

◀ POLISH RULING COALITION FRACTURES – SNAP ELECTIONS ON THE HORIZON?

Will the Polish right-wing government survive the dismissal of junior coalition party Accord and Donald Tusk’s return to domestic politics?

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Division inside the current ruling Polish coalition government (the Zjednoczona Prawica or United Right bloc) is not exactly a new phenomenon: there has been a long-running turmoil at the heart of Polish politics since Spring 2020, when severe disagreements around the timing and legality of last year’s Presidential elections first erupted¹, adding a constant backdrop of political conflict to the pandemic response.

However, the latest impasse around elements of the government’s long-signposted and recently launched [Polish New Deal](#)² has felt different. This week, the ongoing conflict culminated in an ultimatum from minor coalition partner the Accord party to leave the coalition unless certain PND policies and the controversial new media law³ were reversed. This led to the dismissal of Accord leader (& Deputy PM & Minister of Development) Jarosław Gowin from the government by PM Mateusz Morawiecki, prompting the party to leave the coalition government and threaten the ruling bloc’s majority rule.

The high-profile conflict and fracturing of the coalition has revitalized the fragmented and long under-performing opposition, buoyed by the return to domestic politics of the ZP’s traditional bête-noire Donald Tusk (current President of the European People’s Party, former President of the European Council and Polish PM from 2007-14). Against a backdrop of government turmoil, Tusk’s return now has the potential to become a major milestone in modern domestic Polish politics, with a government struggling to remain in power and a long-subdued opposition sensing a potential shift in momentum and route back to government via possible snap elections.

Below, we take a more detailed look at the ongoing tensions within Polish politics, analyze the likely impact of Tusk’s return and outline potential short-term scenarios on how events could unfold.

¹ Please see [here](#) for our 2020 memo on turmoil leading up to the Presidential elections

² The Polish New Deal (PND) has been billed by the government as a comprehensive set of economic and social policies for the post-pandemic decade. It contains a set of new and politically controversial programs, such as sweeping changes to the tax system, that have divided opinion among the political classes and threatened the continuation of the coalition in recent months.

³ The media law aims to prohibit non-EU majority ownership of major media outlets, which critics say further strengthens the government’s stranglehold on the media: see page 3 for details.

POLITICAL BACKGROUND

Internal Crisis

The conflict inside the ruling United Right coalition has been gradually building since Spring 2020 and the intense dispute about the legality of the postponed Presidential election. Agreement was finally reached in May 2021 when the three coalition parties (the strongest PiS/Law&Justice/L&J party, Porozumienie/Accord party and Solidarna Polska/Solidarity Poland) declared that they remained united and presented the “Polish New Deal to 2030” as a major policy move aimed at dispelling the negative rhetoric about the government’s survival chances.

The PND was announced in ceremonious style to convey the image of a united ruling bloc and to reassure a traumatized society both of Poland’s future socio-economic direction and the Government’s continued suitability to follow this path. Immediately after its unveiling, however, further rumblings of fundamental disagreement among coalition partners emerged, particularly around the planned taxation policy changes and a controversial media ownership law.

Proposed tax system reform & media law changes lead to Accord’s departure from coalition

The most significant among planned changes to the tax system is the planned increase in the tax-free income threshold from an annual, average PLN 3,000 (EUR 680) to PLN 30,000 (EUR 6,800), a higher rate than in France or Denmark.

Critics have argued the change will endanger middle class incomes, as losses to the state budget would need to be compensated with increased contributions to the health system (via social security) from the wealthier and further impositions on the small business sector, with the likely outcome being lower revenues for local governments and an increased dependence on central government.

The proposed tax reforms had been last week the subject of heavy negotiations inside the ruling coalition: Accord leader Jarosław Gowin, as Minister of Development, was desperate to avoid being the face of a policy he feared would be blamed for plunging many SMEs and the Polish middle class into financial difficulty. Despite numerous attempts, the parties could not reach consensus on the reforms, which are due to be submitted for parliamentary proceedings in September.

