



## Polish Hard Power: Investing in the Military As Europe Cuts Back

By Andrew A. Michta

*The following National Security Outlook is the eighth in AEI's Hard Power series—a project of the Marilyn Ware Center for Security Studies that examines the state of the defense capabilities of America's allies and security partners.<sup>1</sup> In it, Andrew Michta outlines the case of Poland, which he notes is determined both to expand its indigenous defense industrial capabilities and to increase overall defense spending. As numerous accounts of NATO defense trends over the past two decades elucidate, Poland's decision to increase defense spending is far more the exception than the rule when it comes to America's other major allies. This is largely driven, according to Michta, by Poland's desire to fend as much as it can for itself in light of what it sees as Russian revanchism and Washington's growing disengagement from Europe in defense matters. Not surprisingly, this has led to a shift in Warsaw's security agenda since Poland joined NATO in 1999. Despite Poland being one NATO ally that has responded positively to Washington's calls for increasing defense capacities, today Warsaw increasingly feels compelled to look to its own resources and to neighboring capitals as potential security partners. Whether this drift in transatlantic ties is permanent or inevitable remains an open question, and will to a large extent depend on how US security relations with Europe develop in the coming years.*

—Gary Schmitt, Director, Marilyn Ware Center for Security Studies at AEI

Poland's security strategy rests on the twin pillars of the North Atlantic Treaty Organization (NATO) and the European Union (EU). As the American military presence in Europe continues to shrink, however, Poland's support for the EU has increased, benefitting from EU structural-fund transfers, expanded trade, and integration under the Schengen Agreement. Consequently, while NATO and the United States remain essential to Poland's security, today Germany is Poland's key ally on the Continent, with Polish public opinion showing for the first time in a 2012 survey a preference for Germany over the United States.<sup>2</sup>

Though positive attitudes toward the United States rebounded somewhat a year later, clearly the Polish public has become more distant in its view

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of America. The Obama administration's 2009 decision to cancel the George W. Bush-era missile shield whose ground interceptors were to be based in Poland was a shock to bilateral ties. Announced on the 70th anniversary of the 1939

### Key points in this Outlook:

- Unlike America's other major European allies, Poland's growing economy has allowed it to increase its defense spending.
- Warsaw's strategic focus has increasingly turned to improving Poland's territorial defenses and working with neighboring allies to bolster regional security.
- Poland has begun a major military modernization program whose success will depend on the continued health of the Polish economy and the transformation of the Polish defense industry into an efficient producer of advanced military equipment.

Soviet invasion of Poland, it became a public relations debacle for Washington. Compounding problems is the administration's more recent decision to scrap its plans for deploying high-speed Standard Missile 3 Block IIB interceptors in Poland and Romania (Phase Four of the European Phased Adaptive Approach) and Washington's continued reluctance to lift the visa requirement for Poles travelling to the United States. And while there remains a large reservoir of public good will in Poland toward the United States, with a large Polish American ethnic community and a history of close military cooperation in recent years, these decisions have chipped away at traditional pro-US sentiments in Poland.

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As Poland undertakes its military modernization effort, defense officials are pushing for the maximum participation of Polish firms.

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Similarly, while Poland remains committed to NATO as the military pillar of its national security and, as such, a strong supporter of NATO's Article V tasks of collective defense, it has also become more vocal in support of the EU Common Security and Defense Policy. And again, while the United States remains Poland's principal ally and the country has been an active participant in American-led operations—with the largest being in Iraq and Afghanistan—there has been a marked decline in public support for current and future expeditionary missions, as exemplified in Warsaw's decision to not join other NATO allies in Operation Unified Protector, the 2011 Libyan military campaign.

Poland's increased focus on Article V matters is tied largely to its growing concern about the resurgence of Russia's power and influence along Poland's eastern border. Since eastward NATO enlargement, especially to Ukraine, has all but vanished from US and European security policy agendas, Poland finds itself in a border-state position within the alliance. Warsaw's perception of a changing regional power balance has brought about a new emphasis on the defense of national territory in Poland, making Warsaw refocus its attention closer to home as it plans to adapt the armed forces accordingly.

Over the past five years, Poland has focused more and more on its indigenous national defense capabilities, with the government funneling resources for military

modernization. Because of its history of foreign invasions, the country has a keen appreciation of the vital importance of a strong military to the nation's sovereignty and security. An old Polish saying captures well the public mood on national defense: "If you can count, ultimately count on yourself."

## Bucking European Trends

Amidst the current protracted economic crisis in Europe and despite a 2013 slowdown in growth in Poland's own economy, Poland remains one of the EU's most dynamic countries. Today, it is its ninth-biggest economy, having increased by almost a fifth since 2009.<sup>3</sup> And because the government is required under Polish law to spend 1.95 percent of its annual gross domestic product (GDP) on defense, a growing economy has allowed Warsaw to buck the general European trend of cutting national defense budgets (see figure 1).

