

The Role of Poland in the Ukrainian War

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Introduction

Russia has started a war with Ukraine on February 24, 2022. This unprecedented event dramatically changed the condition of the European society. This conflict had extremely important consequences on the economy of Ukraine but also on internal affairs of Ukraine and Russia.

Back in the history, in 1991 Ukraine re-emerged on the political map of Europe as an independent State, after being a part of the Soviet Union between 1918 and 1991. Poland was the first country to acknowledge its independence on January 2, 1992, revealing thereby our Eastward policy's priorities at that time (Baburska 2002: 6).

Due to the economic crisis in Ukraine in the 2000s and to the annexation of Crimea by Russia in 2014, Poland became a country where Ukrainian people migrate. Ukrainians who are migrating are frustrated with the continuously poor state of the economy of their country but also as of 2022 with the current war provoked by Russian authorities. The close localization of Poland toward Ukraine and a common border of 535 kilometers constitute additional driver which explains the close cooperation between both countries.

According to the United Nations High Commissioner for Refugees, about 368,000 refugees fled abroad due to Russia's invasion of Ukraine as of the 27 February 2022. Their number continues to grow. Estimates say that up to five million citizens may flee from Ukraine due to the war.

The EU countries are supporting Ukraine during this conflict. On the 28 February 2022 defense ministers of EU countries met and agreed on the coordination of the work and develop a strategy for transferring materials to the front line to the Ukrainian armed forces fighting against the Russian invasion. The EU will spend EUR 450 million and donate an additional EUR 50 million to defensive equipment (*Polska będzie hubem logistycznym dla przerzutu sprzętu na terytorium Ukrainy*: 2022).

The Invasion of Ukraine and the Establishment of the Polish Social Support toward Ukrainian Migrants

Before the attack on the 24 February 2022, Russia probably gathered between 130,000 and 190,000 people at various places on the border with Ukraine. soldiers. This means that it was the largest build-up of military force in Europe in the last 40 years.

When on February 24 the Poles learned about the tragedy that happened beyond the eastern border of their country, the Polish population decided to act. Polish citizens are organizing transports, looking for refugees shelters in Poland, food and the most necessary products.

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Hundreds of thousands of Poles joined in helping Ukrainians who came to Poland to take refuge from the war. The aid campaign is developing exceptionally dynamically, which is most visible on Facebook. On the 27 February over 800,000 users were engaged in a discussion under the slogan "help for Ukraine" (Pomoc dla Ukrainy).

Poles offer housing, transport, medical and psychological assistance, and food. Private companies join the action on a large scale. Over 100 technology companies operate under the #TechForUkraine initiative, many law firms offer free advice, and doctors started to help Ukrainian migrants. Furthermore, the retailer of food products named Biedronka, which employs over 1,800 employees from Ukraine in Poland, is proposing some advantages to its workers. All employees of Ukrainian citizenship employed under an employment contract will be granted non-returnable support in the amount of PLN 1,000 (EUR 220).

In connection with Russia's attack on Ukraine, help was also offered by the network of Damian's private clinics. As the company announces, Ukrainian residents coming to Poland will be able to take advantage of a number of medical services.

Under Primary Healthcare, free visits to an internist and pediatrician will be available. 100 people a month will also be able to take advantage of the free basic prophylactic examination packages "Your health report". The network also prepares workplaces for doctors, nurses and medical personnel from Ukraine, who will be assisted, if necessary, in the recognition of diplomas (*Firmy w Polsce wspierają Ukrainę. Biedronka daje po tysiąc złotych*: 2022).

Ukrainian citizens can travel in class 2 free of charge on PKP Intercity trains of economic categories TLK and IC in domestic transport. The journey takes place on the basis of any document confirming Ukrainian citizenship. Other carriers are also introducing free travel (*Bezpłatne przejazdy pociągami dla obywateli Ukrainy*: 2022). The Polish government is supporting private Poles by providing them PLN 1200 (EUR 280) if they take care of Ukrainian refugees (*1200 zł miesięcznie dla pomagających uchodźcom. Premier zdradził szczegóły*: 2022).

Economic Consequences for the Polish Economy of the Invasion of Ukraine by Russia

From the economic perspective, the war in Ukraine may harm Polish exporters. Right after China, Poland is the largest Ukraine's trading partner. According to the Polish Economic Institute (PIE), every third Polish company is fearing the Russian invasion of Ukraine. The uncertainty of Polish companies was confirmed by the February reading of the Monthly Index of the Economic Climate carried out by PIE and the financial institution *Bank Gospodarstwa Krajowego*. As many as one third of the companies that participated in this survey believed that Russia's aggression towards Ukraine could have a strong negative impact on their operations.

