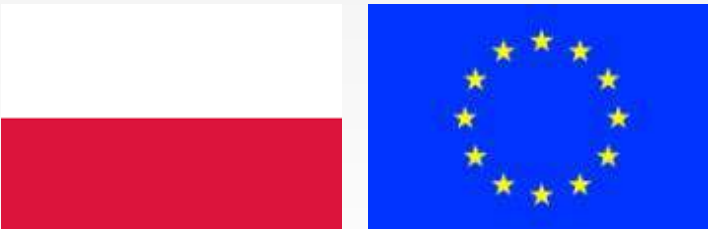


Poland in the European Union: the first two decades and the years ahead

Scandinavian Days: Szczecin, 09.05.2024

MICHAŁ MYCK

Centre for Economic Analysis: CenEA
(with Artur Król & Monika Oczkowska)



Poland in the European Union: the first two decades and the years ahead

- Poland's EU membership story – foundations of Poland's economic success:
 - the path to EU accession, associated reforms and other factors
- Twenty years in the EU – drivers of Poland's economic success:
 - economic growth, infrastructure development and international trade
- Current and future challenges:
 - security, climate, demographic and technological changes

Poland in the European Union: the first two decades and the years ahead

- **2004 - Poland's EU accession and...**
 - foundation of the Polish representative of the network established by the Stockholm Institute of Transition Economics (**SITE**) – officially registered on July, 9th 2004
 - June, 29th 2009: Warsaw Institute of Socio-Economic Research renamed as Centre for Economic Analysis (**CenEA**) and moved to Szczecin
- **FREE Network** – Forum for Research on Eastern Europe and Emerging Economies
 - www.freepolicybriefs.org

CenEA's contribution: shaping academic and policy discussions

- Academic publications, participation in international networks and projects:
- SHARE – Survey of Health, Ageing and Retirement in Europe
- EUROMOD – European microsimulation model
- FROGEE – gender inequality in Eastern Europe
- numerous research projects funded by the NCN:



The Effect of Public Pension Wealth on Saving and Expenditure
By Maria Czapkiewicz and Michał Myck

This paper examines the effect of public pension wealth and future income on consumption. The authors use the SHARE survey data to estimate the effect of public pension wealth on consumption. The authors find that public pension wealth has a positive effect on consumption, and that this effect is larger for those with higher education levels. The authors also find that public pension wealth has a positive effect on saving, and that this effect is larger for those with higher education levels.

Dynamics of health and labor market risks
Michał Myck, Michał Myck

This paper examines the dynamics of health and labor market risks. The authors use the SHARE survey data to estimate the effect of health and labor market risks on consumption. The authors find that health and labor market risks have a negative effect on consumption, and that this effect is larger for those with higher education levels. The authors also find that health and labor market risks have a positive effect on saving, and that this effect is larger for those with higher education levels.

Labour Economics
Journal of Health Economics

'Sinking up': Effects of health tax reform on those in and out of work
Janey Alexander, Michael Myck

This paper examines the effects of a health tax reform on those in and out of work. The authors use the SHARE survey data to estimate the effect of the health tax reform on consumption. The authors find that the health tax reform has a positive effect on consumption for those in work, but a negative effect for those out of work. The authors also find that the health tax reform has a positive effect on saving, and that this effect is larger for those with higher education levels.

Shocked by therapy? Unemployment in the first years of the socio-economic transition in Poland and long-term consequences
Michał Myck and Monika Ostrowska

This paper examines the long-term consequences of unemployment in the first years of the socio-economic transition in Poland. The authors use the SHARE survey data to estimate the effect of unemployment on consumption. The authors find that unemployment in the first years of the socio-economic transition has a positive effect on consumption, but a negative effect on saving. The authors also find that unemployment in the first years of the socio-economic transition has a positive effect on health, but a negative effect on labor market risks.

Deaths during the first year of the pandemic: insights from regional in Germany and Poland
Michał Myck, Monika Ostrowska, Ursula Gatzert, Arja Hoffmann

This paper examines the deaths during the first year of the pandemic in Germany and Poland. The authors use the SHARE survey data to estimate the effect of the pandemic on consumption. The authors find that the pandemic has a positive effect on consumption, but a negative effect on saving. The authors also find that the pandemic has a positive effect on health, but a negative effect on labor market risks.

Parental gender preferences in Central and Eastern Europe and differential early life disadvantages
Michał Myck, Monika Ostrowska, Ursula Gatzert, Arja Hoffmann

This paper examines parental gender preferences in Central and Eastern Europe. The authors use the SHARE survey data to estimate the effect of parental gender preferences on consumption. The authors find that parental gender preferences have a positive effect on consumption, but a negative effect on saving. The authors also find that parental gender preferences have a positive effect on health, but a negative effect on labor market risks.

WIDOWS' TIME: ADJUSTMENT
Daniel S. Hamermesh, Michał Myck and Monika Ostrowska

This paper examines the adjustment of widows. The authors use the SHARE survey data to estimate the effect of widowhood on consumption. The authors find that widowhood has a positive effect on consumption, but a negative effect on saving. The authors also find that widowhood has a positive effect on health, but a negative effect on labor market risks.

CenEA's contribution: shaping academic and policy discussions

- Contributions to policy debate:
- Analysis of current policy initiatives and reforms
- Pre-election commentaries with analysis of electoral proposals

500+ teraz dla bogatych rodzin

Wzrost podatku od spadku i darowizn dla rodzin o rocznym dochodzie powyżej 1 mln zł. Wzrost podatku od spadku i darowizn dla rodzin o rocznym dochodzie powyżej 1 mln zł. Wzrost podatku od spadku i darowizn dla rodzin o rocznym dochodzie powyżej 1 mln zł.

Zmiany składki zdrowotnej pomogłyby bogatszym przedsiębiorcom

Na przywróceniu zryczałtowanej składki zdrowotnej zyskają głównie najbogatsi przedsiębiorcy – ocenia Michał Myć, ekonomista i dyrektor Centrum Analiz Ekonomicznych CenEA. Z jego szacunków wynika, że zmiana systemu może zmniejszyć wpływ do NFZ nawet o 7 mld zł. To oznaczałoby konieczność uzupełnienia tych środków z budżetu.

Ekspertyza dotycząca redystrybucyjności konsekwencji zmian regulacji podatkowych w ramach pakietu „Polski Ład” przyjętych przez I Sejm dnia 1 października 2021 r.

Komu najwięcej dadzą wyborcze pomysły

Wzrost wydatków na kampanie wyborcze. Wzrost wydatków na kampanie wyborcze. Wzrost wydatków na kampanie wyborcze.

Nowoczesna zuboży najbiedniejszych KORWIN. CenEA oceniło program

Wzrost wydatków na kampanie wyborcze. Wzrost wydatków na kampanie wyborcze. Wzrost wydatków na kampanie wyborcze.

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Kompromisowa wersja obietnic

Analizy z think tanku CenEA proponują przyspieszenie rządowej tak zwanej wersji obietnic. Wzrost wydatków na kampanie wyborcze. Wzrost wydatków na kampanie wyborcze. Wzrost wydatków na kampanie wyborcze.

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Renty wdowie za 24 mld zł

Wzrost wydatków na kampanie wyborcze. Wzrost wydatków na kampanie wyborcze. Wzrost wydatków na kampanie wyborcze.

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KIEŁBASA ZOBIECNIĆ

Indziej nie przewidzieli, jak rośnie kiełbasa. Indziej nie przewidzieli, jak rośnie kiełbasa. Indziej nie przewidzieli, jak rośnie kiełbasa.

Według Centrum Ekonomicznych Analiz w lutym 2025 r. realna wartość 800+ będzie niższa niż 500+. Według Centrum Ekonomicznych Analiz w lutym 2025 r. realna wartość 800+ będzie niższa niż 500+.

Budżetowy slalom gigant

Ministerstwo Finansów przedstawiło projekt budżetu państwa na 2022 rok. Ministerstwo Finansów przedstawiło projekt budżetu państwa na 2022 rok.



Kto odciążał kobiety. Mężczyźni czy zmywarki?

Polscy mężczyźni odciążają kobiety. Polscy mężczyźni odciążają kobiety. Polscy mężczyźni odciążają kobiety.

DOBRY KLIMAT DLA RODZINY

Program Podjęcia Rodzinnej Przyjaźni RP. Program Podjęcia Rodzinnej Przyjaźni RP. Program Podjęcia Rodzinnej Przyjaźni RP.

CenEA: 4,3 tys. zł kwoty wolnej od podatku koszt dla budżetu 5,3 mld zł

Podwyższenie kwoty wolnej od podatku o 40 proc. do ok. 4,3 tys. zł oznaczałoby koszt budżetu w wysokości 5,3 mld zł. Podwyższenie kwoty wolnej od podatku o 40 proc. do ok. 4,3 tys. zł oznaczałoby koszt budżetu w wysokości 5,3 mld zł.

