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Lessons That Poland Can Learn From Brexit

Abstract

The UK's exit from the European Union has had seriously negative consequences for the British economy and society. These consequences can be taken as a serious warning to other EU countries that may wish to follow Britain's chosen path. The warning is particularly important as regards Poland, where the far right has long been openly calling for a so-called "Polexit". The aim of this article is to analyse and assess both the current and expected effects of Brexit, as well as the conclusions that Poland can draw from them. After presenting the background of Brexit, this analysis focuses primarily on the effects that Great Britain has experienced in the areas of trade with the EU, along with Brexit's effects on investment, inflation, immigration, and deregulation. Public opinion survey results are also shown, indicating a negative assessment of Brexit by the majority of British society, which is increasingly demanding the restoration of the country's ties with the EU. Next, the threats to Poland's further participation in the EU that have arisen since 2015 are shown. Based on Britain's experience, it can be predicted that a possible Polexit may hit the Polish economy particularly hard, primarily due to the loss of free access to the EU's single market and a possible collapse with regard to Polish exports, as well as the predicted massive outflow of capital abroad and decline in the inflow of foreign investments. A Polexit would also mean a loss of EU funding. All this would drastically limit Poland's development possibilities and would trigger a civilisational degradation of the country.

Keywords: European Union, Brexit, Polexit, EU-UK Trade

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Introduction

Brexit is the result of a national referendum held on 23rd June, 2016, when the United Kingdom decided to leave the European Union. More than forty years earlier, on 5th June, 1975, a similar referendum took place. It was then that British society decided to continue its participation in the European Community (EC). For decades, however, the UK had been very active in stalling any European integration initiatives. This was accompanied by the continuous creation of a negative image of the EC, then of the European Union, and its institutions by those in power in the UK. It is striking that despite this long-standing policy of discrediting European integration, its supporters have not become a marginal group of British society. The 2016 referendum showed that the percentage of supporters and opponents of UK membership in the EU was similar at that time, as the latter won the referendum with a very small majority of votes of 51.9% of the total number of voters (BBC, 2016).

The reasons behind the announcement of the 2016 referendum by the British government, as well as the effects of Brexit so far, can be an important lesson not only for the society of Great Britain, but also for other EU Member States, especially Poland. For Polish society, the experience of Brexit may be particularly important, given the increasingly frequent voices from the right ruling in Poland until December 2023 about the possibility of a Polexit, i.e., Poland's exit from the EU. Many Poles are convinced that a Polexit cannot happen because the level of support from Polish society for the country's membership in the EU is very high. It should be remembered that when the referendum decision was announced in Great Britain, almost no one believed that Brexit could ever take place, and yet it has become fact. However, the decision to hold a referendum triggered many unexpected events and phenomena, and became an opportunity to vehemently mobilise the opponents of the European Union in the UK. They focused on attributing all the negative economic effects actually resulting mainly from the UK's participation in the globalisation process to the country's membership in the EU, those effects being particularly severe for some regions of the country and certain social groups. For decades, indeed for centuries, the country has in fact been not only one of the main participants in globalisation, but also one of its key drivers.

The aim of this article is to show the most important effects of Brexit and the resulting conclusions that are important for Poland in the context of anti-EU sentiment constantly stimulated by the far right and their slogans openly calling for Poland's exit from the European Union. The paper starts with some reflection on the causes of Brexit. Next, the main consequences of Brexit for the UK are discussed, in particular in the fields of trading with the EU, investment, and immigration. In the subsequent part, the results of public opinion polls are presented, indicating a huge amount of public dissatisfaction with the effects of Brexit and growing support for the idea of a new referendum and rebuilding relations with the EU. The final part presents the main threats that could result from a Polexit to the Polish economy and society.

The Background of Brexit

Brexit is a result of decades of anti-EU and anti-immigrant sentiments fuelled by right-wing governments and related media. In the run-up to the 2016 referendum, it was claimed by MPs, sympathetic media outlets, and even world leaders that leaving the EU would be a democratic move for the UK that could "take back control" of law setting and immigration. There were also generous promises of how the UK could renew its standing in the world with far-reaching trade deals and make progress at home with a better funded NHS (Mata, 2023).