Further conflict arose between coalition partners after PiS MPs submitted a long-signposted draft act amending the media law, informally known as “lex TVN” for allegedly targeting the private television network TVN (majority-owned by the US group Discovery and a long-time source of strong criticism of the government). The act, which passed through parliament on 11th August but is expected to be returned by the Senate (upper house), stipulates TV concessions in Poland may no longer be issued to companies with over 49% ownership from outside the EU; if adopted, it would therefore force an ownership change or restructuring at TVN. PiS contends the act is designed to protect Poland from unwanted media influence from outside the EU, while opponents accuse the government of trying to stifle independent media even further: a series of public protests have taken place across the country and the law has sparked significant criticism from both the EU and the US. The Discovery Group has since announced that it intends to take legal action against Poland over the proposed legislation.

During one of the most recent coalition meetings (Aug 8), the Accord party presented its ultimatum to its governing partners, demanding (as its price for remaining in the coalition) amendments to the proposed tax reforms and to the “lex TVN” act, as well as changes in the financing of local governments. Responding to the ultimatum, PM Morawiecki instead dismissed Deputy PM Gowin from the government, prompting the party to leave the coalition.

“Lex TVN” voting as the first test for the ruling block

Despite being ostensibly weakened, the government secured sufficient support to pass the “lex TVN“ act through the lower chamber, by 228 votes to 216 (with 10 MPs abstaining and 6 absent) in the 460-seat parliament. The PiS gamble that not all his MPs would follow Gowin proved correct: among those supporting the act there were 5 Accord’s MPs⁴ (from a total of 11).

Despite the victory, the coalition majority is under threat, with PiS now actively looking to court further support among the smaller parties ahead of more important votes on PND policy measures in September. While PiS’ ability (and strong track record) in securing tactical alliances on individual votes cannot be overlooked, the opposition has become further emboldened and is stepping up its efforts to form a united bloc against the coalition and push for early elections.

The Accord party this week announced it has created its own parliamentary group (Koło Parlamentarne), composed of both MPs and Senators. The new group will include leader Gowin as well as at least six further MPs and Senator Józef Zając, with two MPs leaving the party and others yet to commit their political future. The group is aiming to become a new centre-right force in parliament, positioned between the PiS and Citizens’ Platform (CP) parties.

Tusk’s return perceived as a powerful “game-changer”

Much of the opposition’s hope centre around the returning figure of former long-term PM Donald Tusk⁵ proving to be a game-changing moment. Known for his political charisma, Tusk represents for many the best chance to unite a fragmented opposition into a bloc capable of defeating PiS at the polls.

Tusk will look to act as an ‘integrator’ of the Polish opposition under the umbrella of Citizens’ Platform, the strongest opposition party in parliament. Potential oppositional partners, although until now quite reluctant to form a “wide oppositional block” under Tusk’s leadership, could be the PSL (Polish People’s Party, presently with approx. 5% support) and Polska 2050 (Poland 2050). The latter is a new centric political party, created by a Christian journalist Szymon Hołownia, which overtook CP’s support in [May’s opinion polls](#) (20% versus just 14% for CP, albeit before the Tusk announcement). The impact of Tusk’s return is already visible, however, with CP increasing its support to approximately 20% in July’s polls.

POSSIBLE DEVELOPMENTS ON THE POLISH POLITICAL SCENE

As things stand, we see two potential scenarios:

1. The current ruling coalition – The United Right – remains in power and the next parliamentary elections are organized as planned in Autumn 2023.

In spite of the ongoing political turbulence, this scenario remains very probable, due to numerous factors, but most crucially because:

- i) the ability of the Polish right wing to build tactical alliances (such as the one with the Left in May, on the ratification of the EU’s Own Resources Agreement and the proposal of National Recovery Plan);

⁴ The day after the vote, these five MPs then left the Accord party.