Polski Ład. To może zaskoczyć. Najczęściej na zmianach w podatках tracą rodziny z dziećmi (WYKRES DNIA)

Polscy rodzice tracą na zmianach w podatkach. Polscy rodzice tracą na zmianach w podatkach. Polscy rodzice tracą na zmianach w podatkach.

Poland in the European Union: the first two decades and the years ahead

- Poland in the EU – not just the two decades...

The path to accession:

- ⇒ 25.05.1990 – application to start association negotiations
- ⇒ 01.02.1991 – association negotiations begin
- ⇒ 08.04.1994 – official application for membership of the EU
- ⇒ 31.03.1998 – membership negotiations begin
- ⇒ 13.12.2002 – membership negotiations completed
- ⇒ 16.04.2003 – Poland signs the Accession Treaty
- ⇒ 07-08.06.2003 – EU membership referendum
- ⇒ 01.05.2004 – Poland joins the EU

Support programmes before accession:

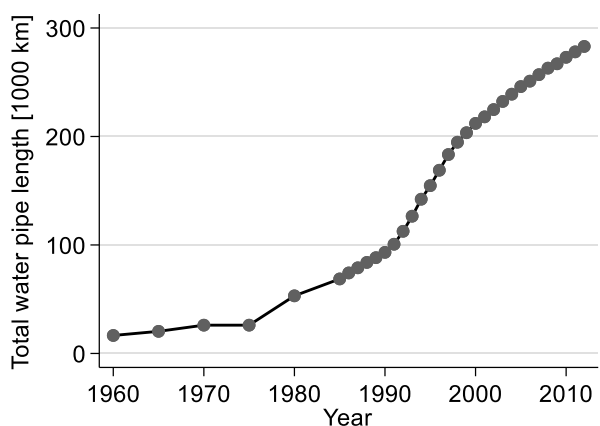
- PHARE (Poland and Hungary: Assistance for Restructuring their Economies), later Instrument for pre-accession assistance
- SAPARD (Special Accession Programme for Agriculture and Rural Development)
- ISPA (Instrument for Structural Policies for Pre-Accession)

Poland in the European Union: the first two decades and the years ahead

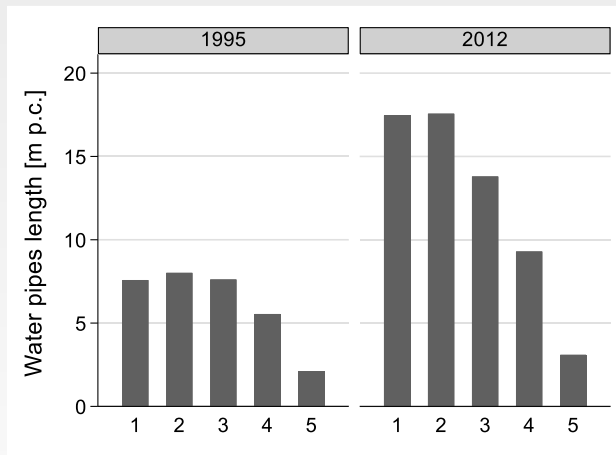
- Poland in the EU – not just the two decades...

Infrastructural support:

Water pipe network in Poland



Total length of water pipes 1960–2012



Water pipe length per capita
by population density quintile

Support programmes before accession:

- PHARE (Poland and Hungary: Assistance for Restructuring their Economies), later Instrument for pre-accession assistance
- SAPARD (Special Accession Programme for Agriculture and Rural Development)
- ISPA (Instrument for Structural Policies for Pre-Accession)

Source: Myck & Najsztub (2019) Policy in the Pipeline: Identifying Regional Public Investment Priorities Using a Natural Experiment; IZA DP No. 12220

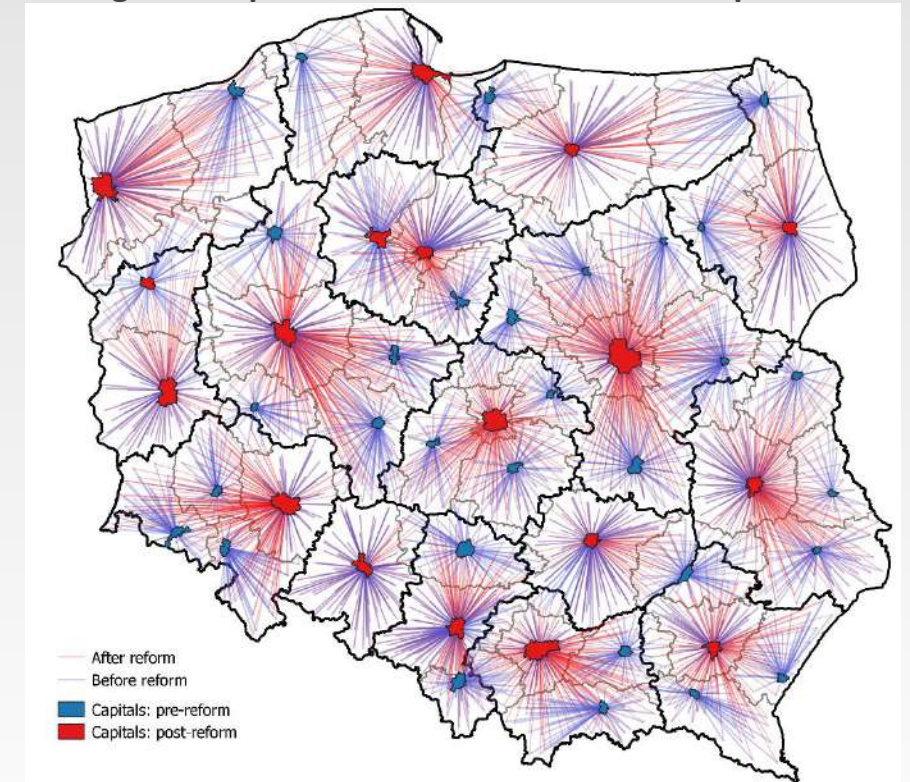
Poland in the European Union: the first two decades and the years ahead

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The reform package of 1999:

- ⇒ Pension system: from defined benefits to defined contributions
- ⇒ Healthcare: health insurance and funding
- ⇒ Education: system changed from 8+4 to 6+3+3
- ⇒ **Administrative system:**
 - ⇒ from 49 to 16 regions
 - ⇒ from two to three levels of local government