The arguments made by pro-Brexit economists have been reviewed by Bell (2019, pp. 45–66). The main points included the need to dismantle the EU regulations and restrictions on the labour market as being harmful to growth in the UK. Bell notes that while Brexit is sometimes seen on the left as an opportunity to move away from neoliberalism, primarily by facilitating the renationalisation of public services, it is regarded by many in the UK Conservative Party as a significant opportunity to lead the way to market deregulation (Bell, 2019).

The social sense of economic insecurity caused by decades of neoliberal globalisation became the basis of people's dissatisfaction, especially after the 2008 global financial crisis and subsequent austerity measures. In the pro-Brexit campaign, weight was placed on regaining sovereignty, the control of national borders, and immigration from the EU, factors that are in fact a consequence of an overriding issue, namely, economic uncertainty driven by the socio-economic policies of previous governments. These policies led to the deindustrialisation of Britain due to increased global competition, while diverting investment to the financial and service sectors in South East England to the detriment of the rest of the country. Such disparities in wealth and growing inequalities created fertile ground for the Eurosceptic rhetoric of the exit campaign (Mahmud, 2020, pp. 2–12).

The theory of bounded rationality, first formulated in the 1970s by Herbert Simon, may be useful in explaining the Brexit decision.

According to the theory, when trying to make a rational choice, an individual encounters problems with either gaining access to the necessary knowledge or understanding it. The British government held a referendum on Britain's EU membership without specifying the terms of Brexit. According to Nikolka and Poutvaara (2016), this referendum did not meet the conditions for voters to make an informed decision about the UK leaving the EU. Data on those participating in voting reveal large differences between them in terms of education and age, as well as between different regions of the country. The less educated and older were more likely to vote to leave the EU. Huggins (2023) also points to the bounded rationality that existed in the Brexit decision, noting that the referendum results showed that the regions that voted to leave the EU turned out to be the areas most exposed to the negative economic consequences of Brexit.

The British government's approach to the Brexit opportunities agenda is comprehensively outlined in the "Benefits of Brexit" white paper, published by the Cabinet Office's Brexit Opportunity Unit in January 2022, shortly after the UK had formally left the EU. According to that document, the purpose of Brexit "has been to restore the UK's status as a sovereign, independent country, so that we could decide our own future again" (HM Government, 2022, p. 5). Reactions to the paper were generally critical, as Marshall and Goss (2022) note, pointing out that while some so-called "Remainers", i.e., supporters of the UK's membership in the EU, accused the government of misleading the public about how many opportunities exist, some prominent figures who supported Brexit accused it of masking its failure to deliver enough of the substantial benefits.

The Economic and Social Consequences of Brexit

The consequences of Brexit have been far-reaching, impacting business, the UK's economy, and many aspects of Britons' lives (Sandford, 2023). Most significantly, Brexit has left its mark as regards trade with the EU, investment, and immigration.

Trade

The EU is one of the largest trading powers in the world. It is characterised by a high degree of advancement, not only of economic integration, which goes far beyond the elimination of tariffs and the minimisation of non-tariff barriers, a mutual recognition of standards, a common external tariff, and the free movement of people and capital. The UK left the EU single market and customs union on 1st January 2021, marking the end of the transition period and the introduction of the new relationship set out in the EU-UK Trade and Cooperation Agreement (TCA) (European Commission, 2023a).

The EU is the UK's biggest trading partner, although this role of the EU decreased significantly after 2016; in 2022, the EU accounted for 41.7% of the UK exports (43.1% in 2016) and 47.9% of UK imports (52.9% in 2016) of goods and services (Ward, Webb, 2023, p. 29). Leaving the European Union's single market has, by definition, escalated barriers to trade in goods and services between the UK and the EU (and the European Economic Area) and ended the free movement of people in both directions. Thus, it has had effects opposite to those resulting from the state's EU accession (and the subsequent deepening of European integration), consisting in both trade creation, meaning an increase in trade between the UK and other Member States, and trade diversion – a reduction in the UK trade with the rest of the world, as pointed out by Portes (2022). The author describes these opposite effects caused by Brexit as "trade destruction" and "trade reversion". This is because the EU is by far the UK's largest trading partner, accounting (at the time of the referendum) for around half of all the UK trade, while the EU's single market is an area of deep economic integration, much more than just a free trade area. The empirical estimates of the trade impact of Brexit, therefore, suggested that reduced trade barriers to the rest of the world post-Brexit, while beneficial, would hardly outweigh the negative effects of the higher barriers with the EU.

