POLAND’S AGENDA IN EUROPE

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It is an enormous privilege for me to speak before this audience. Well, it took it a Prime Ministerial
nomination to make the podium of the Trilateral plenary! So, that was one of the motivations I took into
account when accepting. Another one is that whenever you see me somewhere in politics it means
something is going wrong in Poland. But this is not true: I would like to say "on the contrary."

We have convened here in Warsaw at a glorious moment in Polish history. We have just entered the EU
and in a sense we have completed one of the most difficult but also one of the most successful periods of
our history. The last fifteen years from 1989 to 2004 is what we all call “transition.” Transition is over.
This does not mean that the changes are over. Changes will have to continue, maybe even more quickly.
But nobody should call Poland a "transition country" anymore.

In these fifteen years, we have done so many things. So much change has been squeezed into this very
short period of history that people are tired now in Poland. This certain fatigue does not allow everyone in
Poland—and I guess also in some of the other new member countries—to really enjoy and to relish the
moments we are experiencing. But maybe very soon, sooner than we think, we will realize how big of a
change, how big of a positive change, it was for us what has just happened.

The EU’s Good Example and the New Hunger for Success

If I reflect on what has happened in these past fifteen years, on the relationship, the give and take,
between Poland and the other new members as well as the old European Union (not “old Europe”) and
were to summarize this in just one or two sentences, I would say we have followed examples, mostly
good examples. Without this focus on European integration, our reform process would be slower, less
consistent and Polish politics would not be characterized by continuation, even if no ruling coalition, no
ruling party has succeeded in being reelected. I used to add at this moment that this is characteristic for
transition countries. With just one exception in the Czech Republic, every four years we have had a
change of government. Yet this is not a sign of instability: it is a sign of inevitable reforms being
continued. If you have to do so much, it becomes painful, so you exhaust your political credit and you
have to move to the opposition. But if you have many changes, you also develop an elite and everybody is
somehow responsible for continuing the whole process. However, without a firm orientation on the
European Union, we would not be as successful as we have been.

So we took examples, but what have we provided? I think we have provided a hunger for success. People,
especially younger people in Poland, are willing to work harder, to work more, longer hours than their
colleagues in Western Europe because they know that within one generation, maybe even shorter, they
can make up for the lost generations of their forefathers. Sometimes slightly ironically, we call them the
heroes of capitalist labor. But this is the driving force of our country and may become the driving force of
the EU.

So this is in short the exchange that we have got in the last fifteen years: examples, mostly good
examples, and more dynamism, more willingness to work hard for less.
New Europe’s European Agenda

Well, then what is our agenda in Europe? I will concentrate on two topics. I shall start with the economic agenda, as an economist, and then provide some remarks on the political significance and the political agenda of our country in Europe.

Obviously, the economic agenda of Poland, of Hungary, of the Czech Republic, of Slovakia, of everyone entering the EU, must be to catch up, to grow, to use the opportunities, new vistas, new markets and new credibility to grow, to grow faster and in a more stable way.

In the financial dimension, membership of the EU is for us a challenge to provide means and space, economic space, for modernization. All or most of the structural funds, most of the money flowing from the EU, is meant for modernization. Obviously, this is a headache for every finance minister because he has to create space in the budget; he has to provide space in the domestic economy for enlarged modernization spending. But for the economy this is a bonanza. I always say don’t limit your thinking about this economic enlargement of the EU, or rather economic membership of the EU, to problems with budget deficits or with necessary change in the structure of public expenditure. No, for the economy, local governments and entrepreneurs, this means that in coming years, and even decades, we are going to have an inflow of money from Brussels, from Warsaw and from private sources in Poland that will have to be directed toward modernization rather than consumption. This is the biggest opportunity. In addition, there will be increased foreign investment, though this is really minor.

Overcoming Foreign Exchange Volatility with the Euro

An additional matter that is discussed in this respect is the prospective for all the new members to join the Euro area. And obviously opinions vary here. The prevailing opinion in accession countries is that we should aim for as early as possible membership in the Monetary Union. Our Western partners warn us: maybe we should not hasten, it may not be advisable to give up one of the most potent economic tools if something happens. First, we will enter the euro area when we put our public finances in order, so it will take some time. The real problem is what is our motivation behind this drive toward the euro. The motivation is our experience from the last ten or fifteen years when every transition country was faced with exchange rate volatility and the appreciation of domestic currencies, which is natural. As a matter of fact, the appreciation of the domestic currency is one way in which the catching-up process is reflected. It is inevitable and will continue. But what hurts is volatility. We think that when we join the euro we will suffer from higher inflation, but we will have the problem of volatility off the record.

The EU’s Deeper Political Significance

Now, let me offer some loose remarks on the political dimension. I am not an expert here so please treat them as a personal expression. We are entering Europe after 45 years of at best limited sovereignty and 15 years of hard work, and even the elites have problems defining what we want. I think it is understandable that the elites of accession countries will have to learn a lot, to digest what has really happened. But do not mix this up with any understatement, let’s say, of the significance of the European spirit that prevails in this country. We are Europeans. We are true Europeans. And we have always looked at Europe not only as an economic project, but also, even more so, as a political project. Western Europe was a shining city on the hill, not so much America, though America too. This was the example, the dream, and we are entering Europe with this dream in our minds and in our hearts. We will believe that Europe will clarify and solidify its identity, and we want to be a part of this. We do not treat Europe as an economic project, not at all: it’s much more than that; it’s much deeper than that.
We do not think, however, that Europe, the European identity, should be defined in terms of opposition to the United States, something that has been so fashionable in the past few years. This is something that for a country like Poland is natural, though we can understand different ways of thinking that are present in Western Europe. But, this is something we are bringing to Europe.

I believe that Europe should increase its share of responsibility for the world, especially in these turbulent times, times of terrorism, the privatization of war, so to speak, and in times where modernism is being questioned, challenged, attacked, bombed, killed by dark forces, yes, by dark forces. In such a world, I think Europe should increase its responsibility. One of the issues discussed is obviously on one hand the necessity to forge a common European foreign policy, but also to start building some elements of a common defense policy. I think this is a very good idea, a very interesting idea. It is one of the necessary tools for Europe to increase our continent’s share of responsibility. Poland should take part in this project. And just referring very briefly to my recent experience in Iraq, Polish experience and participation in this operation increases and makes us at least a little better equipped to participate fully in such a venture. I do not understand some voices in America that this could be a challenge to America, or even to NATO. Any fear on the other side of the continent regarding this tendency toward the building of a common defense policy in Europe should be treated as a blessing rather, or as a promise, that the responsibility for the World should be shared and not put entirely on the shoulders of one country.

The last thing is that I believe Europe will continue to be a shining example of democracy, stability and well-being for our Eastern neighbours, and this is something that we are very, very keen on. Eastern neighbors means much more than Russia, of course: Ukraine, Moldova, but also Belarus. We should keep telling the Belarussian people we do not forget you. Your future is in your hands, but we should not increase artificially the isolation of the people of Belarus; this is in our vital interest.

Over the last few years, we are engaged in the most interesting venture in Polish history and are eager to learn a lot. We are able to be frank, to be assertive, but we will also try to admit when we don’t know something, and we will learn and, if necessary, correct our mistakes.

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