



BULLETIN

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Go Global: Towards a New Polish Strategy on Developing Countries

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As the 2004 strategy towards non-European developing countries is becoming increasingly outdated, a new comprehensive vision is required to strengthen the global dimension of Polish foreign policy. The rising political significance and economic opportunities in the Global South call for crucial readjustments in Poland's worldview. To make the best use of limited capabilities, a new strategy must focus on emerging economies and a few regional hubs in the developing world, and increase Poland's presence there through an effective mix of available political, economic, and cultural instruments.

The Mixed Legacy of the 2004 Strategy. Poland's extra-European policy is still formally guided by the Strategy towards non-European developing countries adopted in November 2004. The document focused on strengthening economic cooperation with the most promising 17 "priority" and 13 "important" countries (ranging from China and India to Ghana and Colombia). The authors correctly recognised that fulfilling major strategic goals of foreign policy—accession to the EU in 2004 and to NATO in 1999—prepared the ground for new ambitious tasks and rebuilding relations with partners who had been neglected during the years of transformation post 1989. The strategy was approved at the highest level by the Council of Ministers, which, in theory, guaranteed that actions would be properly coordinated across different state institutions.

However, the strategy described in a general manner the aims, tasks and instruments, and has not assigned any extra resources for the realisation of Poland's objectives. Instead, it concentrated on descriptions of selected countries and conditions of bilateral cooperation. As a result, the operational relevance of the document has been limited. It did not make clear how, when and by what means Poland could improve relations with chosen partners. Additionally, the change of government in 2005 halted the implementation of the document, and next change, in 2007, did not revive it. Instead, different departments in the MFA started working on separate and detailed policy strategies towards Asia, Africa and the Middle East, but these processes have never gone beyond the planning and consultation phase. Therefore, policy towards developing countries has not been guided by one comprehensive plan, which would describe Poland's vision, priorities, aims, available resources and tools in the mid-term, and in a comprehensive manner.

Catching up with Global Trends. While Poland has re-asserted its position in the old continent during the last 25 years, the political and economic importance of the developing world has risen substantially, especially in the years since the start of the European financial crisis in 2008. For instance, developing countries' share in world GDP increased from 17.3% in 1990 to 35.8% in 2012; their share in world exports climbed from 25.6% in 1992 to 33.9% in 2004, and to 44.8% in 2012; and their share in world imports has increased from 25.8%, to 30.5%, and 42.5% respectively.

In the same period, developing countries' share in Poland's imports rose modestly, from 11.3% in 1992 to 14.2% in 2004, and to 19.5% in 2012. Polish exports fell initially from 12.6% in 1992 to 5.7% in 2004, but bounced back to 8.1% in 2012. This shows that, although there was some progress in Poland's trade with these countries after the 2004 strategy, there is still untapped potential. Moreover, the rising trade deficit with developing world indicates the need for more active support for exports. This time when Poland still receives structural funds from the EU offers it a unique opportunity to look for new markets and diversify its exports, for which it is 75% dependent on the EU. The

transfer of wealth and power from west to the east, the European economic crisis, the growing race for new markets, and more recently, Russia's import embargo, mean Poland must strengthen its cooperation with rising economies in Asia, Africa or Latin America.

In recent years, Polish companies have begun exploring new markets and gaining their first experiences outside the EU. In order to support their further expansion, the government has introduced a number of instruments and mechanisms (Go China, Go Africa, promotion of prospective markets, etc.) and strengthened economic diplomacy through the organisation of more high-ranking official visits, economic missions and trade shows, as well as opening new economic sections and separate trade and investments sections (WPHI) in Polish embassies. There is also growing awareness of international interdependence and a focus on the global dimension of Poland's foreign policy, confirmed by the new foreign affairs minister, Grzegorz Schetyna, in his speech in parliament on 6 November 2014.