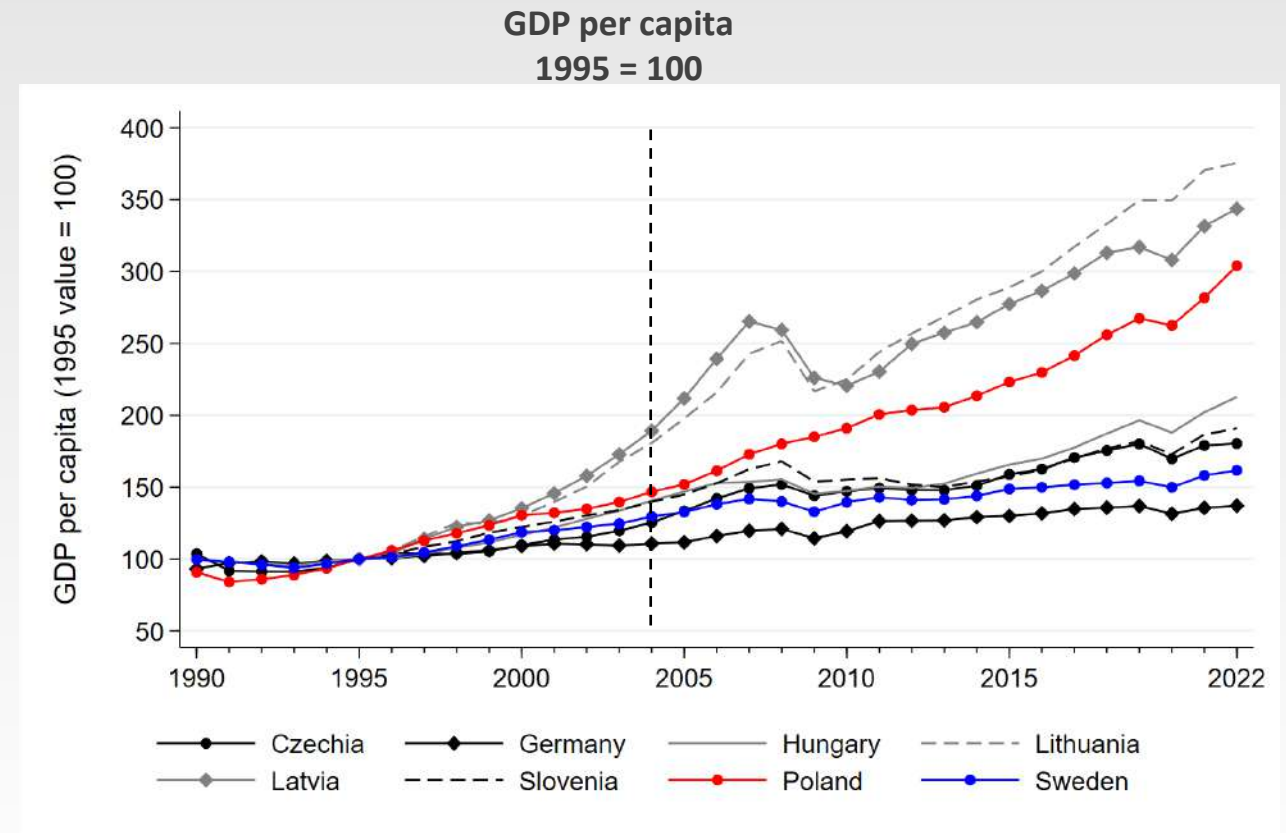
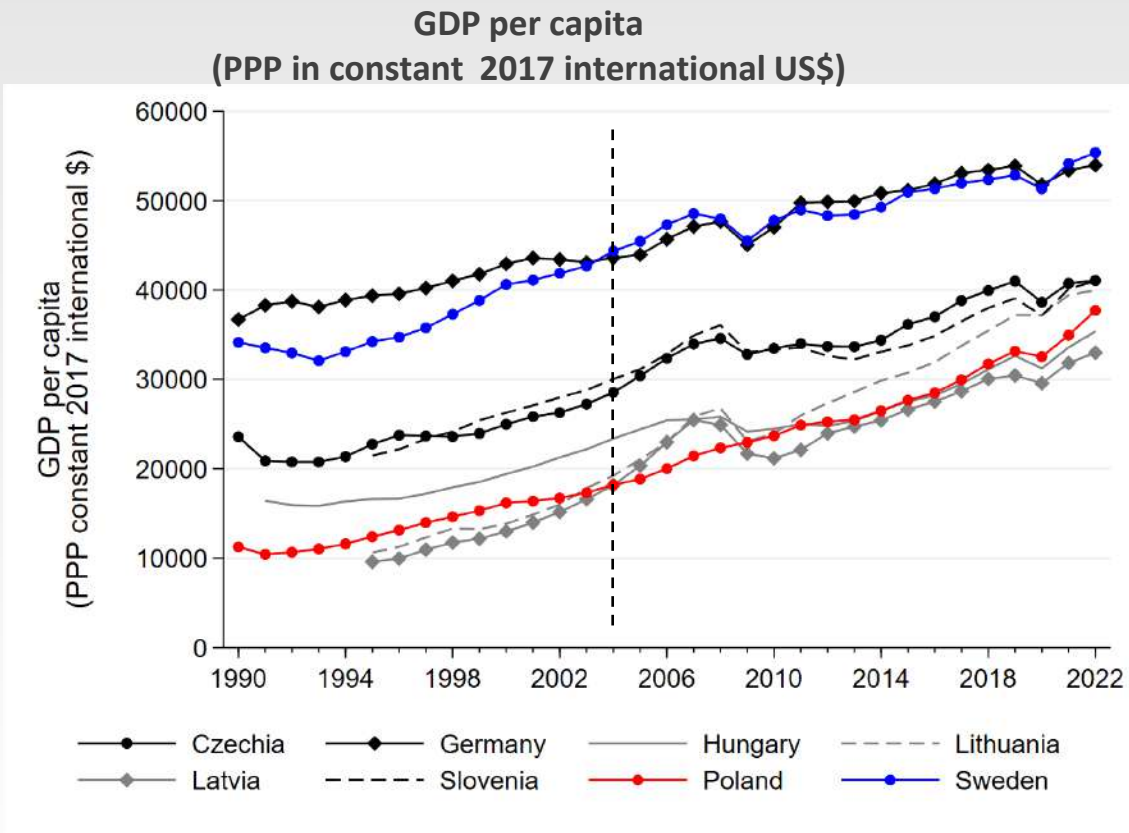
1999 administrative reform:
regional capitals and distance from municipalities



Source: Myck & Najsztub (2020) Implications of the Polish 1999 administrative reform for regional socio-economic development; *Economics of Transition*

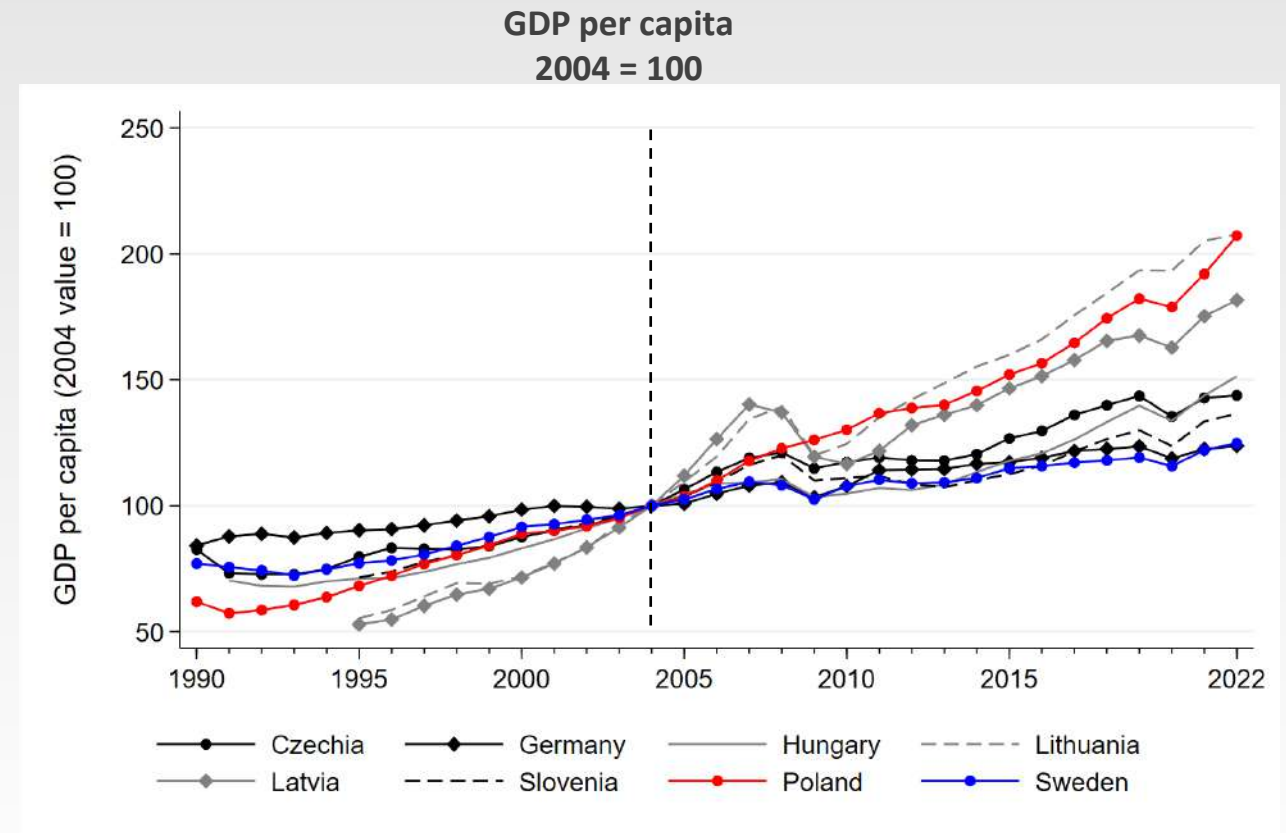
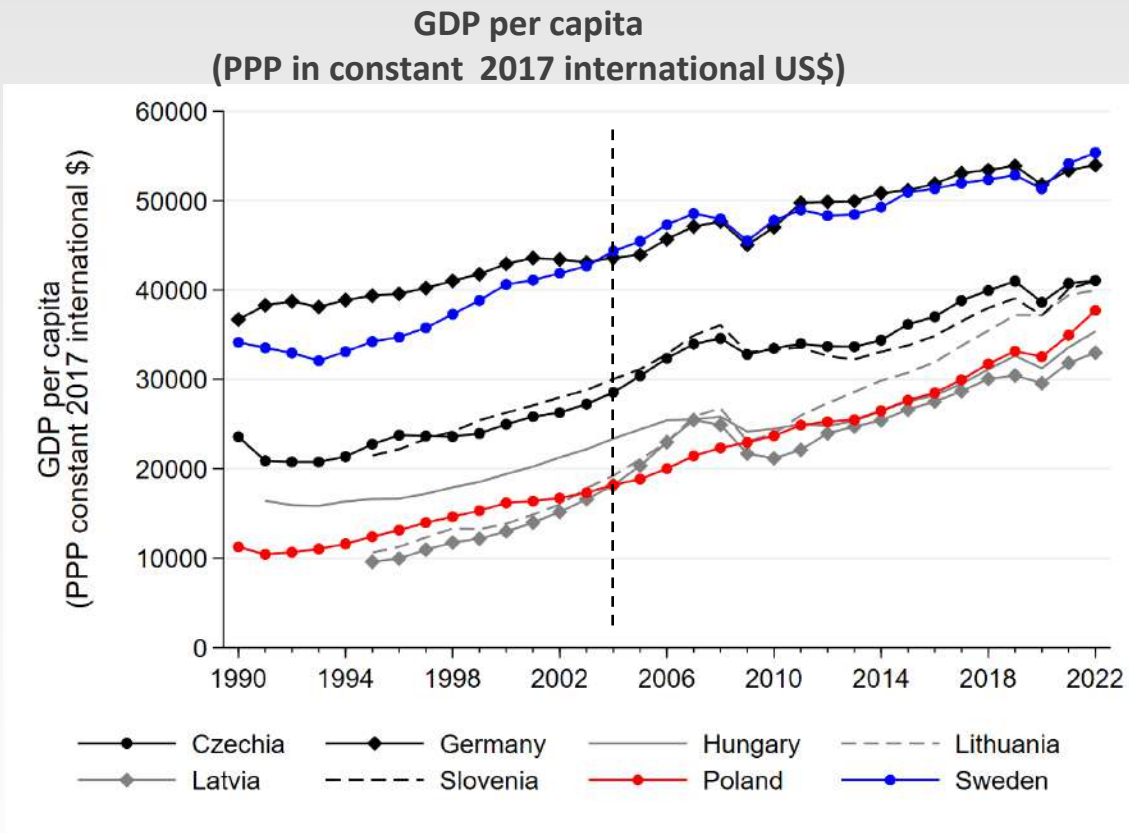
Poland in the European Union: the first two decades and the years ahead

