

Parliamentary Accountability of the Country-Specific Recommendations

Effectiveness and Substance

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8.1 INTRODUCTION

This chapter sheds light on the role of non-euro area national parliaments (NPs) in holding their governments to account in the EU's economic governance, making a contribution to the literature on the role of NPs in economic coordination.¹ The parliamentary accountability embedded in the EU context has been subject of scholarly attention for many years,² but the main emphasis was often on the EU as a whole, rather than economic coordination, and included mainly the euro-area member states.³ Moreover, the

¹ Cooper, Maatsch, and Smith (eds.), 'Analysing the Role of Parliaments in European Economic Governance', 70:4, *Special Section of Parliamentary Affairs* (2017); Crum, 'Parliamentary Accountability in Multilevel Governance: What Role for Parliaments in Post-Crisis EU Economic Governance?' *Journal of European Public Policy* (2018), 268–286; Pernice, 'Financial Crisis, National Parliaments, and the Reform of the Economic and Monetary Union' in Jancic (ed.), *National Parliaments After the Lisbon Treaty and the Euro Crisis Resilience or Resignation?* (Oxford University Press 2017), pp. 115–140.

² Maurer and Wessels (eds.), *National Parliaments on Their Ways to Europe: Losers or Latecomers?* (Nomos 2001); Hefffler, Neuhold, Rozenberg, and Smith (eds.), *The Palgrave Handbook of National Parliaments and the European Union* (Palgrave Macmillan 2015); Miklin, Maatsch, and Wozniakowski (eds.), 'Special Issue: Rising to a Challenge? Ten Years of Parliamentary Accountability of the European Semester', 9 *Politics and Governance* 3 (2021).

³ Auel, 'Democratic Accountability and National Parliaments: Redefining the Impact of Parliamentary Scrutiny in EU Affairs', 13 *European Law Journal* 4 (2007), 487–504; Bergman and Damgaard (eds.), *Delegation and Accountability in European Integration: The Nordic Parliamentary Democracies and the European Union* [Special Issue], 6 *Journal of Legislative Studies* 1 (2000); Jancic, *National parliaments and European constitutionalism: Accountability beyond borders* [Doctoral thesis, Utrecht University]. Utrecht University Repository. <http://dspace.library.uu.nl/handle/1874/211177>; MacCarthaigh, 'Accountability Through National Parliaments: Practice and problems' in O'Brien and Raunio (eds.), *National Parliaments Within the Enlarged European Union: From 'Victims' of Integration to Competitive Actors?*

analysis focusing on the engagement of the NPs in EU economic governance of the non-euro member states is limited to mainly Western countries,⁴ and Eastern members of the EU are largely excluded from the analysis. For instance, the available empirical research regarding parliamentary accountability of economic governance in Poland, the biggest country in the CEE region and the fifth-largest EU member state by population, (after Germany, France, Italy and Spain) is rather scarce.⁵ However, most recently Schweiger⁶ analysed parliamentary scrutiny of the European Semester in Poland as a case study, but he focused on the hearings devoted to the Convergence and National Reform Programmes and not on those devoted solely to the Country Specific Recommendations (CSRs) issued for Poland. Additionally, his analysis did not analyse the impact of accountability on the effectiveness of the whole process. In contrast, this chapter qualitatively analyses the parliamentary hearings concerning the EU's economic recommendations – the CSRs, as well as their policy effects regarding the implementation rate of those recommendations. It uses an explicit definition of parliamentary accountability, as described in the analytical framework, which will be guiding the empirical analysis.

How can the government be held accountable by a Polish NP in the area of economic governance? In order to answer this research question, the relevant debates in the NP are explored, which allow for the discovery of patterns along the chain of accountability. To this end, the parliamentary discussions in the context of specific area of economic governance are examined in depth – the European Semester, which is an annual cycle of economic and fiscal coordination of EU member states, focusing on its important part – the CSRs. Are the CSRs salient enough for the NP to invest its time and political capital in

(Routledge 2007), pp. 29–45; Raunio, ‘The Parliament of Finland: A Model Case for Effective Scrutiny?’ in Maurer and Wessels (eds.), *National Parliaments on Their Ways to Europe: Losers or Latecomers?* (Nomos 2001), pp. 173–198.

⁴ For example, Buskjaer Rasmussen, ‘Accountability Challenges in EU Economic Governance? Parliamentary Scrutiny of the European Semester’, 40 *Journal of European Integration* 3 (2018), 341–357.

⁵ Serowaniec, *Parlamentarne Komisje do Spraw Europejskich [Parliamentary European Union Affairs Committees]*, Wydawnictwo Sejmowe 2016, 195–199, 263–264; Woźniakowski, ‘Accountability in EU Economic Governance: European Commissioners in Polish Parliament’ in Miklin, Maatsch, and Woźniakowski (eds.), *Special Issue: Rising to a Challenge? Ten Years of Parliamentary Accountability of the European Semester*, 9 *Politics and Governance* 3 (2021), 155–162.

