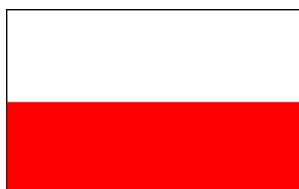


## COUNTRY PROFILE



### Poland

GLOBAL RANK: 38th= of 104



Poland ranks 38th in the Index, tied with Costa Rica and South Africa. It ranks 37th for Economic Competitiveness, but is ten places lower (47th) for Comparative Liveability, due to pessimism about opportunity and weaknesses in community life -- particularly the low levels of charitable giving.

### BACKGROUND

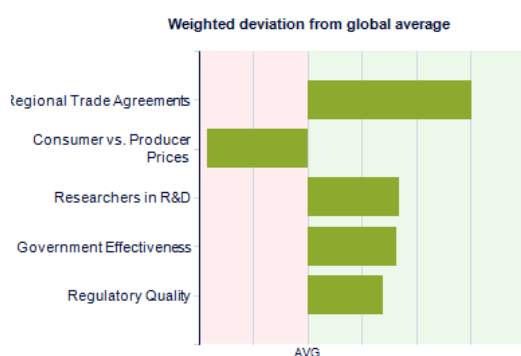
Since the economic 'shock therapy' of 1989-93, Poland has become one of the most economically successful East European countries, with a thriving private sector and GDP growth of 6.5% in 2006. Preparations continue for entry into the Euro. Many Poles who had emigrated to Western Europe are now being drawn home by an improved domestic economy. However, wage inflation is outstripping gains in productivity, unemployment is high by EU standards, and commercial freedom is still constrained by an inefficient bureaucracy and restrictive labour laws. Poland's racially homogeneous and predominantly Catholic society is notably conservative on social issues.

### FAST FACTS

<b>Population:</b>	38.5 million (2008 est.)	<b>FDI (net inflow):</b>	3.65% (2006 est.)
<b>Life Today</b>	5.7 (2007 est.)	<b>Exports</b>	32.14% (2006 est.)
<b>GDP (PPP)</b>	\$620.9 billion (2007 est.)	<b>Imports</b>	36.56% (2006 est.)
<b>GDP (Growth)</b>	6.5% (2007 est.)	<b>Unemployment:</b>	12.8% (2007 est.)
<b>GDP (per Capita)</b>	\$16,300 (2007 est.)	<b>Life Expectancy</b>	75.41 years (2008 est.)
<b>Political System:</b>	Republic		
<b>Foreign Aid:</b>	0.48% (2004 est.)		

### KEY SCORE DRIVERS

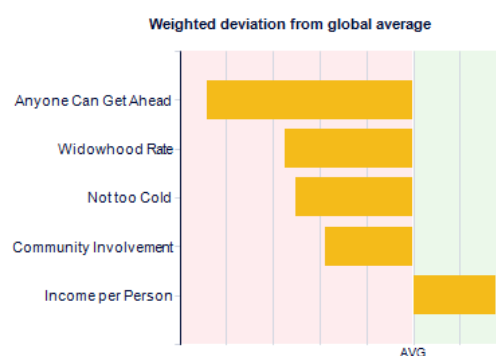
#### ECONOMIC COMPETITIVENESS



Seen as a leader among Europe's transitional economies, Poland is today reaping the economic benefits of opening its markets to foreign trade in the early 1990s. The country has achieved European Union membership and scores highly on regional trade agreements and openness. Not counting the €14 billion it receives in farm subsidies, Poland's net gain from the EU budget between now and 2013 will exceed €80 billion, or €2,000 for every Pole -- a figure that perhaps creates a danger of aid dependence.

Despite rising private consumption, general economic growth is less than the most dynamic new EU members. Furthermore, weaknesses in human capital are suggested by poor mass education figures as

#### COMPARATIVE LIVEABILITY



Accession to the EU has been a benefit to living standards in Poland. Incomes have risen to high levels and unemployment has nearly halved since 2004, when nearly one in five Poles were out of work. Nonetheless, wellbeing levels are still negatively affected by the unemployment rate, which stood at 12.8% in 2007. Alongside Slovakia and Hungary, Poland is one of the most pessimistic countries in terms of the population's perceived ability to get ahead through hard work.

