

# DONALD TUSK FORMS POLAND'S NEW GOVERNMENT, ENDING EIGHT YEARS OF PIS RULE

**Poland's opposition parties form ideologically diverse coalition government following historic election win**

**13 December 2023**

## **EXECUTIVE SUMMARY**

Following two months of political stasis since the country's October parliamentary elections, Poland finally has a new government, led by returning Prime Minister Donald Tusk, bringing an end to eight years of right-wing nationalist rule in Warsaw.

The parliamentary confirmation and subsequent presidential appointment of Poland's new government comes after the country's opposition parties triumphed in October's parliamentary elections, defeating the now former ruling Law and Justice party (PiS) and its allies. The PiS-led ruling bloc's last-ditch attempt to secure a majority by courting individual MPs was ultimately in vain, allowing Poland's ideologically and structurally diverse opposition to form the country's next cabinet on 13<sup>th</sup> December.

The new Tusk Government is supported by the longtime PiS rival Civic Coalition (KO), an ideologically diverse coalition of multiple parties, the Third Way alliance of the centrist-liberal Poland 2050 movement and the Polish People's Party (PSL), as well as the left-wing Lewica bloc. Together, the three formations control 248 of the 460 seats in the more powerful Polish lower house. While the unity of this experimental and ideologically diverse coalition is likely to be tested even in the short term, Aretera expects the new ruling bloc to remain united by their opposition to PiS.

The new cabinet will also work to repair the country's strained ties with EU institutions, strengthen its relations with war-torn Ukraine, revisit the central budget for 2024 and reverse PiS-era policies to strengthen the rule of law and unlock billions of Euros in post-pandemic recovery funding. Simultaneously, the new government is expected to clash with several PiS-linked public figures and institutions, including Polish President Andrzej Duda, the country's Constitutional Tribunal and the National Bank of Poland.



**Below, Aretera takes deeper look at Poland's new government and the implications it holds for the country's corporate sector and community of investors.**

## A PROTRACTED END TO AN ERA

On 13<sup>th</sup> December, Polish President Andrzej Duda appointed the country's new government, led by returning Prime Minister Donald Tusk. The appointment of the new government follows its much anticipated confirmation by the lower house of the Polish parliament (Sejm) on 12<sup>th</sup> December, after Poland's high-stakes parliamentary elections<sup>1</sup> ended the eight-year rule of right-wing Law and Justice party (PiS) and its allies. Held on 15<sup>th</sup> October, the elections saw Tusk's Civic Coalition (KO), the centrist-agrarian Third Way alliance and the left-wing Lewica secure a combined victory against the PiS-led United Right. While the national-conservative PiS actually won the elections (with 35.4%), it fell short of an outright majority in parliament and had no further options for coalition partners.

President Duda (also a PiS ally) – respecting Polish parliamentary tradition – gave his former party, as the nominal winner of the elections, the first mandate to form a government. Criticized by the opposition over delaying a change of government, Duda's decision led to the formation and presidential appointment of a short-lived government led by (now former) PM Mateusz Morawiecki on 27<sup>th</sup> November. Meanwhile, PiS was hoping to secure a majority by courting individual MPs from all possible sides of the aisle, particularly the newly elected lawmakers of the agrarian Polish People's Party (PSL), one of the two leading forces behind the centrist-agrarian Third Way alliance. However, with Third Way and Lewica both emphatically rejecting their approaches, Morawiecki's new government, as expected, failed to secure a vote of confidence from parliament, allowing KO, Third Way and Lewica to form the new Polish government and Tusk to return as PM.

## KEY TAKEAWAYS FROM THE NEW CABINET

On 12<sup>th</sup> December, Tusk formally presented his government's working program and the members of his new cabinet, which was approved by a parliamentary vote of confidence on the same day. Under the coalition deal between the three ruling blocs, Tusk's KO will control the largest share of ministries in the new government, while both Third Way and Lewica will supply Deputy Prime Ministers. KO will control the crucial portfolios of finance and state assets, foreign & EU affairs, justice, health, education and interior affairs. Influential Member of the European Parliament Radoslaw Sikorski will return as Foreign Minister, while Adam Szlapka, the leader of the liberal Nowoczesna party – one of the many formations within the Tusk-led KO – will serve as EU Affairs Minister. Most KO-affiliated members of the new government come from the centre-right Civic Platform (PO), the leading political party of the Civic Coalition.

