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Poland: Background and Current Issues

Carl Ek, Foreign Affairs, Defense, and Trade Division

June 21, 2005

Abstract. This report provides political and economic background on Poland and evaluates current issues in U.S.-Polish and Polish-European relations. For additional information, see CRS Report RL32967, Poland: Foreign Policy Trends.

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Poland: Background and Current Issues

June 21, 2005

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Poland: Background and Current Issues

Summary

Poland and the United States have enjoyed close relations, particularly since the terrorist attacks of September 11, 2001. Warsaw has been a reliable supporter and ally in the global war on terrorism and has contributed troops to the U.S.-led coalitions in Afghanistan and in Iraq — where it assumed a leading role. Over the past year, however, many Poles have concluded that their country's involvement in Iraq has increasingly become a political liability, particularly on the domestic front. With elections scheduled for September 2005, the government has announced a phased troop withdrawal. Some Poles have argued that, despite the human casualties and financial costs their country has borne, their loyalty to the United States has gone unrewarded. Many hope that the Bush Administration will respond favorably by providing increased military assistance, by awarding Iraq reconstruction contracts to Polish firms, and by changing its visa policy.

Poland has had an eventful political scene in recent years. Since 2001, two prime ministers have fallen. Many attribute these turnovers to a series of high-profile scandals. Although the current government has steered the nation into the EU and nurtured a strong, export-based economy, polls indicate that it may be replaced in the next elections. However, regardless of which parties form the next government, Poland's foreign policy will not likely undergo drastic changes. Poland's export-dependent economy has performed relatively well in recent years; the agricultural sector in particular has responded positively to EU membership.

A NATO member since 1999, Poland has been restructuring and modernizing its military to enable it to respond to out-of-area missions — an alliance priority. Poland has sought to nurture democracy in Ukraine and Belarus, and to normalize ties with Russia. Poland has been an active member of NATO and, since May 2004, the European Union. Poland was not reluctant to assert itself in a number of issue areas before joining the EU and will likely be even less hesitant to do so now that it is a member. Some analysts argue that, if it continues on its current path, Poland may well emerge as a leading nation in Europe. Although most analysts do not anticipate major changes in Polish foreign policy in the near future, some believe that it is inevitable that Poland will draw closer to the EU over the long term.

This report provides political and economic background on Poland and evaluates current issues in U.S.-Polish and Polish-European relations. This report will be updated after Poland's 2005 elections. For additional information, see CRS Report RL32967, *Poland: Foreign Policy Trends*, by Carl Ek.

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Poland: Background and Current Issues

Introduction

Geographically and by population, Poland is the largest of the countries recently admitted into the European Union (EU) and NATO; with 38 million citizens, Poland is now the 6th most populous country in the EU. And with strong growth rates and a GDP exceeding \$200 billion, it is a major player economically, especially in Central and Eastern Europe. Some foreign policy analysts argue that, if it continues on its current path, Poland may well emerge as a leading nation in Europe — particularly within the EU and NATO. This report provides background information on recent U.S.-Polish relations, a summary of Poland's political situation and economic conditions, and a description of Poland's major foreign policy initiatives, mainly with neighboring states.

Poland and the United States

Poland and the United States have enjoyed close relations over the years. The Reagan and George H. W. Bush administrations actively supported Poland's efforts to shake off communism. The Clinton Administration strongly advocated Poland's candidacy for NATO membership, beginning with Clinton's speech before the Polish parliament in 1994 and ending with his signature on the instruments of ratification on May 21, 1998. President George W. Bush visited Poland during his first official trip to Europe in June 2001; then-National Security Advisor Condoleezza Rice has characterized Poland as a "strategic partner" to the United States.¹

Warsaw has been a particularly reliable supporter and ally since the terrorist attacks of September 11; it has aided U.S. efforts in the global war on terrorism, and has contributed troops to the U.S.-led coalitions in both Afghanistan and Iraq. Over the past year, however, many Poles have concluded that their country's involvement in Iraq has increasingly become a political liability, particularly on the domestic front. With elections likely in 2005, the government announced in December 2004 that it would maintain a presence in Iraq, but that troop levels would be drawn down after the January 30 Iraqi elections. Some Poles are of the view that their loyalty to the United States has gone unrewarded, and hope that the Bush Administration still might respond favorably to Polish requests for increased military assistance, Iraq reconstruction contracts to Polish firms, and changes to in U.S. visa policy.

¹ US President George Bush To Visit Poland in Mid-June 2001. *BBC Monitoring European*. April 5, 2001.