With increased resources, Poland's ministry of defense has launched "The Modernization Plan for the Armed Forces in the Years 2013–2022"—the country's most ambitious program to date, which will include new ships, helicopters, tanks and armored personnel carriers, additional aircraft, and most importantly, new air and missile defenses.<sup>4</sup> The antiballistic (ABM) system is the most significant of Poland's military modernization efforts in terms of planned dedicated resources. The estimated cost of Poland's ABM program is set between \$4 and \$6 billion, making it the largest acquisition program in the country's history.

In mid-2013, however, with the economy slowing, Polish Prime Minister Donald Tusk was forced to revise the government's budget, resulting in a 10 percent cut to the defense budget.<sup>5</sup> Despite these reductions, Minister of Defense Tomasz Siemonek has emphasized that the country's strategic projects will be protected, announcing in late September 2013 that military modernization will reach PLN 91.5 billion (approximately \$30 billion) through 2022, covering 14 specific programs.

Consistent with Poland's desire to develop its military capabilities, the Polish government has renewed its focus on modernizing and expanding the country's indigenous defense industrial sector. In fall 2013, the government began the process of consolidating Poland's defense industry into a unified Polish Defense Group [Polska Grupa Zbrojeniowa (PGZ)] with the expectation that it would improve the sector's efficiency and competitiveness. The PGZ will combine the flagship Polish Defense Holding

[Polski Holding Obronny, formerly Bumar] with Huta Stalowa Wola, among others. The effort has just begun, so it is too early to judge its ultimate impact on the industry. But the decision indicates the seriousness of the government's commitment to modernizing the defense sector and to making it more competitive in international markets.

The immediate question going forward will be whether the Polish military can still leverage available resources and complete the key elements of the modernization program despite the 10 percent budget decrease. And since it is government policy that modernization be done through the Polish defense industry whenever possible, there will be considerable focus on whether those firms can in fact deliver the product the military needs, and especially whether they can partner with foreign firms to leverage synergies with the domestic sector. In short, will Poland manage to continue committing enough resources to remain one of the few countries in Europe that is still serious about military power, and thereby become a NATO ally with growing capabilities and political clout?

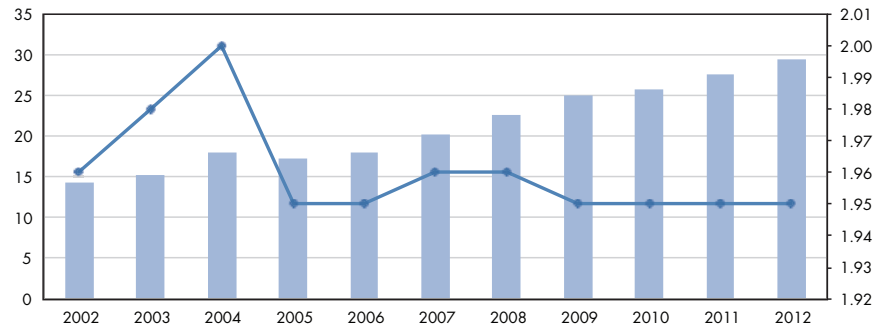
### Military Modernization Plans

Poland has doubled its defense spending over the past decade. Initially, the government budgeted PLN 31.4 billion on defense (approximately \$10 billion) for 2013. Even with the planned 10 percent reductions in the 2013 defense budget, there has been a significant infusion of resources into the Polish armed forces.

The current military modernization plan calls for spending PLN 91.5 billion through 2022 and stipulates that PLN 16 billion will be expended by 2016. The government has also restated that maintaining 1.95 percent of GDP on defense remains a priority.

As part of the modernization process, Poland will establish two new high-level military commands starting January 1, 2014.<sup>6</sup> The goal is to create a joint operational command by replacing the separate service commands, converting them into departments, and turning the general staff into a strategic planning and advisory command.

FIGURE 1  
TOTAL DEFENSE SPENDING (BILLIONS PLN) AND  
DEFENSE SPENDING AS A PERCENTAGE OF GDP



Source: Ministry of National Defence, Republic of Poland, "Basic Information on the MoND Budget, 2001–12," [http://archiwalny.mon.gov.pl/en/strona/126/LG\\_89](http://archiwalny.mon.gov.pl/en/strona/126/LG_89).

The government also intends to maximize the use of the Polish defense industry with "Polonization" of the defense modernization effort tied to technology transfer from international partners as acquisition plans move forward. In addition, the government plans to spend PLN 40 billion on purchases not included in the 2014–22 operational plans. In total, Poland plans to spend approximately PLN 139 billion (\$46.3 billion) on equipment modernization across the services, on added information technology capabilities, and on increasing the overall combat readiness of the Polish forces. In the process, Poland plans to build its modernization effort around 14 major programs.<sup>7</sup> Considering the scope of programs and resources allocated, a significant challenge for the defense ministry will be to improve the acquisition process to ensure platforms and equipment are fielded; in previous years, the ministry has even returned funds to the state budget.

