

FIVE TAKEAWAYS FROM DONALD TUSK'S FIRST 100 DAYS IN GOVERNMENT

Politics overshadows policy as Tusk marks 100 days in office and Poland heads for local elections

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EXECUTIVE SUMMARY

More than three months after returning to power, Polish Prime Minister Donald Tusk is taking domestic and international credit for restoring the country's troubled relationship with the European Union, rebuilding trust between Warsaw and its European partners and a generally optimistic investment climate. Arguably, securing the first tranche of Poland's post-pandemic EU recovery funds in February has been one of the most significant accomplishments of the Tusk Cabinet, which comes after years of failure to do so under the previously ruling Law and Justice party (PiS). The recovery funds will greatly benefit the country's energy, digital, transport and healthcare sectors and has seen Poland's national currency recover to its strongest position in 15 years.

At the same time, Tusk is also facing increasing domestic criticism for failing to deliver on his pre-election manifesto. His Civic Coalition (KO) outlined 100 promises for their first 100 days in office, but critics say only limited progress has been made, while some issues, including a compromise on the near-total abortion ban, remain nearly impossible to implement due to ideological differences with the KO's coalition partners, the centrist-agrarian Third way and the left-wing Lewica.

Shortly after taking office, the third Tusk Government was quick to focus on launching investigations into alleged wrongdoings under the previously governing PiS and "restoring the independence" of the country's PiS-controlled public media outlets. While the ruling bloc remains committed to investigating the PiS era, the government has been accused of prioritizing political revenge over policy issues in the short term, in an effort to secure a good result in the upcoming local elections. Further clashes appear inevitable as the ruling bloc aims to unseat several PiS-era officials, including the governor of the central bank.

While cracks have started to emerge between Poland's ruling parties, particularly along handling ideological issues, Aretera's baseline scenario assumes that the multi-party coalition, united by an opposition to PiS, will remain stable, at least in the short term. Scheduled for 7th April, the upcoming local elections will present the first electoral test for the new government, with Tusk's KO heading into the election with high expectations as its main rival PiS struggles to recover from its historic electoral defeat at the polls last October.



Below, Aretera provides a brief overview of the first 100 days of the third Tusk Cabinet.

INTRODUCTION

22nd March marks 100 days since Poland's new government¹ – led by returning Prime Minister Donald Tusk – was sworn into office, ending eight years of rule under the country's previous governing party, the national-conservative Law and Justice (PiS). Supported by Tusk's ideologically diverse Civic Coalition (KO), the centre-right Third Way alliance of the centrist-liberal Poland 2050 movement and the agrarian Polish People's Party (PSL), as well as the left-wing Lewica, the third Tusk Cabinet finally took office on 13th December after the coalition secured a combined victory over PiS during last October's parliamentary elections.

The Tusk-led KO ran on a platform of restoring Poland's damaged ties with the European Union, securing EU recovery funds suspended over rule-of-law debates between Brussels and the former PiS government, repairing Warsaw's relationship with war-torn Ukraine (as cheap Ukrainian grain imports drove a wedge between Kyiv and CEE economies), raising living standards, as well as investigating the alleged wrongdoings of the PiS-led governments. "They [PiS] left us with record debt, pervasive corruption, a corrupt media, a partisan prosecutor's office, and chaos in the courts. We are finishing the cleanup and speeding up," Tusk said on 20th March.

Below we summarise the key takeaways from the first three months since the third Tusk Cabinet took office, focusing on Tusk's quest to repair Poland's ties with the European Union, his efforts to replace PiS-era officials and policies, the main legislative achievements, the domestic criticism facing the Tusk Cabinet along several political and policy issues, prospects for the stability of the Poland's new ruling bloc and the implications of country's upcoming local elections.

1. RESTORING TIES WITH BRUSSELS & SECURING STALLED EU FUNDS

As Prime Minister, Tusk vowed to repair Poland's broken ties with the European Union as Warsaw's relations with Brussels were locked in a long-running dispute under the previous, PiS-led government due to disagreements over the rule of law and alleged PiS influence over the country's judiciary system. This dispute was the main driver behind the PiS government's inability to unlock the country's post-pandemic EU recovery funds. Totaling €25.3 billion in grants and €34.5 billion in preferential loans under the bloc's current budgetary period, Poland's National Recovery and Resilience Plan (NRRP) is primarily focusing on the green and digital transitions across several industry sectors.

