

A Cultural, Economic, and Industrial Analysis of the Republic of Poland
and its Financial Services Industry

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Executive Summary

Through its thousand-year existence, the state of Poland has been a continental anomaly. The very existence of the state was questioned, challenged, and influenced by foreign powers intent on empire. At the end of World War II, the then-communist Polish state remained tightly under the influence of the Soviet Union. After years of underlying dissatisfaction with the pitiful performance of a centrally planned economy, the Poles, through “Solidarity,” forced democratic reforms in the late 1980s and capitalism was formally embraced. Explaining why the Poles rejected communism, French anthropologist and renowned political scientist Emmanuel Todd suggests that the roots of the Polish tendency towards social market economy lie in the traditional family system of Poland, the “egalitarian nuclear family.” The current Polish education system, influenced by the rise of the right-wing populist Law and Justice Party, is structured to focus on the Polish culture, monarchic past, and native language. In the wake of nationalism in international politics, the Law and Justice Party rose to power in 2015 and is the current ruling party of the democratic state. In stark contrast to the Soviet-era Polish political system, the power structure of the national government is reflective of Western democratic political systems, featuring separation of powers and multiple political parties.

Influenced heavily by its cultural past, the Republic of Poland is an evolving, promising European nation, offering foreign investors the potential for development and economic growth, particularly in financial services. From decades of a nonexistent financial services industry under communism, Poland’s economic system greatly shifted in recent decades as a result of pursuing policies of privatization and economic liberalization. Generally encouraging of Foreign Direct Investment, the Polish government maintains an open stance of FDI in the financial services, with the exception of the banking industry. As the sixth largest economy in Central Europe with positive economic conditions, Poland represents a potential growth opportunity for multinationals in the financial services industry.

Chapter 1: Cultural Analysis

Section 1.1: BRIEF HISTORY OF POLAND

In the 10th century, the first Polish state emerged on the European continent as one of many feudal governments of the early medieval era. The feudal state originated from the consolidation of Slavic tribes under the newly-Catholicized Piast Dynasty. Under the Jagiellon Dynasty, the Polish state gained control of Lithuanian lands through a royal marriage with the Grand Duchy of Lithuania, resulting in the Polish-Lithuanian Commonwealth. The Commonwealth became an elective monarchy, featuring a unique political structure for the time in which the monarch held both the titles of “King of Poland” and “Grand Duke of Lithuania.” After much internal turmoil and civil disunity in the mid-18th century, Imperial Russia claimed Poland as a protectorate and subjugated the Polish state to Catherine the Great’s rule. In 1768, the Polish state was completely discarded from the political map of Europe and the country was partitioned by Russia, Prussia, and Austria.¹ In 1918, after having been liberated as a result of the

¹ CIA, “Poland,” CIA World Factbook, accessed March 29, 2018, <https://www.cia.gov/library/publications/the-world-factbook/geos/pl.html>.

First World War, the Polish people gained independence.²

Short-lived, the sovereignty of Poland was once again challenged by foreign powers in the Second World War. Vulnerable to invasion due to a lack of natural barriers, Poland was overrun by Germany and the Soviet Union, eventually becoming a Soviet satellite state, postbellum, under the direct control of the Kremlin. Under the regime of communism, no financial services industry existed, and state-ownership of production was ubiquitous. With the Polish people clamoring for political and economic reform, the Polish communist government granted free elections for the first time in 1989 and 1990, in which the overwhelmingly popular trade union, “Solidarity,” secured the government.³ No longer hampered by Soviet policies, Solidarity reforms reversed communist economic policies via “shock therapy,” the rapid privatization of state-ownership and the institution of market-oriented policies.⁴ The Republic of Poland joined the North Atlantic Treaty Organization (NATO) in 1999 and the European Union (EU) in 2004.⁵ With the recent rise of nationalism in international politics, the Law and Justice Party of Jaroslaw Kaczyński gained control of the government in 2015 and increased tensions with the EU in the wake of nationalist unrest.