While the UK was still in the EU, and during the transition phase of Brexit, trade flows were not significantly impacted. But that has changed since stricter border controls were introduced in early 2021, imposing no tariffs, but significant checks and controls at the previously trouble-free border. Under the TCA, goods can still be traded without duties and quotas, but this does not fully guarantee free nor smooth movement of goods. The new measures include comprehensive customs controls, rules of origin requirements, jurisdiction-by-jurisdictional proof of compliance, sanitary and phytosanitary measures for trade with regard to animals and plants, and restrictions on the freedom of movement for business travel, among other constraints.

As the transition period ended only a few years ago at the time of writing, it is still relatively early to fully assess the impact of implementing the TCA on the UK economy. But despite this, negative effects on trade have already been observed, which can be largely separated from the negative effects of COVID-19 and the war in Ukraine, as stated by Hall (2023).

According to the Office for Budget Responsibility (OBR), an independent forecaster that monitors public spending, the new trading relationship between the UK and EU, as set out in the TCA will reduce long-run productivity by 4% relative to remaining in the EU. Both exports and imports will be around 15% lower in the long run than if the UK had remained in the EU (OBR, 2022).

Researchers at the Center for Business Prosperity at Aston University (Du, Satoglu, Shepotylo, 2022, pp. 4–12) estimated the impact of the TCA by creating a model of an "alternative UK economy", based on the case whereby the UK remained in the European Union. By comparing the model UK exports and imports with the actual UK figures, they were able to isolate the exact impact of the new trade rules. Their estimates showed that exports from the UK to the EU fell by 22.9% in the first 15 months after the introduction of the TCA (from January 2021). According to the research, the UK has also experienced a significant decline in the variety of goods exported to the EU, with an estimated loss of 42% of product varieties. The varieties of products that have disappeared are mainly those of low export value; they are usually exported by small businesses or new exporters or are exported to new markets. Brexit has resulted in a general decline in the UK's competitiveness as a global trader along with a significant reduction in its trading capacity.

Similar conclusions come by way of research from Kren and Lawless (2022, p. 24) of the Economic and Social Research Institute (ESRI) at Trinity College Dublin, showing that Brexit has reduced the potential value of both UK exports of goods to the EU and UK imports from the EU, albeit to a different extent. This potential value was calculated for the scenario of Brexit *not* happening. While many UK companies producing low-margin goods have stopped shipping to the EU altogether, the flows of goods into the UK have largely continued, but in reduced volumes. The ESRI stated that this reflects the contrast in post-Brexit border regimes. While the UK has imposed relatively few regulatory restrictions on post-Brexit EU imports, UK exports are now subject to full EU customs and sanitary controls, which add costs and delays, making low-margin exports unprofitable. The ESRI highlights that UK exporters' market share has fallen in most EU countries, most strikingly in Ireland, their closest trading partner, where the value of UK goods in 2021 was 40 percent lower compared to the no-Brexit model.

Buigut and Kapar (2023, pp. 1566–1577), based on an analysis of data for the years 2005–2022 covering a total of 53 trading partners including EU members, suggest that some EU trade with the UK has been redirected to other EU members. Therefore, they argue, the UK should seek new trade deals with other countries and trading blocs and refine the operation of the trade and cooperation agreement signed with the EU to minimise losses.

Brexit has caused fundamental, deep-rooted damage to British exports. Sheibani (2023) emphasises that the UK is strangely unique in wanting to construct barriers with its closest trading partner and damage its economy. The author points out that all the promises of free trade agreements with the rest of the world have hardly materialised. A trade agreement signed with Australia will have practically no impact on the UK's massive export trade deficit. In addition, international trade is now so complex that most UK small businesses are reluctant to engage in it.