- So what about the GDP?



Poland in the European Union: the first two decades and the years ahead

- So what about the GDP?



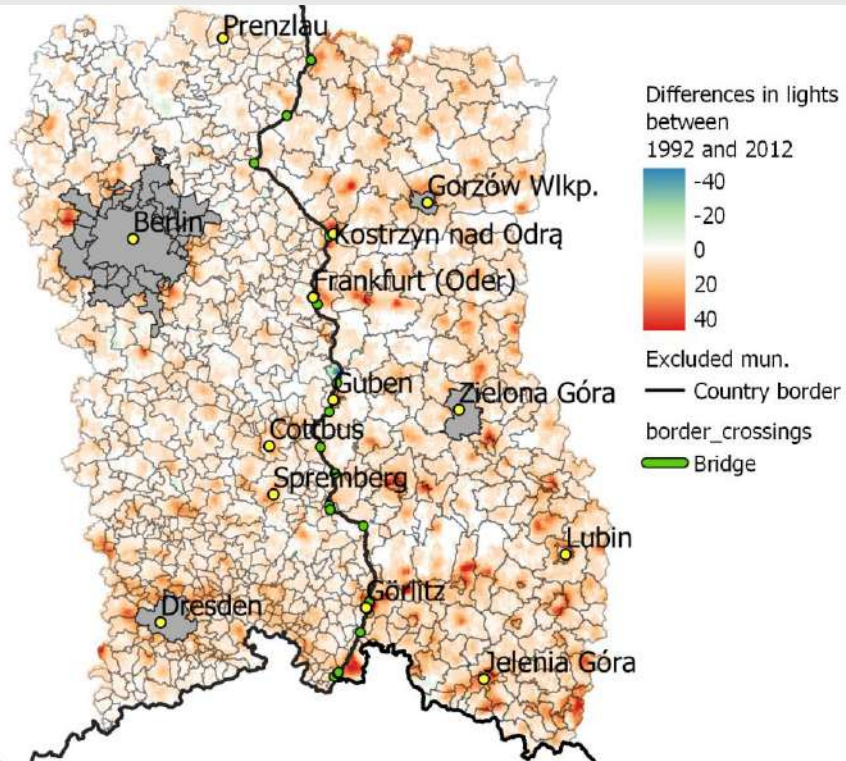
Poland in the European Union: economic convergence at regional level

- Does economic development converge?
⇒ A regional story along the PL/DE border as seen from space

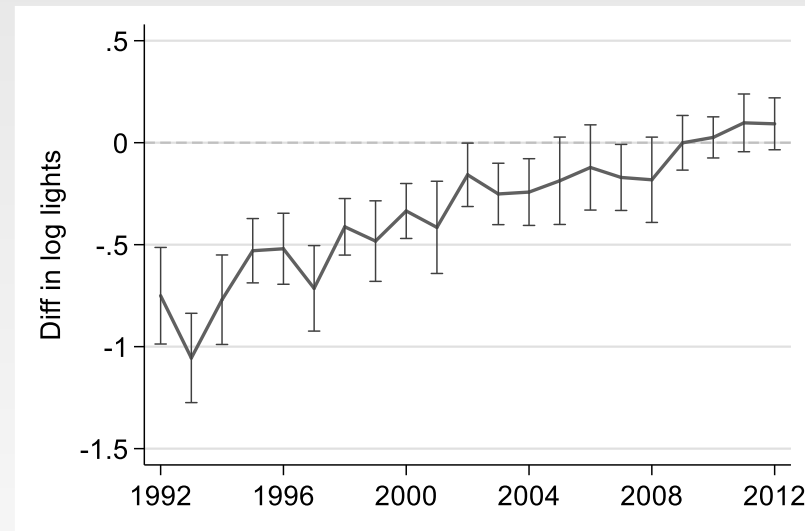


Poland in the European Union: economic convergence at regional level

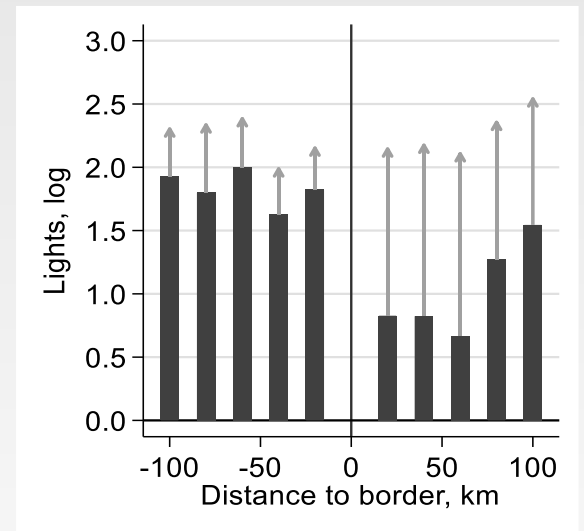
- A regional story along the PL/DE border as seen from space



Changes in light intensity between 1992-2012 along the PL-DE border



Convergence in light intensity between Poland and Germany



Faster growth closer to the border (-)DE / (+)PL

Source: Freier, Myck & Najsztub (2021) Lights along the frontier: convergence of economic activity in the proximity of the Polish-German border, 1992–2012, *Applied Economics*, 53(36).