The Global War on Terrorism

Poland has been a staunch supporter, both diplomatically and militarily, of the U.S.-led war on terrorism. In a March 2002 address, Polish President Kwasniewski pressed the international community to restrain its criticisms of the United States; he reminded his audience that “American soldiers ... were the first to stand up to the evil” of terrorism. In December 2004, after visiting Poland to assess its efforts in the war on terrorism, a team of EU officials announced that they had found the counter-terrorism services to be “professional and enthusiastic.”² Poland has also supported EU efforts to improve law enforcement cooperation against terrorism.

Poland has contributed military engineers, logistics personnel, and commandos to the International Security Assistance Force (ISAF) in Afghanistan, where Poles are assisting in mine removal. Currently, 200 Polish troops — chiefly combat engineers — serve in Bagram. During a July 2004 visit to Kabul, Polish Prime Minister Marek Belka urged other NATO members to increase their troop commitments to ISAF; he mentioned Germany by name.³

Most observers believe that the Poles’ determination to cooperate with the United States in the global war on terrorism spans political parties, and that this resolve will remain unchanged, regardless of who might win the next elections.

Iraq

When Poland joined the U.S.-led coalition in the war to topple Saddam Hussein in early 2003, it was acting with historical consistency. During the 1991 Gulf War, Warsaw joined the multinational coalition that pushed Iraq out of Kuwait, providing rescue ships and medical staff. After the conflict, Poland served as the United States’ diplomatic go-between, and represented U.S. interests in Baghdad for the next decade. It was the first time the United States had called upon a former communist country to play such a role.⁴

Unconfirmed reports have indicated that, in 2003, approximately 200 Polish special forces troops participated in *Operation Iraqi Freedom* — the initial combat portion of the Iraq conflict. It is said that the commandos were already present in Iraq before hostilities were launched, and that they worked in close cooperation with U.S. Navy SEALs and other special operations units.

Since the end of declared hostilities, Poland has also contributed substantially to post-war peacekeeping efforts. Its military contingent of 2,500 troops made it the

² Poland, Invoking Sept. 11, Tells Europe To Ease Up On Its Criticism Of the United States. *AP*. March 25, 2002. Poland Committed To Fight On Terrorism, EU Experts Say. *Agence Presse France (AFP)*. December 16, 2004.

³ *The Military Balance*. IISS. October, 2004. Polish PM Calls On NATO Troops To Step Up Military Presence In Afghanistan. *AFP*. July 19, 2004.

⁴ Representing U.S. In Baghdad a Boost To Polish Prestige. By Andrew Tarnowski. *Reuters*. May 15, 1991.

third largest in the multinational stability force. On August 25, 2003, Poland assumed command of one of three military sectors. At its peak, the command consisted of more than 9,000 troops, from Europe, Asia, and Latin America; the Polish-led division has also received intelligence, communications, and logistics support from NATO. Because some countries have reduced or withdrawn their troops, total strength of the Polish-led contingent as of June 2005 was estimated at around 4,000.

Several incidents related to Iraq captured the attention of Poles at home. In July 2004, a group calling itself the Al Qaeda Organization in Europe posted on its website a warning that Poland and Bulgaria would suffer terrorist attacks similar to the March 2004 bombings in Madrid unless they pulled their troops out of Iraq. The Polish deputy defense minister said the government would not cave in to such demands, but the Madrid bombings may have increased Poland's sense of vulnerability to such attacks. In October, armed insurgents in Iraq kidnaped a Polish citizen; she was released unharmed the following month. Finally, Poland has suffered several casualties in Iraq; to date, it has lost 17 military troops and 4 civilians, including a well-known television reporter. Over 100 Poles have been wounded.

In May 2004, following revelations of prisoner abuse at Abu Ghraib, a poll found that Polish opposition to the troop deployment had surged from 60% to 74%. Later that month, shortly before a parliamentary confidence vote, Defense Minister Szmajdzinski said that the Poland wanted to "significantly reduce our presence" after Iraq's January 2005 elections. In a series of subsequent pronouncements — some contradictory — government officials continued to affirm that their country's troop levels would be reduced. Finally, in December, dates and numbers were provided: Poland would withdraw up to 700 troops after the Iraqi elections, and that a decision on the remainder of its contingent would be made after the vote. In early February, during a joint press conference with Secretary of State Rice, Polish Foreign Minister Rotfeld stated that the Iraqi elections had "totally changed our optics on Iraq." This new perspective does not appear to have affected the pullout decision, however; the government has since announced that as many as 300 additional troops would return to Poland by August, and that all Polish soldiers would exit Iraq when the UN multinational forces mandate expires in December 2005. Warsaw will likely continue to support NATO training of the Iraq officer corps.⁵