As indicated by Parsons (2018), due to Brexit, the UK will have less favourable external economic relations and less political influence.

Investments and Inflation

Leaving the European Union undoubtedly has serious consequences for the UK economy. The most obvious, as discussed above, relate to trading with the EU, but Brexit also means consequences for investments, the exchange rate as regards the British pound, and inflation.

Brexit has become one of the key factors limiting direct foreign investment in the UK and has particularly hit foreign investors from outside the EU, depriving their products of free access to the EU market (Hain, 2022). According to the World Bank (2023), foreign direct investment (net inflows) to the United Kingdom amounted to USD 324.81 billion (12% of GDP) in 2016, and USD 44.13 billion (1.4% of GDP) in 2022. As Baschuk (2023) argues, "UK saw foreign investment collapse after Brexit". FDI inflows in 2022 were less than a fifth of their pre-COVID average. London's reputation as a financial centre has suffered severely since Britain left the European Union. The City lost the title of the largest stock market in Europe to its counterpart in Paris. In November 2022, Paris became Europe's largest stock trading hub for the first time and the gap has since widened. According to Bloomberg data, the total market capitalisation of the French capital is USD 3.13 trillion, exceeding London's by $250 billion (Burford, 2023).

Since the 2016 referendum, Brexit has been one of the key drivers of the pound's exchange rate volatility against other leading currencies. This was particularly evident in the immediate aftermath of the referendum result, when the pound sterling experienced its biggest single-day drop in 30 years. There were two further significant and sustained declines in 2017 and 2019, bringing the pound sterling to new lows against the euro and the dollar in August 2019 (Coyle, 2021).

Estimates by Breinlich et al. (2022, p. 65) showed that the pound sterling's depreciation of around 10% due to the Brexit vote had increased consumer prices by 2.9% as at June 2018. By design, these estimates only take into account price changes due to the impact of the depreciation of the pound sterling on import costs and not any Brexit price effects that are not correlated with differences in the share of imports between product groups. A 2.9% rise in consumer prices equates to an £870 annual increase in the cost of living for the average UK household. As there is no evidence of offsetting increases in nominal incomes, the authors' findings indicate that the depreciation resulting from Brexit has had a significantly negative impact on real wages and living standards in the UK.

Bakker et al. (2022) calculated that the escalation in non-tariff barriers to trade with the EU resulting from Brexit caused a 3% increase in food prices per year, leading to a 6% hike in two years by the end of 2021. This is because the UK has so far been heavily dependent on food imports from the European Union. For example, in 2015 as much as 77.5% of food products imported into the UK came from the European Union. Brexit means that trade between the EU and the UK is now subject to customs checks and certain regulatory requirements, ultimately resulting in a significant expansion in non-tariff barriers such as sanitary rules for fresh meat.

Leave campaigners focused on the intangible talk of "independence" or a regained mastery of national destiny instead of "bread-and-butter issues", as Freedland (2022) argues. They knew that reality was a hostile environment for the Brexit project – one that would expose its folly.

But now reality is starting to bite; Brexit has led to higher inflation in the UK than in other European countries after identical supply shocks, such as the reopening of the economy after the first wave of the COVID-19 pandemic in spring 2021, disruptions in the global supply chain of critical goods, and rising energy and food prices caused by Russia's invasion of Ukraine in February 2022. By ending the free movement of EU migrant workers to the UK, the UK government has unilaterally reduced labour supply and flexibility, and by adding new non-tariff barriers to trade, it has suppressed available imports thereby fuelling inflation as Posen and Rengifo-Keller (2022) note. While the economic effects of the pandemic and the war in Ukraine have been felt around the world, there is widespread agreement that the UK has emerged as the weakest economy in the G7. In a March 2023 CFM–CEPR survey, a UK panel was asked to identify the top potential output constraints in the UK in 2023. Most panellists indicated that Brexit remains the main obstacle to potential output (Ilzetzki, Jain, 2023).