⁵ The leading opposition Citizens’ Platform party’s leaders agreed to appoint Tusk as acting President of the party (he was already in the role of the leader in years 2003-14), after the resignation of the current President Borys Budka during the party’s National Board meeting of on July 3rd, and pending an official vote to ratify the appointment, largely seen as a formality.

ii) the ideological weakness and recent record of the current opposition remain considerable challenges in terms of their ability to challenge the coalition. Memories of the Citizens' Platform's underperformance in government between 2007 & 2014 are still vivid, with the party continuously criticized for lacking a clear vision and its neo-liberal identification waning in appeal after 2009 economic crisis.

2. The ruling block proves unable to secure a working majority in parliament in September's votes, while Tusk succeeds in uniting the opposition further, around the common cause to topple the government.

While his supporters say Tusk represents the best chance of uniting the opposition, others are less convinced and cite the recent rise of Hołownia's Poland 2050 as the major obstacle. Bringing these two factions (and political egos) together certainly represents Tusk's biggest challenge and will likely determine his ultimate chances of success: so far Hołownia has stuck to his vision of rivalling CP to become the main opposition platform. What is clear is that a mad scramble has begun behind the scenes on both sides of the political spectrum, to court further support from smaller parties and independent MPs heading into the crucial autumn votes. If Tusk can secure sufficient support to erode the government's majority, then a push for snap elections suddenly becomes possible.

The fact that Tusk's return could coincide with the potential freezing of Poland's European Recovery Fund could also be a critical factor⁶. Such a development would potentially give further impulse for opposition parties to unite (large swathes of a pandemic-scarred Polish society would likely turn against the ruling coalition if the EU funds are delayed). Should the EU funds be released, then any early elections become much harder to predict, as the margin between the support for the United Right (even without the Accord party) and the probable oppositional block (even with Poland 2050) is currently very low, especially when one factors in a similar attempt on the Right to further unify, with the new Republican Party, formed in June, ready and able to "activate itself" in case support for PiS is under threat.

CONCLUDING THOUGHTS

Perhaps the only certainty within Polish politics right now is that the current situation is far from stable: the ongoing turmoil since last spring has erupted, with a fracturing of the coalition and the ruling camp's future stability under serious scrutiny. Even PiS is right now preparing for two scenarios: somehow clinging to power until 2023 or alternatively having to announce snap elections, perhaps for as early as Spring 2022.

As highlighted above, how things play out will depend on several factors, but most crucially the government's ability to maintain operational, administrative power via tactical alliances and the impact of Donald Tusk on his party and the fragmented opposition. International relations (the conflict with the EU, the recovery fund pay-out scheme and Polish-US relations all being at the forefront) remain critical in terms of their impact on public support for the coalition.

Should the coalition fall and snap elections be called, it is difficult to call their result with any confidence. The opposition, even if united, would still face a strong right-wing bloc (the so-called "patriotic bloc"), which reaches far beyond PiS' support to include the likes of Konfederacja (Confederation), already in parliament with [7% support in June](#), the recently created Republican Party and the former Kukiz'15 (social movement)

⁶ In July the European Court of Justice ruled that the Disciplinary Chamber in the Polish Supreme Court is breaching EU law and Poland should suspend the Chamber until August 16th if it wants to avoid financial penalties. This development is accompanied by threats from the European Commission, expressed by EC's Vice President Věra Jourová, on the option of linking the European Recovery Fund's pay-out to Poland with the new rule-of-law compliance.

supporters. On the opposition side, we could see a unified pro-EU stance led by a CP party reinvigorated by Tusk's return: any electoral success would then see a major pivot and improvement in relations between Brussels and Warsaw.

Events this autumn will be crucial and likely signpost which scenario Poland will then follow: the "lex TVN" will proceed to the Senate in September, although its ratification is far from guaranteed. Meanwhile, the tax reform proposals remain under negotiation between the ruling bloc and potential non-coalition supporters representing various formations (the Left, Confederation, Kukiz'15), as the bloc looks to secure wider support for its flagship policies. The first September parliamentary votes on these critical policies will likely reveal how successful PiS has been in cementing further support and so remaining in power. As a result, these votes promise to define the immediate future of the Polish political landscape.

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*If you would like to discuss the subject of this paper, please contact:
Agnieszka Trybus, Kesarev Warsaw at a.trybus@kesarev.com*

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