Yet, as Poland's global position is rising, the lack of long-term vision and well-defined aims within an overarching strategy are hampering progress. This leads to problems in coordination of actions between numerous public entities. For instance, the Ministry of Economy independently established priority countries for the promotion of Polish exports, and the Ministry of Finance gives preferential loans without taking into account the strategy of development cooperation. Instruments of cultural diplomacy (such as Polish institutes and scholarships) or foreign aid are often badly synchronised with the goals of strategy towards developing countries. One can observe also that most trade and investment offices and Polish institutes of culture are located in Western countries (mostly the EU) where Poland is already well known, while resources available for the rest of the world are scarce.

Numerous surveys show that there is little knowledge about Poland beyond Europe, and little recognition of products "made in Poland" which, in turn, hampers export opportunities and the success of national companies. Poland is often being presented as the gateway to Europe, but it lacks direct flight connections with major world's regions, and road and railway infrastructure with the eastern neighbours is underdeveloped. Moreover, Polish companies in emerging markets are facing tough competition with other Western firms backed by strong state apparatus offering comprehensive support. Without more public support and a new push at the governmental level, further advances in non-European markets will be hard to achieve.

A New Global Strategy: Focus on Regional Hubs. The fast-changing international system and Poland's rising ambitions call for a new strategy that can replace the outdated document of 2004 and drive global expansion in the mid-term perspective. As the country's resources and capabilities are limited, it must focus on strengthening its presence in a carefully selected shortlist of priority countries. This selection should be based on past experiences of cooperation and the potential of given markets (India, Brazil, etc.) as well as a country's availability to serve as a regional hub (Singapore, Ethiopia, etc.). Unlike the 2004 strategy, the new document must be more operational, with a package of practical instruments and extra resources that will guarantee the achievement of measurable goals. It is important to prepare a strategy in consultation between all ministries, and with the support of major political parties, to ensure that it will be implemented regardless of possible changes in government. The Ministry of Foreign Affairs may be invested with the duties of coordination and periodic evaluation, to secure better synergy of institutions' initiatives.

Diplomatic missions in priority countries should be assigned the crucial role of implementing the strategy. They should be reinforced with extra personnel and resources, and equipped with a comprehensive toolbox to raise Poland's profile, including through institutes of culture, an augmented small grant scheme for development assistance, and a budget for cultural and educational cooperation (such as granting scholarships). The core of the Polish presence in chosen countries should be regional Poland business centres (made up of transformed WPHI or possibly in the form of private-public partnerships) that would offer comprehensive support (such as office space for rent, legal assistance, and joint promotional activities) for Polish SMEs willing to start operations in given markets, and to create a launch pad for expansion into markets in neighbouring states. In addition to this, the government should encourage its public and private partners to be present in a given country. This could entail efforts to establish direct flight connections, a permanent presence of Polish media correspondents, branches of Polish banks, etc.

The strategy must create conditions in which political relations, economic cooperation and development assistance or cultural promotion reinforce each other. The government must pay more attention to the facilitation of more people to people contacts through support for cooperation between parliamentarians, academics and civil society groups, through, for instance, separate funding for a cooperation programme with the Global South. The potential of diasporas and graduates of Polish universities should be better tapped to strengthen bilateral ties. Although Poland's global interests are driven mainly by economic considerations, the political dialogue, at both bilateral and multilateral levels, must be prioritised. For instance, Poland can step up its engagement in shaping EU external and trade policy, including talks of the EU with strategic partners and negotiations on FTAs and more, in order to present itself as a more valuable partner.

The implementation of a more ambitious strategy facilitating expansion in distant and difficult markets will not be possible without extra funding. Although some resources can be relocated from Europe, the Ministry of Foreign Affairs may need its budget raised substantially in order to deal with new responsibilities and obligations. In times when international interdependence makes diplomacy more crucial for a state's success than ever before, more financial resources for the MFA must be seen as a long-term investment crucial to augment Poland's place on a global market and open new opportunities for Polish businesses and citizens.