Section 1.2: GEOGRAPHY AND TOPOGRAPHY OF POLAND

Situated in the Great European Plain to the east of Germany and to the west of Belarus and Ukraine, Poland is approximately the size of the state of New Mexico in the United States.⁶ Located in the temperate zone, Poland’s climate is relatively cold in the winter and warm in the summer. Due to the nation’s proximity to the Baltic Sea, Poland experiences frosty winter conditions and cold fronts often resulting in heavy snowfall.⁷ Across the nation of Poland, there exist 10,000 glaciated lakes strewn over the plains of the country. In the south of the country, the foothills of the Carpathian Mountains line the Polish border with Slovakia. Poland is rich in mineral deposits, primarily salt and coal, and the average soil sample is rich in fertile loam, an even mixture of sand, silt, and clay.⁸

Section 1.3: TRADITIONAL FAMILY DYNAMICS OF POLAND

Due to the nation’s turbulent history of being partitioned and its traditional Catholic values, Poles maintain a powerful sense of family unity.⁹ Prior to the 1772 partition, the Kingdom of Poland was organized into family communities. In the medieval period of Poland, it was not uncommon for a man to marry a distant relative due to the locality of medieval life.¹⁰ Within these familial communities, three generations of Poles farmed the fertile plains of the

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

⁶ Ibid.

⁷ “Climate of the World: Poland,” WeatherOnline, accessed March 29, 2018, <https://www.weatheronline.co.uk/reports/climate/Poland.htm>.

⁸ “Poland–Topography,” Nations Encyclopedia, accessed March 29, 2018, <http://www.nationsencyclopedia.com/Europe/Poland-TOPOGRAPHY.html>.

⁹ Clifford R. Barnett, *Poland: Its People, Its Society, Its Culture* (New Haven, CT: HRAF Press, 1958), 348.

¹⁰ Jean W. Sedlar, *East Central Europe in the Middle Ages, 1000–1500* (Seattle and London: University of Washington Press, 1994), 85.

idyllic countryside and the leader of the community was traditionally the grandfather or his eldest son. While the authority figure in a Polish family was traditionally the patriarch, the family dynamics in the underlying psyche of Poles is of an “egalitarian nuclear family,” which is starkly different to the family systems of the Germans, Britons, and Celts (absolute nuclear/authoritarian families). Under the traditional egalitarian nuclear family system, Polish families adhere to strict equal-inheritance, no adult children cohabitating with parents, and no first cousin intermarriage. This traditional family system was somewhat isolated to Poland in Central Europe. In this cultural aspect, Poland shares its traditional family dynamics with Italian, Spanish, French, Greek, and Romanian families.¹¹ According to French anthropologist Emmanuel Todd, the family system of Poland offers both liberty and equality to offspring, unlike that of the nations which first embraced capitalism (acceptance of inequality) and those that embraced communism (anti-liberty).¹² The egalitarian nuclear family system could be a contributing factor to why communist Poland’s political and economic systems were not as heavily influenced by the communist ideal as those of the Soviet Union.

Section 1.4: POLISH EDUCATION

With the rise of the nationalist Law and Justice Party (PiS) in 2015, Poland’s education system underwent a fundamental reform of the core emphasis of national education policy. According to The Act on the Education System of 1991, the objective of education is “to provide each pupil with conditions necessary for his/her development and to prepare him/her for the fulfilment of family responsibilities and civil duties based on the principles of solidarity, democracy, tolerance, justice and freedom.”¹³ From the age of seven, Poles enter compulsory education for twelve years in total. At the conclusion of their secondary education, Poles take the “matura” exam to apply for higher education.¹⁴ Upon taking the exam, students may choose from various career paths including public/private university, technical institute, and immediately entering the workforce. While the idea of compulsory education in Poland was introduced in 1555, the first compulsory education system arose via Prussian decree in 1825 in only the Prussian-controlled territory of Poland.¹⁵ From 1825 to Polish independence in 1919, Russian authorities in Poland did not enforce compulsory education, leading to a high illiteracy rate of 33% in 1921. Well below the average literacy of more advanced Western nations, Poland improved its standing and reduced its illiteracy to a level of 1.2% in 1978.¹⁶ With regard to changes in educational policy, the PiS-instituted reforms of 2016 greatly affected the emphasis of national education to a more nationalistic narrative.¹⁷ Prior to the 2016 reforms, Polish education placed greater emphasis on other cultures and economic systems, and impressed a more liberal viewpoint of Polish history. Rising to power in 2015, PiS ran on promises to revive Poland’s historical role as a Christian bulwark against the advances of liberalism and globalization. In accordance with such ambition, the government instituted curriculum downplaying the role of communism and the anti-imperialist Non-Aligned Movement (NAM) in the development of

¹¹ Emmanuel Todd, *The Explanation of Ideology: Family Structures and Social Systems (Family, Sexuality and Social Relations in Past Times)* (Hoboken, NJ: Blackwell Publishing, 1989), 56.

