

Marek Gola

Summary of the doctoral dissertation:

Monetary Policy Council Decisions and the Polish Economy in 1998–2022. Analysis of Their Impact and the Possible Politicization of the Decision-Making Process.

The subject of this dissertation is an analysis of the Monetary Policy Council's decisions and their impact on the Polish economy between 1998 and 2022, conducted from a political science perspective. The dissertation is interdisciplinary in nature, combining political science with findings from economics, law, and institutional analysis. However, its primary interpretive axis remains political science. The starting point is not solely the question of the economic effectiveness of monetary policy, but also how a public institution formally endowed with a high degree of autonomy operates within the broader framework of state policy, in relation to the government, parliament, the President of the Republic of Poland, and the changing socio-political environment.

This dissertation focuses on summarizing the activities of the Monetary Policy Council (MPC) over a period of 25 years — from its creation in 1998 until the end of 2022. This period includes the three-year term of Hanna Gronkiewicz-Waltz, the term of Leszek Balcerowicz, the term of Sławomir Skrzypek, interrupted by a tragic plane crash, the term of Marek Belka, and the first full term (ending in 2022) of Adam Glapiński.

The main research subject of this dissertation is the politicization of the decisions made by the Monetary Policy Council and how it affected the Polish economy. The study looks at how governments and MPC Chairpersons interacted with each other within the political environment, and how these relationships influenced decisions and economic outcomes.

So far, such an analysis has not been made in academic literature. Therefore, a major part of this work is dedicated to studying whether MPC decisions were made under government influence and how they affected the Polish economy.

The Monetary Policy Council (MPC) is the decision-making body of the National Bank of Poland. Its main task is to set and implement the country's monetary policy every year. The Council sets interest rates, defines open market operation rules, and determines the rules for calculating and maintaining the required reserve. It also approves the financial plan and annual report of the National Bank of Poland.

The politicization of the MPC's decisions and monetary policy is an important issue because it shows how political interests, especially during election periods, can influence the decisions of a body that should be independent. Although the MPC is officially independent, it operates in a political environment where various political groups have their own goals.

The Polish Constitution defines the MPC as an independent body responsible for monetary policy and price stability (inflation). Its decisions on interest rates and other monetary tools should be made independently of the government.

The dissertation is divided into an introduction, four chapters, and a conclusion.

Chapter 1 discusses the history of central banks, including major central banks around the world, their functions, and theories about the National Bank of Poland and monetary policy.

Chapter 2 covers the legal foundations, goals, and functions of the National Bank of Poland and selected theories about inflation.

Chapter 3 focuses on the problems, strategies, and tools of monetary policy in Poland — particularly after 1989.

Chapter 4, the most extensive, analyzes the decisions, resolutions, and every vote of the MPC over the 25-year period. It examines their impact on the Polish economy, GDP, inflation, and citizens' lives. The chapter is divided by the terms of the different NBP Presidents and looks at whether decisions were made in agreement with or against the President and how these decisions related to the government in power at the time.

It also analyzes the MPC's composition — who was appointed during different governments, their political background, and who nominated them. Each period is aligned with the term of a particular NBP President, who also served as MPC Chairperson.

The dissertation makes an attempt to define the independence of the National Bank of Poland (NBP) and the Monetary Policy Council (MPC). The independence of these institutions is a key issue, especially in light of recent constitutional crises occurring in some countries, including Poland. Despite its importance, academic literature still lacks a comprehensive discussion of how the independence of the NBP and MPC is maintained and monitored. There is also no clear, in-depth analysis of the legal and practical mechanisms that are used to ensure their autonomy in the political system.

The dissertation also raises several additional research questions. The most important among them include:

- Is the RPP truly independent?

- Does the composition of the RPP affect its monetary policy decisions?
- Did the RPP respond properly and in a timely manner to economic events, or were its reactions delayed or inadequate?
- Were there any failures or omissions in its responses, or were the reactions to economic developments inappropriate or too late?
- Did the RPP use the available tools and instruments effectively?
- What were the expectations of successive governments towards the RPP?
- To what extent does the President of the NBP influence the RPP's decisions?

The dissertation is based on several research methods: legal-dogmatic, logical-linguistic, historical, and comparative analysis. The main focus of the research is on analyzing the implementation of the monetary policy assumptions of the NBP and the RPP between 1998 and 2022.

The primary sources used in the dissertation include:

- the Act on the National Bank of Poland,
- the Banking Law,
- the Constitution of the Republic of Poland,
- the Act on Financial Market Supervision,
- academic literature,
- and most importantly, the annual monetary policy assumptions published by the NBP and the RPP, as well as the reports summarizing the implementation of these assumptions at the end of each year.

The dissertation demonstrates that the politicization of the Monetary Policy Council has a significant impact on its decisions, which in turn directly affects the country's economy — most often in a negative way. This academic work aims to highlight the risks associated with the politicization of institutions such as the Monetary Policy Council and the influence of such politicization on their decisions.

The analyses conducted lead to the conclusion that the Monetary Policy Council's decisions had a significant impact on the Polish economy during the period under review. They primarily influenced inflation, the cost of money, financing conditions for households and businesses, the rate of economic growth, unemployment, the credit market, and the exchange rate.

From a political science perspective, the dissertation concludes that the Monetary Policy Council is not only an expert body managing monetary policy parameters but also a participant in the broader process of shaping the state's economic policy.

Marek Gola