The long-lasting legacy of Brexit, as Dhingra et al. (2022, p. 58) argue, is likely to be slower real wage and productivity growth over the next decade. Workers across most sectors and all regions should expect further real wage hits as the economy will continue to adjust to Brexit. This will affect those in employment at a time when real wages have been stagnating for more than a decade.

Deregulation

Deregulation in the form of a departure from EU regulations was one of the main slogans in the referendum campaign for Brexit. In order to exploit people's anxieties and frustrations, Brexit supporters demonised so-called "Brussels bureaucracy" and promised to eliminate EU rules in the UK, as the president of European Movement UK, Michael Heseltine, points out. He adds that the simple truth is that six years after the referendum, the only significant example of these promises being delivered was the authorisation of unlimited banker bonuses. Heseltine emphasises that regulation is the difference between civilisation and the jungle. Regulations are the codes and standards that bind modern societies together. Therefore, whenever a government has tried to weaken or lower the standards it adheres to, it has met with protest from civilised organisations (Heseltine, 2022).

A report on deregulation prepared for Boris Johnson`s administration in May 2021 by the "Innovation, Growth and Regulatory Reform Task Force" led by former Tory leader Iain Duncan Smith put forward over 100 recommendations for regulatory change. They cover various areas, including pensions and investments (to give pension funds more freedom to invest), data (to abolish EU data protection rules), and financial services, including relaxing MiFID II requirements (Duncan Smith et al., 2021). Food safety, animal welfare, and consumer rights standards are at risk as a result of the government's "recklessly irresponsible" efforts to repeal EU rules by the end of 2023, safety authorities have warned (Stone, 2022).

Immigration and NHS

Social discontent with high levels of immigration was one of the key factors that influenced the outcome of the 2016 referendum. Those Britons supporting Brexit expected that it would lead directly, via the end of free movement between the EU and the UK, to a sharp decline in immigration from EU countries, only partly offset by a discretionary liberalisation towards the rest of the world.

In January 2021, the UK adopted a new, points-based immigration system, thus delivering on the Vote Leave campaign's promise to reduce overall immigration to the country. Under the new regime, EU workers lost their right to come to the UK without a visa (Mata, 2023). Despite this new system, the total immigration into the UK has not only not shrunk, but soared significantly and remains very high, with European Union immigrants largely replaced by people from outside the EU. According to data published in May 2023 by the UK's Office for National Statistics (ONS), the total long-term immigration was estimated at around 1.2 million in 2022 and emigration was 557,000, which means migration continues to add to the population with the net migration at 606,000; most people arriving in the UK in 2022 were non-EU nationals: 925,000 (327,000 in 2018), followed by the EU: 151,000 (426,000 in 2018). As indicated by the ONS, people coming to the UK from non-EU countries for work, study, and humanitarian purposes, including unique events such as those arriving from Ukraine and Hong Kong, have contributed towards the relatively high levels of immigration. Immigration of EU nationals accounted for 13% of the total immigration in 2022, down from the pre-pandemic levels of 52% and 42% in 2018 and 2019, respectively. Since January 2021, EU nationals have required a visa to enter the UK (ONS, 2023).

It turned out that Brexit, a project which was supposed to "control" immigration, has actually led to chronic labour shortages, as Hain (2022) notes. A similar conclusion can be found in a joint report by the UK in the Changing Europe and the Centre for European Reform think tanks. The authors of the report found that the ending of free movement is "contributing significantly" to current labour shortages. The study found the low-skilled sectors – including hospitality, retail, construction, and transportation – had been badly hit by the loss of EU workers after Brexit (Portes, Springford, 2023).

Brexit was promoted as a way not only of controlling immigration but also of improving the National Health Service (NHS). The Leave campaign argued that "We send £350m a week to the EU – let's fund our NHS instead". However, as pointed out by Dayan (2023), fact-checkers concluded that the actual net transfer from the UK to Brussels was much less and projections indicated that any savings were more than offset by the negative economic effects of Brexit.