⁶ Schweiger, ‘Parliamentary Scrutiny of the European Semester: The Case of Poland’ in Miklin, Maatsch, and Woźniakowski (eds.), *Special Issue: Rising to a Challenge? Ten Years of Parliamentary Accountability of the European Semester*, 9 *Politics and Governance* 3 (2021), 124–134.

discussing these guidelines? What exactly is scrutinized? The second objective is to investigate the link between accountability and ‘effectiveness’ of the EU’s economic coordination, as one of the normative goods which accountability could bring, as identified by Dawson and Maricut-Akbik in the Introduction to this Volume: ‘Here, the premise is that the need to justify and even correct conduct will likely improve, and encourage reflection upon, the design of policy-making or implementation.’⁷ The authors of the Introduction do not claim that there is a direct causality line between a forum’s accountability claims and the behaviour of actors, as they focus more on types of claims that accountability forums can make vis-a-vis executive actors. Nevertheless, I will try to analyse if such a link can be established, even if it may not be a causal link, as the implementation of CSRs depends on many other domestic factors, the analysis of which would go beyond the scope of the chapter. Hence, in this chapter, effectiveness is understood through the prism of the implementation of CSRs at the national level, seen as one of key goals of the Semester. Indeed, in the case of the economic coordination, it was argued that ‘greater parliamentary accountability should eventually contribute to the collective ownership of the European Semester’.⁸ This idea is also present among policy-makers. For instance, the European Parliament in 2018 stated that it ‘believes that more national ownership through genuine public debates at national level would lead to better implementation of the CSRs’.⁹ By conducting an in-depth case study and comparing the specific policy issues that were debated with the CSRs and their implementation rate, I aim to contribute to this debate.

8.2 ANALYTICAL FRAMEWORK

The positions of Members of Parliament (MPs) towards CSRs and connected arguments expressed in parliamentary discussions will be explained by applying an analytical framework of justification and contestation as two basic forms of accountability as developed by Wozniakowski, Maatsch and Miklin¹⁰

⁷ Dawson and Maricut-Akbik, ‘From Procedural to Substantive Accountability in EMU Governance’, introduction to this volume.

⁸ Crum, ‘Parliamentary Accountability in Multi-Level Governance: What Role for Parliaments in Post-crisis EU Economic Governance?’ 25 *Journal of European Public Policy* 2 (2018), p. 283.

⁹ Hagelstam, Lehofer, and Ciucci, *The Role of National Parliaments in the European Semester for Economic Policy Coordination: In-depth Analysis*. (European Parliament 2018). [www.europarl.europa.eu/RegData/etudes/IDAN/2018/614494/IPOL_IDA\(2018\)614494_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/IDAN/2018/614494/IPOL_IDA(2018)614494_EN.pdf), p.2.

¹⁰ Wozniakowski, Maatsch, and Miklin, ‘Rising to a Challenge? Ten years of Parliamentary Accountability of the European Semester’, 9 *Politics & Governance* 3 (2021), 96–99.

who drew from the concept of monitoring and political scrutiny developed by Auel¹¹ and consequently distinguished:

1. Justification, or the lighter form of accountability, including questions demanding information and explanation;
2. Contestation, or the heavier form of accountability, including statements of disagreement, requests for change, and sanctions.

Therefore, it investigates substantive accountability mechanisms, putting special emphasis on whether the interactions take lighter or heavier form of accountability, depending on the type of question asked.¹² Additionally, accountability will be defined ‘through the distinction between procedural and substantive means of rendering the normative goods of accountability’,¹³ with a special emphasis on effectiveness. Therefore, my expectation is that if the CSR is scrutinized in parliament, then it is more likely that it will be implemented. While this chapter will focus on effectiveness as one of the four accountability goods as identified by Dawson and Maricut-Akbik in the Introduction to this edited volume, I will also try to explore the finding of the editors who concluded that procedural, rather than substantive, accountability dominates in EMU accountability.

8.3 PARLIAMENTARY SCRUTINY OF CSRS IN POLAND

Poland is a non-euro-zone country and its parliament, whose two chambers are the Sejm and the Senat, has medium-range budgetary powers, but the Sejm holds regular hearings within the Semester framework. What are the arguments used in those discussions? To this end, the deliberations of meetings of the Committees on the EU Affairs, Public Finance, and Economy and Development, which jointly discuss the European Semester are examined. In particular, I will focus on how the issues pointed in the CSRs played out during the hearings.

