



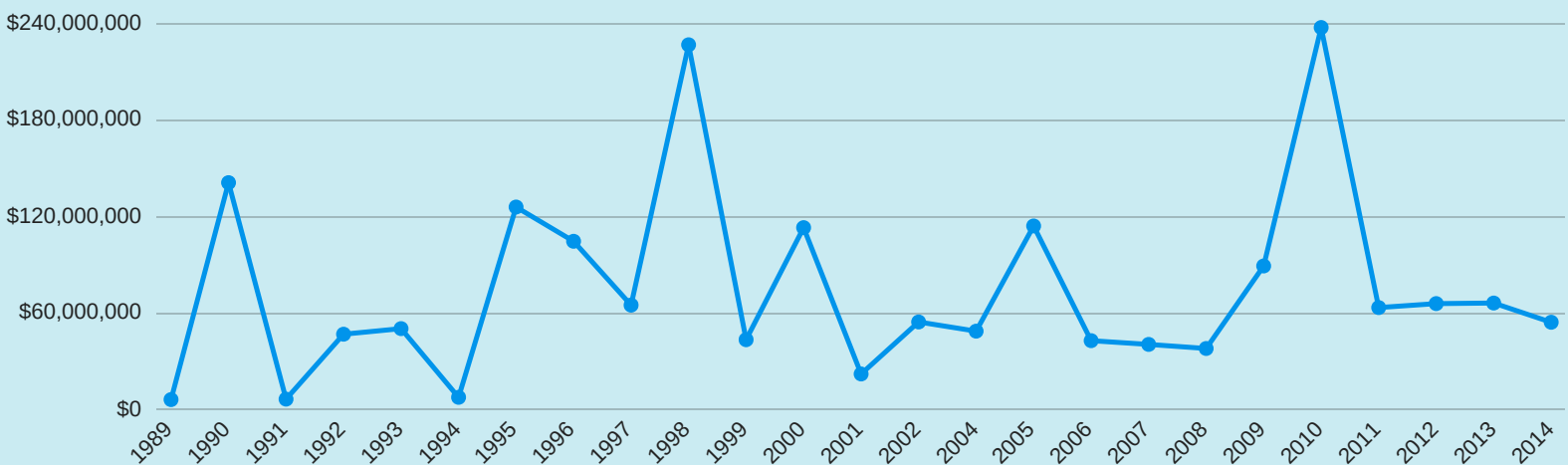
Poland has made a significant transition from a Soviet bastion to a regional power and strong security partner. Democracy has roots in Poland going back to the 16th century, when Poland established a democratic system unique in Europe. Its constitution, adopted in 1791, was a first in the region. And although the Polish state ceased to exist in 1795, and its people were devastated by both World Wars in the early 20th century, today Poland represents a strong beacon of liberalism in a tense Eastern Europe.

The fall of the Soviet government of Poland in 1989 sparked the widespread crumbling of Eastern Bloc regimes. In that year, with the passage of the Support for Eastern European Democracy (SEED) Act, the United States directly supported Poland through this transition with nearly \$150 million in economic and other assistance for construction and implementation of its new democracy. The aid also propelled Poland's human rights record to become one of the best in Europe. This support provided not only guidance to a nascent democracy but also economic aid to cushion a free-market about-face: at the same time, Poland's economy underwent "shock therapy," a series of radical economic liberalization reforms that counteracted the Soviet planned economy and established a modern capitalist system. By 1995, Poland's economy had returned to pre-1989 levels of wealth- the first post-communist state to do so.