For 2013, the Polish ministry of defense planned to increase capital expenditures to 26.2 percent of the budget—a 4.2 percent increase compared to the previous three years (see figure 2).<sup>8</sup> The structure of the current Polish defense budget reflects the ministry's commitment to reverse the current approximate one-to-three ratio of modern-to-legacy military systems. Polish military equipment remains a mix of Soviet-era legacy systems (sometimes adapted with Western equipment) and innovative Polish designs developed in cooperation with Western firms.

For example, Polish land forces maintain 901 main battle tanks, of which 128 are the older-generation German Leopard 2A4s, 232 are PT-91 Twardys (a Polish modification of the Soviet T-72), and 541 are obsolete

T-72s of three different types. Likewise, Poland maintains a fleet of 1,784 armored infantry fighting vehicles (AIFV), of which more than two-thirds are legacy Soviet BMP-1s, but nearly 500 are the highly capable KTO Rosomak, a Polish version of a Finnish AIFV that has been battlefield tested in Afghanistan. To help address this problem, however, in November 2013 Poland signed an agreement to purchase from Germany an additional 105 Leopard 2A5s, plus 14 Leopard 2A4s and 200 support vehicles.<sup>9</sup>

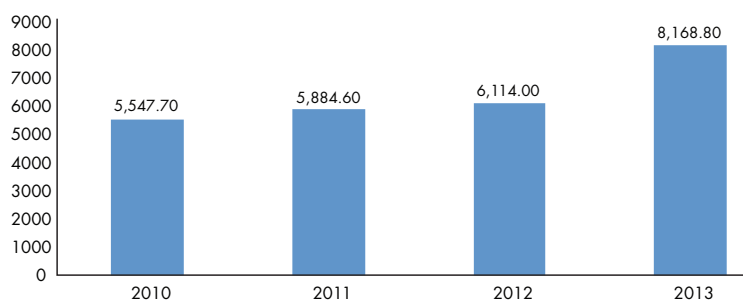
Addressing deficiencies in air mobility also remains a priority, as Polish military helicopters are currently a combination of Soviet-era systems and the aging PZL Sokół platform and its derivatives. To do so, the army will be seeking to acquire up to 70 new helicopters. The defense ministry also plans to issue funds for new modular armored vehicles, unmanned aerial vehicles (including armed drones), self-propelled howitzers, heavy mortars, antitank missiles, and new communication equipment.

The Polish navy has 5 tactical submarines (4 German-built, 1960s-era Kobben class and 1 Soviet-legacy Kilo), 2 principal surface combatants (Oliver Hazard Perry-class frigates), a corvette (Polish-built ORP Kaszub class), and a number of mine warfare, mine countermeasure, patrol, amphibious, and support ships. The navy's aviation element includes two naval aviation bases, with equipment deployed in three locations. Two of those locations are home to air groups that include planes and helicopters for transport, antisubmarine, and search-and-rescue operations. The navy's modernization program includes new patrol boats, minesweepers, coastal-defense vessels, and possibly up to three submarines.<sup>10</sup>

Of the three major services, the Polish air force ranks as the most modern among post-communist states of Central Europe, averaging 160–200 flying hours per year (comparable to France's and exceeding Germany's). The air force operates three squadrons of F-16C/Ds, two squadrons of MiG-29A/UBs, and two squadrons of fighter/ground-attack Su-22M-4s. The Sukhoi aircraft have been slated for removal from service, and Poland will be looking to purchase additional Western planes or unmanned aerial vehicles. Two air-force transport squadrons fly a combination of

FIGURE 2

INCREASE IN PROCUREMENT EXPENDITURES (MILLIONS PLN)



Ministry of National Defence, Finance Department, *Podstawowe informacje o budżecie resortu obrony narodowej na 2013* [Basic Information on the Ministry of National Defense Budget in 2013] (Warsaw, Poland, March 2013), [http://mon.gov.pl/z/pliki/dokumenty/rozne/2013/09/informator\\_o\\_budzecie\\_resortu\\_ON\\_na\\_2013\\_r\\_.pdf](http://mon.gov.pl/z/pliki/dokumenty/rozne/2013/09/informator_o_budzecie_resortu_ON_na_2013_r_.pdf).

C-130E, C-295M, and Polish PZL M-28 Bryza aircraft. The air force also operates two squadrons of transport helicopters which, as noted above, are aging platforms.

On balance, the most successful air-force program so far has been the addition of F-16 jet fighters to its fleet of aircraft, accelerating the modernization process and increasing NATO interoperability. A visible sign of progress has been the opening of a US training facility in the central Polish town of Łask for rotational exercises of US and NATO aircraft.