In the report *Health and Brexit: six years on*, McCarey et al. (2022) show the impact of Brexit on health across major areas including the country's workforce, medicines, and the economy, and note there is significant evidence suggesting that Brexit is causing negative effects. In most cases, these problems seem likely to continue and potentially even worsen. As indicated by Rachman (2023), the NHS is now in a much worse state than it was in 2016.

Rejoin the European Union?

Deep regret and social dissatisfaction with the effects of the UK leaving the EU caused Brexit to be informally renamed "Bregret", seemingly for good reason; as summarised by Le Monde (2023): "By re-establishing customs controls, Brexit has hampered relations with the EU, the country's main partner, amputating 15% of British trade. Supply chains have been disrupted and investment slowed. Labour shortages have been exacerbated by the end of free movement with the EU".

Public sentiment began to swing against Brexit particularly from 2021, when Britain suffered an acute shortage of truck drivers, which caused delays in deliveries of fuel to petrol stations and caused long lines of motorists waiting to get to the pumps to appear (Landler, 2022).

In 2022, the president of European Movement UK, Michael Heseltine, pointed out that the decision to leave the EU was based on an impossible set of promises "to take back our country, strike new trade deals, focus on control, an end to wealth-destroying legislation, immigration control, and no border in Ireland". The promises turned out to be worthless. In fact, Brexit means a permanent break in the UK's relations with its closest neighbours and its largest market. This reduces the UK's appeal as a gateway to one of the world's largest markets and has caused a hobbling of the country's ability to influence European decisions on major global challenges. However, Michael Heseltine expressed his belief that Brexit is not irreversible and that it is necessary to start rebuilding bridges (Heseltine, 2022). Stone (2023) points out that former British Prime Minister Tony Blair stated that Britain will rejoin the EU in the future.

At the end of 2022, nearly two-thirds of Britons supported a future referendum on rejoining the EU, according to a Savanta (2023) survey for The Independent newspaper. The poll reflects the view of the British people that because of Brexit, the British economy, the UK's global influence, and the ability to control the country's borders have all deteriorated. As Devlin (2023) points out, this contributed to an increase in the number of people wanting a future referendum on the membership (up to 65% in December 2022 compared to 55% a year earlier).

The following answers (excluding "don't know" and "would not vote") were provided to the question asked in an Omnisis Ltd poll conducted in August 2023 in a nationally representative UK population sample: "If tomorrow there were another referendum on EU membership, how do you think you would vote?". Per the results, 62% would vote to rejoin the EU, and 38% would cast their vote to stay out of the EU (Omnisis, 2023). Rachman (2023) argues that Brexit can be reversed and explains how. He notes that public attitudes towards Brexit have changed significantly since the 2016 referendum. Demographics and economics suggest that sentiment for rejoining the Union will grow stronger over time. Unfortunately, the damage done to the UK economy by Brexit is likely to become increasingly apparent. Young voters are the most pro-EU of all, with 79% of those aged 18 to 24 wanting to rejoin the EU. However, it can be expected that this time the UK will not receive any special offer from the EU. There would be no budget rebate; no opt out from the social chapter. Britain would have to accept the free movement of people and, quite possibly, the euro. Despite this, Rachman is in favour of the process of the UK's return to the EU. To this end, he calls for two referendums. A first vote could take place in 2026, a decade after the 2016 referendum. It would give the UK government permission to start negotiations with the EU. A second referendum would be held on the terms of the Rejoin deal.

The more voters say they regret Brexit, the greater will be the pressure from Remainers to reopen the constitutional issue over Europe. It is known that the old conditions of UK membership are gone, so rejoining would not be to reverse Brexit; it now means something new would need to be created. McTague (2023) therefore poses the question of whether this would mean even higher contributions to the budget than before, adopting the euro, and joining Schengen. He points out that the history of the UK's entry and exit negotiations strongly suggests that it would not be the UK that sets the terms, but rather the EU.

As argued by European Movement UK (2023), Brexit has taken away a lot of freedom for the British people to express their European identity, to live, work, travel freely, and do business with the other parts of Europe. Brexit affects every aspect of British life, and everything from the economy and labour shortages to vital rights and climate protections is at stake. The social consensus is clear; Brexit was a huge mistake that must and can be undone. After years of Brexit chaos, it is imperative to stop further damage and instead take positive steps towards Europe. A reversal of Brexit is possible and the public demand for it is greater than ever.