Although the reaction to the March 11, 2004 Madrid bombing and the inmate mistreatment at Abu Ghraib were the main reasons cited by the media for Poland's downsizing of its military contingent in Iraq, other factors also played a role. For example, the stabilization mission in Iraq has been a difficult one for Poland in terms of both scope and location. Iraq has been the country's biggest combat deployment, and the country's climate has presented special challenges. In addition, the cost of the Iraq mission has been burdensome to Poland. In an April 2005 announcement

⁵ Poland Angrily Dismisses Iraq Abuse Report. Pawel Sobczak. *Reuters*. May 28, 2004. Poland Plans To Cut Number of Troops in Iraq by Around One-third. *AFP*. December 14, 2004. Poland Sets Date For Iraq Pullout. *International Herald Tribune*. April 13, 2005. Poland to Reduce Troop Numbers to 1,400, Defense Minister Says. *AFP*. June 15, 2005.

detailing further troop cutbacks, Defense Minister Szmajdzinski stated that the deployment had cost Poland \$210 million.⁶ Polish officials also note that the cost of the Iraq mission has necessitated a postponement of Poland's defense modernization.

Bilateral Irritants

Observers point out that, despite the human casualties and financial costs their country has borne, Poland has not reaped significant, tangible benefits for its presence in Iraq. In particular, Polish officials and others note three sensitive areas related to the United States: Iraq reconstruction contracts, military assistance, and a waiver from U.S. visa requirements.⁷

Iraq Reconstruction Contracts. In an October 2004 interview, former Polish Foreign Minister Cimoszewicz was asked to comment on Poland's expectations of being awarded "lucrative" contracts to help rebuild Iraq; he replied that "[i]t is true that many Polish companies expected to become involved in the economic reconstruction of Iraq, and that has not happened."⁸ The *Economist Intelligence Unit (EIU)* noted that "Washington's decision to reward the biggest [Iraq reconstruction] contracts to a few US companies has stoked resentment in Poland."⁹ U.S. officials were aware of this disappointment and tried to correct the situation. In December 2004, for example, it was announced that Iraq had agreed to purchase military materiel from Poland, including helicopters and ground transportation vehicles, and in late January another Polish defense company landed a large contract. Other contracts reportedly were under negotiation. Some observers suggest that perhaps Poland's expectations for offsetting contracts were too high.

Military Aid. On defense-related assistance, Polish officials note that their army is still in transition, and that Iraq has put a severe strain on its resources; Deputy Defense Minister Janus Zemke commented that "[w]e simply will not be able to squeeze more of our own budget for military procurement. At the same time, these huge outlays for Iraq are delaying the final transformation of our armed forces. It is a fundamental problem." Poles also have complained that their country received U.S. military aid packages similar in size to countries that had sent far smaller contingents to Iraq. Some Polish policymakers hoped that the United States would help offset the steep costs by stepping up its military assistance to Warsaw. In February 2005, President Bush pledged to seek \$100 million in such aid to Poland. The funds were subsequently requested, as part of a supplemental appropriations bill. Congress approved a \$200 million "Solidarity Fund" intended to help countries that had contributed troops to Iraq. However, because the contingency fund covers several countries, it is uncertain whether Poland will receive the full amount that President

⁶ Poland Confirms Plans to Remove Troops From Iraq. Jan Cienski. *FT*. April 13, 2005.

⁷ See, for example: How To Let A Coalition Fray: The U.S. Could Be Doing More For Its "New Europe" Allies. By Mark Brzezinski. *Washington Post*. October 13, 2004.

⁸ And Now, a Word From Our Coalition Partner. By Deborah Solomon. *New York Times*. October 17, 2004.

⁹ Poland Politics: Between Iraq and a Hard Place. *EIU Country Briefing*. October 14, 2004.