The agrarian Polish People's Party (PSL) – one of the two parties in the centrist-agrarian Third Way bloc – will have four ministers in the new government: defense, agriculture, development and technology and infrastructure. The centrist-liberal Poland 2050 movement of Szymon Hołownia – the other formation behind Third Way – will control the climate and environment and civil society ministries. Instead of entering the new government, Hołownia chose to become Speaker of the Sejm, a position he was elected to during the first session of the new parliament on 27<sup>th</sup> November. Under the coalition agreement, he will serve for two years and will be followed by Włodzimierz Czarzasty, a co-leader of the Lewica bloc, for the following two years of the parliamentary term. In the new government, Lewica will control four ministries: digitalization, science, equality and family, labour affairs and social policy.

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<sup>1</sup> See [here](#) for Aretera's overview of Poland's recent parliamentary elections from October

## THE COMPOSITION OF TUSK'S NEW GOVERNMENT

The Composition of the Third Tusk Cabinet			
Member	Position	Portfolio	Affiliation
Donald Tusk	Prime Minister	-	KO
Władysław Kosiniak-Kamysz	Deputy PM & Minister	Defense	Third Way
Krzysztof Gawkowski	Deputy PM & Minister	Digitalization	Lewica
Radosław Sikorski	Minister	Foreign Affairs	KO
Adam Bodnar	Minister	Justice	KO
Marcin Kierwiński	Minister	Interior	KO
Agnieszka Buczyńska	Minister	Civil Society	Third Way
Andrzej Domański	Minister	Finance	KO
Borys Budka	Minister	State Assets	KO
Marzena Czarnecka	Minister	Industry	-
Agnieszka Dziemianowicz-Bąk	Minister	Family, Labour & Social Policy	Lewica
Jan Grabiec	Minister	Chancellery	KO
Paulina Hennig-Kloska	Minister	Environment & Climate	Third Way
Krzysztof Hetman	Minister	Development & Tech	Third Way
Dariusz Klimczak	Minister	Infrastructure	Third Way
Katarzyna Kotula	Minister	Equality	Lewica
Izabela Leszczyna	Minister	Health	KO
Barbara Nowacka	Minister	Education	KO
Sławomir Nitras	Minister	Sports	KO
Marzena Okla-Drewnowicz	Minister	Seniors' Affairs	KO
Czesław Siekierski	Minister	Agriculture	Third Way
Katarzyna Pełczyńska-Nałęcz	Minister	Funds & Regional Development	-
Tomasz Siemoniak	Minister	Security Services	KO
Bartłomiej Sienkiewicz	Minister	Culture & National Heritage	KO
Adam Szłapka	Minister	EU Affairs	KO
Dariusz Wiczorek	Minister	Science	Lewica
Maciej Berek	Secretary	Legislative Affairs	-

## SHORT-TERM POLITICAL & POLICY IMPLICATIONS

Following the introduction of his new government, Poland's newly appointed PM outlined the immediate government agenda, with implications for several policy areas. Below we outline the likely political and policy priorities for Poland in the short term.

**The new government will work to repair the country's broken ties with the European Union.** Under PiS-led governments, Warsaw – mainly over the alleged deterioration of the rule of law – has been locked in long-running disputes with EU institutions, leading to the freezing of the country's post-pandemic recovery funds under the EU's Recovery and Resilience Facility. A Tusk-led government will likely initiate EU-required reforms and other measures to repair the country's ties with Brussels, most importantly to unlock nearly €60 billion in recovery funds, needed for strengthening economic growth and for supporting the country's green and digital transitions. Poland's revised National Recovery and Resilience Plan (NRRP), recently approved by the European Commission, includes €34.5 billion in preferential loans and €25.3 billion grants. The Commission insists on the delivery of rule-of-law reforms to unlock the funds and Tusk's return as PM could facilitate Poland's access to the blocked funds, however most reforms needed to unlock them will require sign-off from President (and PiS ally) Andrzej Duda.