The hearings explored in this chapter cover the years between 2015 and 2019. This time frame covers both the Euro-enthusiastic centre-right PO-PSL governing coalition, which ended in 2015, and Euro-sceptic right-wing PiS government, which was created in late 2015 after winning the

¹¹ Auel, ‘Democratic Accountability and National Parliaments: Redefining the Impact of Parliamentary Scrutiny in EU Affairs’, 13 *European Law Journal* 4 (2007), 487–504.

¹² For a similar conceptualization, see Maricut-Akbik, ‘Contesting the European Central Bank in Banking Supervision: Accountability in Practice at the European Parliament’, 58 *JCMS* 5 (2020), 1199–1214.

¹³ Dawson and Maricut-Akbik, introduction this volume, p. 22.

parliamentary elections. The regular hearings in parliament with the ministers started in 2015. Before that, the CSRs were discussed, but the hearings were organized with either the European Commissioners alone, such as Valdis Dombrovskis, or with both ministers and the Commissioners, such as Janusz Lewandowski – for this reason, it was difficult to distinguish who exactly is held to account by the MPs during the pre-2015 hearings. The hearings were held in the summer (June or July) and were attended by the deputy ministers, usually from two ministries responsible for finance and economic development. Table A.8.1 in the Appendix presents the CSRs issued for Poland between 2015 and 2019, which were subject of those hearings. Table A.8.2 in the Appendix summarizes the thirty-two questions related to CSRs which were asked during the five analysed hearings, which are divided both thematically and based on two types of accountability mechanisms: justification/contestation, followed by their detailed analysis in the following section, subdivided between three main CSRs.

8.3.1 *Questions Related to the ‘Fiscal’ CSR 1*

8.3.1.1 Fiscal Council

The recommendation to establish an independent fiscal council appeared in both 2015 and 2016, as Poland remains the only EU country which did not formally introduce such a body. Both PO-PSL and PiS governments failed to implement this recommendation, and the reasoning was similar – Poland already has a set of institutions which do monitor the budget, especially the Supreme Audit Office (or NIK). Two questions about fiscal councils were asked during the 2016 hearing: by Joanna Mucha (Civic Platform – PO), who wanted to make sure that the government clearly says ‘no’ to this recommendation and by Marcin Świącicki (PO), who was contesting the minister’s statement that Poland already has institutions which are functionally similar to the fiscal council:

Well, I do not quite agree with the fact that the bodies that already exist, like for example, the Supreme Audit Office or the Social Dialogue Council are sufficient substitutes of the fiscal council.... I believe that it was a bad position [i.e. not to create a council in the past] and that such a council may be of helpful for the Ministry of Finance. The ministry is under pressure from a variety of other ministries, various political goals et cetera and the fiscal council, which would look at the long-term consequences, long-term balance, can only strengthen the position of the ministry and be an additional, I would say, argument or an additional source of information on this matter, guarding the long-term fiscal balance. So, I would suggest that you rethink

the recommendation concerning the fiscal council, as it would make sense and would be of added value, because, as I say, the current institutions do not provide this long-term role expert assessment.¹⁴

In her answer Hanna Majszczyk, a deputy minister (undersecretary of state) in the Ministry of Finance (MF), confirmed the reluctance of the government to introduce such an institution and replied that the differences with the European Commission are mainly semantic, as the Commission recognizes the fact that the various functions which fiscal council hold should have been conducted by a number of independent institutions. The pressure is to create one institution, but the government is in a dialogue with the Commission about that and remains optimistic about the prospects of diminishing this pressure.

This recommendation disappeared in 2017 from the list of CSRs, even if it was never implemented. Nevertheless, Świącicki raised this issue again two years later. After providing similar arguments, that is, that the fiscal council could be a source of valuable long-term assessment of various policies, for instance, regarding the retirement age, he asked if the government plans to come back to this topic. This time it was Piotr Nowak, deputy minister of MF, who responded by emphasizing that the Commission stopped recommending the creation of a fiscal council, after it understood that those functions are performed by different institutions, such as Monetary Policy Council and Supreme Audit Office. Hence, in this case, there is no link between the level of scrutiny and implementation.

8.3.1.2 Deficit

Deficit (and related topics, such as benchmark rule) was by far the topic that was most often raised during the hearings as there were nine questions about it in total. For instance, in 2016 Joanna Mucha (PO) from the opposition asked if the government intends to implement CSR₁, which recommends reduction of structural deficit by 0.5 per cent, because in the update of the convergence program, there is no such information. MF representative, Hanna Majszczyk, replied extensively and emphasized the fact that Poland aims to reduce this deficit in 2018. She also highlighted the fact that nominal deficit is the most important factor and, in this regard, Poland is implementing the recommendations. A year later, in 2017, Janusz Cichoń (PO), clearly contested the government fiscal policy by highlighting the fact that in both 2016 and 2017, the government failed to implement recommendations regarding MTO and

¹⁴ Full record of the course of the meeting European Union Affairs Committee (No.60), Public Finance Committee (No. 63), Economic Committee (No. 33), Sejm 2016, pp. 6–7.

structural deficit and asked how the government plans to react to those recommendations in the next budgetary year of 2018. In the same round of questions, his demand was repeated by Świącicki (PO). The government representative did not react to those questions, perhaps due to the fact that in 2017 it was represented solely by a deputy minister from the Ministry of Development as this time a minister from MF did not take part in the hearing.