Bush sought to provide. Poland will also likely receive \$32 million in regular military assistance requested by the Administration for FY2006.¹⁰

Visa Waiver. Finally, Warsaw has hoped for a waiver of the U.S. government requirement that Poles traveling to the United States for three months or less carry a visa; currently applicants pay a \$100 non-refundable fee, and then submit to an interview at a U.S. embassy or consulate. U.S. policy is grounded in the belief that if some countries, including Poland, received a waiver of the visa requirement, too many of their citizens would travel to the United States and remain illegally. Analysts note that Poland has failed to meet the qualifications for the visa waiver program. The Polish government argues, however, that Poland is no longer under Communism, and is no longer desperately poor — two major incentives in the past to leave the country. They also point out that millions of illegal immigrants are already living in the United States. Polish leaders have raised the issue with their U.S. counterparts. At the conclusion of the latest Bush/Kwasniewski meeting, the two sides announced that they had agreed upon a “roadmap” of steps aimed at helping resolve the issue. Although details of the plan have not yet been made public, it would reportedly eliminate certain outdated information requirements. Also, Members of Congress have submitted legislation on this issue; in the 109th Congress, Senators Santorum and Mikulski introduced S. 635, which would add Poland to the list of 27 countries on the visa waiver program. Representative Jackson-Lee’s bill, H.R. 634, would do the same thing, with certain conditions.¹¹ Other Members of Congress, however, generally oppose the expansion of the visa waiver program because of security concerns.

Domestic Developments

Political Situation

Poland has had an eventful political scene in recent years. Since 2001, two prime ministers have fallen; analysts believe that both turnovers may be attributed to what the *Financial Times* (*FT*) called “the constant drip of scandals and sleaze in the Polish body politic.”¹² And although it has steered the nation into the EU, nurtured a strong economy, and weathered two confidence votes, the current government’s days are numbered, in the eyes of many.

In their last parliamentary elections, held in October 2001, Poles ejected the incumbent center-right parties. Leszek Miller, head of the Democratic Left Alliance (SLD) became the new prime minister, replacing Jerzy Buzek of Solidarity Electoral Action (AWS). The SLD joined in coalition with the Union of Labor (UP), and the Polish Peasants’ Party (PSL); together, they commanded a majority of the seats in the

¹⁰ Poland Criticizes US For Underfunding Its Iraq Mission. *AFP*. October 18, 2004. Polish Army Without Money From America. *PNB*. March 22, 2005.

¹¹ For additional information on this issue, see CRS Report RL32221, *Visa Waiver Program*, by Alison Siskin. Updated April 19, 2005. pp. 18-19.

¹² Opinion Pole. Observer Column. *FT*. October 15, 2004.

lower house of parliament, the *Sejm*. The centrist, pro-market Civic Platform (PO) party became the main opposition; the remainder of the seats was divided among the radical nationalist Self-Defense party, and the League of Polish Families (LPR), an ultra-conservative party aligned with the Catholic church. AWS failed to pass the threshold required to be seated in parliament.¹³

In the meantime, Poland has been rocked by several high-profile scandals. In March 2004, as a result of one of the incidents, more than two dozen MPs left the SLD. The defections precipitated Miller's resignation and left his successor, former Finance Minister Marek Belka, in a weak position.

The SLD can boast of two years of robust economic growth, as well as the attainment of Poland's long-sought entry into the European Union, but these achievements may not be enough for Polish voters. Indeed, many believe that in the next elections, the SLD, tainted by scandals and hobbled by the growing unpopularity of involvement in Iraq, will lose even more support and that the center-right parties will prevail. Some observers believe that two parties — the PO and the conservative Law and Justice (PiS) — may win enough votes to form a government, but may need the support of LPR. Elections are scheduled for September 2005.¹⁴

In October 2000, Aleksander Kwasniewski of the SLD won a resounding electoral victory and a second five-year term as President. For most of his tenure, Kwasniewski consistently topped public opinion polls, and was usually voted the most popular politician in the country. However, because of a two-term limit, he will be unable to run in the next presidential elections, which are set for October 2005.

Economic Conditions¹⁵

The Polish economy is among the most successful transition economies in east central Europe; all of the post-1989 governments have generally supported free-market reforms. Today the private sector accounts for over two-thirds of economic activity. In recent years, Poland has for the most part enjoyed rapid economic development. After two years in the doldrums, Poland's GDP grew by 3.8% in 2003, and is estimated to have reached 5.3% in 2004. Forecasters predict that Poland's economy will continue to grow in the 4-5% range in 2005. Unemployment, however, stood at 19.3% in April 2005 — the highest in the European Union.

The Polish economy's rebound from its 2001-2002 slump was largely led by an increase in export sales, a testament to the importance that trade — which accounts

¹³ In Poland, as in other Central and Eastern European countries, political parties have defied easy characterization — post-Communist governments have at times played the economic reformer role, while Solidarity and its successors and offshoots have sometimes resisted market-oriented changes.

¹⁴ Poland: Belka's Weak Base Bodes Ill For Reform. *Oxford Analytica*. June 28, 2004. FT Report — Poland. *FT*. October 26, 2004. Constitutional Concerns — Poland's Prime Minister. *Economist*. March 26, 2005.

