

# Is Poland's government reshuffle an olive branch to Brussels?

Blog post by Practice Lead Alexander Smotrov, 12 January 2018

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Just under a month following his first attendance before the European Council, Poland's new Prime Minister, Mateusz Morawiecki, has piqued Brussels' interest in his young premiership with a major cabinet reshuffle. The move targets the most hard-line, nationalist ministers with portfolios core to the EU's agenda: defence, foreign affairs, digital and the environment. The timing of this announcement - just before Morawiecki's meeting with Commission President Jean-Claude Juncker and vice-president Frans Timmermans - has been labelled by some as a canny attempt to appease Brussels. Should the reshuffle be interpreted in such a binary way?

EU officials do hope that the highly educated, well-travelled and multilingual Morawiecki will improve the EU-Polish relationship in the wake of his more traditional predecessor, Beata Szydło, who struggled to find her place amongst the Brussels elite. His hesitation in building a new cabinet initially produced fears about political indecisiveness or, worse, a lack of independence from the powerful Law and Justice (PiS) leader, Jarosław Kaczyński. The announcement earlier this week was thus welcomed in Brussels as a demonstration of Morawiecki's commitment to getting beyond Poland's divisive recent past with the EU. This is an even more important symbol following the Commission's triggering of Article 7 against Poland for controversial judiciary reforms.

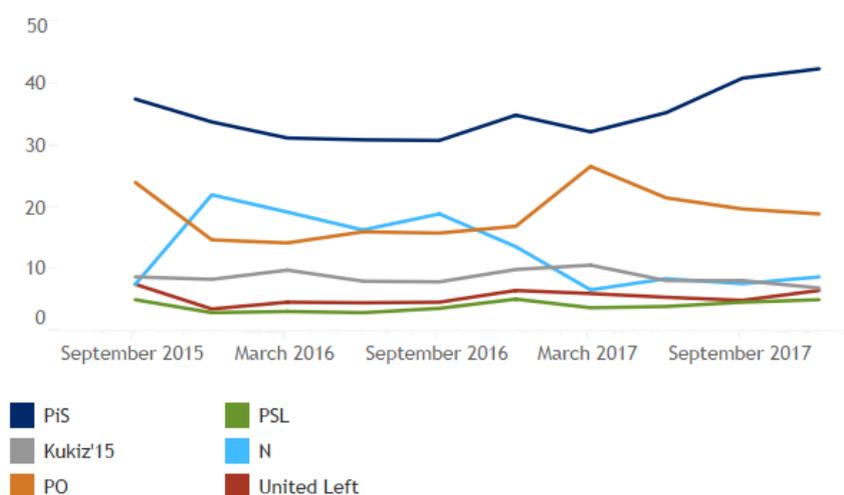
However, while the Brussels bubble may see the reshuffle through the lens of their own interests and aspirations, its real reasons and implications are somewhat wider and lie closer to the Belweder than the Berlaymont. The shake-up of the cabinet became a necessity for the new Polish premier to establish himself as a national leader focused on balancing domestic political priorities, while PiS continues to enjoy high approval ratings that have surpassed the party's 2015 election result.

His pledge to avoid a "dogmatic, doctrinaire or extremist government" signifies ambition for pursuing his own priorities for a "new", more dynamic and less EU-hostile Poland, both in terms of policies and personalities. Some of his ministerial replacements confirm this assumption. Fears of a "Polexit" generated by the nationalist, anti-European foreign minister, Witold Waszczykowski, will likely diminish with his more centrist, technocratic successor, Jacek Czaputowicz. Hawkish defence minister Antoni Macierewicz, who accused Donald Tusk of covering up the plane death of former Polish President, Lech Kaczyński, is replaced by the less contentious Kaczyński loyalist Mariusz Blaszczak. Environmentalists will be pleased with the removal of environment minister, Jan Szyszko, whose policies on coal and logging in Poland's protected Białowieża forest (the latter resulting in an EU infringement procedure) contrasted sharply with the EU's climate change and renewable energy agenda.

Equally notable are the ministers that haven't changed, making the announcement less significant for the financial services sector. Morawiecki's decision to retain the core economic team, for instance, indicates there will be few changes to Warsaw's eurozone plans. The Polish market has so far shared in the gains in global asset prices, suggesting investors accept the uncertainty around its Eurosceptic trend. And yet, Poland's continuing reluctance to join the eurozone just as the EU works towards deeper member state convergence in this area, in conjunction with the PiS's new taxes on the banking sector, could see the market becoming less attractive for investors. Given Morawiecki's own past career as a banker and finance minister, driven by the strong sense of economic nationalism, he is expected to continue to closely oversee economic and financial policies, as well as to push for realisation of his ambitious Plan for Responsible Development for Poland which would require significant political and financial investments from the government.

Morawiecki's government reshuffle could be used as an argument in favour of building a more constructive relationship with Europe, but it should be seen only as a first tactical step. The differences between Warsaw and Brussels are still so profound that what may ultimately be needed is a more comprehensive shifting of governmental priorities that goes beyond cabinet reshuffling. But the PiS agenda at the source of the EU's frustration is unlikely to change, at least in the short-term and Morawiecki could be hindered by other powerful decision-makers on Poland's political arena. In addition to Kaczynski, President Andrej Duda may execute his own constitutional powers for political gain, beginning with a foreign policy speech later this week. Such developments will be a greater indicator of whether substance lies behind the symbolism.

Polish political party support



Source: Kantar, TNS, Millward Brown, IBRIIS, CBOS, Pollster, Dobra Opinia