Given domestic employment conditions, many Poles have taken advantage of EU accession to pursue jobs overseas. This increased workforce mobility, as well as the legacy of communism, may

well as a low number of researchers working in R&D, both of which will hinder Poland's development in the long term.

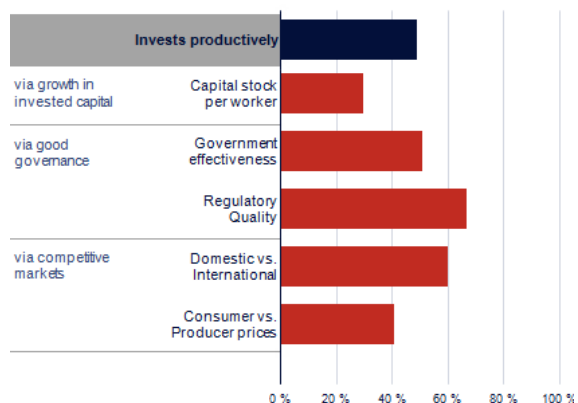
In the popular press, the regulatory environment is sometimes faulted for much of the structural drag on material growth. However, on the indicators supplied by the World Bank, Poland benefits from good governance scores in terms of both regulatory quality and effectiveness. This indicates a sound foundation for future performance.

contribute to low scores for community and family life. Volunteering and community involvement rates are notably low, as reported on the Gallup World Poll and World Values Survey respectively, although these rates are similar to other post-communist European countries.

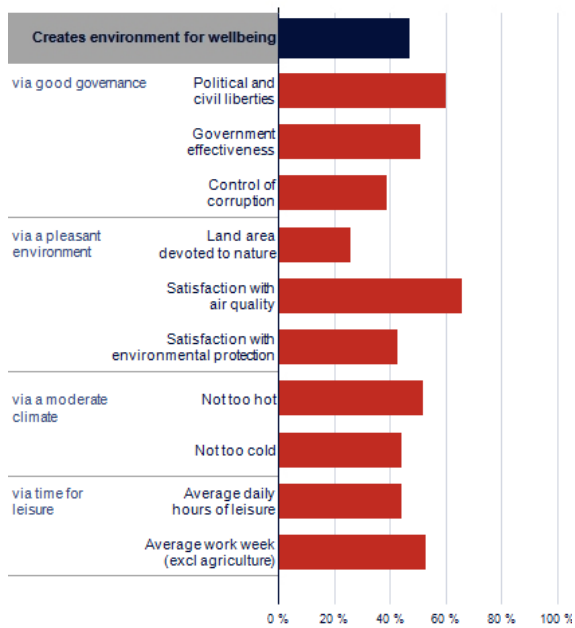
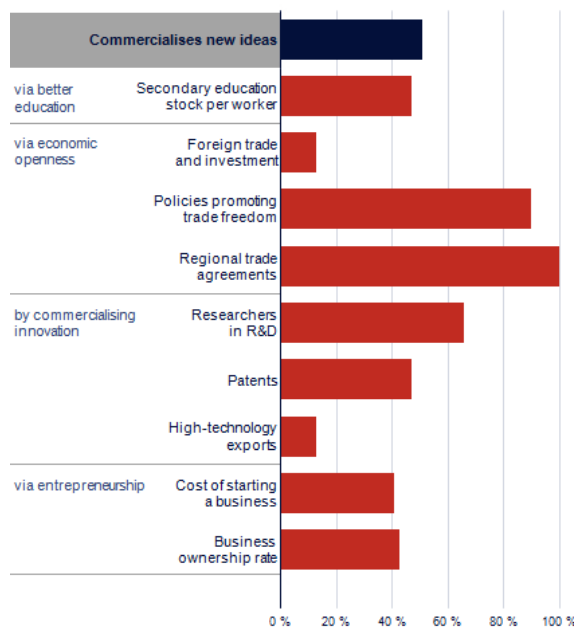
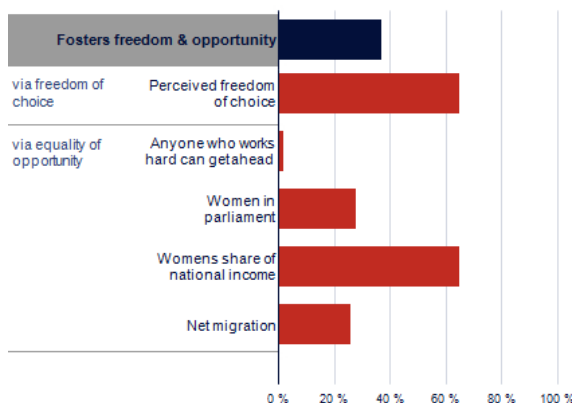
Unusually for the region, religious faith remains deep and widespread, according to the World Values Survey, and the important role that the Roman Catholic Church continues to play in Poland offsets some of the effects of lower social capital. Family unity is also valued, although the level of widowhood reduces Poland's family life score somewhat.