Air and missile defenses (AMD), however, remain Poland's top defense priority. A law Poland passed this year appears to guarantee stable funding for the systems.<sup>11</sup> The program will combine a medium-range missile and air defense system and a variety of shorter-range systems with plans to expand the coverage for the country's entire territory. The government will allocate PLN 26.4 billion for AMD through 2022, with PLN 1.2 billion planned for 2014–16.<sup>12</sup>

Overall, Poland's shopping list is extensive; some would call it overly ambitious. And while the air and missile defense budget seems protected, in light of the slowing economy and this year's reduction in planned defense expenditures there is already talk of reducing the number of helicopters in the initial order and of cuts in other procurement programs. Indeed, there are also questions as to whether—even if all the acquisition programs were fully funded—Poland's defense ministry would be able to meet its acquisition plans. Some analysts have pointed out that based on the current track record of procurement, and especially the rate of contract fulfillment in 2012, Poland

may again have a shortfall from the original spending plans.<sup>13</sup>

## Leveraging Defense for Industrial Capacity

The Polish government sees military modernization as a path to modernizing the country's defense industry. The increase in procurement funds has attracted a lot of attention from US and European defense industries—something the Polish government is determined to leverage for national defense industry modernization. Until 2013, Poland spent between 15 to 22 percent of its defense budget on equipment modernization. Poland's expeditionary missions in both Iraq and Afghanistan have highlighted the need for a better equipment kit for its forces, and the current program ultimately aims to shift about one-third of the defense budget to equipment modernization over the next decade.

Here, the AMD project is seen as central not just to the national defense strategy but also to preserving and expanding Poland's indigenous defense industrial capacity. Defense Minister Tomasz Siemoniak has repeatedly made clear that any AMD solution adopted by the government will need to involve extensive cooperation with Polish defense companies. It must include both long-term partnerships and significant technology transfers.

The army expects the initial components of the system to be tested in 2017 and a working system capable of defending national territory from an attack is to be in place by 2023—all procured with the direct participation of the Polish defense sector. For the Polish defense industry, this is a once-in-a-lifetime opportunity to partner with the best Western firms. Eventually, the government hopes to shift up to 80 percent of future work on particular defense projects to Polish suppliers.

One aspect of Polish military modernization seldom discussed is its intra-EU political dimension. As Poland undertakes its military modernization effort and defense ministry officials push for the maximum possible participation of Polish firms in plans to buy missiles, ships, helicopters, tanks, and small arms, it will run up against the growing pressure within the EU to reduce national preference in defense contracts.<sup>14</sup>

The planned purchases also seek to leverage domestic industry on smaller ticket items such as the MSBS 5.56 program to develop a new modular assault rifle for Polish forces and the Tytan program comprising a system of technologies, similar to the US Land Warrior, to be used by an

individual soldier.<sup>15</sup> This effort to maximize domestic industry participation applies to both equipment upgrades and new system purchases; however, it may meet serious obstacles considering the imbalances of expertise and capacity in the Polish defense sector, as seen in the delays in modernizing Poland's Leopard 2 tanks.

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Warsaw's preoccupation with resurgent Russian power is one of the key variables defining Poland's current and future security concerns.

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The extent to which Polonization is likely to work will be best tested on high-end systems. There will be mounting pressure to give as much of the ABM work as possible to Polish companies.<sup>16</sup> Initial competition for the AMD contract is already underway with US, French, and Israeli systems expected to emerge as the principal contenders. But the key question for Polish officials is likely to be: which of the foreign contractors can best coordinate with Polish defense firms to build a long-term and mutually beneficial partnership?

## Strategic Priorities

Poland's level of defense spending and new acquisition programs reflects growing concern about the changing geostrategic environment in Central Europe following two landmark developments: the 2008 Bucharest NATO summit that, for all practical purposes, ended prospects of NATO membership for Ukraine and Georgia, and the 2008 Russo-Georgian war that brought back the specter of conventional state-on-state conflict along Europe's periphery. NATO's refusal to offer Ukraine a Membership Action Plan, combined with Russia's growing geostrategic assertiveness, has forced Poland to revisit traditional dilemmas associated with being a boundary state along the frontier of the West. More than anything else, Russia's invasion of Georgia drove home the critical importance of having workable NATO contingency plans and sufficient capabilities to perform key national defense tasks to make those plans credible.

The *Defense Strategy of the Republic of Poland*, adopted in 2009, captures both the enduring principles and the changing context of Poland's strategic thinking.<sup>17</sup> While NATO and the United States remain central to Poland's security, there has been a reorientation in Poland's strategy leading to an emphasis on regional and

traditional territorial defense tasks over the past five years. Warsaw would like to keep relations with Washington close, and military and intelligence cooperation between the American and Polish militaries remains exemplary, with the Poles having accumulated a wealth of experience working closely with the United States in Iraq and Afghanistan.