In the following year of 2018, there were four questions concerning the deficit, all of them asked by two opposition MPs: Świącicki (PO) and Henning-Kloska (N or Modern party). Świącicki asked two explanation-demanding questions in this regard: he wondered if the government plans to correct the planned deficit level and if the expenditure benchmark of 4.2 per cent will be met. A similar question, but much more elaborated (with examples of other countries and statistics illustrating the points being made), was asked by Hennig-Kloska, who worried that the slower economic growth than expected may even lead to an increase of the planned deficit. The response was provided by both a Deputy Minister in MF Piotr Nowak, and then via a much more technical response by a Deputy Director of the Department of Macroeconomic Policy Joanna Bęza-Bojanowska. While the latter focused on the detailed description of MTO and Polish efforts aiming at achieving the expenditure benchmark of 4.2 per cent and reducing the structural deficit by 0.5 per cent of GDP, the latter emphasized the differences between nominal deficit and the deficit and in relation to GDP and asked to focus the discussions on the deficit-to-GDP ratio, as it has fallen last year. Henning-Kloska was not satisfied with this answer and challenged the minister by stating that the fall of the deficit-to-GDP ratio was due to the growth of GDP and strengthening of the Polish zloty at the end of the year. She also reminded him that the debt of public healthcare and pension institutions such as ZUS is not included in the deficit calculations. In his second reply, Nowak agreed that the exchange rates had an impact on public debt, but only in nominal terms, and focused on its relation to the GDP.

In 2019 two questions concerned the deficit. Firstly, Janusz Cichoń (PO), after criticizing the current fiscal policy, asked if the government will implement CSR₁ regarding the expenditure benchmark. In his response, Deputy Minister Marcin Ociepa stressed that Poland keeps receiving the same types of CSRs since 2011 and if the opposition criticises the government now it should do the same for the previous governments. The difference is that now Poland does not have a recommendation regarding VAT compliance. Secondly, Izabela Leszczyna (PO) asked about a discrepancy between the Convergence Programme and Multiannual State Financial Plan and the bills that the government sent to the parliament, especially on the reduction of PIT rate from 18 to 17 per cent and to 0 per cent for young people. It was the

Director of Department in MF Sławomir Dudek who admitted that there are differences between those documents, but this was because the budgetary cost of the tax proposals changed in the actual budget as for the first time these proposals could be assessed together.

8.3.1.3 Reduced VAT Rates

In a 2016 hearing, Paweł Lisiecki (PiS) asked how the European Commission justified its recommendation to eliminate reduced VAT rates as in his opinion the higher the taxes the higher the tax avoidance. Deputy Minister in MF, Hanna Majszczyk, provided a detailed answer where she explained the positions of both the Commission and the government:

The arguments regarded indeed the revenue side. It [the European Commission] noted that Poland continues to apply reduced VAT rates to many goods and services. This practice, according to the Commission, contributes to the loss of income and reduces the effectiveness of the VAT system (...). As I said before, in our exchange of views with the European Commission we insisted that we do not see this loss of income on the side of reduced rates of VAT, but on the fraud side. We focus our activities here in order to rebuild the tax base and eliminate abuses. In addition, we emphasize (...) the fact that many countries use reduced rates and, as a rule, the rates applied are in line with the EU directives. Thus, those tax solutions do not violate European law¹⁵

In the following year, in 2017, Krystyna Skowrońska (PO) asked what the government wrote in its reply to the Commission about this recommendation on reduced VAT rates. However, Adam Hamryszczak, MF's Deputy Minister only stressed that the Commission for the first time appreciated Polish efforts in fighting VAT compliance and did not refer to the reduced rates specifically. In both 2016 and 2017, the implementation of this CSR was assessed as 'no progress' (Table A.8.2).

