



ZWIĄZEK BANKÓW POLSKICH



Business Centre
Club



Związek
Rzemiosła
Polskiego

Warsaw, November 29, 2020

Contrary to Polish raison d'état, without money, without allies

We say a firm “NO” to rejecting the EU budget

The Entrepreneurship Council is strongly protesting against the plans of the Government on blocking the European Union budget for 2021–2027. The stance declared in this case by the Government of Mateusz Morawiecki is contrary to the national interest and the Polish raison d'état. On top of that, it also rules out the chances to quickly avert the economic crisis caused by the COVID-19 pandemic

Blocking the EU budget will come down with catastrophic consequences for Poland – both on a domestic and international scale. **As a result of this decision, the majority of social groups will face deterioration:** the EU budget will be limited to just essential expenditures, which means that we shall forget about, either, any funds for investments, disbursements from the Cohesion Fund which is used by those poorer regions, support for rural development, as well as about research and education programmes. Furthermore, **the Government wants to deprive Poles of access to a special “Next Generation EU” fund worth nearly EUR 800 billion**, which aims to revive the economies of the Member States affected by the ongoing crisis. It is Poland and the countries of our region which would benefit from this fund to the widest extent; even up to 4 times more than rich countries such as France or the Netherlands. At the

peak of the absorption of these funds, our GDP would increase by as much as 3.5%, and in the long term, the GDP would permanently increase by up to 2%. The rejection of these development-oriented opportunities is a direct blow to Polish companies, rural households, local governments, healthcare, and other public services. Where will we get the funds? **While having in mind the current deficit of public finances and the exhaustion of budget resources, the Government's decision may give rise to one thing: the need to increase taxes, hence another blow to Polish citizens.**

Under normal circumstances, taking such a decision – **a decision that will reduce the wages, standard of living, resources, and development possibilities of millions of Poles for a multiannual period** – should be based on serious reasons dictated by the *raison d'état*. Meanwhile, the explanations provided by the Government are at best a testimony to their incompetence: the assertion that **making the disbursement of funds dependent on compliance with the rule of law is interference with Poland's sovereignty is based on a gross distortion of the provisions under criticism**. Firstly, the rule of law – as defined in Article 2 of the Treaty on European Union and further specified by subsequent judgments of international tribunals – does not represent an instrument of political influence, but a set of formal rules that are supposed to ensure the protection of the fundamental rights of citizens, the legality of the actions taken of the authorities, as well as the impartiality of the judiciary. Secondly, the mechanism of linking EU disbursements to the rule of law, acceded by 25 Member States, has been constrained to financial matters only: it is about sound management over the resources coming from these funds, yet not about general violations of the rule of law.

Therefore, not only is the stance followed by the Polish Government unjustified from a legal point of view but from an economic as well. It also has disastrous consequences for the sake of international relations. **A reckless decision, stemming solely from inter-party games in the ruling camp, not only will it make it difficult for ourselves to overcome the crisis, but also for all countries belonging to the European Community.** The lack of solidarity at this difficult time affects the image and historical heritage of our country which, 30 years ago, shed the light on how important cooperation and unification are. In this way, we doom ourselves to the loss of more and more allies and marginalisation. There is a viable risk that the governments of other countries will reach consensus on aid programmes while bypassing Poland within this framework.

Given the above, we demand the withdrawal of the declaration on blocking the EU budget by Poland and joining the group of 25 countries endorsing its present shape. As representatives of the business generating approx. 70% of the

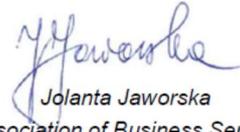
national GDP, we appeal to the pro-European representatives of the ruling coalition to stop this march towards the nation-wide catastrophe.



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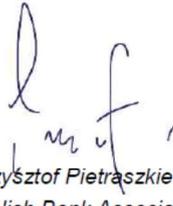
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Polish Business Roundtable



Andrzej Malinowski
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Krzysztof Pietraszkiewicz
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