Securing the first tranche of Poland's recovery funds (€6.3 billion) in February has arguably been the most significant accomplishments of the Tusk Cabinet. The Polish national currency – largely due to the release of the funds – is at its strongest in 15 years, while the investment climate has responded positively and is generally optimistic. The country's recently revised NRRP is currently under public consultation until 15th April, with the first funds likely to arrive in the coming months. The next application of payments, now under a revised NRRP, is expected for August/September.

While the NRRP will greatly benefit the renewable energy industry (which comes after a recent push to allow offshore wind energy production), the healthcare-focused component of the plan will invest in the sector's digitalization, as well as in strengthening oncology treatment programs, research and the education of healthcare professionals.

¹ See [here](#) for Aretera's overview of the formation of the third Tusk Government from December 2023

Among the likely losers of the new government's NRRP is the Central Communication Port (CPK), a PiS-endorsed mega-project that would have meant a built-from-scratch airport near Warsaw, while state support for the development of Izera, Poland's own electric car, also hangs in the balance.

Although the release of Poland's remaining recovery funds remains conditional on the implementation of rule-of-law reforms, the country's political ties with EU institutions have strengthened under the new government, while the European People's Party (EPP) – the largest all-European political formation and the largest EU parliamentary group – also received a strong boost from Tusk's presence in the European Council. In a rare show of national unity, Tusk also reinforced his country's ties to the US when he joined President Duda for talks with US President Joe Biden on pushing for more assistance to war-torn Ukraine.

2. CRITICS CALL OUT LACK OF POLICY RESULTS

Prior to returning to power, Tusk's Civic Coalition (KO) – also the driving force of the country's ideologically and structurally diverse governing coalition which currently controls most ministries – outlined 100 promises their first 100 days in office. More than three months after returning as Prime Minister, Tusk is now facing growing criticism since – as pointed out by both the opposition PiS and the country's media – only a handful of these 100 measures have been accomplished. Critics also point out that most of the implemented measures, which include reintroducing state funding for IVF treatments, restoring funding for an NGO operating a widely used child helpline, replacing the country's Commissioner for Children's Rights and drafting initiatives to change the country's capital gains tax are among the politically less significant promises.

Responding to the criticism, the senior coalition KO hit back by underlining that the promises were solely their own pledges and not the program of the country's multi-party governing coalition, which includes an ideologically diverse set of several political formations. In the more powerful lower house of the Polish parliament (Sejm), the governing coalition controls 240 of the 460 MP seats, however the Tusk-led KO only has 153 seats. This has limited the progress made, for instance, on the coalition bloc's pledge to reverse Poland's near-total ban on abortion and increase the tax-free income threshold. The former is fiercely protested by the fellow coalition Third Way, while the latter has been opposed by the MPs of KO's left-wing coalition partner, Lewica.

3. REVERSING PIS-ERA POLICIES

"Restoring the independence" of the country's PiS-controlled public media outlets and investigating the alleged wrongdoings of previous, PiS-led governments were among Tusk's key short-term promises. The new, KO-led Culture Ministry was quick to act on the former: only a few days after the new government took office last December, the Ministry made new appointments to the supervisory and management boards of Poland's three key public media outlets. PiS, which was domestically and internationally accused of weaponizing public media against the opposition under its rule, denounced the move and launched a wave of protests last December.

Simultaneously, Poland's PiS-allied President Andrzej Duda vetoed a budget law that granted the public media PLN 3 billion (€690 million) in state funding. However, after a brief interruption and initial uncertainty earlier this year, Poland's public media resumed broadcasting under its new management. At the same time, criticism towards the government continues as the Culture Ministry pushes ahead with new and controversial appointments.

On investigating PiS-era officials, another point of tension between the country's new government and opposition was the controversial arrest of PiS lawmaker Mariusz Kamiński, a former Interior Minister accused (and subsequently pardoned) of abusing his powers, and his former deputy, Maciej Wąsik, on 10th January.

President Duda's decision to pardon Kamiński in 2015 was recently questioned by Poland's Supreme Court which allowed the case to be re-opened, while Wąsik was sentenced to prison on the same case last December. Their arrest provoked tens of thousands of PiS supporters to protest in Warsaw on 12th January. In a massive blow to the Tusk Government, Duda then pardoned both Kamiński and Wąsik on 23rd January.