8.3.2 *Questions Related to the 'Social' CSR 2*

8.3.2.1 Increase of the Effective Retirement Age

In 2018 two MPs asked about the recommendation to increase the effective retirement age. Świącicki (PO) was wondering about the government's assessment of the various measures which could go in the opposite direction

¹⁵ Full record of the course of the meeting European Union Affairs Committee (No. 60), Public Finance Committee (No. 63), Economic Committee (No. 33), Sejm 2016, p. 5.

to the one which is recommended. An MP from PiS, Kazimierz Smoliński, worried that Poland will be outvoted on this issue as a consequence of the reversed qualified majority voting and asked if Poland will need to implement this CSR in such a scenario. Marcin Ociepa, a Deputy Minister, started his answer with a general remark that CSRs are only recommendations which are supposed to help economic growth and some of them relate more to a sphere of politics rather than policy, and he would rather focus on the latter sphere:

The essence of the process known as the European Semester is to help by supporting member states in achieving economic growth, and consequently for the EU as a whole to achieve economic growth, [there are] not the rigid orders from some external authority which we must obey. The philosophy of this instrument is completely different. Because in the end you have to answer the question of who creates and is responsible [accountable] for the economic policy of the state. Well it is a government of that country. So we take these recommendations as a good, kind advice, we often discuss them, argue, and agree with most of them, because they are rational directions, but elsewhere – well, here comes another distinction which should be mentioned. That is, we are dealing with elements that we would call policy versus politics. So the distinction between public politicians and a certain politics *sensu stricto*. What does it mean? Social policies or public policies can go one way or the other, and we can talk about some effectiveness, but there are such issues – and they appear here and there in the European Semester – which are, I would say, a political dispute that is also going on in Poland. Because the issue of 500+, the issue of approach to KRUS, the issue of lowering or increasing the retirement age, these are also political issues in Poland. So, I think that it should also be borne in mind. It is not my job to address the political element of this process or dispute, for example the question of the retirement age.¹⁶

But then he focused on the word ‘effective’ in the CSR concerning retirement age and that Poland agrees with this recommendation and tries to encourage people to work longer and thus to increase an *effective* retirement age and not the statutory retirement age, which was a CSR for some other countries, as he noted.

In the next year, 2019, this issue came up again, as Izabela Leszczyna (PO) asked what the government plans to do in order to increase the age when people over sixty or sixty-five retire and so they do not have to support themselves with pensions on which they could ‘starve’. Minister Ociepa failed to

¹⁶ Full record of the course of the meeting European Union Affairs Committee (No. 213), Public Finance Committee (No. 331), Economic Committee (No. 115), Sejm 2018, pp. 11–12.

answer this question, but in the next round of questions Świącicki pushed him on this topic. This time, Ociepa replied and provided some data supporting his claim:

Let me start with an answer for Mr Świącicki regarding professional activity of elderly people. It is not true that this activity has started to decline. I quote the data: in 2017, because I understand that from that moment on, the MP said that from 2017 so we can possibly talk about a slowdown in growth, while 2017 that's 50.1%, 2018 that's 50.3%. Quarterly, Q1 2017 – 49.1%, first quarter of this year 2019 – 50%. So there's growth everywhere, even in 2019. We will be happy to share this data, with the Economic Analysis Department, this data clearly shows that we have an increase in activity all the time and we have to do everything to keep this growth at a high level.¹⁷

In both 2018 and 2019, the implementation of this CSR was assessed as 'no progress' (Table A.8.2).

8.3.2.2 Reform of the Preferential Pension Arrangements

A CSR which advised to reform preferential pension schemes, especially a scheme for farmers ('KRUS' as it is called from its Polish abbreviation from Kasa Rolniczego Ubezpieczenia Społecznego or Agricultural Social Insurance Fund) was quite contested in the Sejm. For instance, in a 2015 hearing, MP Stanisław Kalemba from a coalition partner PSL asked if in other countries similar pension schemes for farmers exists and if similar recommendations to reduce them were issued for those countries. Artur Radziwiłł, a Deputy Minister in the MF, replied that even though farmers were not mentioned specifically, for France and Germany the Commission recommended to take steps aiming to encourage people to retire later in life (Germany) and to balance the pension system, especially those schemes which are outside of the universal system (France).

In 2018, Świącicki asked if the government will have the courage to change the farmers' pension scheme (KRUS), which turn young farmers into 'economic invalids':

Another thing that keeps coming back here is the issue of the unfortunate KRUS. Well, ladies and gentlemen, we are in such a paradoxical situation. At the moment, many young people farmers have higher education, know the languages, they are well prepared. We let them into KRUS, into a system

¹⁷ Full record of the course of the meeting European Union Affairs Committee (No. 276), Public Finance Committee (No. 477), Economic Committee (No. 167), Sejm 2019, p. 18.

in which they become economic invalids. (...) However, new farmers, those who enter agriculture, these educated, fully capable people don't need to be admitted for a lifetime, for several dozen years, like some economic invalids, who are unable to either retire or pay taxes, like all the rest of the adult population must do. It is even more proper as the agriculture remains one quite solidly subsidized sector (...).¹⁸

A Deputy Minister of Entrepreneurship and Technology, Marcin Ociepa, gave an extensive answer and focused on the fact that the number of farmers covered by KRUS dropped by 4.8 per cent in 2017 compared to 2016. He stressed that this is an example of philosophy of the government as it tries to create a system which would encourage people to do a certain thing, rather than to force them to do it by hard law means, which would be controversial. In both 2015 and 2018, the implementation of this CSR was assessed as 'no progress' (Table A.8.2).