¹² Ibid.

¹³ UNESCO-IBE, *World Data on Education: Poland*, 7th Edition (Geneva, Switzerland: UN, 2012), 2.

¹⁴ Ibid, 8.

¹⁵ Norman Davies, *God’s Playground: A History of Poland* (New York, NY: Columbia University Press, 2005), 167.

¹⁶ Ibid.

modern Poland, all the while emphasizing Poland's monarchic past and political/military leaders.¹⁷

Section 1.5: POLITICAL SYSTEM OF POLAND

Defined by the Constitution of the 2nd of April, 1997, the political system of Poland follows the regime of a “democratic state ruled by law, implementing the rules of social justice, safeguarding the independence and integrity of its territory, ensuring the freedoms and rights of persons and citizens and the security of the citizens, safeguarding the national heritage and ensuring the protection of the natural environment in line with the principle of sustainable development.”¹⁸ Following the trend of Western, developed nations, Poland's government is based on separation of its respective powers.¹⁹ Possessing the power to make laws, the Sejm and the Senate act as a parliamentary body with its own checks and balances.²⁰ Ruling on national law, the Supreme Court and military tribunes preside over legal issues, both civil and criminal.²¹ Acting as the enforcer of Polish law, the President and Council of Ministers possess the executive function of the national government.²² Influenced by the Solidarity movement, the Polish economic system is reflective of “Social Catholicism” and, in practice, functions as a social market economy, possessing both free market and control economy aspects.²³

Section 1.6: POLITICAL PARTIES OF POLAND

Elected to government by an overwhelming majority of the electorate in 2015, the Law and Justice Party (PiS) is currently the ruling party of Poland and represents the values of Polish conservative nationalism and Christian Democracy.²⁴ The late president, Lech Kaczyński, and his twin brother, Jarosław, founded the party in 2001 in response to the dissolution of the Solidarity movement into different, respective ideological groups, of which the party's opposition, Civic Platform (PO), was formed.²⁵ After a decade of opposition rule under the PO, PiS ascended to power on the recent wave of nationalism across the developed nations, manifesting itself in Brexit and the election of President Donald Trump in the United States. The party is economically interventionist, as a result of its adherence to “Social Catholicism,” and socially conservative.²⁶ With regard to continental relations, the PiS is more Eurosceptic than most European parties and opposes the concept of a “Federal Europe.”²⁷ PiS is strongly

¹⁷ Michał Gostkiewicz, Anna Dzierzgowska, “Czego dzieci nauczą się na historii? Nauczycielka nie ma złudzeń. ‘Od mamuta do Bieruta’ [What do children learn from history? This teacher has no illusions. “From the mammoth to Bierut”] (in Polish), *Gazeta Wyborcza*, September 1, 2017, accessed 10 April, 2018, <http://weekend.gazeta.pl/weekend/1,152121,22305352,czego-dzieci-nauczaja-sie-na-historii-nauczycielka-nie-ma-zludzen.html>.

¹⁸ “Poland political system,” President of the Republic of Poland, accessed April 11, 2018, <http://www.president.pl/en/about-poland/polish-political-system/>.

¹⁹ *Ibid.*

²⁰ *Ibid.*

²¹ *Ibid.*

²² *Ibid.*

²³ *Ibid.*

²⁴ Law and Justice Party, “Law and Justice,” Law and Justice Party, accessed April 11, 2018, <http://pis.org.pl/partia/prawo-i-sprawiedliwosc>.

²⁵ *Ibid.*

²⁶ *Ibid.*

²⁷ *Ibid.*

Atlanticist in international relations and considers the US to be a firm and stable ally.²⁸ The party's electoral strength resides in the Eastern reaches of Poland and its supporters are ardent advocates of decommunisation and lustration, the systematic removal of communist holdovers in the Polish bureaucracy.²⁹ In addition, the party supports the pension system and a minimum social net. On social issues, PiS politicians are critical of sex, homosexuality, violence, and immigration.³⁰

In opposition to PiS, the PO presents a more liberal alternative. Also founded in 2001, the leaders of PO are currently Grzegorz Schetyna and Donald Tusk.³¹ Economically, the party follows ordoliberalism, an interventionist, state capitalist economic ideology, and, socially, PO is moderately conservative and supportive of Christian Democracy.³² Concentrated in the west and north regions of Poland, the PO's electoral base primarily consists of higher class families, professionals, academics, businessmen, and minorities.³³ Compared to PiS, the party is more Pro-European.³⁴ Due to the PO's shift to the left on economics and raising of taxes, many Poles left the party's electorate in the 2015 election, handing control of government to their opposition, PiS.

