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The report on the debate on the latest book of Prof. Tadeusz Kowalik

titled [www.POLSKA TRANSFORMACJA.pl](http://www.POLSKA.TRANSFORMACJA.pl)

**which took place on 3rd December 2009 in the seat of the Polish Economic Society in
Warsaw at Nowy Świat 49**

The introduction to the debate was made by:

Prof. Tadeusz Kowalik, the author

Waldemar Kuczyński, economist, a columnist

Prof. Maciej Bałtowski, the Department of Economics, UMCS in Lublin

The debate was chaired by: Prof. Elżbieta Mączyńska

In his address Prof. Kowalik focused primarily on the first part of his book, the most controversial and disputatious as he said. He entirely left aside the second part concerning privatisation and only mentioned the third part regarding perspectives of the ongoing changes. From the very beginning he opposed the shock operation (not therapy, since as he said there was no therapy during the shock) the operation which was a result of a set of coincidences rather than effect of deeper considerations and which emerged under influence of foreign advisers. Prof. Kowalik presented many arguments against such operation and described behind-the-scene activities of its preparations. He puts forward a question if shock operation was meant to "break the spine of trade unions". If so, it was totally unnecessary since it was possible to gain support of Solidarity. He is also sceptic about integration processes in the European Union. He thinks however, that one should take advantage of the available development opportunity to prepare

Poland to development of Scandinavian system or social market economy. He criticises the so far taken steps which resulted in high unemployment and poverty.

W. Kuczyński was of entirely different opinion as to the beginnings of transformation. The policy of Prime Minister Mazowiecki had been adopted before L. Balcerowicz took his office. It comprised stabilisation of economy through getting one third of people's money out of their pockets and prompt market institutionalisation. These priorities had nothing in common with any economic school. To implement so defined idea it was necessary to have an adequate executor. The choice of Balcerowicz was a bull's eye hit since he accepted the said priorities and executed operationalization of the concept and more over he was strongly determined to implement them. The opinions about influence of foreign advisers on Balcerowicz are strongly exaggerated, he could not be manipulated. Poland's transformation turned out to be the best within a post-communist block with the biggest, 80 per cent growth of GDP. The transformational crisis was inevitable but was the shallowest and the shortest.

In his address Prof. M. Bałtowski concentrated on the book itself, not on the problem. He said that the book was not uniformly scientific, one could see author's own view providing an image of transformation from the view of people's own needs. One can see that the author is a man of socialist ideas. The book provides rather historical than economic approach. The most interesting part of the book dealt with development of economic liberalism. Prof. Kowalik wonders why the ten-million-people social movement was served with this particular economic system and not with some other kind. However, he does not provide the definite answer. The second part of the book concerning privatization is rather balanced although it lacks invention. The evaluation of privatisation results is not sufficiently presented although such evaluations change with time. The third part of the book is not so closely related with issues of transformation, it gives tribute to author's broad field of interests. Many of his premises give rise to doubts. Notable is his critical appraisal of Prof. L. Balcerowicz's scientific work and publications in the last few years.

The addresses were followed by an animated discussion with 9 discussants. The discussants agreed with the previously presented appraisals of the book rather than with the author. It was emphasised that although the Poland's transformation was not free from mistakes and although there was no good concept of economic policy, the transformation was the most successful. Poland was not ready for a Scandinavian model – this would have required two generations. The

discussants did not agree with a premise about deliberate extinction of trade unions or with a premise about deliberately planned unemployment. The latter was caused by inability of big enterprises to adapt to market requirements. The book was accused of missing economic information on economic processes.