One government is up, one down. The Polish government has had its mandate extended for yet another four years, while the Slovak’s mandate was suddenly cut short when the parliament refused to ratify the European Financial Stability Facility (EFSF). The messages from those two situations may at first seem contradictory, but that is not necessarily the case: any new party entering the political scene needs some time to consolidate internally before it enters the government. Both the Slovak and the Czech governments have suffered recent instability due to their political backing by newly emerging actors. Poland should not make the same mistake.

The Polish elections came as a surprise, but the surprise was that… there was practically no surprise. Prime Minister Donald Tusk’s Civic Platform (PO) won the day and with its junior coalition partner, the Polish People’s Party (PSL), they continue to enjoy a majority of seats in the Sejm and the Senate. That both the PO and the PSL belong to the European People’s Party (EPP) attests to the success with which the EU’s strongest party has defended its position in Poland. The largest opposition party in the country is still the Law and Justice party (PiS) led by the former Prime Minister Jarosław Kaczyński. PiS is a member of the European Conservatives and Reformists (ECR), together with the British Tories and the Czech leading party ODS. For over a year, however, the PiS party has been drifting more and more away from its traditional right-wing positions towards more extreme views. In the last days of the campaign, statements by PiS leaders reflecting a new anti-foreign investment and German-phobic sentiments were among the most important developments. In the end, PiS has lost 6th consecutive elections.

The new third party is the Palikot Movement (named after its leader). Political observers describe it as a protest vote of the more progressive electorate. For some, the rise of the new party has been refreshing: the Palikot Movement is viewed as anti-Catholic and wants, inter alia, to tax priests’ income; its MPs include the leader of the Polish gay community and the first trans-gender parliamentarian ever to be elected in the world. The movement placed third in the elections and strongly challenges the traditional left (the Democratic Left Alliance or SLD), which, for its part, recorded the poorest result in its history.
The rise of the Palikot Movement is an illustration of a region-wide new trend in politics. Last year new anti-establishment parties led by charismatic leaders were elected to parliament in the Czech Republic and Slovakia. Those parties have proven to be difficult partners, as they both entered into governments in the two countries. In Slovakia, the Freedom and Solidarity party (SaS) is liberal-minded and probably the most consistent of the new parties in the region. Nevertheless, it brought down the government over ratification of the EFSF (hence raising the issue of either being populist or unable to take co-responsibility for state affairs). SaS is a mixture of Northern European populist movements (combining strident social liberalism, mildly EU-skeptical sentiment and overall nationalism) and Southern European populist sentiment (feelings of socio-economic exclusion and impoverishment). In the Czech Republic, the corruption scandal that hit the Public Affairs party (VV) when anti-corruption was the party’s most important electoral platform – has seriously threatened the stability of the government. Both VV and SaS enjoy a similar level and source of support to that of the Palikot Movement. For this movement to consolidate, however, entering the second government of Mr Tusk might prove counterproductive. Fortunately, therefore, for its own sake as much as for the new Polish government’s stability, the new party is not needed among the government’s supporters. Instead, it can gain even more support by challenging both the government as well as the current opposition leader of Mr Jarosław Kaczyński.

Why do political developments in Central Europe matters for Europe as a whole? On the one hand, the Polish elections surprisingly attracted less international press coverage than the French Socialist Party primaries. On the other hand, the Slovak parliament a few days later rejected the EFSF in its first vote. The reasons for such political developments are usually domestic in origin and it is important therefore to know the local context. In Slovakia, the SaS, as the only government-backing party to reject the EFSF, took the opportunity to explore the argument of why a poorer country like Slovakia was expected to pay for richer nations of Southern Europe. The situation changed in the second vote when the opposition party, the social-democratic Smer, decided to vote in favour of the EFSF in exchange for the promise of earlier elections.

For Poland, the local context is that the country holds the Council rotating presidency until the end of the year. An election would have provided a perfect occasion to spoil the presidency. However, the post-electoral debate in Warsaw clearly illustrates the awareness of the problem among the political elites. The Polish leaders want to avoid the Czech mistake of changing the government in the middle of the presidency and the Prime Minister has indicated his willingness to keep the cabinet intact as long as possible. The new government will come into existence only in December.

The situation in Poland is central for other reasons, too. It is the only non-eurozone country that is prepared to become completely involved in any type of future closer fiscal integration and that has the leverage to make a difference: Economies like Poland are needed in any type of future ‘fiscal union’ on the strength of its size (the 6th largest in the EU), growth (some 4% annually) and fiscal rules (i.e. constitutional limitation on the debt ceiling). At the same time, the country is in need of further reform, especially in its financial policy (reducing the deficit) and macroeconomic policy (investing in enhancing its international competitiveness, developing infrastructure and creating a more business-friendly environment). Some unpopular decisions will be necessary along the way. To his advantage, with the next electoral campaign three years away, Mr Tusk has a window of opportunity in which to undertake further reforms.