Poland in the European Union: „Lessons from Poland, Insights for Poland”

- 2017 World Bank Report: Lessons from Poland, Insights for Poland



- **Governing:**

- ⇒ Institutions: economic and political to guide reforms with a shared vision
- ⇒ Sequence of reforms: transition followed by support structure of basic democratic institutions, EU accession as anchor

- **Sustaining:**

- ⇒ Macroeconomic stability: limited deficit and debt, credible monetary policy
- ⇒ The financial sector: restructuring, regulation and supervision of financial sector

- **Connecting:**

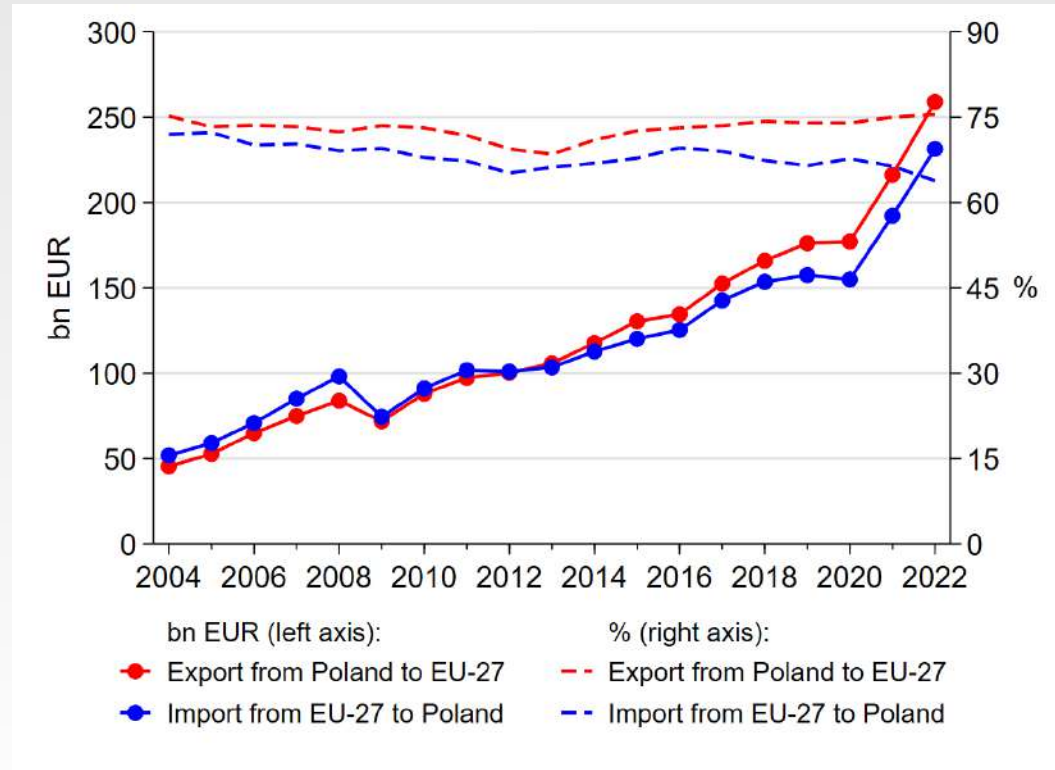
- ⇒ Increases in firm productivity and competitiveness: integration combined with EU infrastructure funds to connect markets
- ⇒ Connecting markets: participation in global value chains and global markets

Poland in the European Union: „Lessons from Poland, Insights for Poland”

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- Connecting Poland and other EU countries: export & import since 2004



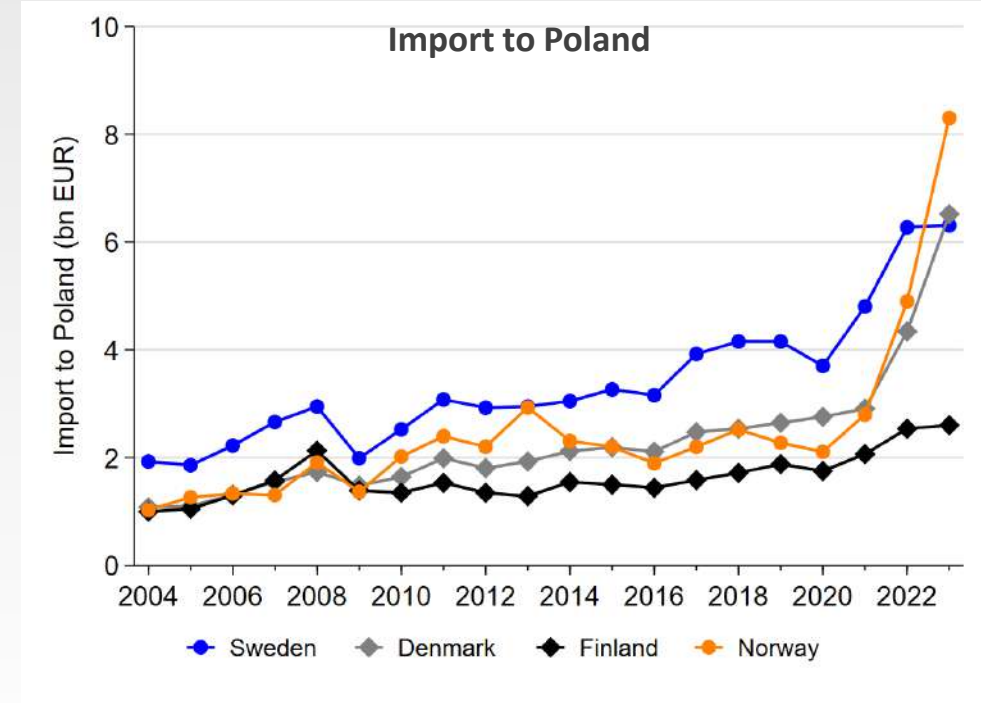
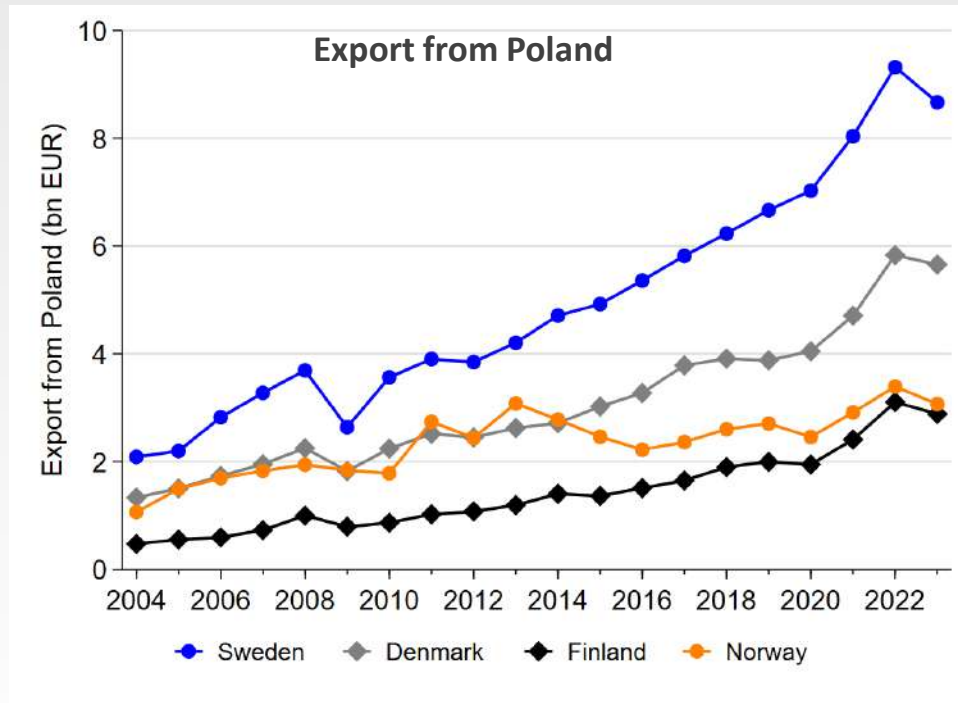
Source: EUROSTAT

Poland in the European Union: „Lessons from Poland, Insights for Poland”