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With declining American involvement in Europe, Poland increasingly feels the need to become more self-reliant in security matters.

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Nevertheless, there is a sense within Poland of a growing “transatlantic deficit” in ties between the United States and its NATO allies in Central Europe, with the United States being seen as increasingly absent from the region. In particular, the Obama administration’s decision to cancel both the George W. Bush administration’s plans for antimissile deployments to Poland and its own plans to do the same—along with its 2012 decision to reduce the number of American forces based in Europe—has led Poland to give more attention to its own strategic and military options should the American security guarantee grow even weaker.

So while the Polish government remains committed to NATO as the core pillar of its national security, Poland is also looking for greater regional security cooperation among the Nordic, Baltic, and Central European states to bolster its own security plans. Warsaw is also actively seeking to reenergize the Weimar Triangle (Poland, France, and Germany) and the Visegrád Group (Poland, the Czech Republic, Hungary, and Slovakia). Though Poland considers the possibility of a large-scale conflict with Russia unlikely, Poland has increasingly focused on the potential of local conflicts with states close to its border.<sup>18</sup> Here, the militarization of Russia’s Kaliningrad enclave in the northeast has become a major issue.

And although Poland shares alliance-wide concerns about cyber and other nontraditional security issues, regional geostrategic considerations remain paramount to how the country approaches national security. Most importantly, while Poland continues to invest in regional security cooperation, it has made it clear that better regional ties should never come at the expense of allied solidarity or weaken the NATO-wide Article V security guarantee.

In 2013, Poland’s National Security Bureau [Biuro Bezpieczeństwa Narodowego], an advisory body to the country’s president, published a comprehensive review on Poland’s strategic position.<sup>19</sup> Without naming Russia as an outright foe, the white paper reflects Warsaw’s growing preoccupation with resurgent Russian power as one of four key variables defining Poland’s security (the other three being NATO, the United States, and the EU). Though not ruling out the possibility that Russia might choose a path of cooperation with the West, Poland’s strategists have been skeptical about Russia’s willingness to abandon its imperial aspirations, especially in light of reports that Russia has threatened to deploy 9K720 Iskander missiles in Kaliningrad and Moscow’s actions in the post-Soviet “near-abroad.”<sup>20</sup>

The relationship between the two countries has been further complicated by the aftermath of the Smolensk plane crash in 2010, which killed then-president Lech Kaczyński, his wife, and more than 90 of Poland’s most senior military and political leaders. Continuing problems with Russia during and after the investigation of the crash, including Moscow’s refusal to return the black boxes and wreckage of the Polish aircraft, have caused further friction between the two countries and remain an important domestic political issue in Poland.

Although few in Poland would argue that there is an imminent threat of aggression from Russia, Poles continue to see Russia as the principal threat to Poland’s security and sovereignty. For this reason, some analysts have even suggested that if NATO solidarity continues to weaken, Poland will need to seek bilateral security agreements with the United States and Germany.<sup>21</sup>

Analysts have also been considering creating an improved conventional deterrent posture at the national level by mixing defensive and offensive systems, and adapting planning accordingly. To that end, Poland has closely followed the approach taken by the Finns, exploring the option of equipping its F-16s with stealth AGM-158 JASSM cruise missiles. Another consideration has been the possibility of purchasing tactical ballistic missiles for its Multiple Launch Rocket System launchers and other systems that would give Poland medium- and possibly long-range strategic strike capability.<sup>22</sup>

Both the 2009 *Defense Strategy of the Republic of Poland* and the 2013 white paper reflect an evolving consensus on defense policy. The 2009 paper emphasizes the core importance of the dual pillars of NATO and EU membership for Poland’s security. Recognizing the broadening array of nonstate and unconventional threats, the strategy

paper emphasizes the core importance of balancing collective defense and international crisis response. The 2013 white paper recommends an approach that combines ongoing efforts to “internationalize” Poland’s security within the existing alliance structure to ensure that an attack on Poland would generate a collective allied response. And finally, the paper seeks to place Polish strategic priorities in a larger context, with uncertainty surrounding the future of the EU and with declining American involvement in Europe—all pointing to the increasing need for Poland to become self-reliant in security matters, commensurate with the country’s economic and military potential.

## Poland’s Military Abroad

Poland has a strong military tradition, a reputation it has lived up to in Iraq and Afghanistan. Poland’s expeditionary missions in Iraq in support of Operation Iraqi Freedom and in Afghanistan as part of the International Security Assistance Force (ISAF) have been instrumental in shaping today’s Polish armed forces.

