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Article

Poland: Presidential election preview

The main candidates in Poland's Presidential elections, incumbent President Andrzej Duda and Civic Platform-aligned Rafał Trzaskowski, are neck-and-neck in the run-off polls. Their economic plans suggest new fiscal burdens will be limited compared to the 2015 Presidential election and to the huge anti-Covid-19 fiscal package already launched



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Presidential elections on 28 June with Duda and Trzaskowski in a run-off on 12 July

This note discusses the key priorities of the social and economic platforms of candidates in the forthcoming presidential elections in Poland on 28 June. The most probable outcome of the first round is a victory for the incumbent President Andrzej Duda, supported by the governing party Law and Justice (PiS). The second strongest candidate is Rafał Trzaskowski from the Civic Platform (or Civic Coalition recently re-named). However, Duda is likely to get less than 50% of the vote in the first round and as such, a run-off between the top two candidates should take place on 12 July.

According to the latest polls, Duda and Trzaskowski are tied to win the second round. However, the momentum in polls favours Civic Platform's Trzaskowski, who is catching up with incumbent Duda. Still, polls show that in the first round, Trzaskowski (and Duda) will struggle to achieve a higher level support than that reached in the 2019 general election. The key factor to watch in the first round is whether the main candidates are able to effectively attract votes outside their core electorate. In the run-off, Duda is set to enjoy some support from supporters of the far-right candidate Krzysztof Bosak, while supporters of the other four candidates are likely to vote largely for Trzaskowski.

The President can block rather than initiate new policies

In the Polish political set-up, the President of the Republic can demonstrate his power by blocking government initiatives rather than promoting his own economic policy ideas. Electing any candidate other than the PiS-aligned incumbent would significantly complicate the speed at which laws are passed by the current government. The President can present his own legal initiatives, but they need to be passed through Parliament. During the pandemic, Duda proposed several initiatives to fight the crisis. However, only those preferred by the government were introduced into law, for example, a solidarity benefit to the newly unemployed.

The potential lack of agreement with the governing PiS majority would further constrain fiscal expansion if any of Duda's rivals were elected, with the exception of Władysław Kosiniak-Kamysz, who has presented far-reaching tax cuts and voluntary social security contributions, which would inevitably translate into a huge fiscal gap. None of the candidates have proposed a suspension of the flagship social benefits such as 500+, which were introduced by the current administration in recent years.

Energy and health care among important economic topics during the campaign

The energy policy (i.e. coal exit) and green transition, and to some extent health care policy, are important points in the election platforms of all candidates, except Duda and Bosak. Duda's re-election would preserve current government policies. All other candidates seem to be in line with - or even more ambitious than - the European Green Deal strategy, and see Poland's coal exit within the next two or three decades. However, none of the candidates presented new ideas which could materially help reduce pollution / emissions and boost growth at the same time.

Summary of election platforms of the main candidates for the President

Andrzej Duda, age 47

Education: Lawyer

Supported by Law and Justice (PiS)

Average result of last 5 polls: 42.3%

(according to Bloomberg on June 24)

- Large infrastructure projects such as Central Communication Hub or Mierzeja Wiślana canal (partially included in Covid-19 fiscal package other fiscal burdens long term)
- Generous support to firms and households in line with the government anti-Covid-19 programme (already included in Covid-19 fiscal package)
- Social benefits to families – solidarity benefit to newly unemployed (new burden of 0.2% of GDP), tourist cheques (new burden of 0.2% GDP - originally proposed by government but may be included in President Duda's package),
- Early pensions (0.7% of GDP, seems to have been abandoned)
- Supporting rural development and water efficiency (included in Covid-19 fiscal package, funding may come from EU Recovery Plan)
- Political and economic security (natural gas imports diversification, close relations with the US and President Trump)

Fiscal balance implications: mildly negative

Rafał Trzaskowski, age 48

Education: MA in political science

Civic Coalition (KO)

Average result of last 5 polls: 28.1%

- Local infrastructure investment projects instead of the ongoing large projects
- PLN10,000 subsidy to families investing in green energy
- Equal opportunities for women in labour market
- Modest remuneration practices in SOEs
- Creation of local development centres

Fiscal balance implications: neutral

Szymon Hołownia, age 43

Education: psychologist

Independent candidate

Average result of last 5 polls: 8.9%

- Poland: solidarity-based, green, democratic
- Climate neutrality by 2050, energy transition, ending coal extraction by 2040
- Support green investments, clean air and water, green railways
- Strengthening of local governments
- Suspension of the ongoing large investment projects such as Mierze Wiślana canal
- Modern education, equal chance in education
- Minimum pension at 50 percent of minimum wage

Fiscal balance implications: neutral

Władysław Kosiniak-Kamysz, age 38

Education: medical doctor

Peasant Party (PSL)

Average result of last 5 polls: 7.6%

- Systematic coal phase-out and 50% renewable energy target for 2030
- Supporting coal regions becoming industrial areas
- Tax-free pensions
- Voluntary social security contributions
- Reduction of VAT rates from 23% to 15% (and from 8% to 5% for the reduced rates)
- Equalisation of direct payments for farmers in Poland at Western European levels
- Higher healthcare expenditures to 6.8% of GDP
- Strengthening of local governments

Fiscal balance implications: significantly negative

Krzysztof Bosak, age 37

Education: economist

The Confederation (Konfederacja)

Average result of last 5 polls: 5.8%

- Most liberal election platforms among key candidates
- Zero-deficit budget, with three exceptions only: serious recession, extraordinary states, qualified majority of Sejm
- Vetoing bills on tax hikes, high tax-free amount in PIT
- Lower VAT rates on food
- Voluntary social security contributions
- Eurosceptic, sees a need for a pragmatic policy with Russia
- Reduction of Lower House Sejm members by half, transferring some central institutions outside Warsaw
- Social: against gender ideology, conservative values

Fiscal balance implications: significantly positive

Robert Biedroń, age 44

Education: MA in political science

The Left (Lewica)

Average result of last 5 polls: 3.4%

- Coal phase-out to be presented at the European climate summit in 2021, energy independence based on renewables
- One million social housing flats for renting, at cost no higher than PLN20 per square metre
- Cheap medicines for all, recipe-based drugs to cost less than PLN5, increase of public health care expenditures to 7.2% of GDP
- Minimum pension at PLN1,600 in net terms
- Separation of catholic church from the state

Fiscal balance implications: mildly negative

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