- 2017 World Bank Report: Lessons from Poland, Insights for Poland



- Connecting Poland and Scandinavia: export & import



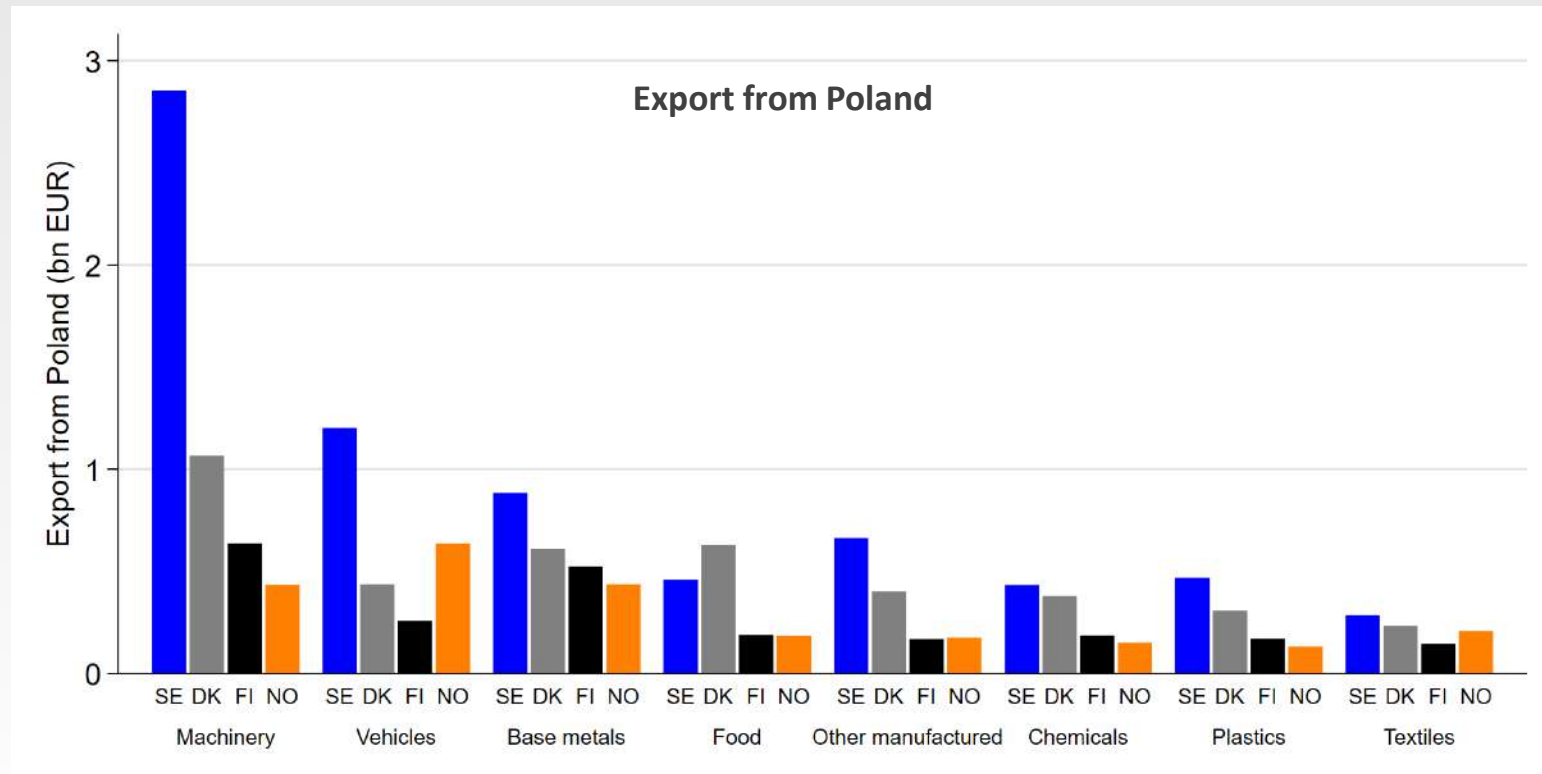
Source: GUS

Poland in the European Union: „Lessons from Poland, Insights for Poland”

- 2017 World Bank Report: Lessons from Poland, Insights for Poland



- Connecting Poland and Scandinavia: export & import



Source: GUS

Poland in the European Union: „Lessons from Poland, Insights for Poland”

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- **Growing:**

- ⇒ Use of markets to reallocate resources: reallocation between and within sectors
- ⇒ Investment in human capital: focused reforms and investments in education

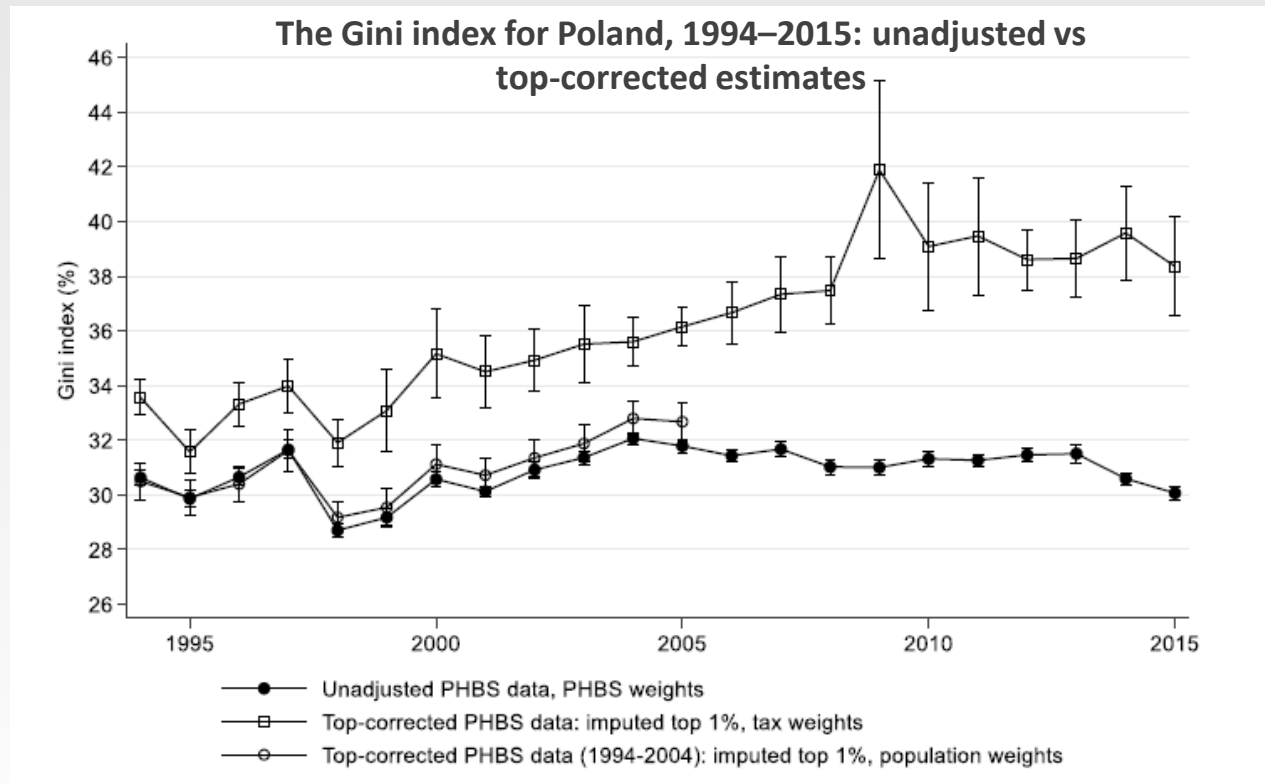
- **Including:**

- ⇒ Broad access to quality education across income groups and regions
- ⇒ Increasing business opportunities and earnings: competitive and open markets complemented with labor market regulations

- „A Sustainable and Inclusive Transition to High Income Status”

Poland in the European Union: Has economic growth really been inclusive?

- Did official statistics give the full distributional picture of the developments?

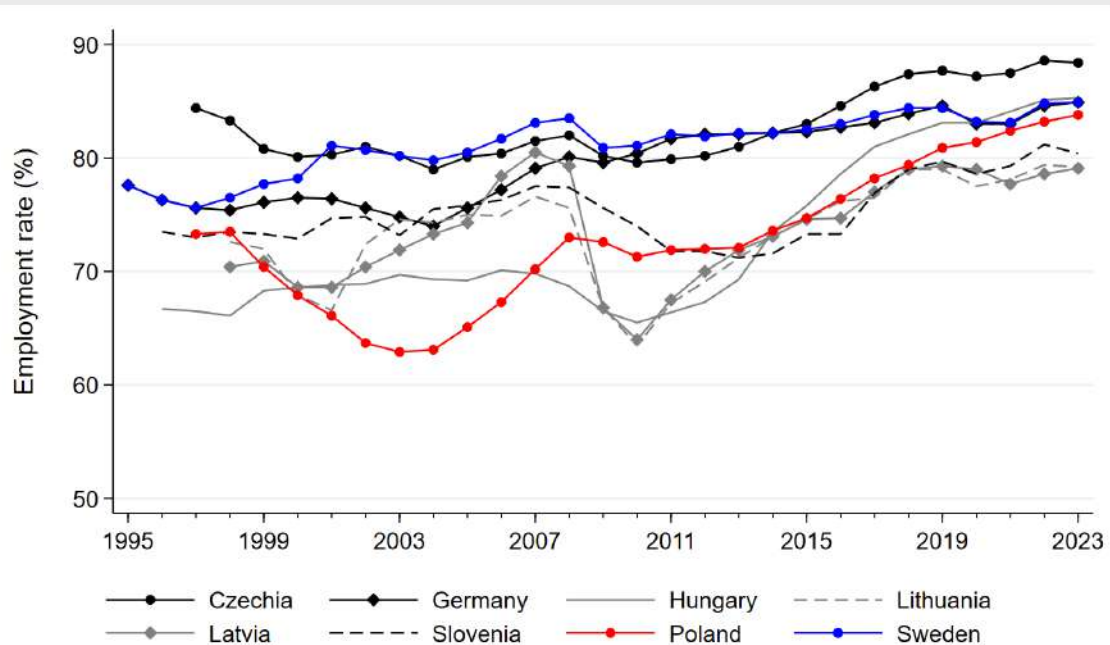


Source: Brzezinski, M., Myck, M., Najsztab, M. (2022) Sharing the gains of transition: Evaluating changes in income inequality and redistribution in Poland using combined survey and tax return data, *European Journal of Political Economy*.