Brexit as a Lesson for Poland

Following the 2016 Brexit referendum, fears gripped the EU that a wave of populism would lead to more "exits" and possibly even an eventual collapse of the Union (Legrain, 2023).

The past and expected consequences of Brexit for the UK economy and society show what leaving the EU can lead to, and should serve as a serious warning to those Member States that are considering following the British path, Poland in particular. The right wing, which has been in power in Poland since 2015, has consistently pushed anti-EU sentiments, promoting the idea of the country leaving the EU as a way of regaining sovereignty in law-making by national institutions. There is an analogy here to the slogans about sovereignty propagated by Brexit supporters, although in the case of Great Britain it was not about laying the ground for a departure from democracy, as happened in the case of Poland. The slogans regarding the sovereignty of the country proclaimed by the ruling right wing in Poland meant only a cover up for its actual goals. These goals became, above all, limiting the independence of the judiciary, in order to ensure the rulers' impunity for their numerous violations of the rule of law and the plunder of public funds, hence their hostility towards the EU as the guardian of democratic standards.

According to the Democracy Report 2022 by the Varieties of Democracy (V-Dem) Institute, the leading organisation which rates regime types, Poland belonged to the group of the most rapidly autocratising countries in the world between 2011 and 2021 (Boese et al., 2022, p. 19). Since 2015, many changes in the legal system have been carried out in Poland, seriously violating the principles of the rule of law. In response to the serious violations of the rule of law in Poland after 2015, the European Commission and the Court of Justice of the European Union have taken various legal actions in recent years. However, they have turned out to be ineffective. As reflected in the 2023 Rule of Law Report (European Commission, 2023c), serious concerns related to the independence of the Polish judiciary continued to persist, including those related to the Constitutional Tribunal.

On February 15th, 2023, the European Commission decided to refer the case against Poland to the Court of Justice of the European Union in connection with a violation of EU law by the Polish Constitutional Tribunal and its jurisprudence. The Commission opened infringement proceedings against Poland on 22nd December 2021 by sending a letter of formal notice. This happened after the judgments of the Constitutional Tribunal of 14th July 2021 and 7th October 2021, in which it found the provisions of the EU Treaties to be incompatible with the Constitution of the Republic of Poland, clearly questioning the primacy of EU law. With these judgments, the Constitutional Tribunal violated the general principles of autonomy, primacy, effectiveness, uniform application of EU law, and the binding force of judgments of the Court of Justice of the European Union. The Commission also found that the Constitutional Tribunal no longer meets the statutory requirements of an independent and impartial court (European Commission 2023b). Rankin (2023) notes that the judgments of the Polish Constitutional Tribunal of July 2021, a fundamental violation of the principle of the supremacy of EU law, to which Poland signed up to when it became a member, may be described as a "legal Polexit" that could signal a first step towards Poland's exit from the EU despite the fact that opinion polls indicate the popularity of the EU throughout the country.

For many years, public support for Poland's membership in the European Union has remained at a very high level. Public opinion polls conducted in April 2023 showed that this support amounted to as much as 85%, while only 10% of the respondents were against Poland's presence in the EU (CBOS, 2023). It is also worth adding that, according to a public opinion poll conducted by Eurobarometer (2023, p. 2) in June 2023 in Poland, 57% of respondents trust the European Union, which represents many more than in the case of the EU-27, where this indicator was 47%. This clearly means that the European Union enjoys high levels of support from Poles, with the EU being widely perceived as the guarantor of Poland's democracy and civil liberties, while EU membership is seen as a key factor in the development of the Polish economy. A Polexit would therefore be a painful blow to the majority of society.

The European Commission has repeatedly indicated that Poland needs to restore the rule of law in order to receive EU pandemic recovery funds (NextGenerationEU), as well as to continue to receive funds from the EU's general budget. As Sierakowski (2021) pointed out, it was becoming more and more likely that the ruling right wing in Poland was willing to sacrifice not only EU funds, but even Poland's membership in the EU just to stay in power. Sierakowski (2023) emphasised that part of the Polish government was openly against the EU. Fortunately, the new democratic coalition, ruling since December 2023, is strongly pro-EU, but the source of risk remains open hostility towards the EU from the right wing being currently in opposition.

