the highest in the EU-25. Unemployment benefits are limited, and labor law is relatively employer-friendly. For most of the 1990s labor market policy was primarily aimed at reducing the labor supply by encouraging early retirement. An active labor market policy was institutionalized on a large scale in 2004. Its implementation, however, has suffered from a lack of funding and experience. Notwithstanding initial announcements, the PiS government has paid little attention to labor market policies and has not introduced major reforms. The recent decline in unemployment numbers has been caused by the country’s strong economic growth and massive emigration, rather than by labor market reforms.

Enterprise policy

Score: 5

The PiS government has not pursued a consistent enterprise policy. While tax and other concessions might have contributed to the boom in foreign direct investment, the PiS government also irritated foreign investors by stopping the privatization of state-owned electric power and petrochemical enterprises to defend ”national interests”. By instructing the Italian bank Unicredito to sell its share of Poland’s Pekao bank, the government contested the European Commission’s decision to approve the merger of Unicredito, Hypovereinsbank Group of Germany and Pekao. The restructuring of remaining state-owned enterprises was delayed by the tactic of installing PiS party members as company board directors. The development of the domestic private sector has been stifled by overregulation, bureaucracy and low R&D expenses. Notwithstanding party statements, the PiS government has done little to change the situation.

Tax policy

Score: 5

Since 2004, when it cut the corporate tax rate from 27 percent to 19 percent, Poland has had one the lowest corporate income tax rates in the European
Union. While the tax system thus is competitive, it suffers from a high tax wedge and massive tax evasion. Moreover, tax revenues have not been sufficient in financing government expenditures. The PiS government announced plans for tax reform for 2007 but failed to deliver. The main change in the tax system under the PiS government has been a significant reduction of the inheritance and gift tax.

**Budgetary policy**

Score: 5

Favored by strong economic growth, Poland’s public debt stabilized during the period under review. Contrary to strong fears between 2003 and 2004, debt has not reached the 60 percent threshold enshrined in the Maastricht treaty and the Polish constitution. The PiS government stressed its commitment to fiscal consolidation during the 2005 electoral campaign, but failed to bring the deficit below 3 percent of GDP despite strong economic growth and general pressure by the European Commission. The government justified the postponement of fiscal changes by stressing the need to invest in infrastructure and manage the short-term fiscal costs of establishing a multipillar pension system.

**Social affairs**

**Health policy**

Score: 4

The health care system is characterized by the coexistence of a decrepit public system and an expanding, largely unregulated private system. Public spending on health care in Poland is among the lowest in the OECD. The poor compensation of nurses and doctors in the public sphere has led to a high number of vacancies and a strong reliance on informal payments. Access to high-quality health care thus strongly depends on a citizen’s income and personal connections. Confronted with nurses’ and doctors’ strikes, the PiS government conceded in offering some modest increases in health care spending, but did not initiate more structural reforms as had been suggested by Zbigniew Religa, the much-respected health minister.

**Social cohesion**

Score: 5

Poland is one of the poorest countries in the European Union. Social policy spending about matches the EU average, but efforts are not very effective in preventing poverty and limiting socioeconomic disparities. Poverty and social
exclusion are highest among the unemployed and in families with many children. In contrast, poverty among the elderly is among the lowest in the European Union. Strong regional disparities between cities and the countryside, as well as between the western and eastern parts of the country, prevail. In the fall of 2006, the PiS government, which had stressed its commitment as part of its party program to a “solidarity-based state,” approved two major strategy papers on social cohesion. The adopted measures largely focused on improving support for families. Less attention was paid to the situation of the unemployed and to social integration through improvements in the labor market.

**Family policy**

Combining work and family has been made difficult by a poor network of child care facilities, especially outside big cities, and a low number of part-time jobs. Parental leave provisions have included some guarantees for mothers, but have provided only weak incentives for women with children to seek employment. The PiS government subscribed to the traditional “male breadwinner” model and reintroduced the 19th century myth of the Polish mother who sacrifices herself for both her children and her country (matka Polska). To increase the birth rate, the government introduced a so-called birth premium for parents. The PiS government’s role model, however, was not in line with the preferences of the population at large. According to surveys, the share of citizens who prefer a traditional marriage model dropped from 42 percent to 32 percent from 2000 to 2006, while 41 percent now supports a model where roles are shared equally (CBOS 2006).