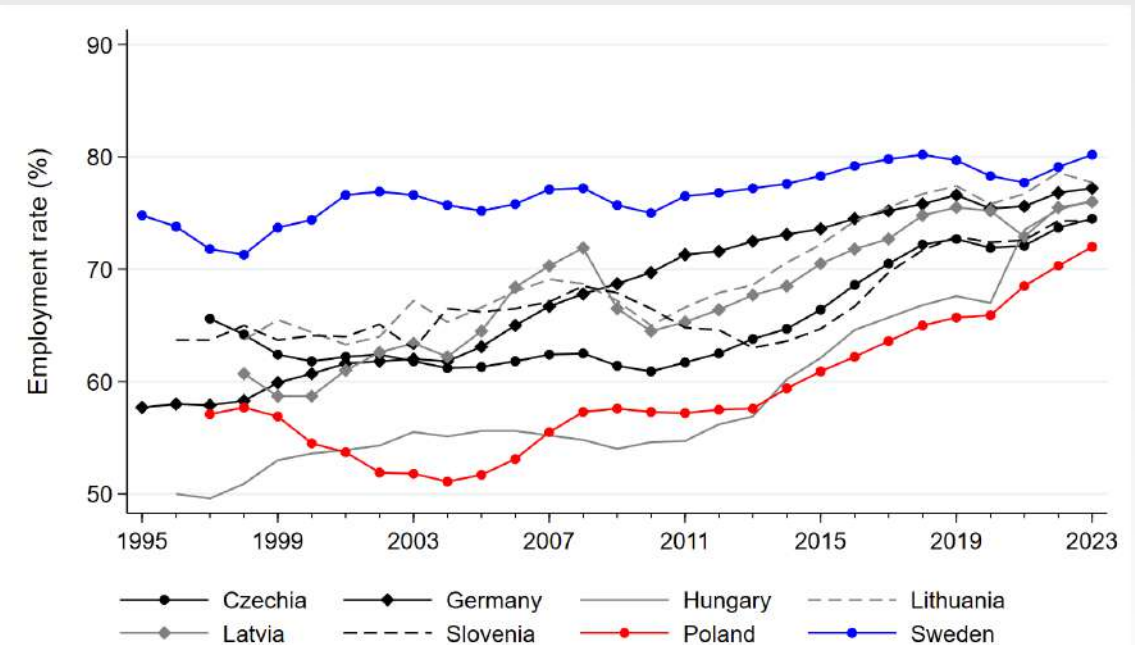
Poland in the European Union: Some important aspects of Poland's development

- Growing, though still low, employment

Employment rate among men (aged 20-64)



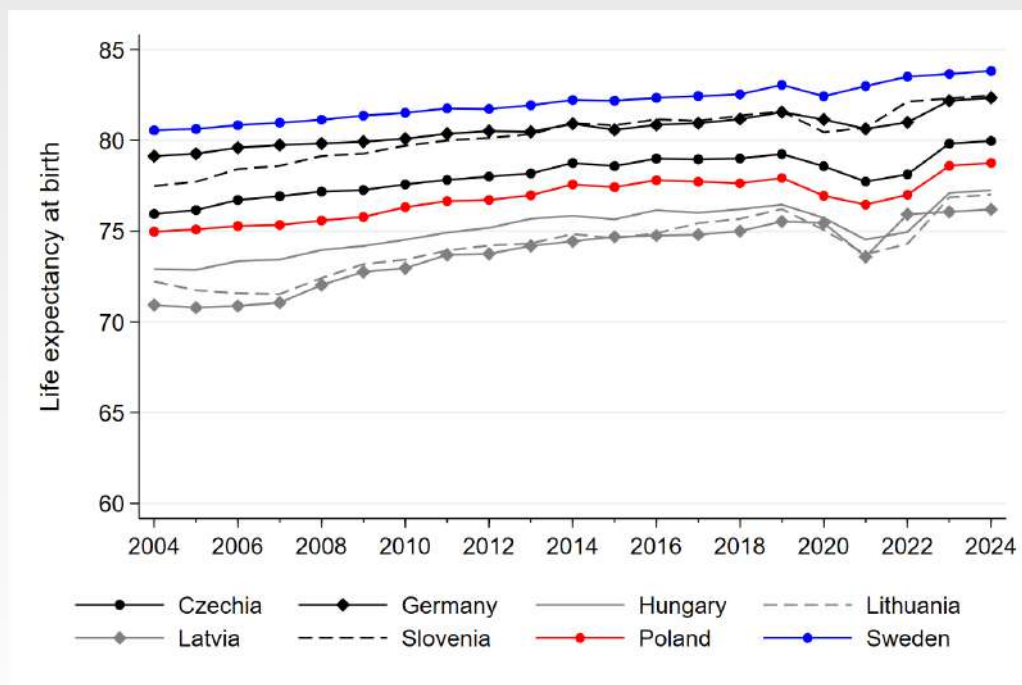
Employment rate among women (aged 20-64)



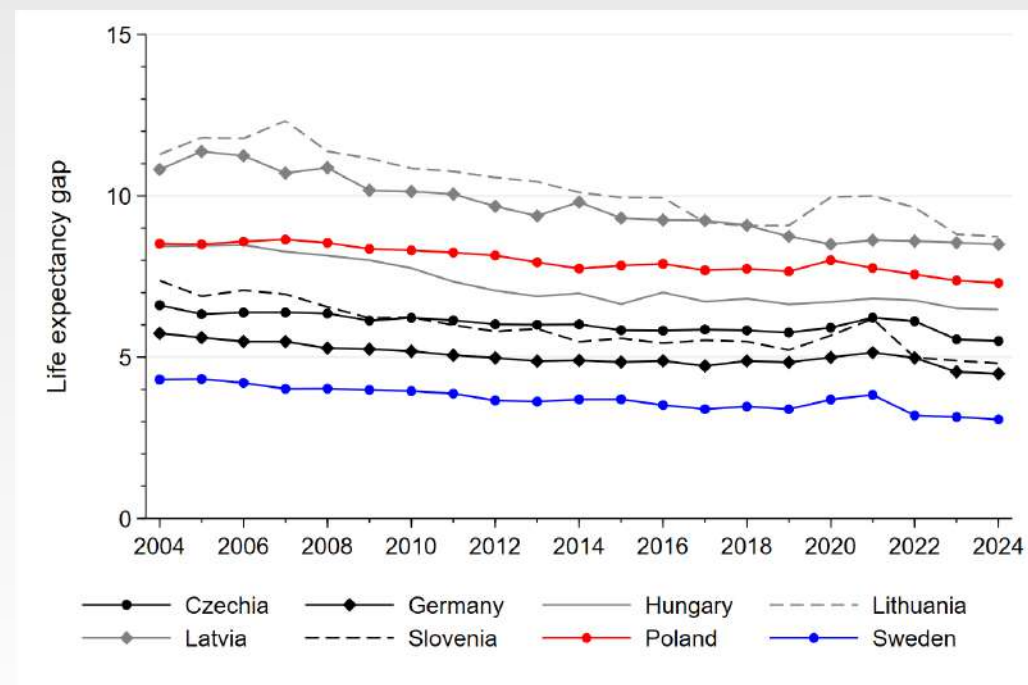
Poland in the European Union: Some important aspects of Poland's development

- Growing life expectancy, but with substantial gender gap

Life expectancy 2004-2024



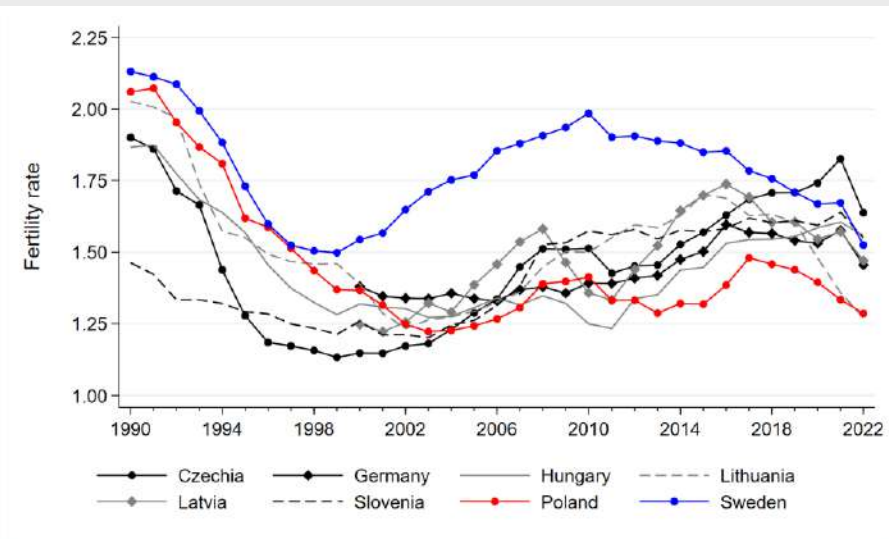
Life expectancy gap (women - men) 2004-2024