From its accession to the EU in May 2004 until September 2023, Poland received over EUR 160 billion net from the general budget of the EU (Ministerstwo Finansów, 2023). Leaving the European Union would mean a definitive loss of EU funding for Poland. So far, it has been an important source of financing for investment projects for the economic and social development of the country. EU funds have significantly contributed to the civilisational advancement of Poland after joining the Union.

The European Union is Poland's most important trading partner. In 2022, the share of exports to other EU countries accounted for as much as 75.8% of Polish exports of goods and the share of imports from these countries accounted for 51.4% of Poland's imports of goods (Statistics Poland, 2023). This means that the Polish economy is strongly linked to the economy of other Member States, much more strongly than it was in the case of Great Britain before Brexit. A Polexit would result, as in the case of Brexit, in the emergence of various non-tariff barriers. As a consequence, the loss of Polish companies' free access to the EU market would be a painful blow to the Polish economy. It can also be expected that due to a Polexit there would be a rapid outflow of capital from Poland, a dramatic reduction in the inflow of foreign direct investments, a collapse of the Polish currency, and finally the insolvency of the state due to the already existing and growing public debt and a loss of creditworthiness.

Those who support the idea of Poland exiting the EU should be aware that Poland's situation outside the EU would be incomparably worse than that of Great Britain in every respect, especially economically and politically. Great Britain was and still is a great power with huge economic potential. Being an island state, with no undemocratic or even authoritarian countries behind any of its borders which might not hesitate to attack a neighbour with arms, Great Britain can afford a kind of so-called "splendid isolation". Although, as the current and expected effects of Brexit come to the fore, even a country such as Great Britain may be painfully affected by isolation from its main economic partners.

On its own, Poland has never held an economic and political position in Europe with which to ensure its security without having lasting and serious alliances. A possible exit from the EU would not only lead to a marginalisation of the country in the European economy, but also loneliness in the face of great challenges and threats of the modern world, with no chance of defending its vital interests on its own. Due to limited access to the EU's single market after a Polexit and the possible loss of trust on the part of foreign investors, this would result in a drastic reduction in the opportunities for economic development and permanent poverty for a majority of society. This, in turn, would greatly jeopardise the survival of democracy, especially since there would no longer be support from the Union for the democratic mechanisms of state governance.

Conclusions

The exit of a Member State from the European Union, until 2020, had been an unprecedented event in the Union's history. The political and economic consequences of Brexit will be significant and long-lasting not only for the United Kingdom, but for the entire Union, many of which cannot even be predicted today.

Brexit is the result of decades of anti-EU-sentiment creation by right-wing governments and their client journalists. The unfair referendum campaign in 2016 also had a substantial impact. The main negative effect of Brexit is an increase in non-tariff barriers (e.g., customs and sanitary controls) in trade with the EU. The result is the far lower exports from the UK to the EU and the UK's imports from the EU in the long term compared to a scenario in which the UK would have remained in the EU. Brexit hits foreign investors from outside the EU because it deprives their products of free access to the EU market. Most Britons believe Brexit was a mistake and that there should be a new referendum. A huge proportion of young people would vote for the UK's re-accession to the EU. Hence, the social movement "Rejoin EU" is gaining in importance. The British experience shows that leaving the EU has caused hugely negative economic and social consequences.

Similar, or even worse consequences should be expected in the case of a Polexit. EU countries are Poland's key trading partners. In 2022, their share in the commodity exports of the country amounted to over 75%. A Polish exit from the EU would result in the loss of free access to the EU's single market, a dramatic collapse in Polish exports, a massive outflow of capital abroad and a decline in the inflow of foreign investments. It would also cause a radical hike in the costs of foreign loans to Poland and an escalating risk of state insolvency. It would also result in the loss of EU funds. All this would deprive Poland of development opportunities and would trigger a civilisational degradation of the country.

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