Annotation:

**Pension policy**

Poland introduced a three-pillar pension system in line with World Bank recommendations in 1999. Owing to the favorable development of capital markets, private pension funds, which form the obligatory second pillar, have performed quite well. In contrast, the fiscal sustainability of the public, or first, pillar has suffered from the country’s general high unemployment and low
retirement age – which officially stands at 65 years for men and 60 years for women, but in practice, is much lower. Given the fiscal problems of the first pillar, public pensions have been cut and poverty among pensioners has increased as a result. The low retirement age will also limit future incomes sourced from the second pillar. This situation particularly applies to women, who not only tend to exit the labor market relatively early, but also who earn less and have a higher life expectancy than men. The PiS government failed to address these problems during the period under review.

C Security and integration policy

Security policy

Poland is protected against external security risks through its membership in NATO (since 1999) and the European Union (since 2004). Somewhat skeptical of multilateral security guarantees and EU policies toward Russia, political elites – from the right and left of the political spectrum – have also tried to forge a special relationship with the United States. Poland has supported U.S. policy in Iraq, despite generally weak and declining popular support for the war, and has agreed to install parts of the planned U.S. anti-missile shield system. Polish governments have also tried to strengthen the country’s position vis-à-vis Russia by engaging in close cooperation with Ukraine. Active membership in NATO has required the modernization of the Polish army. While defense spending, relative to GDP, has been on a medium level within NATO, military equipment is partly outdated. The Polish army is in a transition period, shifting from an army based on compulsory military service to voluntary professional service. The army enjoys a good reputation in the country.

Crime rates are relatively high and have featured prominently as an issue on the political agenda. The preparation for Poland’s accession to the Schengen zone has contributed to increased police cooperation with other EU members and a modernization of the Polish police force. Poland has also actively cooperated with other East-Central European Ministers of the Interior and in the working groups of the Council of the Baltic Sea States on organized crime and trafficking. The PiS government made the fight against crime, especially against corruption, a high-profile issue. It launched organizational changes and strengthened the penal code. According to Polish statistics, the number of homicides and thefts has fallen in the last two to three years.
New security policy

Poland in 2002 passed a national security strategy plan to account for new security risks arising from terrorism and organized crime. It has cooperated with other countries to address cross-border problems and issues beyond its borders that fall within the jurisdiction of NATO, the European Union and the Council of the Baltic Sea States. Poland is engaged in 10 out of 15 ongoing international peacekeeping operations, but manages only medium-sized rapid response forces which are not able to engage autonomously. The protection of the country’s critical infrastructure has improved, but still suffers from some weaknesses. The establishment of a preventive security policy through development aid and fair trade policies has not featured very prominently on the government agenda. Expenses for development aid are the lowest in the OECD, and Poland does not even have an aid and development agency.

Integration policy

Poland has only recently become a destination for immigrants, yet migration in general to Poland is still low compared to migration from and through the country. Most immigrants come either from the neighboring countries, such as Belarus, Ukraine or Russia, or from countries further afield, such as Vietnam, Armenia and China. The legal framework for dealing with immigrants has emerged relatively slowly and has been shaped largely by the requirements of EU membership and other international obligations. Polish immigration policy has focused on the rights of refugees, the treatment of foreign spouses of Polish citizens and, more recently, the repatriation of ethnic Poles. Cultural, education and social policies have paid little attention to the integration of immigrants into society.

D Sustainability

Environmental policy

While Article 5 of the 1997 constitution calls for "sustainable development," the concern over environmental issues among the political elite is relatively low. The legal and institutional framework of environmental policy has largely been shaped by the requirements of EU membership. Meeting EU environmental standards has been a serious challenge and has required a large investment from both the public and private sector. In the case of large-scale infrastructure projects, a conflict between the needs of socioeconomic modernization and environmental protection has emerged. The PiS government
paid little attention to environmental policy. Its insistence on building a highway across a protected European nature reserve led to fierce discussions with the European Commission and provoked the first major environmental conflict in Poland since 1989.

Research and innovation policy

Poland has suffered from low levels of public and private research and development expenditures and weak links between science and industry. Universities tend to be inflexible, and public-private partnerships are rare. The PiS government during its time in government launched a number of initiatives to tackle these issues. It promised a massive increase in public R&D spending and announced the creation of a national research and development center. Co-funded by the European Union, this center was geared to finance and coordinate research efforts and also to improve the networks among researchers and between researchers and industry. Financial support was earmarked to focus on several strategic fields, such as energy, biotechnology, new materials and production technologies. The effects of these measures on the country’s innovative position remain to be seen.