¹⁵ Economic data are from State and Commerce Department publications, the CIA World Factbook, wire service reports, and the Economist Intelligence Unit.

for nearly half of GDP — plays in Poland's economy. Once reliant upon sales to the Soviet bloc, Poland today sends its exports overwhelmingly to countries belonging to the EU, which Poland, along with 9 other mostly eastern European countries, joined on May 1, 2004. In 2003, Germany alone purchased one-third of Poland's exports and supplied one-fourth of its imports.

Economic report cards issued by international organizations have given Poland mixed reviews. In a review measuring progress on reforms, the European Bank for Reconstruction and Development ranked Poland fourth-highest among 27 former communist countries; while praising Poland's price liberalization and business privatization, it recommended that the country improve its investment climate, reform its labor market, restructure its agricultural sector, and tighten its fiscal policy. Transparency International's 2004 Corruption Perceptions Index put Poland in 67th place out of 145 countries and last among EU members. The Organization for Cooperation and Development in Europe found Poland's labor market to be the "worst performing in all its 30 rich-country members," faulting Poland's "high payroll tax, minimum wage, and firing restrictions [as] impediments to hiring new labor." Finally, in the World Economic Forum's 2004 Global Competitiveness Index, Poland appeared in 60th place out of 105 countries, a decline from 45th place in 2003.¹⁶

For both commercial and political reasons, agriculture is an important part of Poland's economy. The farming sector is highly inefficient by U.S. and west European standards: although agriculture is responsible for about one-fifth of all employment, it accounts for only 3% of GDP. Nonetheless, Poland is the largest food producer of the ten countries that recently joined the EU, and agriculture was a major sticking point in Warsaw's accession negotiations. Poland's farmers largely opposed membership, fearing that competition with western European producers, who are more efficient and receive higher subsidies, would drive many Poles out of business. These sentiments were exploited by Andrzej Lepper, populist leader of the Self Defense party. Lepper sought to attract support by various — often illegal — means, including destroying railcar loads of imported grain, blockading highways, and occupying the agricultural ministry building.

Despite their misgivings, nearly all Polish farmers applied for EU subsidies. After Poland became an EU member, agricultural exports and commodity prices rose steeply, and producers — including Mr. Lepper — began to receive checks from Brussels. In addition, the EU has pledged to fund half of the cost of modernizing Polish farms. The rather sudden economic advantages of being in the EU have impressed rural Poland, and have already dampened support for anti-EU political protest parties.¹⁷

¹⁶ Poland Ranks Fourth Among 27 EBRD Countries In Terms Of Transition Performance. *Interfax Poland*. November 11, 2004. Poland Should Improve Business Environment, Encourage Investment — EBRD. *PAP* November 8, 2004. Transparency International: [<http://www.transparency.org/surveys/index.html>] Central European Economies — A Rising Tide. *Economist*. July 17, 2004. World Economic Forum: [<http://www.weforum.org/>]

¹⁷ Poland — Foreign Companies Lured By Potential. *FT*. October 26, 2004. Grumbling (continued...)

Corruption is a common theme that runs through discussions of Poland's political and economic scene. Although most observers deplore what they characterize as widespread graft, some contrarians have argued that, because Poland now has free and active media, this issue may be a kind of reverse iceberg. According to this view, instances of corruption are being revealed in all their detail today, rather than being swept under the carpet, as they were in the past. Not only have these recent cases been reported in newspapers, commission investigations have been aired on national telecasts. The fact that one hears so much about corruption may actually be a good thing, they argue, as it could result in more active pursuit of such crimes by law enforcement authorities and in lower societal tolerance of corruption, especially at higher levels of business and government.¹⁸

Nevertheless, some worry that Poland's most recent high-profile political scandals may be inflating its reputation for graft and contributing to the creation of an anti-business atmosphere. But in spite of its poor recent showing in surveys that attempt to measure corruption and competitiveness, Poland has continued to attract foreign funding. To encourage continued investment, Poland maintains a low corporate tax rate — about one-half that of Germany. Over the past year, there have been reports of several U.S.-based firms entering or expanding their activities in the Polish market, including Boeing, Smithfield Foods, Wrigley, and General Motors.

Foreign and Security Policy

Security Issues

Like most of the former Warsaw Pact countries, Poland was quick to shift its security orientation to the West after the collapse of Communism. It signed up for NATO's Partnership for Peace program in 1994, and began the process of defense modernization. In 1999, along with Hungary and the Czech Republic, Poland became a full-fledged member of NATO.