8.3.2.3 Participation in the Labour Market

A CSR advising Poland to increase labour market participation appeared consistently from 2016 to 2019. For instance, in 2017 it was quite detailed: "Take steps to increase labour market participation, in particular for women, low-qualified and older people, including by fostering adequate skills and removing obstacles to more permanent types of employment" (see Table A.8.2). Two questions related to participation in the labour market CSR were asked – in 2017 and 2019. In 2017 Henning-Kloska worried that the current social policy leads to the exclusion of women from the labour market and asked about the plans to change it:

Indicator the activity of women aged 35–44 during the year decreased by more than 1%. It is a lot, considering that we are directly in the period in which our unemployment is falling. So an increasing part of the working-age society should be professionally active, and here in the case of women aged 35–44, during the crucial time for the development of professional life for these women, this indicator goes completely the other way. And my question is: what ideas will you have for women excluded from the labour market to return to this labour market at the age of 45, when they will very often be without experience or will remain for ten years or more outside the labour market.¹⁹

¹⁸ *Full record of the course of the meeting European Union Affairs Committee (No. 213), Public Finance Committee (No. 331), Economic Committee (No.115), Sejm 2018, p. 17.*

¹⁹ *Full record of the course of the meeting European Union Affairs Committee (No. 136), Public Finance Committee (No. 212), Economic Committee (No. 76), Sejm 2017, p. 18.*

Deputy Minister Hamryszczak replied that the group of women who quit their job because of the program Family+ (500PLN child benefit introduced by PiS) is not substantial. He cited the data from 2016 to support his claim. In 2019 Świącicki asked about planned policies regarding the participation in the labour market of older adults and disabled people. Deputy Minister Ociepa replied by citing data which showed that there is a positive trend when it comes to both older adults and disabled people:

With regard to the professional activity of, for example, people with disabilities, in 2015 – 25%, 2018 – 28%. As for activity of older people, i.e. aged 55–64: in 2015 – 46.9%, in 2018 – already: 50.3%. In all the indicators we have an increase, we are improving the state of affairs. This is what the European Commission appreciates, but we have no regrets as professionals that what is expected of us is to do even more, even better, because we ourselves expect to do even better. But please don't say that the Polish government is failing when it comes to economic policy, because in all of these areas we have growth, we have progress and we are successful.²⁰

In both 2017 and 2019, the implementation of this CSR was assessed as 'limited progress' (Table A.8.2).

8.3.3 *Questions Related to the 'Business' CSR 3/4*

8.3.3.1 Barriers in Railway Investments

One opposition MP Maria Zuba (PiS) in 2015 asked about CSR₄ on the barriers in railway investments and what the government plans to do in order to improve the quality of railways and the use of EU funds. Deputy Minister of Economy, Grażyna Henclewska, gave a detailed answer, citing the legislative bills introduced in order to improve the situation and the amount of funding which will be used for railways from the EU programs. Limited progress was made in this policy area (Table A.8.2).

8.3.3.2 Public Healthcare

In 2019 three questions on public healthcare were asked. Henning-Kloska focused on the state of public healthcare. She asked if the government will be able to increase funding on healthcare in the next two or three years. After her question was ignored by Minister Ociepa in the first round, she asked it

²⁰ Full record of the course of the meeting European Union Affairs Committee (No. 276), Public Finance Committee (No. 477), Economic Committee (No. 167), Sejm 2019, pp. 11–12.

again and insisted on getting an answer. In the same round, Izabela Leszczyna asked when the target of 6 per cent of GDP will be reached – in 2024 or 2050 as indicated in the document submitted by the government. Ociepa this time replied but provided rather generic answer. He cited PM Morawiecki who said that reforming the public healthcare system is the number one priority and that improvements are being made, even if we are still below the EU average. Limited progress was made in this policy area (Table A.8.2).