Education policy

Poland spends in relative terms a lot on education. Access to education is relatively broad-based, with the strong expansion of the private sector helping to increase differentiation. Since 1989, tertiary enrollment has increased substantially. The main problem of the current education system is a lack of synchronization between the education system and the demands of the labor market. Vocational training is poorly developed. Continuing education is relatively limited and does not reach the elderly or less-skilled groups. The PiS government has done little to address these problems. Trying to foster “patriotism for tomorrow,” the government has been preoccupied with issues such as changing school reading lists and introducing school uniforms.
## Management Index

### I. Executive Capacity

<table>
<thead>
<tr>
<th>Prime minister</th>
<th>Parties in government</th>
<th>Type</th>
<th>Mode of termination *</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marek Belka</td>
<td>Democratic Left Alliance (SLD), Union of Labour (UP)</td>
<td>multiparty minority government</td>
<td>1</td>
<td>05/04-10/05</td>
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<tr>
<td>Kazimierz Marcinkiewicz</td>
<td>Law and Justice (PiS)</td>
<td>single party minority government</td>
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<td>10/05-05/06</td>
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<td>Law and Justice (PiS), League of the Polish Families (LPR), Samoobrona (SO)</td>
<td>minimal winning coalition</td>
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<td>05/06-07/06</td>
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<td>Jarosław Kaczyński</td>
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<td>minimal winning coalition</td>
<td>5</td>
<td>07/06-12/06</td>
</tr>
<tr>
<td>Jarosław Kaczyński</td>
<td>Law and Justice (PiS), League of the Polish Families (LPR), Samoobrona (SO)</td>
<td>multiparty minority government</td>
<td>1</td>
<td>12/06-11/07</td>
</tr>
</tbody>
</table>

* The following modes of termination should be distinguished: elections = 1; voluntary resignation of the prime minister = 2; resignation of prime minister due to health reasons = 3; dissension within cabinet (coalition breaks up) = 4; lack of parliamentary support = 5; intervention by head of state = 6; broadening of the coalition = 7.
A Steering capability: preparing and formulating policies

Strategic capacity

There is little strategic planning in government decision-making. Cabinet and individual ministries have issued a number of strategy papers, but most of the missives have lacked substance. While a plethora of support, advisory and consultative bodies exist and a huge number of “strategies” is adopted, the impact of these efforts on decision-making is modest. The PiS government did not undertake any major attempts at improving strategic planning. In April 2006, it even dissolved the Government Center for Strategic Studies, which had provided strategic analyses for the cabinet since 1996.

Under the PiS government, the overall influence of non-governmental experts on government decision-making was limited. The government distrusted the academic community, which it perceived as part of the establishment. Upon coming to office, the government dissolved the Government Center for Strategic Studies, which had provided scientific advice for many years. Most ministries lack academic advisory committees. However, some national-conservative intellectuals had considerable influence on the formulation of policies toward the European Union and Germany.

Inter-ministerial coordination

The Chancellery of the Prime Minister has little sectoral policy expertise. The cabinet agenda division, which reviews incoming draft bills for the prime minister, does not have sufficient resources to analyze the content of proposals, but focuses rather on technical information regarding the legislative process. The government legislation center, which reports to the Chancellery, focuses on monitoring the regulatory impact assessment (RIA) done in the line ministries. It examines the formal correctness of RIA, but does not deal with the content of draft bills.

The gatekeeping role of the Chancellery of the Prime Minister is limited. The prime minister does not have the right to veto draft legislation. However, he is allowed to move a proposal from the cabinet agenda. Alternatively, he can call for a detailed presentation of a controversial proposal in the cabinet or an opinion on the proposal by the legislative
council. Lacking expertise and confronted with the constraints of a coalition
government, prime ministers have made little use of these options.

The involvement of the Chancellery of the Prime Minister in the preparation
of policy proposals by the line ministries is limited. Consultation takes place
but is rather formal. Ministers have to inform the Chancellery about pieces
of legislation they want to propose in the cabinet meeting. Once the
proposed legislation is accepted by the cabinet and is sent back to the
ministry to be fully worked out, the Chancellery monitors further work on
the legislation. Sometimes the prime minister also uses cabinet meetings to
review the progress in the preparation of planned legislation. In practice,
however, these provisions have only little substantial effects on ministerial
lawmaking.

