



Poland

PO announces it will run Civic Coalition without SLD or PSL

- **PO will run with Nowoczesna and local govt group**
- **PSL to try to create centrist formation, SLD to seek leftist coalition**
- **Polls show this is the best framework in which PiS can win outright**
- **PO's program seeks payroll tax cuts, to cost some PLN 30bn**

The main opposition Civic Platform's (PO) leader Grzegorz Schetyna announced Thurs. that the party would create the Civic Coalition (KO) but that it would not include either the Polish Peasants' Party (PSL) or the Democratic Left Alliance (SLD), meaning the opposition has failed to unite ahead of a general election seen likely to be called on Oct 13. Schetyna has been negotiating with the two parties with which it ran as the European Coalition (KE) in the May 26 European Parliament election, but the PSL's outright refusal to join any coalition with leftist parties made a repeat of the KE a non-starter. The PO didn't want to join just the PSL, which Schetyna blamed squarely on Thurs. for the demise of the KE, and didn't want to be pigeon-holed as a leftist party, which might have opened up a niche in the centre. Rather, it will go it alone.

Schetyna said that any result in the election over the 38.5% that the KE scored in the EP election would be a success. But the PO probably should not have set the bar for success so high since it would appear very unlikely the party can poll that high. The PO's maximum polling of late has been around 27%. Schetyna said the KO would mark a new political expression and would be made up of democrats and patriots. The PO leader said the KO's candidates would be presented on Jul 26.

The PO's program, released this past weekend, focuses on not alienating voters happy with PiS's social policy, but in a way that provides a boost. The program thus settled on is to cost some PLN 30bn. It focuses on supporting corporate growth and benefitting the lowest earners, though not through social policy, but rather through payroll tax cuts and special employment bonuses. The PO plans from 2021 to cut the total payroll tax to 35% from around 40% at present. Social Insurance Office (ZUS) and National Health Fund (NFZ) contributions will not be lowered, but the personal income tax (PIT) rates will be cut to 10% and 24% from 18% and 32%. To help increase the boost for those with lower incomes, the PO wants to pay a monthly bonus for employment activity of a maximum of PLN 500 for those making less than two times the minimum wage (up to PLN 4,500 gross/monthly). The PO hails the proposal as one making low-wage worker more prosperous, thereby helping slash the grey area and bringing benefits to the legal economy. Red tap cuts and faster economic growth are to help pay for the program.

Of the other parties, PSL leader Wladyslaw Kosiniak-Kamysz said his party will create the new centrist coalition called the Polish Coalition (KP). Both PO and SLD members criticised the PSL on Thurs. for going the way of the ruling Law and Justice (PiS) and perhaps wanting to create more fertile ground for potential cooperation, though Kosiniak-Kamysz always denies this when asked.

The SLD will seek a leftist coalition as talks with the PO broke down, including over several names proposed by the SLD to run on a joint list who have chequered, Communist pasts. The leftist bloc could include the SLD, the progressive Wiosna, Lewica Razem, and the Greens. Some talk had existed that the opposition could unite for the Senate, where the first-past-post-system discourages dispersion. But SLD figures suggested the leftist coalition would run its own candidates for the Senate.



Overall, the opposition has failed to unite at all, which the latest opinion polls say will deliver the biggest victory for PiS. In fact, the opposition decisions increase the baseline view that the PiS-led coalition will win at least an absolute majority. The PO-led KO does seem to have increased in polls of late and does seem more focused than it was during a fairly sloppy EP campaign. That PiS is so widely expected to win could help lower turnout for the ruling coalition whereas the opposition continues to be motivated to vote. Still, the D'Hondt seat distribution system gives a bonus for high results and a dispersed opposition will make it easier for PiS to win outright. Moreover, the KO's vote will be eaten away at by the PSL in the small c conservative centre and on the left, suggesting it will get a result closer to 25%. Now, much could still change ahead of the election, but for now, PiS's leaders will be smiling at the opposition's failure to unite.