Modernization. Modernization has been high on the list of defense priorities. In 2003, Poland signed a \$3.5 billion contract with U.S. aircraft manufacturer Lockheed Martin for 48 new F-16 fighters. Poland is using U.S. Foreign Military Financing to purchase communications equipment, navigational aids for airfields, Humvees, and C130 cargo aircraft.¹⁹ Polish officials maintain that the assistance is being spent well and has benefits for the United States, as much of the funds are being re-invested in U.S. industries on items that are interoperable with U.S.

¹⁷ (...continued)

Polish Farmers Benefit As EU Aid Flows. *AFP*. October 29, 2004. Euroskepticism Fades In Polish Countryside. *International Herald Tribune*. November 2, 2004.

¹⁸ Interviews of Poland analysts, winter 2005.

¹⁹ In 2003, Poland chartered Ukrainian military transport aircraft to ferry its troops to Iraq. Citing increased fuel costs, the Ukrainians reportedly raised the cost of leasing the planes at the last minute. The experience is believed to have helped convince the Polish government of the need for acquiring lift capability.

equipment. Poland has set a goal of having 60% of its military be professional by 2006. Observers note that the Iraq deployment is providing the Polish military with invaluable experience, not the least of which includes commanding a multinational division.²⁰

NATO. Since beginning accession negotiations, Poland has sought to meet its NATO obligations. Between 1999 and 2002, the government spent around 2.0% of GDP on defense, equal to or slightly above the non-U.S., alliance-wide average. The Poles have also sought to comply with NATO's Prague Capabilities Commitment, the most recent of the alliance's initiatives to enable members collectively to respond better to out-of-area missions. Warsaw has done so by developing so-called "niche capabilities;" for example, as noted above, Poland already is able to deploy experienced special forces units, and is acquiring tactical airlift. In addition, Poland will be developing units trained in counter-nuclear, biological, and chemical warfare.

Poland has also negotiated over the use of its territory for NATO and U.S. military facilities. In June 2004, the alliance opened a Joint Force Training Center in Bydgoszcz for high-ranking officers. Poland has been modernizing its airfields. Airstrips are being rebuilt according to NATO specifications, but will also be able to meet U.S. standards; for example, they will be able to accommodate C-17 transport aircraft. Poland can offer large field training areas where allies could conduct live-fire exercises with, for example, tanks or attack helicopters, and Poland also has areas that would be suitable for Stryker armored combat vehicle training maneuvers.

Missile Defense. Poland has taken a different path than some European countries on the issue of the U.S. missile defense system; Warsaw may become a participant in the program. Both sides reportedly are interested and have established a Joint Missile Defense Working Group. In July 2004, Washington and Warsaw announced that they had begun "preliminary" discussions on basing interceptor missiles on Polish soil (the Czech Republic is also said to be under consideration).

Foreign Policy Issues

Poland's foreign policy ranges energetically in all directions of the compass, but it is to the east and west that Poland's major initiatives have been directed. To the east, Poland has been a champion of democracy in Ukraine and has had an active diplomacy toward Belarus and Russia. And to the west, Poland strenuously worked to integrate with pan-European institutions — the EU and NATO — the cornerstone of its post-communist period foreign policy.

Ostpolitik. Poland has sought to encourage democratization of Belarus and Ukraine not only on principle, but also for the practical reason that doing so should improve Poland's security by establishing a buffer zone between itself and Russia.

²⁰ Poland Prepares for the Alliance. Jeffrey Simon. *Joint Forces Quarterly*. Summer 2000. U.S. Department of Defense. *Report On Allied Contributions To the Common Defense*. July, 2003. p. II-18. Interview with Polish defense ministry official. December, 2004.

Belarus. Recent relations between Warsaw and Minsk have been tense. Poland criticized the conduct of Belarus' October 2004 parliamentary elections and referendum permitting strongman Alexander Lukashenko to serve a third presidential term. Warsaw also urged Belarus "to drop authoritarian practices that are inconsistent with the main European values of all modern democratic countries." The official Belarusian press bureau accused the Polish media of "tendentiousness" in covering the October votes. Poland's recent approach to Belarus has stressed maintaining some low-level ties as well as links to civil society, while shunning high-level government-to-government contacts. Key issues for Warsaw include border security and the status of the ethnic Polish minority in Belarus. President Kwasniewski characterized Polish policy toward Belarus as one of "determination and delicacy."²¹

