## The Eurozone crisis has laid the foundations for Poland to take a more central role in EU affairs

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Poland became an EU member during the 2004 enlargement, but has yet to join the euro. Agata Gostyńska assesses the first ten years of Polish EU membership and the potential for the country to take a more central role in EU decision-making. She writes that Poland has made a successful transition from a 'junior member state' to a stronger actor on the EU stage, and that the Eurozone crisis in particular has allowed the country to take a more active role in EU developments. Nevertheless, Poland will have to confront future challenges, most notably resolving its position on the euro and dealing with the potential rebalancing of power brought about through the upcoming change to Council of the EU voting rules in November.



The sovereign debt crisis has strengthened Poland's hand in the EU. By shifting attention from east-west divisions to north-south cleavages, the crisis created surprisingly favourable ground for Poland to mark its presence. A rise in Polish GDP, growing by 18 per cent in 2012 against 2007 figures, coupled with an acute awareness of the country's trade links to the common currency bloc, have given Warsaw extra ammunition as it struggles to ensure that the EU, and in particular the Eurozone, retain their inclusive character.

This would, of course, have been impossible without Poland's quick maturation as a member state. Over the past ten years, Poland grew from the status of junior member state, often perceived as a recalcitrant trouble-maker and claimant on others' solidarity, to the position of viable partner. The consolidation of its membership has also been reflected in the forming of stable coalitions in the EU Council, notably with respect to the multiannual financial framework, but also in its strong opinions about Europe's future development – often a domain of the Franco-German tandem.

Here too it has gained weight. Since 2012, relations between Paris and Berlin have provided something of a microcosm for the Eurozone's broader north-south tensions, and the two capitals have individually sought new allies. Poland has benefited directly. One sign of this was its participation in the Westerwelle Group on the Future of Europe, otherwise made up mostly by 'old' member states. Another has been Paris's grudging embrace of the Euro-Plus formula of economic governance and the cooling of its Neo-Gaullist thinking.

As a result, Poland has navigated the top-down approach to EU decision-making and the weakening of the community institutions on which it has long relied. Germany's preference for European Council gatherings damaged the Commission and its hold on the legislative agenda and has also sidelined the European Parliament. By sporadic resort to international agreements – the most recent example being the Single Resolution Fund – Eurozone members have tested the integrity of EU law. Yet, Poland has kept its foot in the door.



Polish Prime Minister Donald Tusk, Credit: Πρωθυπουργός της Ελλάδας (CC-BY-SA-3.0)

This seems, in short, like a coming of age for Warsaw. Poland has long felt uneasy with some of the Commission's initiatives – its temptation to tie shale gas exploitation to stringent environmental rules or its proposal on banning flavoured cigarettes as part of a wider revision of the tobacco products directive. Similarly, the Parliament, with which Poland developed a strategic partnership on the EU budget framework (MEPs were invited to the informal General Affairs Council under Polish chairmanship), has not proved particularly amenable to non-euro states.

Talks on the Single Supervisory Mechanism (SSM) in 2013 are still seen as a watershed moment. After the Parliament managed to tie deliberations on the SSM to the outcome of parallel negotiations on co-decision dossiers, its capacity to promote the interests of non-euro members was clear. And the expectation in Warsaw was that it would do so. After all, Parliament has demanded a proper say in Eurozone affairs on the basis that it represents all EU citizens. Yet, vocal MEPs tarred the Council compromise as too favourable to non-euro area members like Poland, citing moral hazard.

All this creates a temptation for Warsaw to abandon its traditional links with the EU institutions, embrace an intergovernmental Europe and branch out more on its own. And yet, this path would be a mistake. Poland remains in an intermediate position – not yet a 'euro-in' but not a firm 'euro-out', not yet an old member but not a new one. It needs its usual two-track policy based on intergovernmental partnerships and inclusive institutions. Only by renewing this strategy can it limit the risk of exclusion should the euro members act *en bloc* – a prospect that may become more real very soon.

In November 2014 a new voting system favourable to larger member states becomes effective in the EU Council, potentially accelerating euro area consolidation. Even though the EU's ongoing north-south divisions make the emergence of a firm Eurozone core unlikely in the near term, Poland will need a strong European Commission to diffuse the possible caucus of large member states – even more so should initial signs of Franco-German rapprochement be confirmed.

Of course, with the waning permissive consensus in the EU, it is difficult to advocate for strong community institutions. To borrow a phrase from Poland's Europe Minister 'visions of a huge European leap... only fuel anti-European populism'. This explains lukewarm reactions to the idea of *Spitzenkandidaten* in most EU capitals, including Warsaw. The nomination of lead candidates by EU party families clearly infers a centralisation of powers.

Yet, it also provides an example of the renewal required from Poland's two-track policy. Given that backtracking on this innovation would strain relations with the Parliament, Poland should be ready to offer a different reading of the idea – one in which political power is dissipated. After all, faced with the necessity to select a joint candidate for the Commission President, national members of EU-wide party families might be more inclined to cooperate in giving the necessary underpinning to inter-parliamentary cooperation.

Poland should be prepared to assert its institutional partnerships, which are ripe for diversification. Already, the European Central Bank (ECB) has emerged as a serious partner to non-euro members, in a way unmatched by the Commission or Parliament. Recent ECB policy towards Eurozone enlargement, for instance, has been based on an idea of two-way conditionality: the usual convergence process in candidate countries like Poland, but also an emphasis on the stability of the euro area reforms.

Prior to the ECB's shift, Poland found itself having to assure other member states of its intention to adopt the euro quickly if it wished to retain its influence. Now, with domestic constitutional constraints ever clearer, Poland will need this extra shield for its policy. The ECB's thinking paves the way for Poland to prepare its economy for euro area accession without risking accusations of backtracking, something which on the eve of a new decade of membership would not bode well.

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