Poland was an early participant in the 2003 Iraq military operation to oust Saddam Hussein, sending a small contingent at the start of the war and 2,500 troops for security and stability operations after the fall of Baghdad. Soon thereafter, on September 3, 2003, Poland assumed leadership of one of two multinational divisions and responsibility for a region covering five provinces. The core of the Polish-led divisions consisted of three brigades: Polish, Ukrainian, and Spanish, with military contingents and personnel from 24 other countries. Over time, the composition of the division changed with different countries offering contributions and others withdrawing their contingents. The mission evolved as well, changing from a post-conflict stability and reconstruction operation to one of combat and providing local security. Over time, the number of Polish troops deployed decreased from 2,400 to 900, with the last Polish troops withdrawing from Iraq in 2008.

On balance, Poland’s participation in the Iraq mission gave the armed forces invaluable experience, laying the foundation for much of the country’s current modernization plans. On the political side of the ledger, however, public support for the mission rapidly declined as Poles, contrary to expectations, saw few reconstruction projects in Iraq go to Polish firms and the security situation in Iraq worsened in the immediate aftermath of the invasion. In the end, Iraq inaugurated a new, more complex phase in US-Polish relations.

As Poland pulled out of Iraq, it increased its contribution to the ISAF mission. At its peak, Poland deployed 2,600 soldiers to Afghanistan, at one point assuming responsibility for the entire Afghan province of Ghazni. The mission in Afghanistan was ultimately orders of magnitude more challenging than the deployment in Iraq, both in terms of the threat environment and logistical difficulties. The Polish military is largely responsible for the mission’s success, having adapted both personnel and equipment to the task. As the ISAF mission winds down, the key challenge for the Polish army is to repatriate and refurbish its equipment currently deployed in Afghanistan. Lacking indigenous capabilities for long-range lift, Poland will rely on the United States to facilitate the return of Polish equipment.

As with the Iraq mission, however, the Afghanistan operation has witnessed dwindling public support. This was especially true after the Obama administration decided to scrap deployment to Poland of the antiballistic missile system and Poles began to question whether the sacrifices their military was making in Afghanistan and before that in Iraq were duly appreciated in Washington. As a result, Polish support for expeditionary operations has declined precipitously, as has overall public confidence in NATO’s value to Poland’s security. Polling data from a 2013 report by the German Marshall Fund of the United States suggests that when citizens of various NATO nations were asked whether NATO is still essential to their respective countries’ security, Poles are 11 percentage points behind the EU average.<sup>23</sup>

In late 2013, Poland had approximately 1,940 soldiers deployed on various missions abroad, with the largest contingent deployed under ISAF in Afghanistan, followed by a contingent with the Kosovo Force, troops with the EU Force in Bosnia and Herzegovina, and a number of United Nations observers in Western Sahara, the Congo, Afghanistan, Kosovo, Liberia, South Sudan, and Côte d’Ivoire. Following the French campaign in Mali, Poland has also deployed trainers there. In addition, there are Polish military observers as part of the EU Monitoring Mission in Georgia. The total number of Polish military troops deployed outside of Poland is expected to decline further at the end of 2014 as the ISAF mission concludes.

## Conclusion

Poland is by any measure the most successful case of post-communist political and economic transition to market democracy in Europe. And as a relatively new member to

NATO, it has made significant contributions to American and NATO military missions.

But Poland is entering an era of increasing uncertainty. America's commitment to European security appears to Poland to be waning, while Russia's resurgence as a military power in the context of Europe's de facto disarmament and the economic crisis within the EU raise even greater questions about Poland's future security environment.

To meet these challenges, Poland has clearly been an outlier among European NATO allies when it comes to national defense. Simply put, it is one of the few remaining European states serious about investing in its military despite the current economic crisis. As noted above, the primary focus of Poland's 10-year defense modernization plan is territorial defense rather than out-of-area capabilities, though Poland tries to balance the two with planned capabilities important to both, such as command, control, communications, computers, and intelligence as well as helicopter lift.

Two key questions loom over modernization plans. The first is the potential risk associated with the desire to use Polish defense companies to carry out the bulk of the modernization effort. There is no question that giving the lion's share of the work to Polish companies has great potential benefits for industrial modernization and employment, and employment is no doubt important to the government in Warsaw as Poland approaches its next parliamentary election in 2015. However, the record of the Polish industry has been spotty, with program delays and cost overruns.

The government seems aware of the risk. It has pushed to initiate the consolidation of the industry parallel with the modernization effort, as the Polish defense sector gears up for its largest contracts to date. However, the challenge will be to remain realistic about what can be achieved in the near term, recognizing that some of these companies face a steep learning curve when it comes to the kind of advanced manufacturing and systems engineering required to produce first-rate, up-to-date equipment. The key will be successful partnering with top international defense firms in a way that brings about transfers of manufacturing technology and has Polish companies focusing on those parts of the program where they are most competitive. Most importantly—and politically difficult—the government will need to be prepared for a course correction in its plans should Polonization of the modernization effort not deliver equipment and weapons platforms on time and in sufficient quantities. While domestic industrial priorities are

important, they cannot overshadow the strategic requirements of the Polish Armed Forces.

