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### US Economists: Poland Should Do Better to Attract Frgn Invest

By Katie Schimmelpfennig

WASHINGTON (MNI) - Poland is underperforming and not living up to its fullest potential in attracting investors, but economists Tuesday were optimistic the country can gain the trust of foreign firms and see economic benefits as a result.

"I think Poland has economic potential to live up to its potential," said Robert Shapiro, chairman of Sonecon, an economic advisory firm, at the Council for European Investment Security roundtable event.

Poland relies on foreign direct investment, which account for one-fifth of the total, Shapiro said, but he cautioned that if investors have a lack of trust in Poland, they can invest elsewhere.

"There are lots of different choices," he said, and Poland needs to be a place where investors are comfortable making investments.

Nick Schulz, editor with the conservative American Enterprise Institute, said investors typically look for "land, labor and capital" when deciding where to invest.

But they also look into intangible capital, such as laws, cultural norms, level of trust, and basic levels of investment protection, Schulz said.

Intangible capital is "overwhelmingly the most important thing when it comes to understanding why economies thrive and grow in a stationed manner over time," Schulz said.

Shapiro said emerging economies, like Poland, need skills and education. He pointed to South Korea, which invested heavily in education and has become a much more dynamic economy.

And he said Poland, which is the fifth largest country in Europe, has a lower investment in infrastructure compared to other European countries.

James Glassman, former under secretary of State for public diplomacy and public affairs, said that without much technology and a struggling economy, Poland's unemployment rate is the fourth worst -- after South Africa, Spain and Greece -- of 43 countries looked at.

"Poland is doing well, certainly is a much more prosperous country, as it was 20 years ago. I think our point is it can do a lot better and the adjustments that need to be made are in the intangible side," Glassman said.

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