

Economy in poland

Countries



In 2008, the world fell into economic turmoil. Most country's economies collapsed, but not Poland. Poland has showed the world that with a stable political system, sound economic policy, and a little luck, it wasn't impossible to avoid economic disaster. It is truly astounding that Poland managed to steer clear of the recession that most of the world is going through. Every country has its own problems, including Poland. High unemployment rates and a complicated tax system are among the problems in this country.

In the following paragraphs I will explain in detail, Poland's current economic situation. Our text, Global Business Today, outlines how Poland has managed to stick out the economic disaster the world is facing today. In 2004, Poland joined the European Union, granting the country greater access to consumer markets in Western Europe. During the year of 2009, the Polish economy grew 1.9%, while all other economies in Europe were in great distress. (Hill, 2011 pg. 43) In that same year, Poland was the only member of the European Union to grow.

Poland's government plays an enormous role in the sustainability of the country's economy. In 1989, Poland switched from a communist government to a democratic government. Since then, Poland has been utilizing free trade, free market economic policies, and privatizing state-owned businesses. Since the reign of the democratic government, public debt was watched closely and was not allowed to increase during the time of the recession. Government spending was also controlled during the years of 2008 and 2009.

From 1989 to 2009 Poland has recorded the highest economic growth in its region. Hill, 2011 pg. 43) Poland's switch to; free trade, free economic policy,
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and democratic government have helped the country to become a major exporter. Poland has a high demand for domestic goods. (McGuire, 2011) This is another big reason why the country is not seeing any major problems with their economy. Since Poland doesn't need to rely on other countries for many goods, spending on trade and imports should be relatively low. With Poland being an independent country and demanding domestic goods, it helps keep their economy in check.

When Poland's domestic demand falters, the export of goods to other European countries, helps make up for the falter of domestic demand. By no means is Poland perfect, every country has problems that need to be worked out. For example, Poland's unemployment rate is quite high. In 2009, the unemployment rate was 11% (Hill, 2011) and as of January 2012 it was 13.2% (Poland Unemployment Rate , 2012). The tax system in Poland is also flawed, it is so flawed that it was ranked 151st out of 183 countries according to the World Bank's survey (Hill, 2011).

Poland is working to fix their tax system and to better the way other countries view Poland, in hopes to increase the chance of doing business of other countries. It is incredible how small some factors may seem, and the huge impact those factors make when it comes to crunch time. Poland has averted these hard economic times, and their economy is doing very well compared to most of the world. With a sound economic policy, stable political system, and a little bit of luck Poland has avoided the economic disaster that the world is faced with.