

WOJCIECH ŁĄCZKOWSKI

THE CONSTITUTION OF THE REPUBLIC OF POLAND AND EURO*

The problem of Poland's joining the eurozone is a part of the debate on the Polish Constitution. It may be worth discussing this against the background of international relations, and relationships between Poland and organisations like the European Union in particular. The objective and unavoidable phenomena of globalisation, stimulated by technological and social development are responsible for the fact that the Earth is a shrinking organism bound by a network of interdependencies. Regardless of our emotional attitude to these phenomena, they cannot be stopped. Negating them is among other things a reflection of outdated views on the role and potential of individual States. What passes unnoticed is that even the greatest and most powerful States are no longer able to cope successfully with all the challenges of this rapidly changing world, if they act alone. This is even more true of States with an average potential, of which Poland is one, with no chance whatsoever, in the contemporary world, of realising dreams of being a fully independent 'Intermarium Power'. Thus attempts to do so today are not only an anachronism open to ridicule, but they might turn out to be damaging in the long term and lead to the marginalisation, or even, isolation of Poland and as such would be, despite appearances less than patriotic. It is in Poland's interest to join larger and stronger structures that will not only ensure its security but can also help it to eliminate developmental differences. These structures are, first of all, NATO which accepted Poland as a member in 1999, and the European Union which Poland joined in 2004. Both facts ought to be reflected in the Constitution.

Unfortunately, the Constitution of the Republic Poland currently in force was adopted in 1997, before Poland became a member of these organisations. Although during the drafting process possible membership of NATO and the EU was taken into account, this eventuality could not be anticipated with respect to allowing the creation of relevant legal norms. Hence the lack in the Constitution of clear regulation of the relationship between law originating in domestic provisions and law created by the European Union. A half-hearted attempt was made in Article 9 which provides that the Republic of Poland shall respect the international law binding upon it, or in Article 90 clause 1 providing that 'The Republic of Poland may, by virtue of international agreements, delegate to an international organisation or international

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institution the competence of organs of State authority in relation to certain matters.' However, a few years later it turned out that these declarations are insufficient. An example here may be the European Arrest Warrant the enforcement of which was impossible under the provisions of the Constitution. Consequently, this collision of norms enforced an amendment to the Constitution. This case may be treated as a recognition of the supremacy of European Union law over domestic Polish law. All this does not happen automatically but each individual case requires a separate and clear amendment to the law subsequently reflected in the Constitution. Among matters requiring similar treatment is the adoption by Poland of the common currency, a commitment that Poland made upon joining the European Union.

The adoption of the common currency should now be one of the priorities for Poland in the light of the reformation that the European Union has recently been undergoing. The core of the EU is being shaped around the Member States that have the same currency. This tendency will most probably continue and intensify. The eurozone, having at its disposal the greatest political and economic potential, will exercise a growing influence on the shape of the future Europe, while States left outside eurozone, and in particular those which (openly) deny their intention to join it in the future, put themselves at the periphery and deprive themselves of the chance to influence the development of events which they are unable to stop.

Thus Poland's interest requires that it place itself as soon as possible in the main decision-making stream, as one of the most important States on our continent. This however is currently hindered by a number of obstacles:

1. One is of a formal and legal nature although it could easily be eliminated by the legislative. It concerns the need to amend Chapter X of the Constitution and its Article 227 in particular which provides in clause 1 that the exclusive right to issue money is vested in the National Bank of Poland which shall also be responsible for the value of Polish currency. Further, the same Article regulates the structure of the central bank and determines the composition of the competences of the Council for Monetary Policy that of course apply to the Polish currency as well. Such a wording of Article 227 makes it impossible for Poland to adopt the common currency. Additionally, other provisions of Chapter X may also turn out in the future to be contrary to the decisions of the EU's authorities. Such a circumstance might occur for instance in the case of a jointly appointed minister of finance, or if a common budget were to be adopted. Examples of such possible developments have recently been observed which is why an amended Constitution seems to be a necessary solution for determining the conditions for Poland's acceptance of the common currency.

It could be argued that Poland can access the eurozone without amending the Constitution, on the grounds that Article 9 quoted above obliges it to respect international laws, or Article 90 clause 1 allowing delegation of certain competences of the Polish organs of State power to an international body but, in my opinion, that would be stretching the law to the point of manipulation. The easiest solution would be to insert an additional statement at the end of Chapter X of the Constitution providing that upon the adoption by Poland of

the common currency (euro) the relevant solutions adopted at the EU level will also be applicable in Poland.

2. Another obstacle, making it difficult to amend the Constitution in the desired direction is of a political nature. It is mainly connected with the view that adoption of the euro would mean a loss of sovereignty. Falling back on such patriotic feelings without giving substantial reasons easily discourages less politically educated citizens from this project. Therefore the question of political education should be given more attention to prevent citizens succumbing to false arguments.

It must first be explained what it really means when a State's sovereignty as a valuable good requiring absolute protection has been lost or limited. Such a situation arises when a State becomes deprived of independence by the use of force or deceit against its will and legitimate interests. An example of this may be the military aggression of the Third Reich on the Polish State or enforcement of the Soviet political system after World War II followed by subordinating Poland in essential economic and social areas. It is, however, a completely different matter when a State acquires access to international structures or organisations such as the European Union or NATO based on agreements entered into voluntarily. And if the balance of costs and benefits resulting from such accession is positive, it cannot be treated as a blameworthy limitation of sovereignty. As an analogy here may serve contracts made under civil law which also lead to a voluntary loss of authority over one good in return for the acquisition of authority over another. The sale of a car by its previous owner deprives him of the right to dispose of the car which has been sold, but compensates him with the price of the car which he receives and considers beneficial. While the theft of the same car would stand in contrast to the above and could be seen as a limitation of sovereignty. Identifying 'Brussels with Moscow' is an abuse that is sometimes committed by prominent politicians.