In an effort to secure political gains ahead of the country's upcoming local elections, the Tusk Government remains committed to investigating the PiS era. Currently, three special parliamentary committees are pursuing inquiries into controversial practices of the previous governments, including into their unprecedented and allegedly illegal use of the Pegasus spyware, as well as the Polish Foreign Ministry's alleged involvement in a cash-for-visa scandal.

However, some commentators argue the government is "prioritizing revenge" against the former ruling PiS over focusing on policy issues. It is also yet to be seen what accomplishments the Tusk Government can make (if any) in response to PiS' alleged takeover of the country's judicial system, while the Polish PM's recent move to investigate the PiS-nominated Governor of the Polish National Bank, Adam Glapiński, is likely to provoke strong international criticism (particularly from the European Central bank) and fierce opposition from President Duda.

4. POLAND'S RULING COALITION REMAINS STABLE – FOR NOW

Despite its ideologically diverse nature and structurally diverse setting, Aretera's baseline scenario assumes that the multi-party coalition behind the Tusk Government will remain stable, at least in the short term, which is evidenced by the unity shown so far by the governing parties when it comes to voting on any issues in parliament.

At the same time, cracks have started to emerge, especially along issues deemed ideologically important to Tusk's coalition partners, the centrist-agrarian Third Way and the left-wing Lewica. These include abortion and tax-free income thresholds. Recent (and massive) farmers' demonstrations across the country, organized against cheap Ukrainian imports and the European Green Deal's obligations for farmers, have presented another major challenge as virtually all parties are competing for the farmers' vote ahead of the April local elections.

Though Tusk eventually reached an agreement with the representatives of the protesters on 20th March, certain farmers' groups consider the agreement insufficient, while PiS is also hoping to pick up support from this voter group. This comes as Tusk also aims to maintain support for Ukraine and is pushing for a ban on Russian and Belarusian agricultural imports.

While the coalition behind Tusk holds 240 of the 460 MP seats in the more powerful lower house of the Polish parliament, differences within the ruling bloc could very well emerge heading into the middle of the current parliamentary term. Under a negative scenario, this could jeopardize the incumbent government or even see Tusk lose his parliamentary majority. However, this seems a distant possibility as all ruling parties remain united in their opposition to PiS' return to power.

5. LOCAL ELECTIONS TO BRING FIRST MAJOR ELECTORAL TEST

Poland marks PM Tusk's first 100 days in office just as it heads towards much-anticipated local elections on 7th April. Recent polls show support for the leading parliamentary parties remain largely unchanged compared to last October's parliamentary election, which could positively impact the parties of the ruling bloc, particularly the Tusk-led KO.

While the KO is governing the country together with the centrist-agrarian Third Way and the left-wing Lewica, it will run separately in the upcoming local elections. From an electoral standpoint, this strategy may prove to be the right choice for the Civic Platform (PO), Tusk's party and the driving force behind the KO, however, it could also prove detrimental to his partners, particularly Lewica, which has never had strong showings in local elections. Tusk's KO remains strong in metropolitan areas, while Third Way – particularly the Polish People's Party (PSL), one of its driving forces – continues to harbor strong support in Poland's regions due to its agrarian profile.

Heading towards the local elections, the leading opposition PiS seems to be in a difficult situation, with some polls suggesting that support for the former ruling party has started to fall below 30%. The lack of a strong showing on 7th April – after a dramatic loss at the polls last October – could put the party in disarray and push it into an internal crisis.


LOOKING AHEAD

Three months after the formation of Poland's new government, Tusk is heading into his third term as PM with high domestic and international expectations, as well as a growing amount of internal challenges. Considering short-term priorities, the Tusk Cabinet will likely aim for securing the release of Poland's remaining post-pandemic EU recovery funds, which could positively impact not only Warsaw's relations with Brussels but also the Polish economy, also delivering on one of the key electoral promises made by the Tusk-led KO. While the early months of the third Tusk Government has seen politics overshadow policy (particularly given the focus on sweeping away the remnants of the PiS era), policy initiatives are likely to receive more attention heading into the parliamentary term.

Despite the KO's high expectations for the upcoming local elections, the success of the third Tusk Cabinet hinges upon the stability of Poland's ideologically diverse governing coalition, with Third Way and Lewica likely to become more assertive going forward. The coalition's ability to push through with new legislation/change existing laws also remains severely limited by incumbent PiS-allied President Duda, whose term lasts until mid-2025; next year's presidential election could mean another challenge for cooperation within the ruling bloc.

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If you would like to schedule a discussion of this paper, please contact:
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