The second question is whether the Polish economy will continue to grow at sufficient rates to sustain steady defense spending allocations to make the programs a reality. The 2013 cuts are not crippling for the Polish modernization effort, but if the government fails to stick by the 1.95 percent of GDP formula in 2014 and beyond, its ambitious program will need to be revised. The squeeze already seen in the defense budget should serve as a warning sign for the government that cutting defense—though politically seemingly less toxic than cuts in public spending—will eventually damage Poland's procurement plans and ultimately the nation's security. Hence, it will be the 2014 state budget rather than the modifications to 2013 spending that will serve as a clear indicator of whether Poland remains serious about defense modernization.

With an economy that has performed better than its European neighbors, a desire to bolster and modernize its military capabilities, and a record of commitment to the transatlantic alliance, Poland continues to buck the trend when it comes America's continental security partners. And with increasing influence in the EU, Poland continues to rise in the ranks as a midsize power and, as such, grow its potential to play an even greater role in Western security affairs in the future. But the budget decisions and program choices Poland makes in the next year and over the next decade will go a long way to determining just how great a role it will in fact play.

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## Notes

1. To read the other seven *Outlooks* in this series, see Bruce Bechtol, "South Korea: Responding to the North Korean Threat," *AEI National Security Outlook* (November 2013), [www.aei.org/outlook/foreign-and-defense-policy/defense/south-korea-responding-to-the-north-korean-threat/](http://www.aei.org/outlook/foreign-and-defense-policy/defense/south-korea-responding-to-the-north-korean-threat/); Patrick Keller, "German Hard Power: Is There a There There?" *AEI National Security Outlook* (October 2013), [www.aei.org/outlook/foreign-and-defense-policy/defense/nato/german-hard-power-is-there-a-there-there/](http://www.aei.org/outlook/foreign-and-defense-policy/defense/nato/german-hard-power-is-there-a-there-there/); Bryan McGrath, "NATO at Sea: Trends in Allied Naval Power," *AEI National Security Outlook* (September 2013), [www.aei.org/outlook/foreign-and-defense-policy/defense/nato/nato-at-sea-trends-in-allied-naval-power/](http://www.aei.org/outlook/foreign-and-defense-policy/defense/nato/nato-at-sea-trends-in-allied-naval-power/); Andrew Shearer, "Australian Defense in the Era of Austerity: Mind the Expectation Gap," *AEI National Security Outlook* (August 2013), [www.aei.org/outlook/foreign-and-defense-policy/defense](http://www.aei.org/outlook/foreign-and-defense-policy/defense)



/australiandefense-in-the-era-of-austerity-mind-the-expectation-gap/; Marcial Hernandez, "Dutch Hard Power: Choosing Decline," *AEI National Security Outlook* (April 2013), [www.aei.org/outlook/foreign-and-defense-policy/regional/europe/dutch-hard-power-choosing-decline/](http://www.aei.org/outlook/foreign-and-defense-policy/regional/europe/dutch-hard-power-choosing-decline/); Gary J. Schmitt, "Italian Hard Power: Ambitions and Fiscal Realities," *AEI National Security Outlook* (October 2012), [www.aei.org/outlook/foreign-and-defense-policy/regional/europe/italian-hardpower-ambitions-and-fiscal-realities/](http://www.aei.org/outlook/foreign-and-defense-policy/regional/europe/italian-hardpower-ambitions-and-fiscal-realities/); and Patrick Keller, "Challenges for European Defense Budgets after the Economic Crisis," *AEI National Security Outlook* (July 2011), [www.aei.org/outlook/foreign-and-defense-policy/regional/europe/challenges-foreuropean-defensebudgets-after-the-economic-crisis-outlook/](http://www.aei.org/outlook/foreign-and-defense-policy/regional/europe/challenges-foreuropean-defensebudgets-after-the-economic-crisis-outlook/).

2. German Marshall Fund of the United States, *Transatlantic Trends 2012* (Washington, DC), 11, <http://trends.gmfus.org/files/2012/09/TT-2012-Key-Findings-Report.pdf>.

3. In 2012, Poland's GDP was PLN 1.6 trillion (\$530 billion). See Ministry of Treasury, "Macroeconomic Analysis of Polish Economy," December 13, 2013, [www.msp.gov.pl/en/polish-economy/macro-economic-analysis/4983,Macroeconomic-Analysis-of-Polish-economy.html](http://www.msp.gov.pl/en/polish-economy/macro-economic-analysis/4983,Macroeconomic-Analysis-of-Polish-economy.html).