Chapter 2: Economic Analysis

Section 2.1: OVERVIEW OF POLISH ECONOMIC SYSTEM

Diverging from traditional economic policy, the PiS government in power has been intent on reversing the trend of neo-liberalism since the party was elected to govern in 2015.³⁵ Perceiving the domestic business elites as not holding the national interests in mind, the PiS government seeks to intervene economically and counter the elites' self-interest.³⁶ According to Varieties of Capitalism (VoC) research, Poland's economy is classified as "embedded capitalism" and dependent on more developed Western nations for Foreign Direct Investment (FDI).³⁷ Since integrating with the European Union (EU), foreign investors have played a greater role in the economy of Poland, particularly in the finance and information technology sectors.³⁸ The right-wing populism of PiS resulted in a statist approach to economic affairs. Under PiS government,

²⁸ Ibid.

²⁹ Susanne Jungerstam-Mulders, *Post-Communist EU Member States: Parties and Party Systems* (London: Ashgate Publishing, 2006), 103.

³⁰ Remi Adekoya, "Xenophobic, authoritarian – and generous on welfare: how Poland's right rules," *The Guardian*, last modified October 25, 2016, accessed April 11, 2018, <https://www.theguardian.com/commentisfree/2016/oct/25/poland-right-law-justice-party-europe>.

³¹ Civic Platform Party, "About us," Civic Platform Party, accessed April 11, 2018. <http://www.platforma.org/o-nas>.

³² Ibid.

³³ Vít Hloušek and Lubomír Kopeček, *Origin, Ideology and Transformation of Political Parties: East-Central and Western Europe Compared* (Surrey, UK and Burlington, VT: Ashgate, 2010), 30.

³⁴ Ibid.

³⁵ Krzysztof Jasiołkowski, "The Nature of Capitalism in Poland. Controversy over the Economy since the End of 2015: The Prospects of Business Elite and Employer Associations," *Corvinus Journal of Sociology and Social Policy* 8, no. 3 (2017): 172.

³⁶ Ibid.

³⁷ Ibid.

³⁸ Ibid., 173.

Poland seeks to curb business activity due to its association with the lawbreaking, corruption, and abuse of power in the first years of initial privatization after the fall of communist rule in the country.³⁹ Not trusting of business associations, PiS insists the public sector must “stimulate innovation, accumulate capital and make effective use of it.”⁴⁰ According to the 2016 official economic policy of the PiS (Strategia Odpowiedzialnego Rozwoju, SOR), the party calls for greater state interventionism in response to the current status of “dependent market economy.”⁴¹

The government intends to use public funds for the encouragement of start-ups and transportation sectors.⁴² There are two potential possibilities of this interventionist stance: (1) successful implementation leading to reduced dependency on FDI or (2) failure of interventionist policies leading to a debasing of foreign capital without domestic industry filling the void in the market.⁴³

Section 2.2: POPULATION OF POLAND

According to CIA World Factbook, the population of Poland is currently stagnant and not meeting replacement rate (-0.13%/year), in addition to a negative net migrant rate of -0.4.⁴⁴ In 2017, Poland’s birth rate stood at 9.5 births/1,000 people and the death rate was 10.4 deaths/1,000 people.⁴⁵ Demonstrating a clear trend toward an aging populace, the vast plurality (43.48%) of Poles are concentrated within the age group 25-54 years old.⁴⁶ The issue of what the government should do in the case of an aging populace is a current topic of concern across Poland, a country with virtually no assisted living centers or retirement centers. The largest ethnic demographics of the population of Poland are Polish (including Silesian and Kashubian minorities) (97.7%), German (0.5%), and Ukrainian (0.4%).⁴⁷ In terms of residence, Poles are mostly urbanites (60.5%) and concentrated in the southern area around Krakow and the central area around Warsaw and Lodz.⁴⁸ The average population density across the country is misleadingly 123 ppl/km². In truth, a visitor to Poland will witness a highly concentrated urban population (1105 pp/km²) and a sparse rural population (50 ppl/km²).⁴⁹

Section 2.3: ECONOMIC STATISTICS & ACTIVITY

In 2017, the GDP of Poland totaled \$1.11 trillion with a positive growth rate of 3.22%.⁵⁰ Factoring in Purchasing Power Parity, the income per capita was \$29,300.⁵¹ Exhibiting less iniquity between social classes than that of Russia and the US, Poland’s GINI coefficient for

³⁹ Ibid., 181.