Cabinet committees
Score: 5

Cabinet committees play some role in the preparation of cabinet meetings. In
addition to a small number of standing cabinet committees, the prime
minister installed six temporary interministerial committees in 2006 to deal
with different aspects of economic policy. However, the activities of these
committees were not coordinated and overlapped, so that they did not
contribute much to the settling of issues in advance of cabinet meetings.

Senior ministry officials
Score: 3

Senior ministry officials play some role in the preparation of cabinet
meetings. All draft legislation has to go through the Committee of the
Council of Ministers, which is chaired by one of the deputy prime ministers
and consists of senior ministry officials from the different ministries. The
Committee of the Council of Ministers prepares cabinet meetings by
examining the quality of draft proposals. It can return these proposals to the
sponsoring ministries and ask them for amendments. In practice, however,
the gatekeeping power of the committee is limited, with only 3 percent to 8
percent of all proposals being rejected.

Line ministry civil servants
Score: 4

Coordination by line ministry civil servants is limited. The legal
coordination requirements at the preparatory stage of legislation are weak,
and ministries often prefer “to go it alone.” This has resulted in a huge
number of overlapping amendments and bills that are initiated by different
ministries, and additionally has increased both the costs of coordination at
later stages of the legislative process and inconsistencies in the legal system.

Annotation: Klaus H. Goetz and Radoslaw Zubek, “Law-Making in Poland:
Rules and Patterns of Legislation,” Ernst & Young,
Regulatory impact assessments

RIAs were introduced in 2001. Since then, carrying out impact assessments has been mandatory for all government bills and regulation. Assessments are undertaken by the ministries and then reviewed by the government center for legislation. So far, however, the quality of assessments has been poor, with most ministries performing the RIA in a minimal and symbolic fashion. One major problem has been the understaffing of the government center for legislation. In October 2006, the Council of Ministers tried to address these problems by adopting new RIA guidelines as part of a comprehensive program for regulatory reform. The implementation of this program and the adoption of new RIA guidelines have just begun during the period under review.


Needs analysis
Score: 3
Alternative options
Score: 2

Societal consultation

Polish law provides for different methods of societal consultation. The Polish government is obliged by law to consult all parties affected by a proposed piece of legislation. For a number of issues, it also has to consult a commission representing trade unions and business associations, and there is also a joint commission of central and local governments which plays a role in the consultation process. The PiS government made little use of these provisions and institutions. Save for the Catholic Church and the Solidarity trade union, the government did not listen to social or economic actors and did not really try to motivate them to support its policies.
**Policy communication**

The Polish government has suffered from the lack of a coherent communication policy. The PiS government’s information policy was highly contradictory. The leaders of the three parties of the governing coalition, all of whom were represented in government, pursued their own independent communication policies. Line ministries called their own press conferences and often ignored the government spokesman and his office, so that the government overall did not speak with one voice.

**B Resource efficiency: implementing policies**

<table>
<thead>
<tr>
<th>Total</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bills envisaged in the government’s work program</td>
<td>339</td>
</tr>
<tr>
<td>Government-sponsored bills adopted</td>
<td>283 83.48 %</td>
</tr>
<tr>
<td>Second chamber vetos</td>
<td>1 0.29 %</td>
</tr>
<tr>
<td>Head of state vetos</td>
<td>1 0.35 %</td>
</tr>
<tr>
<td>Court vetos</td>
<td>3 0.85 %</td>
</tr>
</tbody>
</table>

**Effective implementation**

In Poland, government efficiency has often suffered from unstable party majorities and heterogeneous governing coalitions. The PiS government as well faced massive internal conflicts. It managed to push through important, albeit controversial, parts of its reform agenda, such as the dissolution of the military intelligence service (Wojskowe Sluzby Informacyjne, WSI) and a new lustration law. In other fields, most notably social policy, housing or investment in infrastructure, the government was less successful. Here policy outcomes lagged far behind government promises.

Although the government coalition is bound by a coalition agreement, and cabinet meetings coordinate and regulate the work of the cabinet, the prime minister himself can do little to hinder ministers from realizing their self-interests. First, the prime minister does not have the right to issue binding policy guidelines. Second, the Sejm is able to dismiss individual ministers, so the prime minister’s control over the composition of the cabinet is limited. Third, the Chancellery of the Prime Minister works reactively. It
responds to initiatives from ministers but is often too busy fighting political fires and therefore not able to concentrate on forward-looking management and coordination.