8.4 DISCUSSION AND CONCLUSIONS

On the accountability dimension, it is undoubtedly positive that the hearings on CSRs take place regularly and there is a lively debate where both majority and opposition MPs ask questions and (usually) the representatives from the two ministries responsible for finance and development attend and must provide answers. Most questions fall within the justification category (22 out of 37), in which the demands for explanation or information were made. Certainly, the accountability exercised is substantial and not purely procedural. However, there are certain areas which could be improved. Firstly, the type of interaction – MPs could ask a direct question, rather than simply criticizing the government. This would allow them to push the ministers in case their questions would not be answered. By not asking a clear question, they allow a minister to simply ignore their comments. It seems that more effort should be made towards making explicit demands and possible follow-ups, if the answer is not given. This is what MP Henning-Kłoska did in 2019, when she complained that the minister ignored her question on the healthcare expenditures and demanded an answer. Secondly, the relevant ministers themselves should appear in front of the committees, rather than their deputies and high-level civil servants (i.e. at the level of directors of departments, which sometimes replied to more detailed questions). This would allow having a discussion on politics also and not only policies, as some CSR required a change in the former, as in the case of the pension systems. Thirdly, more MPs from the three committees could be active, as only a handful of MPs were actively engaged in the hearings, like Świącicki, Henning-Kłoska or Leszczyna. Precisely, only nine MPs asked at least one question during these CSR-focused hearings in 2015–2019, which equals to one-fifth of the European Affairs Committee (42–43 members), not to mention the members of the other two sectoral committees.

On the efficiency dimension, one can hardly see any link at all as the scrutiny of the CSRs has a limited impact on their implementation. One of the objectives of this chapter was to analyse if the level of scrutiny corresponded

in any way with the level of implementation. In this case, it was quite limited in delivering a normative good of efficiency understood as the level of implementation of CSRs. Most CSRs were assessed in the Country Reports as 'no progress', as only in the CSRs on the participation in the labour market, public health and barriers in railway investments one could observe a 'limited progress' assessment. Nevertheless, the Commission was determined in issuing very similar CSRs year after year (only occasionally it gave up, like with the case of a fiscal council, despite a complete lack of progress). This finding suggests that accountability may not necessarily bring about effectiveness understood as the implementation of CSRs.

APPENDIX

TABLE A.8.1 *Commission's CSRs for Poland 2015–2019*

Article I. CSRs	2015	2016	2017	2018	2019
1	<p>Following the correction of the excessive deficit, achieve a fiscal adjustment of 0.5% of GDP towards the medium-term objective both in 2015 and 2016. Establish an independent fiscal council. Limit the use of reduced VAT rates.</p>	<p>Achieve an annual fiscal adjustment of 0.5% of GDP towards the medium-term budgetary objective in 2016 and in 2017. Strengthen the fiscal framework, including by establishing an independent fiscal council. Improve tax collection by ensuring better VAT compliance, and limit the extensive use of reduced VAT rates.</p>	<p>Pursue its fiscal policy in line with the requirements of the preventive arm of the Stability and Growth Pact, which translates into a substantial fiscal effort for 2018. When taking policy action, consideration should be given to achieving a fiscal stance that contributes to both strengthening the ongoing recovery and ensuring the sustainability of Poland's public finances. Take steps to improve the efficiency of public spending and limit the use of reduced VAT rates.</p>	<p>Ensure that the nominal growth rate of net primary government expenditure does not exceed 4.2% in 2019, corresponding to an annual structural adjustment of 0.6% of GDP. Take steps to improve the efficiency of public spending, including by improving the budgetary process.</p>	<p>Ensure that the nominal growth rate of net primary government expenditure does not exceed 4.4% in 2020, corresponding to an annual structural adjustment of 0.6% of GDP. Take further steps to improve the efficiency of public spending, including by improving the budgetary process.</p>

(continued)

TABLE A.8.1 (continued)

Article I. CSRs	2015	2016	2017	2018	2019
2	Start the process of aligning the pension arrangements for farmers and miners with those of other workers, and adopt a timetable for progressive full alignment; put in place a system for assessing and recording farmers' incomes.	Ensure the sustainability and adequacy of the pension system and increase participation in the labour market, by starting to reform the preferential pension arrangements, removing obstacles to more permanent types of employment and improving the labour market relevance of education and training.	Take steps to increase labour market participation, in particular for women, low-qualified and older people, including by fostering adequate skills and removing obstacles to more permanent types of employment. Ensure the sustainability and adequacy of the pension system by taking measures to increase the effective retirement age and by reform the preferential pension arrangements.	Take steps to increase labour market participation, including by improving access to childcare and by fostering labour market relevant skills, especially through adult learning, and remove remaining obstacles to more permanent types of employment. Ensure the sustainability and adequacy of the pension system by taking measures to increase the effective retirement age and by reforming the preferential pension schemes.	Ensure the adequacy of future pension benefits and the sustainability of the pension system by taking measures to increase the effective retirement age and by reforming the preferential pension schemes. Take steps to increase labour market participation, including by improving access to childcare and long-term care, and remove remaining obstacles to more permanent types of employment. Foster quality education and skills relevant to the labour market, especially through adult learning.