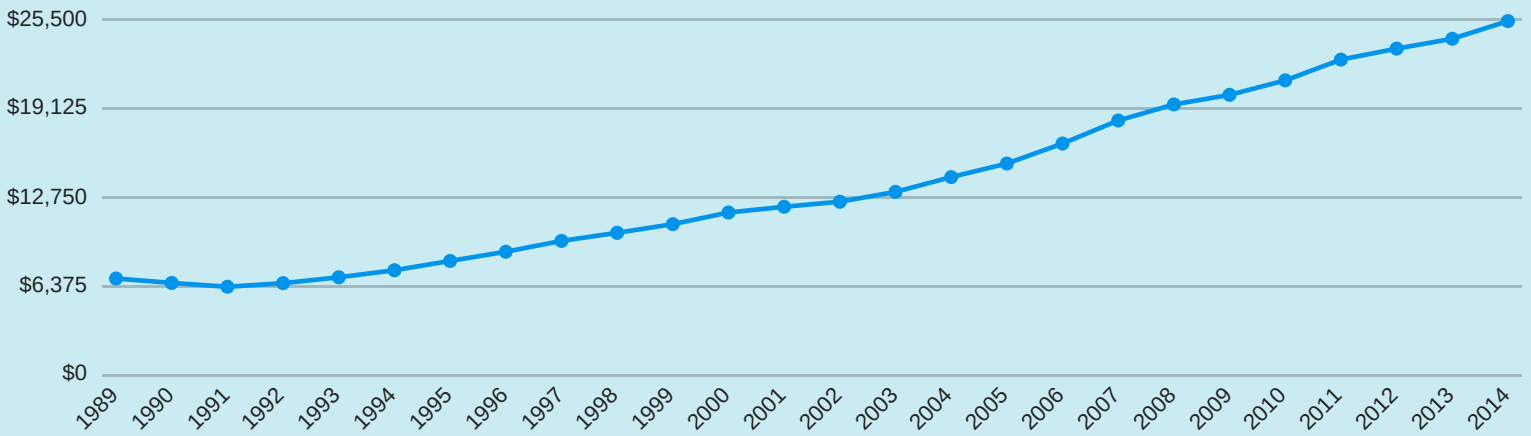
Throughout the 2000s, Poland's economy continued to grow, thanks to the newly liberalized economy, high levels of education, and strong, pro-business institutions. As of 2017, Poland's GDP per capita had been consistently growing for over 20 years, at an average of 6% per year. Since the fall of its Soviet predecessor, Poland's economy has more than doubled in GDP, allowing it to be officially recognized as a "developed" country in 2017, per FTSE Russell. Concurrently, Poland swiftly became a member of some of the most integral international organizations: besides founding the Visegrad group in 1991 alongside the Czech Republic, Hungary, and Slovakia, Poland joined NATO in 1999, the EU in 2004, and the Schengen Area in 2007.

The relationship between the United States and Poland shifted during the 2000s from one of aid donor/recipient to that of a partnership based on democratic principles, strong economic and trade commitments, and military alliance.

U.S. Aid Obligations, 1989-2014



# GDP per capita, Poland, 1990-2014



Additionally, Poland became a strategically-placed NATO ally, located along the eastern border of Europe. As a result of this new partnership, traditional U.S. foreign assistance has decreased during this decade to between \$50 and \$100 million annually. In 2003, for example, U.S. funding to Poland reached approximately \$5 billion, 76% of which was the result of a \$3.8 billion direct loan from the U.S. Department of Defense. Today, the United States invests about \$50 million into Poland each year, largely to preserve the peace in a geostrategic linchpin. For example, all of 2014's \$53 million obligation went towards nonproliferation, military training, and defense, including \$16 million of Department of State funds for Foreign Military Financing and International Military Education and Training. This is a far cry from 1990's \$81 million in food aid and \$4 million in democracy support.

Early U.S. foreign assistance funding to support Poland's transition from a Soviet Bloc nation to an economically thriving democracy and military ally has been extremely effective, encouraging a crucial ally and valuable trading partner worth over \$10 billion annually. What was once a Warsaw Pact member has now become a valuable NATO partner.

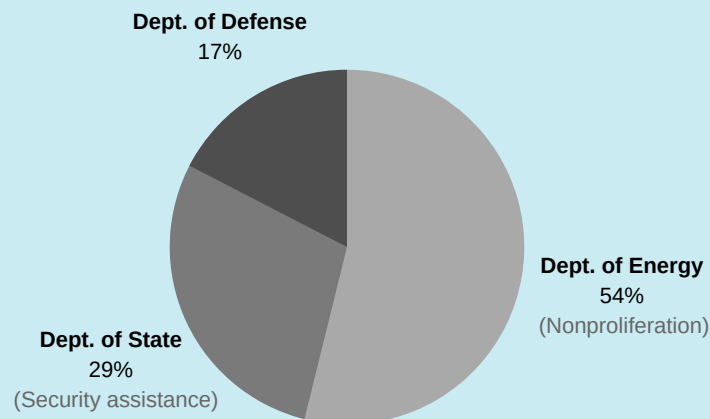
## Poland in 1992

GNI per capita:	\$2040
US Trade Value:	\$1.02 Million
IGO Membership:	Warsaw Pact (former); UN

## Poland Today

GNI per capita:	\$12,710
US Trade Value:	\$10.1 Billion
IGO Membership	UN, EU, NATO, Schengen

## U.S. Aid Obligation Breakdown (2014)



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