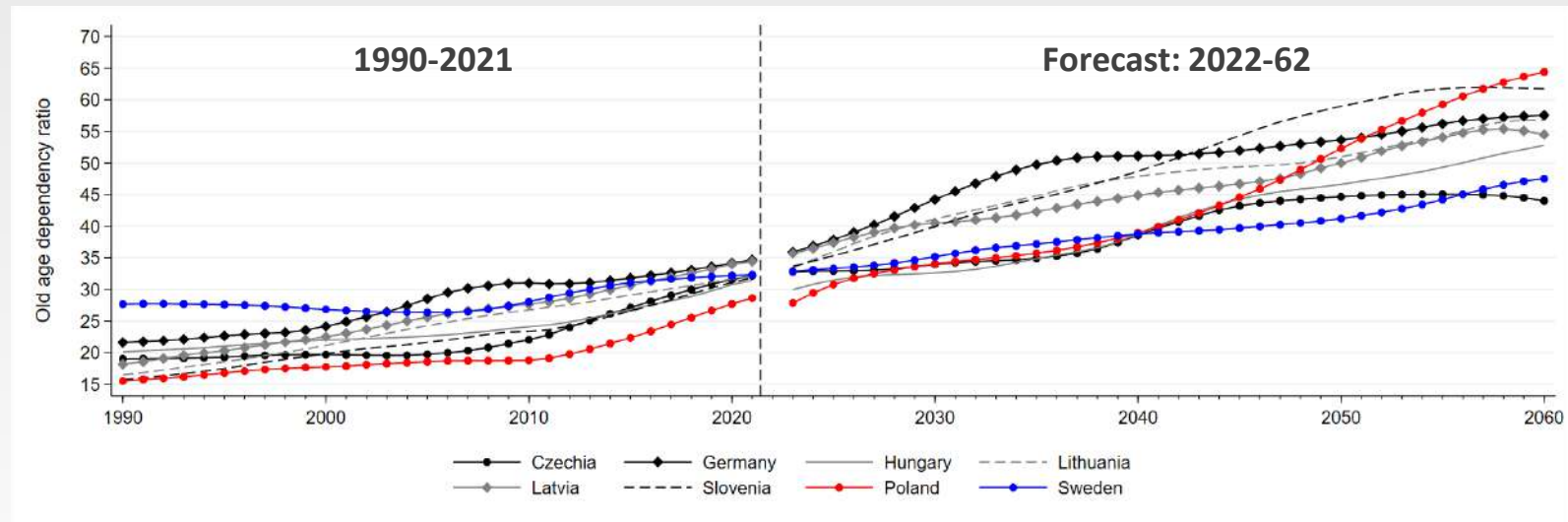
Poland in the European Union: Challenges ahead

- Low fertility and growing old-age dependency

Fertility rate 1990-2022



Old age dependency ratio 1990-2062

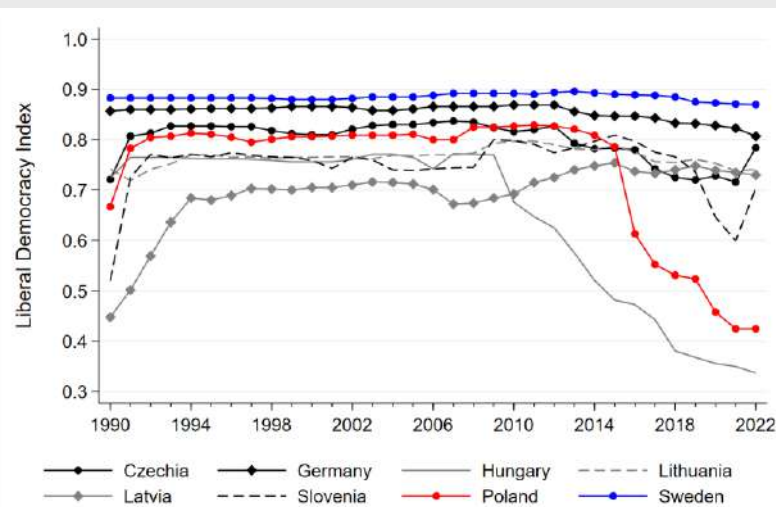


Poland in the European Union: Challenges ahead

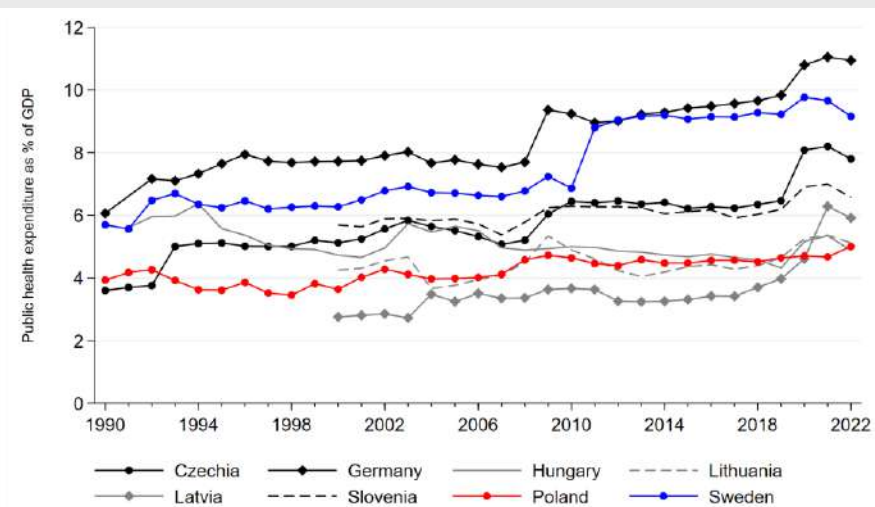
- Russian full scale invasion of Ukraine and the continued war with broad consequences for the region and the entire EU
- Return to the rule of law
- Continued improvements in productivity
- Energy transition & technological change
- Increased spending on innovation and R&D
- Greater focus on gender equality and minority rights
- Fiscal consolidation and sustainability of public spending in the context of:
 - demographic changes (with reduced retirement age)
 - low labor market participation among older individuals
 - increased levels of spending on the military

Poland in the European Union: Challenges ahead

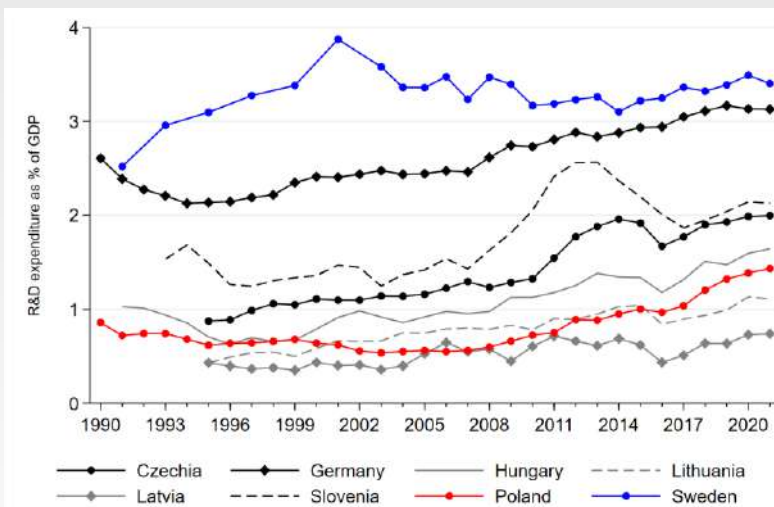
Liberal democracy index



Expenditure on public healthcare



Expenditure on R&D



Poland in the European Union: Summary and conclusions

- Poland's spectacular economic development over the two decades of EU membership:
 - EU accession programs, major structural reforms, increased participation in global markets, investment in infrastructure and in human capital
- Economic growth with significant benefits accruing also to poorer regions; however, economic inequalities were larger than commonly perceived
- Poland currently on the path to contribute to further European integration and cooperation – fundamental role of the benefits of the National Recovery Plan and other EU funds
 - Important to use the funds to address crucial challenges
- Crucial role of the military and political developments related to Russia's aggression
 - Accession of Ukraine and other Eastern Partnership countries

Poland in the European Union: the first two decades and the years ahead

Thank you!

Michał Myck

mmyck@cenea.org.pl

X: @MichalMyck

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