Ukraine. Poland has for years encouraged Ukraine to integrate with the West and thereby wean itself from Russian influence. Poland played a key role in helping defuse Ukraine's 2004 political crisis. On October 31, Ukraine held presidential elections, and a runoff vote was held on November 21. Giant protests erupted after it became clear that the votes had been far from free and fair. Poland — including the parliament, the government, and private citizens — became involved at the outset. In October, the Sejm passed a measure urging the Ukrainian government to "respect democratic standards."²² Later, thousands of Poles demonstrated throughout their country in support of Ukraine's "orange revolution." After the first runoff, former Ukrainian President Kuchma contacted Kwasniewski and asked him to help negotiate a peaceful settlement. Kwasniewski served as a mediator, along with Lithuanian President Vldas Adamkus and by Javier Solana, head of the EU foreign policy office. These negotiations led to a new vote, in which democratic reformer Viktor Yushchenko was elected. Some EU governments seeking good relations with Moscow initially opposed the EU aiding Ukraine out of concern of offending Moscow; western European diplomats state that it was Poland that persuaded the EU to assist Ukraine.

Russia. During the current decade, Poland has attempted to normalize its ties with Russia, which were strained after the expulsion in 2000 of nine Russian diplomats on charges of spying, among other issues. During his inaugural address in October 2001, Prime Minister Miller said that Poland would seek to carve out a role as the link between the West and the countries of the former Soviet Union. The following month, President Kwasniewski indicated that Poland could act as a go-between for the West and Russia.²³ Poland has had several concerns with Russia over the past couple of years, however. First of all, it has had to contend with Russian resentment over its efforts to build ties with — and inculcate democracy in — Ukraine and Belarus. In addition, Russian President Putin was reportedly angry

²¹ Poland Calls on Belarus to Stop Authoritarian Practices. *RFE/RL Newslines*. Vol. 8, No. 202, Pt. II. October 25, 2004. Poland Should Speak About Belarus Together with EU, President Says. *BBC Monitoring European*. October 20, 2004.

²² *AFP*. October 24, 2004. For additional information, see CRS Report RL32691, *Ukraine's Political Crisis and U.S. Policy Issues*, by Steven Woehrel.

²³ Poland's President Kwasniewski Serves As a Conduit For East-West Diplomacy. By Elizabeth Williamson. *Wall Street Journal*. November 20, 2001.

over the manner in which the Polish media covered the terrorist incident in Beslan, as well as the ongoing conflict in Chechnya. At the same time, Poland has tried to placate Russia for economic as well as geopolitical reasons: Russia is its chief supplier of oil and natural gas.

During a December interview with a journalist, Kwasniewski faulted Russia's intervention in the Ukrainian elections, concluding that "[e]very major international power would rather see Russia without Ukraine."²⁴ The remark drew a sharp response from Russian President Putin, who attacked Kwasniewski's motives and essentially told him to mind his own business ("I think Poland has enough problems of its own that need solving.") The spat was quickly patched over, but it revealed a sensitivity over the opposing roles played by the former allies in the Ukrainian political drama.

European Union. In May 2004, as noted above, Poland fulfilled a long-term foreign policy goal when it joined nine other countries in becoming a member of the European Union. Poland has reaped tangible economic benefits from membership, and has been an active political player in the EU. Warsaw was not reluctant to assert itself before joining the EU and will likely be even less hesitant to do so now that it is a member. On several issues, Poland staked out positions intended to advance its interests and values:

EU Security Policy. Poland's initial skepticism about the European Security and Defense Policy has changed to "cautious enthusiasm," according to one observer. Poland supports the development of an EU military capability, but not at the cost of weakening NATO. In a February 2005 interview, Defense Minister Szmajdzinski was insistent that any EU defense structure should "complement and not ... compete with NATO." This is in line with U.S. policy. Poland also announced that it would join the newly-created European military police, a 900-strong force intended for international deployment.²⁵

Christian Heritage. Poland, joined by Italy and several other mostly Roman Catholic countries, called for the preamble of the EU "constitution" to refer to the Christian heritage shared by a majority of EU citizens. The measure was voted down by other EU members, but Pope John Paul II lauded Poland for its efforts. Some observers have commented that, like the United States but unlike many of its more secular fellow European countries, Poland exhibits a relatively strong concern for religious values.²⁶

²⁴ *Polish News Bulletin*. December 24, 2004.

²⁵ *From America's Protégé to Constructive European*. Marcin Zaborowski. Institute for Security Studies. December, 2004. Polish Defence Minister Views Role Of EU Defence Structures. *BBC Monitoring European*. February 21, 2005. *Select Briefing: Europe East*. CSIS. October 29, 2004.