3. The third obstacle relates to economic arguments. This subject is very broad and goes far beyond the framework of this paper which focuses predominantly on legal and political issues. Hence this paper will analyse only the objections most frequently raised as constituting reasons why Poland should not join the eurozone. It is sometimes claimed that countries outside the eurozone will enjoy faster economic growth and that the effects of the international economic crisis will be felt by them less harshly. Such a view can be justified by statistical data. However, it must be noted that a selective use of statistics poses a certain risk. As an example here may serve the comparison of Poland's economic growth expressed as a percentage of GDP with the average result of the most developed countries of the euro area. In 2017 Poland's growth will probably approach 4% of GDP, similar to that of a few years ago, while in the latter it is likely to reach a little under 2%. If these figures were to be used as an argument against the adoption of the single currency, than these percentages should be complemented with values expressed in absolute figures to make the comparisons a somewhat more realistic. For example, for the purposes of simplification let us compare two countries with very different economic potential and assume that in one the level of GDP is 5 times higher,

for instance 500 units, while in the other it is 100 units (the differences between Germany and Poland are even greater). A two-percent increase in the first country will mean 10 units in absolute terms and a four-percent increase in the second country, will mean only 4 units. This example shows the far-fetched conclusions that the selective use of real statistical data can lead to. The need for a more rapid alignment of the levels of development of European countries requires more radical undertakings, such as the adoption of a single currency. Contenting oneself with favourable percentages, even if they prove to be permanent, may prolong unnecessarily the time for Poles to reach the standard of living that has been enjoyed by citizens of neighbouring countries for many years. This requires sound economic analyses not motivated by purely political considerations.

Another popular argument against the adoption of the euro is that of, which, although in the euro area, is in a particularly difficult economic situation. However, it should be stressed that this situation has been caused, among other things, by irresponsible increases in social spending. In the short term, they secured the authorities' strong public support, but in the long run they led to debt that was difficult to repay and to a reduction of development and investment outlays. Added to that there were unfair practices in financial reporting, preventing timely intervention by the relevant UE bodies. It is also worth noting that it is only because Greece is a member of the Eurozone that it receives massive financial assistance saving it from bankruptcy. This aid would probably not have been granted had it had its own currency. The threat of price increases is also unjustified. The experience of countries from our region that have recently adopted the euro (e.g. Slovakia and the Baltic States) shows that it is relatively easy to avoid the negative phenomena that characterise the initial period of the process of joining the euro area.

4. The adoption of the euro may also be discouraged by a number of restrictions applied to countries opting for the euro. Among them are what are known as the convergence criteria, which must be met by countries applying for the right to use the single currency. These criteria include satisfying the requirements of a certain level of inflation, public debt, budget deficit, long-term interest rates or a stable currency exchange rate over the last 2 years. This latter criterion means that even an immediate decision to join the euro area would entail a relatively long waiting period. All the above-mentioned criteria, although they impose tough conditions on states, are in fact healing and valuable not only from the point of view of the public finances, but also in the long run for the state and its citizens. They are probably inconvenient and difficult for the government, but they guarantee a sound monetary and fiscal policy. This is their intrinsic value, independent of the fact that they condition entry into the euro area, which provides many benefits for its participants. These include, for example, security arising from the fact that the euro is the second most important currency in the world (after the US dollar). The adoption of the euro also offers many direct and measurable benefits in terms of trade, including, among other things, the elimination of currency exchange costs and the avoidance of the foreign exchange risk. It would also be hard to

overestimate the ease of travel and many other advantages associated with using the currency of the most highly developed parts of our continent.

The economic consequences of adopting the euro are, of course, very extensive, as mentioned above, and require a number of sound analyses going well beyond the comments made above. It would be bad if an *apriori* negative political stance on these issues discouraged such analyses.

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To sum up, Poland's accession to the euro area is justified not only for political reasons, allowing it to participate in the most important decisions concerning the future of Europe and thus guaranteeing the security of our state, but also for economic reasons, enabling economic development, aiming at raising standard of living of Poles to that of the citizens of the most highly developed countries of the world. Such a state of affairs should not be confused with the loss of sovereignty of the state and the preservation of cultural values, which have little in common with the currency used. This may be evidenced by the situation of countries which have been in the euro zone for over a dozen or more years and which have not been affected by the phenomena that the Polish people are threatened with. It is therefore worthwhile to strive for the adoption of a common European currency and to prepare the Polish Constitution for it.

Wojciech Łączkowski

*Professor Emeritus of Law at the Adam Mickiewicz University in Poznań
and the John Paul II Catholic University of Lublin*

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S u m m a r y

There are many reasons why joining the eurozone may be beneficial for Poland. Above all it would mean joining the group of states that have a decisive influence on Europe's future. Poland would not only increase real influence on the most important decisions concerning our continent, but would also have a greater impact on the guarantees of its own security. Moreover, there are economic reasons for adopting the single currency that will facilitate faster economic development and accelerate the levelling of differences in the living standards between Poles and citizens of the most developed countries of the world. The adoption of the single currency should not be confused with the loss or limitation of sovereignty and threats to cultural values. Preparations for accession to the eurozone require a number of measures, including amendments to the Constitution.