⁴⁰ Ibid., 181–182.

⁴¹ Ibid., 182.

⁴² Ibid.

⁴³ Ibid.

⁴⁴ CIA, “Poland.”

⁴⁵ Ibid.

⁴⁶ Ibid.

⁴⁷ Ibid.

⁴⁸ Ibid.

⁴⁹ Ibid.

⁵⁰ “Poland GDP – per Capita (PPP),” IndexMundi.com, accessed April 12, 2018, [https://www.indexmundi.com/poland/gdp_per_capita_\(ppp\).html](https://www.indexmundi.com/poland/gdp_per_capita_(ppp).html).

⁵¹ Ibid.

2015 was 0.29.⁵² For the beginning of 2018, the unemployment rate has remained stable at around 6.8% after a decline from around 14% in 2013.⁵³ With respect to trade, Poland, importing more than exporting, currently has a balance of trade of -204 million Euros, exhibiting the behavioral trend of a consumer-based economy following the likes of other developed nations.⁵⁴ Measuring quality of life, the Human Development Index for Poland is relatively very high (0.855 in 2015).⁵⁵

Chapter 3: Industry Analysis

Section 3.1: BRIEF BACKGROUND OF POLISH FINANCIAL SERVICES

Pre-1989 under communist rule, the financial services sector was virtually non-existent and the limited services provided were owned and operated by the state.⁵⁶ During this period, the National Bank of Poland (Narodowy Bank Polski) acted as both the central bank and managing organization of State-Owned Enterprises (SOEs).⁵⁷ Following in the trend of privatization across former-socialist countries, Poland reformed the banking and financial services industry and, as of 2000, owned a controlling stake in only one-tenth of Polish banks.⁵⁸ Since the vast majority of Poles utilize only basic banking functions, the rapid proliferation of commercial banks following privatization gave rise to a large degree of competition in the financial services sector.⁵⁹ Within the banking sector of Poland, the largest competitors are as follows: PKO Bank Polski, Bank Pekao, mBank, ING Bank Śląski S.A., and Bank Zachodni WBK (Santander).⁶⁰ Regarding investment financial service sectors, Pioneer Pekao Investments, Getin Holding S.A., and MCI Capital S.A. hold major stakes in the industry. In the insurance service sector, there are about 50 insurance companies, with PZU Group and ZUS, a state-run insurance company, dominating the market.⁶¹

Section 3.2: GOVERNMENT ACTIVISM IN FINANCIAL SERVICES

With respect to capital investments, the Polish government is generally encouraging of FDI and foreign portfolio investment and maintains the role of capital markets as essential for

⁵² Ibid.

⁵³ “Poland Unemployment Rate,” Trading Economics, accessed April 12, 2018, <https://tradingeconomics.com/poland/unemployment-rate>.

⁵⁴ “Poland- Economic Indicators,” Trading Economics, accessed April 12, 2018, <https://tradingeconomics.com/poland/indicators>.

⁵⁵ Ibid.

⁵⁶ Jerzy Kondracki, “Poland- Finance,” Encyclopaedia Britannica, accessed April 12, 2018, <https://www.britannica.com/place/Poland/Finance>.

⁵⁷ Ibid.

⁵⁸ Ibid.

⁵⁹ European Union, FESSUD: Financial System in Poland (Leeds, UK: EU, 2012), 9.

⁶⁰ “Economy and Banking Sector of Poland,” TheBanks, accessed April 13, 2018, https://thebanks.eu/countries/Poland/major_banks.

⁶¹ Ibid.

economic growth.⁶² While the current government favors state interventionism, the finance industry is likely to remain untouched by reforms due to the country's reliance on foreign investment support for domestic industries. Potentially facing challenges by a state-sponsored expansion of domestic ownership, the banking sector remains the most vulnerable of financial services.⁶³ In 2016, the PiS government proposed a ban of all trade on Sundays in accordance with traditional religious law; however, this measure quickly failed in response to investor concerns.⁶⁴ Foreign investment in real estate and land acquisitions is carefully regulated by the Polish government; indeed, foreigners are limited to purchasing either an apartment, 4,000 m² of urban land, or one-half hectare of rural land without a government permit.⁶⁵ Any larger acquisitions must be pursued by obtaining a permit from the Ministry of the Interior.⁶⁶ Acquisition requests may be denied on the premise of social policy or national security.⁶⁷