²⁶ Pope Praises Poland's Hardline Stand On Europe's Religious Heritage. *AFP*. June 20, 2004. Poland's Pro-Americanism and Insistence on Religious Values Ignore Fundamental EU Principles. *PNB*. July 31, 2003.

Turkey. Despite its call for EU recognition of Europe's Christian heritage, Poland has "vigorously" supported Turkey's ambition to join the EU. Former Polish Foreign Minister Cimoszewicz argued that Turkey should belong because it "is proof that the fundamental values of Western democracy can also be applied in Islamic countries." Analysts also argue that Poland's support is based on its belief that the inclusion of Turkey, traditionally a strong U.S. ally, would strengthen the transatlantic link. Finally, Warsaw reportedly believes that Turkish membership would improve the prospects of Ukraine being invited to join — a major Polish foreign policy goal.²⁷

Taxes. Poland and other countries have objected to France's proposal to reduce EU structural funds to member states that maintain below-average corporate tax rates. Critics charge that the practice, known as "fiscal dumping," is used to attract foreign investment; they argue that countries that maintain low tax rates should not be compensated by EU subsidies. Poland opposes France and Germany's proposal for a minimum, EU-wide corporate income tax, noting that, for example, its value-added tax is relatively high.²⁸

Bilateral Issues. Poland also has crossed swords with individual players within the EU; over the past year, Warsaw has had differences with Germany, France, and Spain on both EU and other matters. Polish-German relations were strained in 2004 by issues that harked back to World War II. The contretemps began when a German group (the Prussian Claims Society) demanded that the Polish government make compensatory payments to the families of ethnic Germans who had been expelled from Polish territory in 1945-46. The claim caused an uproar in Poland, and some members of the Sejm called for Germany to pay reparations for Poland's World War II losses. In November, the two governments agreed to dismiss such claims. Poland also has dueled with France (its biggest foreign investor) over Iraq, tax policy, and EU voting rights, and with Spain over the distribution of EU structural funds.²⁹

Conclusion

Since the collapse of communism, Poland has conducted active and independent domestic and foreign policies. Successive governments have advanced economic reforms that generally have resulted in a successful transformation to a market economy. Corruption remains a serious problem, but the print and broadcast media

²⁷ Eager Ally. *PNB*. December 23, 2004. Poland To Support Turkey's EU Accession Hopes. *AFP*. October 6, 2004. Despite its support, the Polish government in July 2004 turned down a Turkish request for the extradition of a criminal suspect on the grounds that he might face torture.

²⁸ Poland Digs In Against Calls By German Chancellor Schroeder To Unify EU Taxes. *Interfax Poland Weekly Business Report*. June 29, 2003.

²⁹ Germany and Poland Rule Out War Payments. By Judy Dempsey. *International Herald Tribune*. November 5, 2004. Poland-Spain Friction Hits Fight For Bigger EU Budget. *FT*. January 25, 2005.

have increasingly put a spotlight on corruption cases, a practice that some analysts believe should result in reduced public tolerance and an increase in legal prosecutions. Despite reports of graft, foreign investors have continued to enter Polish markets, helping fuel steady economic growth. Poland has had a dynamic political life as well, with each of the post-1989 elections resulting in a change in government from left to right or vice versa. Polls suggest that this pattern may continue with the next parliamentary elections, scheduled for late September 2005.

Poland's external relations, deeply influenced by its history, have also been dynamic. Warsaw has integrated into the NATO and EU, and has proactively promoted its perceived national interests in those institutions, as well as bilaterally with neighboring states. In addition to joining the alliance, Poland has looked to its security by modernizing its military; it has been acquiring new weapons systems and reorganizing and downsizing its armed forces. To the east, Poland has sought to promote democracy in Ukraine and to normalize relations with Belarus and Russia. To the west, Poland has shown a willingness to confront its new EU partners on issues of national importance. Poland's relations with the United States have been positive, particularly since 9/11. Warsaw has supported U.S. policies in the global war on terrorism, in Afghanistan and in Iraq — where it assumed a leading role. But over the past year, Poles have increasingly expressed disillusionment with the Iraq mission and disappointment that the United States has not rewarded their country's loyalty and sacrifices. The government has announced a phased troop withdrawal.

Some analysts argue that, if it continues on its current path, Poland may well emerge as a leading nation in Europe. Although most analysts do not anticipate major changes in Polish foreign policy in the near future, some believe that it is inevitable that Poland will draw closer to the EU over the long term.