**Tusk's return to government comes as reassurance for the EU mainstream.** A key international takeaway from his re-appointment as PM is that Tusk, who served as head of government between 2007 and 2014 and went on to serve as President of the European Council between 2015 and 2019, will return not only as the Prime Minister of Central Europe's largest EU member state but also potentially as one of the most influential national leaders in the European Council. His return as PM represents a powerful addition to centrist EU leaders, as well as a major boost for the centre-right European People's Party (EPP) ahead of the upcoming European parliamentary elections in June 2024.

**Poland will also look to strengthen its relations with war-torn Ukraine.** In his address to the Polish parliament on 12<sup>th</sup> December, Tusk demanded a "full mobilization" of the Western community to support Ukraine against Russian aggression. While Warsaw has become one of the staunchest supporters of Kyiv since Russia invaded Ukraine in February 2022, recent months saw a setback in bilateral relations, largely over issues relating to [the imports of Ukrainian grain](#). Most recently, Polish truck drivers blockaded access to certain border crossing points with Ukraine in protests against the terms of EU access for Ukrainian lorries. While protesters argued that Ukrainian trucks "flooded" the Polish market, their blockade has led to higher prices for fuel and some food items, as well as delays to drone deliveries to the Ukrainian army. Tusk is widely expected to repair Poland's ties to Kyiv and reaffirm the country's support as the country awaits crucial EU and US decisions later this month about whether it will receive much-needed financial aid.

**The new government is certain to clash with PiS-appointed figures and institutions.** In the short term, the Tusk Government will likely aim for symbolic wins by reversing decisions made by the previous administration. These will include measures aimed at strengthening the rule of law and improving access to abortion, which remains a highly controversial topic in Polish society. Also in the short term, the new governing bloc is poised to clash with Poland's PiS-allied President, as well as with several key public figures and institutions led by PiS-affiliated figures, including the Polish Constitutional Tribunal and the leadership of the country's central bank. This could also prolong or even prevent any reversal of judicial reforms introduced during the PiS era, needed to ensure access to EU recovery funds.

## THE NEW COMPOSITION OF THE POLISH PARLIAMENT

Parliamentary Election Results Breakdown			
Party/Alliance	Popular Vote – October 2023 (%)	Number of MPs	Number of Senators
<b>United Right</b> (right-wing populist, soft Eurosceptic, led by the former ruling PiS)	35.4	<b>194</b>	<b>34</b>
<b>Civic Coalition</b> (pro-EU, multi-party alliance, led by the Tusk's centre-right Civic Platform)	30.7	<b>157</b>	<b>41</b>
<b>Third Way</b> (centrist-liberal, agrarian conservative, multi-party bloc)	14.4	<b>65</b>	<b>11</b>
<b>Lewica</b> (centre-left to left-wing, progressive, six-party alliance)	8.6	<b>26</b>	<b>9</b>
<b>Confederation</b> (nationalist-libertarian, Eurosceptic, Ukraine-sceptic)	7.2	<b>18</b>	<b>0</b>
<b>Senate Pact Independents*</b>	-	-	<b>5*</b>
<b>Total</b>		<b>460</b>	<b>100</b>

\*Four of the five independents were KO-endorsed candidates. Turnout: 74.14%. Source: [NEC of Poland](#)


### IMPLICATIONS FOR BUSINESSES

Tusk's agenda for the first 100 days of his cabinet also holds significant implications for Poland's corporate sector along a number of policy areas. In the short term, these are likely to include the renewable energy sector as the new government will look to expand Poland's on-shore and off-shore wind energy production, as well as potential changes to agricultural policy over the centrist-agrarian PSL's involvement in the new administration. The new cabinet may also choose to reverse defense contracts signed by Morawiecki's short-lived interim administration. In addition, while Tusk pledged not to implement serious tax increases, it is yet to be seen how his new government may redraw the country's budget for 2024.

For international businesses, political instability will remain a key concern, given the diversity of the incoming ruling parties. While the ruling bloc controls 248 of the 460 seats in the more powerful Polish lower house, the three governing blocs comprise a large number of ideologically and structurally diverse political formations, often with contradicting views. The endurance of the incoming coalition behind Tusk is likely to be tested already in the short term, however Aretera expects the new ruling bloc to remain united due to their common opposition to PiS.

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