4. "Program rozwoju Sił Zbrojnych RP w latach 2013–2022" [Program for the Development of the Polish Armed Forces, 2013–2022], *Polska Zbrojna*, December 12, 2012, [www.polska-zbrojna.pl/home/articleshow/5744?t=Minister-okreslil-kierunki-rozwoju](http://www.polska-zbrojna.pl/home/articleshow/5744?t=Minister-okreslil-kierunki-rozwoju).

5. In 2011, Poland's GDP grew 4.5 percent but is expected to expand by just 1.1 percent in 2013. See "Economic Activity Accelerates on Stronger Exports," *FocusEconomics*, August 30, 2013, [www.focus-economics.com/en/economy/news/Poland-GDP-Economic\\_activity\\_accelerates\\_on\\_stronger\\_exports-2013-08-30](http://www.focus-economics.com/en/economy/news/Poland-GDP-Economic_activity_accelerates_on_stronger_exports-2013-08-30). The planned 2013 defense budget amounted to PLN 31 billion. The revised budget scaled defense spending back by PLN 3.3 billion. Poland will be spending approximately the same amount as it did on defense in 2012.

6. Remigiusz Wilk, "Poland Creating New Military Commands," *IHS Jane's Defence Weekly*, September 17, 2013, [www.janes.com/article/27152/poland-creating-new-military-commands](http://www.janes.com/article/27152/poland-creating-new-military-commands).

7. Krzysztof Wilewski, "Pewne pieniądze na nowe uzbrojenie" [Money for New Equipment Available], *Polska Zbrojna*, September 17, 2013, [www.polska-zbrojna.pl/mobile/articleshow/9575?t=Pewne-pieniadze-na-nowe-uzbrojenie](http://www.polska-zbrojna.pl/mobile/articleshow/9575?t=Pewne-pieniadze-na-nowe-uzbrojenie).

8. Ministry of National Defence, Budget Department, *Podstawowe informacje o budżecie resortu obrony narodowej na 2013* [Basic Information About the Budget for the Ministry of National Defense in 2013] (Warsaw, Poland, March 2013), [http://mon.gov.pl/z/pliki/dokumenty/rozne/2013/09/informator\\_o\\_budzecie\\_resortu\\_ON\\_na\\_2013\\_r..pdf](http://mon.gov.pl/z/pliki/dokumenty/rozne/2013/09/informator_o_budzecie_resortu_ON_na_2013_r..pdf).

9. Ministry of National Defence, "Kolejne Leopardy dla wojsk lądowych" [More Leopard for Ground Troops], November 22, 2013,

<http://mon.gov.pl/aktualnosci/artykul/najnowsze/2013-11-21-leopardy-dla-wojsk-ladowych/>)corresponds.

10. "Renowacja Floty" [Renovation of the Fleet], *Polska Zbrojna*, July 24, 2013, <http://wiadomosci.wp.pl/kat,1020223,title,Renowacja-floty-do-2030-roku-Marynarka-Wojenna-RP-otrzyma-ponad-20-nowych-okretow,wid,15835580,wiadomosc.html?ticaid=111a17>.

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12. "Rząd uchwalił program finansowania modernizacji wojska" [The Government Has Adopted a Plan for Financing the Modernization of the Army], *ONET.biznes*, September 17, 2013, <http://biznes.onet.pl/rzad-uchwalil-program-finansowania-modernizacji-wo,18512,5577553,news-detal>.

13. Zbigniew Lentowicz, "Armia musi mocno zacisnąć pas" [The Army Has Tightened Its Belt], *Rzeczpospolita*, July 19, 2013, <http://archiwum.rp.pl/artykul/1212341-Armia-musi-mocno-zacisnac-pasa.html>.

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17. All references to the document are drawn from the official translation issued by the Ministry of National Defence in 2009. See Ministry of National Defence, *Defense Strategy of the Republic of Poland: Sector Strategy of the National Security Strategy of the Republic of Poland* (Warsaw, Poland, 2009), [www.isn.ethz.ch/Digital-Library/Publications/Detail/?lng=en&id=156791](http://www.isn.ethz.ch/Digital-Library/Publications/Detail/?lng=en&id=156791).

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19. See National Security Bureau, *Biała Księga Bezpieczeństwa Narodowego Rzeczypospolitej Polskiej* [White Paper on Polish National Security] (Warsaw, Poland, 2013), [www.spbn.gov.pl/sbn/biala-ksiega/4630,Biala-Ksiega.html](http://www.spbn.gov.pl/sbn/biala-ksiega/4630,Biala-Ksiega.html).

20. If true, the deployment of Iskander to the Kaliningrad district would change how Poland, the Baltic states, and Scandinavia look at their regional security. See Steve Gutterman, "Russia Has Stationed Iskander Missiles in Western Region: Reports," *Reuters*, December 16, 2013, [www.reuters.com/article/2013/12/16/us-russia-missiles-idUSBRE9BFOW020131216](http://www.reuters.com/article/2013/12/16/us-russia-missiles-idUSBRE9BFOW020131216).

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