

# Poland and its unused potential

Poland in itself is a jewel of intellectual and economic potential. It is confirmed by the progress which has taken place over 20 years of economic transformation coupled with the implementation and enhancement of the market economy. The situation is clearly reflected in numerous statistics.

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THE RECENT GLOBAL RECESSION, avoided by only one EU member state – Poland, has contributed to revealing the country’s economic virtues. Unfortunately, such a situation is perceived as an oddity rather than a manifestation of the growing economic power of Poland. This perception has been echoed in different articles published by international research centers. There are, however, more and more opinions taking into account a deeper foundation of the Polish success. A good example is the assessment resulting from one of the most recent comparative research studies conducted by the IHS GLOBAL INSIGHT WORLD-WIDE OFFICE. One reads in the study’s conclusion that “Poland’s economy grew even amid the global recession. The largest economy from among the new European Union (EU) member states played a key stabilizing role during the global recession and avoided falling into recession itself. The modest increase of unemployment during 2009 – while nominal wages were still rising – goes a long way toward explaining the relative strength of Poland’s economy. Nonetheless, what pulled the trick was the combination of robust internal demand and the zloty’s depreciation between July 2008 and January 2009, which improved Poland’s trade balance a great deal.”

Poland’s strengths and relative socio-economic advantages include:

- :: A large market potential and continuously growing internal demand generated by over 38 million people.
- :: Improved education, meaning that there are more and more university graduates, which – in turn – is conducive to social productivity and mobility. (Over the last 15 years, the scholarly indicators in higher education institutions increased almost fourfold).
- :: Historically conditioned capability of flexible reaction (the well-known Polish ability to improvise) to threats and changes, including the capacity to make use of the opportunities brought about by the civilization breakthrough and the related new economy model (including virtual economy).
- :: Intensified infrastructural investments (also thanks to the EU funds) generating investment multipliers which get replaced with the additional impulses of the GDP growth determining Poland’s wealth.
- :: Multiplier effects that will possibly be caused by the residential construction sector development (quite necessary due to its underdevelopment and growing residential

aspirations of Poles, i.e. a high potential demand for apartments). It may turn out to be a strong driver for the economy.

- :: Central geographical location of Poland – very favorable economically and conducive to the development of various foreign investment forms, international consortia, IT centers, etc.
- :: Climatic and raw material qualities of the country in which the new natural energy resources are more and more likely to be found and utilized.
- :: Cultural factors rooted in the traditionally high position of Poland in the world, closely related to the openness to new trends in all walks of life, which always fosters economic development.
- :: The potential inherent in the unused tourist qualities of Poland and its tourism sector (perceived in terms of an important industry).
- :: The potential stemming from Poland’s „backwardness” coupled with the ability to make the so-called “frog leap” in many spheres of life, passing directly to the higher development stage and omitting the interim phases experienced by more developed countries before. It is possible by learning from the mistakes made by other countries, which shortens the period of reaching higher levels and reduces risks.

Of course, Poland is not free from serious threats to harmonious and lasting socio-economic development. These are as follows:

- :: Demographic threats: society is getting older and depopulation processes have begun (according to forecasts, Poland’s population may drop to 31 million by 2050, as compared to 38 million today).
- :: Rising public debt and difficulties in achieving public finance equilibrium (which is, by the way, strictly connected with demographic threats and the growing pension, retirement and healthcare costs that follow).
- :: Dysfunctions in the development and deployment of scientific research, along with the fact that research results are hardly ever put into practice. Numerous precious discoveries “leak out” of Poland, the example of which may be the discovery of the blue laser (it could have been a great Polish treasure).
- :: Dysfunctions in the law administration system, including the judiciary underdevelopment and lengthy court proceedings.
- :: Dysfunctions in the political system with its economically burdensome syndrome of the electoral cycle and the related priority of electoral goals taking precedence over macro-economic and social effectiveness. It reflects the “*effectiveness has no voters*” phenomenon known in many democracies.

I could keep enumerating positive and negative factors that determine the socio-economic condition of Poland and its prospects in this regard. What matters for Poland the most is the need to draw proper conclusions from its history and mistakes committed in the past – not only on its own. ::

**Poland’s potential is still not used properly, which is indicative of the reserve scale**