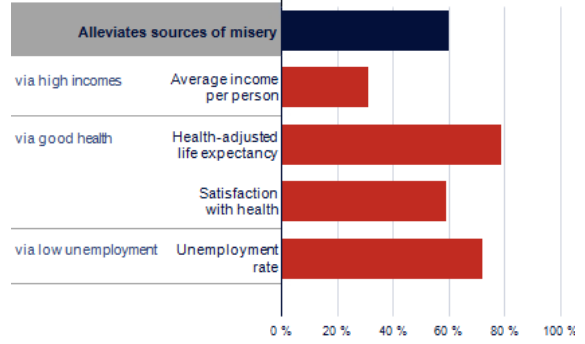
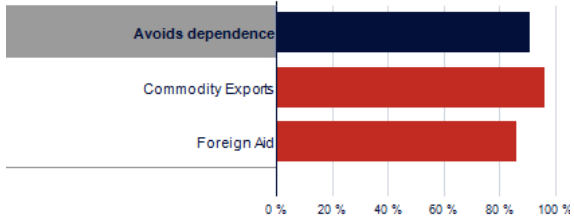
Poland's 38 million inhabitants are among the least content of any in Europe with the health service that they receive, according to Gallup. The country's historic dependence on heavy, polluting industry renders its environmental conditions among the worst in Europe. Additionally, Poland's cold climate makes living conditions difficult for the poor, who often cannot afford adequate housing or heating.

### ECONOMIC COMPETITIVENESS: SCORECARD

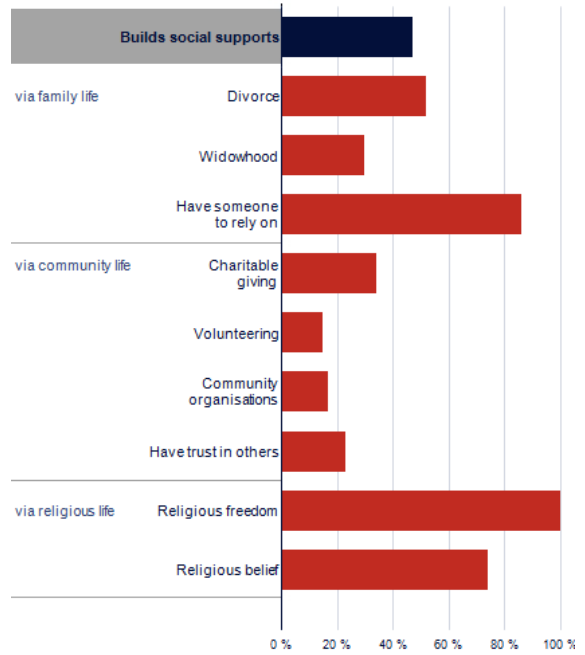


### COMPARATIVE LIVEABILITY: SCORECARD





All subindicator scores in the Index are shown unweighted, expressed as a percentage of the score for the best-performing country in the Index. Indicator scores (in dark blue) are derived from the weighted average of relevant subindicators. For more information on how the subindicator scores are weighted to produce indicator scores and an overall Index score and ranking, see Chapter Two of this report.



**References:**

<sup>9, w</sup> See [www.prosperity.com/references.aspx](http://www.prosperity.com/references.aspx) for further details including date of survey, sample size, and margin of error.