3	Take measures to reduce the excessive use of temporary and civil law contracts in the labour market.	Take measures to remove obstacles to investment in transport, construction, and energy infrastructure, and increase the coverage of spatial planning at local level.	Take measures to remove barriers to investment, particularly in the transport sector.	Strengthen the innovative capacity of the economy, including by supporting closer collaboration between business and research institutions. Improve the regulatory environment, in particular by ensuring effective public and social consultations in the legislative process.	Strengthen the innovative capacity of the economy, including by supporting research institutions and their closer collaboration with business. Focus investment-related economic policy on innovation, transport, notably on its sustainability, digital and energy infrastructure, healthcare and cleaner energy, taking into account regional disparities. Improve the regulatory environment, in particular by strengthening the role of consultations of social partners and public consultations in the legislative process.
4	Remove obstacles to investment in railway projects.				

Note: This table contains Commission recommendations, issued usually in May, because those recommendations are subject to parliamentary discussions. Commission recommendations have to be approved by the Council, which happens usually in July. Very rarely does the Council change the Commission recommendations.
Source: <https://ec.europa.eu/>. In bold titles of subsections which correspond to the subsections of the CSRs debated in Sejm.

TABLE A.8.2 Questions asked during CSR hearings in Sejm 2015–2019

Question	2015	2016	2017	2018	2019
Total	2 (o)*	4 (1)*	7 (2)*	12 (5)*	12 (7)*
Fiscal council (CSR ₁)		2 (1) (no progress)		1	
Deficit (CSR ₁)		1	2 (1)*	4 (2)*	1 (1)*
Reduced VAT rates (CSR ₁)		1 (no progress)	1 (no progress)		
Preferential pension schemes (CSR ₂)	1 (no progress)			1 (no progress)	2 (1) (no progress)
Retirement age (CSR ₂)				2 (no progress)	1 (o) (limited progress)†
Participation in the labour market (CSR ₂)			1 (Limited progress)†		3 (2) (limited progress)§
Public health (CSR ₃)					
Barriers in railway investments (CSR ₄)	1 (limited progress)¶	–	–	–	–
Varia – not related to CSR			3#	4 (3)◆	5 (3)♥

* In brackets number of contestation type of questions. Assessment of the Implementation rate is provided based on Country Report Poland from the following year (Annex A, Overview Table).†† If there was at least limited progress, a justification is provided in the footnotes. The assessment of compliance with the Stability and Growth Pact is not included in the Country Reports and for this reason, the implementation rate of deficit recommendation is not provided.††

† ‘Limited progress has been made as regards measures to increase labour market participation. Some policy measures can be expected to increase activity. In particular the creation of nurseries should become easier and the public funding for them was increased. The number of places in kindergartens was also increased. Some barriers to permanent employment may potentially be removed by new labour codes, but the drafts have not yet been published. No government decision has been made on the higher education reform. Simultaneously, the lowered statutory retirement age acts towards limiting labour market participation. Labour market participation of the respective groups increased during the last 3–4 quarters thanks to a strong cyclical position of the economy’. CR Poland 2018, p. 37.

‡ ‘Limited Progress. Labour market participation increased, although for certain groups it is still below EU average. Access to childcare increased but still constitutes a major challenge for the age group 0–3. Access to long-term care still remains very limited, as this is mainly provided within families. Poland did not undertake major actions removing the remaining obstacles to more permanent types of employment’. CR Poland 2020, p. 47.

§ ‘Limited Progress. The National Strategy of Regional Development 2030 was adopted in September 2019. It includes investment activities related to the health care system. The Partnership Agreement and the Operational Programmes for 2021–2027 Programming Period are being drafted’. CR Poland 2020, p. 50.

¶ Poland has made limited progress in addressing CSR 4: In September 2015 the National Rail Programme 2023 was adopted. An amendment to the Railway Act of 15/01/2015 aims to facilitate procedures for investing in railway infrastructure. Regarding the period 2014–2020, accelerating the processes for project preparation has not yet resulted in investments getting off the ground. (CR Poland 2016, p. 36.)

Legal risks, economic consequences of government policies; salary freeze for civil servants.

◆ Private investments (2 questions) and VAT compliance (2 questions).

♥ Rule of law (4 questions) and VAT compliance.

† *Country report Poland*, European Commission 2016; *Country report Poland*, European Commission 2017; *Country report Poland*, European Commission 2018; *Country report Poland*, European Commission 2019; *Country report Poland*, European Commission 2020.

‡ The following categories are used to assess progress in implementing 2015 [and in the following years] CSRs:

No progress: The Member State (MS) has neither announced nor adopted measures to address the CSR. This category also applies if the MS has commissioned a study group to evaluate possible measures.

Limited progress: The MS has announced some measures to address the CSR, but these appear insufficient and/or their adoption/implementation is at risk.

Some progress: The MS has announced or adopted measures to address the CSR. These are promising, but not all of them have been implemented and it is not certain that all will be. **Substantial progress:** The MS has adopted measures, most of which have been implemented. They go a long way towards addressing the CSR.

Fully implemented: The MS has adopted and implemented measures that address the CSR appropriately. (Country Report Poland 2016, p. 36.)