In facilitating business activity, the PiS government enacted several measures to assist startups in Poland.⁶⁸ In order to expand bankruptcy rights and make market exit easier, the PiS government passed the Small Law of Innovation in 2016, supporting companies by providing more incentive to invest in Research & Development.⁶⁹ In addition to the Small Law on Innovation, the government also passed the Strategy for Responsible Development in 2016. This strategy simplifies taxes and exempts entrepreneurs from social security contributions, as well as temporarily lowering the Corporate Income Tax (CIT) to 15% from 19% for the first year of activity.⁷⁰ With regard to avoiding double taxation, the Republic of Poland signed and enforces a double taxation treaty with the United States, as of 1974, further facilitating FDI from the US.⁷¹

Section 3.3: MAJOR OPPORTUNITIES AND CHALLENGES IN POLISH FINANCIAL SERVICES

Among the opportunities of investing in the financial services industry of Poland, the strong, positive trend in economic growth (4.6% in 2017) and the highly educated human capital are significant reasons to conduct FDI in Poland.⁷² Low unemployment (6.5% historic low in 2017) and the status of Poland as the largest Central European economy are other positive

⁶² "Poland- 6-Financial Sector," Export.gov, accessed April 13, 2018, <https://www.export.gov/article?id=Poland-6-Financial-Sector>.

⁶³ "Poland- 1-Openness to and Restriction on Foreign Investment," Export.gov, accessed April 13, 2018, <https://www.export.gov/article?id=Poland-Openness-to-Foreign-Investment>.

⁶⁴ Ibid.

⁶⁵ Ibid.

⁶⁶ Ibid.

⁶⁷ Ibid.

⁶⁸ Ibid.

⁶⁹ "Sejm unanimously passed the so-called small law on innovation," *Science in Poland*, accessed April 13, 2018, <http://scienceinpoland.pap.pl/en/news/news%2C411557%2Csejm-unanimously-passed-the-so-called-small-law-on-innovation.html>.

⁷⁰ "Poland- 1-Openness to and Restriction on Foreign Investment."

⁷¹ "US-Poland Double Taxation Treaty," LawyersPoland, accessed April 14, 2018, <https://www.lawyerspoland.eu/us-poland-double-taxation-treaty>.

⁷² "Poland's Economy Posts Record Growth," Emerging Europe, accessed April 13, 2018, <http://emerging-europe.com/in-brief/polands-economy-posts-record-growth/>.

indicators signaling a healthy climate for FDI.⁷³ In addition to favorable economic conditions, FDI opportunities exist in investing in one of Poland's fourteen Special Economic Zones (SEZs), offering strategic tax exemptions designed to encourage commerce.⁷⁴ Given the positive economic growth Poland has been experiencing in the last decade, the financial services industry is expected to benefit from increased disposable income and willingness to invest savings, correlating with increased demand for financial products and advising. By engaging in FDI within the financial services industry, investors will face several challenges in penetrating the Polish market. These challenges include fierce competition from other well-established multinationals, cumbersome government administrative policies, and public policy uncertainty, despite an overall positive commercial environment.⁷⁵

Final Recommendations/Conclusion

In its turbulent national history, Poland remains a unique country in Central Europe. Due to its economic liberalization in recent decades, the economic growth of Poland somewhat mirrors advanced Western nations. With an expected trend of further liberalization in the future, Poland is a potential candidate for securing first-mover advantage through FDI. The government policies of the PiS have both encouraged and discouraged FDI in different areas of the Polish economy. Financial services, apart from banking, are likely to remain free from further government intervention given the state of currently positive global economic conditions. In addition to a favorable investment climate, the aging Polish population, expanding in knowledge of financial services, is likely to produce increased demand for financial advising, investment vehicles, and retirement plans. In conclusion, the emerging economy of Poland presents undervalued FDI opportunities for multinational companies due to its stable political system, relatively wealthy demographics, and policies endorsing economic liberalization.

⁷³ "Why Poland is a Top FDI Destination," *Euronews*, accessed April 13, 2018, <http://www.euronews.com/2018/01/23/why-poland-is-a-top-fdi-destination>.

⁷⁴ *Ibid.*

⁷⁵ "Poland- Market Challenges," *Export.gov*, accessed April 13, 2018, <https://www.export.gov/article?id=Poland-Market-Challenges>.

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