The Chancellery of the Prime Minister formally monitors the activities of the line ministries. Ministries are obliged to regularly inform the Chancellery about legislative progress. However, the Chancellery lacks substantial policy expertise and has little leeway to sanction ministers that prioritize sectoral interests. Thus, monitoring is largely formal, and line ministries often fail to meet the targets of the government’s legislative work program.

The number of executive agencies that are attached to ministries has ranged from four to more than 20. Agencies report to ministries, and ministries have special units responsible for monitoring the activities and auditing the financial situation of agencies. The effectiveness of monitoring has sometimes suffered from a lack of qualified personnel, the low quality of audits and the limited enforcement of anti-corruption measures.

A 1990 law and several other acts, especially the law on public finance from 1998, regulate the financial situation of sub-national governments. Revenues include local/regional taxes and local resources, shares of national taxes as well as earmarked grants for special purposes that are delegated by the central government. Health care and education reforms enacted in 1999 increased the responsibilities of regions and local governments without providing the necessary resources. The PiS government in the period under review did not tackle this resources issue.

Since 1998, decentralization has been broadly accepted in Poland. Some conflicts have emerged from the double structure of the regional executive, with regionally elected regional government and the centrally appointed leader of the regional administration struggling over responsibilities. The PiS government sometimes intervened in the affairs of sub-national governments. Right at the beginning of its term, the government prevented regions from establishing and continuing contacts with foreign regional self-governments, mainly in Germany, without permission of the central government. The government also tried to give central government the power to veto regional decisions on EU funds, a provision that was eventually cancelled after highly charged debates.

The central government has tried to ensure a minimum quality of services by setting national standards. In the regions, the centrally appointed head of the regional administration is responsible for ensuring that national policies are implemented and that state institutions operating in the region perform their functions properly. The enforcement of national standards has suffered from
underfunding, the lack of a professional civil service and corruption.

C International cooperation: incorporating reform impulses

Domestic adaptability

As part of the accession process, domestic government structures have partly been adjusted to meet the requirements of EU membership. Local and regional government competencies were extended to improve government’s ability to receive and use EU regional and structural funds. The National Assembly and the central government set up special organizations to deal with accession and membership issues. Due to the divergence of departmental priorities, however, the coordination of EU-related activities has remained a problem.

External adaptability

Poland is an active member of the European Union, NATO, the Council of Baltic Sea States and the Visegrad Group, and has been strongly engaged in peacekeeping missions for the United Nations. Under the PiS government, Poland’s influence in the European Union weakened. The position of EU ambassador representing Poland remained vacant in 2006 for some time, and the government alienated many other members of the European Union by its intransigence.

Exporting reforms

The PiS government was not very active in exporting reforms. It has lacked a coherent foreign policy and an "exportable" domestic reform agenda. However, there have been some attempts at disseminating Poland’s experience with transition to countries of the former Soviet Union. These activities have largely been undertaken by civic organizations. Public financial support has been limited.

D Institutional learning: structures of self-monitoring and reform

Organizational reform capacity

There is no regular self-monitoring of institutional arrangements. Government structures are only scrutinized in the face of manifest problems. The PiS government undertook an ambitious evaluation of its policies and
the work of line ministries from December 2006 to February 2007. However, this evaluation did not focus on the quality of institutional arrangements, was rather unsystematic and did not have any lasting effects.

Institutional arrangements have been relatively stable. Save for the new guidelines on RIA in 2006, the PiS government for a long time did relatively little to improve its strategic capacity. Only in March 2007 was a major re-haul of ministerial organizational structures (and the relationship between structures) launched.

II. Executive accountability

E Citizens: evaluative and participatory competencies

Knowledge of government policy and political attitudes

The general public is not very well-informed about government decisions. The main reason is a lack of interest in politics. Given the frequent corruption, scandals and the confrontational style of Polish politics, many citizens are fed up with politics and do not pay attention to information provided by the media.