The uncertainty about the threat of war in Ukraine was most apparent among small businesses. Nearly half of the companies (47%) are afraid of the threat. When it comes to large companies, only 13 percent feel the threat. Enterprises (*34 proc. polskich firm obawia się negatywnego wpływu ewentualnej agresji Rosji na Ukrainę*: 2022).

According to Eurostat data, Ukraine is the fourteenth largest recipient of goods exported from Poland. At the same time, it ranks eighteenth in terms of the value of goods imported to Poland. The shares of Poland's trade with Ukraine in total exports and imports of goods are limited and amount to 2.2% and 1.1%, respectively (EUR 5.2 billion and 2.5 billion Polish exports to Ukraine constitute "machinery, equipment and transport equipment" (30% of the total), "industrial goods classified mainly by raw material" (i.e. mainly processed raw materials and materials, 20.4%), "chemicals and related products" (16.2%), "various industrial goods" (14.2 %) and "food and live animals" (13.0%). Only in the case of "oils, fats, animal and vegetable waxes" and "chemicals and intermediates", Ukraine is an important (compared to other countries in the world) recipient of Polish exports. Exports to Ukraine account for 5.1% and 3.7% of the total Polish exports within these categories, respectively.

The complete termination of exports of goods from Poland to Ukraine would reduce the GDP dynamics in Poland by 1.0 percentage point. percent in the first year after the shock occurred. (*Wojna. Jak silne są powiązania handlowe Polski z Ukrainą?*: 2022). Summarizing, In the period January-November 2021, the value of goods delivered to Russia amounted to USD 8.7 billion, which constituted only 2.8% of total Polish exports. Even by adding this the contracts implemented in Belarus (0.7%) and Ukraine (approx. 2% - data for 2019), it is worth less than 6% of the value of Polish exports. Its reduction may be severe for individual enterprises involved in this region, but it will not be such a big problem for the entire economy.

The Issues of the Energy Security

After Russia's invasion of Ukraine, sanctions were imposed on Russia. Regarding Poland, its government calls for radical steps in the area of trade in raw materials, i.e. a complete blockade of supplies from that direction in the EU. This is an important step because it will have also an impact on the member states as Russia is a key supplier of gas, oil and coal to the European Union. Some European countries are practically totally dependent on the import of Russian Gas (Finland, Moldova, Sweden). According to Eurostat, in 2020 49 % imports to the EU came from Russia.

Poland is in a similar framework because it also imports coal from Russia. In the first seven months of 2021, Poland imported approximately 8 million tons of coal from Russia, which represent around 15 percent of the production of coal in Poland in 2020 (*Węgiel z Rosji to nie tylko problem Polski. Kupuje go nawet Ukraina* 2021). Regarding the price of oil, its price increased already around 15% between the 24 February and the 3 of March 2022. The price of gas on the main European stock exchange has also increased. It has also an impact on the Polish economy.

Currently, two views are clashing in Poland regarding the energy security- some are calling for a renaissance of coal, others for a faster transformation towards renewable energy sources. Both sides refer to energy independence. Decisions regarding the policy of Poland, regarding its energy security shall be taken in the following weeks.

Conclusion

The behavior of the Polish society toward Ukrainian refugees is warmly welcomed all over the world, however some other conclusions can be drawn on a short and long-term perspective.

On a short-term perspective Russia's invasion of Ukraine has already led to a kind of withdrawal of the political dispute - or at least its suspension – in Poland. Similarly, in the first phase of the coronavirus pandemic, all topics that were important earlier (such as the Polish Deal, the Pegasus scandal) ceased to be relevant. But there is also no doubt that sooner or later these disputes will return, under greatly changed conditions. Furthermore, the Russia's invasion of Ukraine will have an important impact on the Polish society due to the arrival of Ukrainian migrants. Two questions are emerging among others. First Do these Ukrainian people will be able to adapt to the Polish society, secondly will they come back to their country?

On a long-term perspective, in the face of Russia's invasion of Ukraine, there is a risk of endangering the energy security of Poland. Concerning this issue, several ideas may be put into practice: from importing LNG (using the liquefaction terminal based in in the Polish city of Świnoujście), through a return to coal and nuclear power, to more investments in renewable energy sources. On the one hand, there are proposals to freeze climate ambitions for the sake of stability of supplies, but experts and politicians say: now is the best time for a green transition. A second issue is dealing with the fate of the previously mentioned Ukrainian migrants and whether Poland possesses the requested infrastructure for a such societal challenge. This will be also driven among other by the duration of the Ukrainian conflict and by the disastrous consequences of the Russian invasion on the economy of Ukraine.

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