F Parliament: information and control resources

Structures and resources of parliament, committees, parliamentary parties and deputies

<table>
<thead>
<tr>
<th>Number of deputies</th>
<th>460</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of parliamentary committees</td>
<td>28</td>
</tr>
<tr>
<td>Average number of committee members</td>
<td>27</td>
</tr>
<tr>
<td>Average number of subcommittee members</td>
<td>-</td>
</tr>
<tr>
<td>Pro-government committee chairs appointed</td>
<td>16</td>
</tr>
<tr>
<td>Deputy expert staff size</td>
<td>2</td>
</tr>
<tr>
<td>Score</td>
<td>Description</td>
</tr>
<tr>
<td>-------</td>
<td>-------------</td>
</tr>
<tr>
<td>10</td>
<td>Obtaining documents</td>
</tr>
<tr>
<td>10</td>
<td>Summoning ministers</td>
</tr>
<tr>
<td>10</td>
<td>Summoning experts</td>
</tr>
<tr>
<td>9</td>
<td>Task area coincidence</td>
</tr>
<tr>
<td>10</td>
<td>Audit office</td>
</tr>
</tbody>
</table>
sgi 2009 | 26 poland report

(such as the speaker of the Sejm), the president or the prime minister. The Chamber’s activities also include auditing the state budget.

The Polish ombuds office, or the Commissioner for Citizens’ Rights, is an independent state organ but is accountable exclusively to the Sejm. Its history goes back to the late communist era, when it was created as one of the state’s first independent organizations. The ombudsman is appointed by the Sejm to the post for five years. The Senate has to give its consent to the Sejm’s decision within a month. According to the constitution, the commissioner is obliged to annually inform the Sejm and the Senate about his activities and on how far the freedoms and rights of citizens and persons (foreigners or persons without citizenship) are respected. The commissioner has substantial investigative powers, including the right to view relevant files or contact the prosecutor general. In the past, all commissioners were widely respected persons who actively defended civil rights. In the case of Janusz Kochanowski, who was elected commissioner in January 2006, his close affiliation with the ruling PiS party and a number of his controversial remarks have raised concerns about his independence and his stance on civil rights.

G Intermediary organizations: professional and advisory capacities

Media, parties and interest associations

Government decisions are widely covered by the country’s main TV and radio stations, and this applies to both public and private stations. The quality of public station information programs, most from station TVP (Telewizja Polska), has suffered from its pro-government bias under the PiS government. This bias is largely offset by the coverage of private TV and radio stations. While the largest private TV stations, Polsat and TVN, broadcast mainly entertainment programs, they also feature several political information programs with well-known journalists and reportage is of a high quality.

<table>
<thead>
<tr>
<th>Name of party</th>
<th>Acronym</th>
<th>% of votes</th>
<th>% of mandates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Law and Justice</td>
<td>PiS</td>
<td>27.0</td>
<td>33.71</td>
</tr>
<tr>
<td>Civic Platform</td>
<td>PO</td>
<td>24.1</td>
<td>28.91</td>
</tr>
</tbody>
</table>
The coherence of party programs is not great. In the 2005 electoral campaign, the liberal-conservative Civic Platform (PO) party and the social-democratic Democratic Left Alliance (SLD) provided relatively consistent and detailed programs with some inevitable tensions between social-democratic and liberal ideas. The conservative PiS party focused on the ultimate break with the communist past and the elimination of corruption. The party emphasized national, moral and Catholic values and the need for a strong and unified state. It called for higher social spending, but was vague on financing and on economic policy in general. The fourth party that achieved more than 10 percent in the 2005 elections, Samoobrona, presented itself as a defender of the rural population and campaigned on a populist and protectionist platform.

Poland has a relatively developed sector of interest associations. Business associations and trade unions have become more professional over time. Trade unions behave more constructively than in the past. There are about 20,000 environmental and social interest groups in the country. However, most of them are too small and lack the resources to offer full-blown policy proposals. The Catholic Church, undoubtedly the most influential interest group in Poland, pursues relatively narrow interests and is largely preoccupied with stabilizing its influence in an increasingly secular society.

In the period under analysis, the political impact of interest associations was weak. While Poland has a developed associational sector and a number of provisions to further the consultation of interest groups, including a council that brings together trade unions and business associations, most interest associations have had little influence during the PiS government. The two main exceptions were the Catholic Church and the Solidarity trade union, as both actively supported the government.
This country report is part of the Sustainable Governance Indicators 2009 project, which assesses and compares the reform capacities of the OECD member states.

More on the SGI 2009 at www.sgi-network.org

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