

## *Methodological problems of the development of Polish economics*

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### ΜΕΘΟΔΟΛΟΓΙΚΑ ΠΡΟΒΛΗΜΑΤΑ ΤΗΣ ΑΝΑΠΤΥΞΗΣ ΤΩΝ ΟΙΚΟΝΟΜΙΚΩΝ ΣΤΗΝ ΠΟΛΩΝΙΑ

Το άρθρο επιχειρεί τη μεθοδολογική προσέγγιση της οικονομικής επιστήμης στην μεταπολεμική Πολωνία. Οι μετασχηματισμοί της οικονομικής επιστήμης αναλύονται ως προς δύο διαστάσεις : α) των εξωγενών επιδράσεων, από την αλλαγή του κοινωνικο-οικονομικού συστήματος μετά το 1949, με την ένταξη της Πολωνίας στην σφαίρα επιρροής της ΕΣΣΔ και την εγκατάσταση της κρατικής ιδιοκτησίας και του κεντρικού προγραμματισμού. β) των εσωτερικών προσδιορισμών, δηλαδή του περιεχομένου της ίδιας της οικονομικής επιστήμης που επηρεάστηκε από την κυρίαρχη ιδεολογία της περιόδου.

Ο συγγραφέας διακρίνει τρεις βασικές τάσεις στην ανάπτυξη της οικονομικής επιστήμης, συνεκτιμώντας την σχέση τους με τις απόψεις και την πολιτική του Κόμματος, και τη δεκτικότητά τους σε θεωρητικές επιρροές από τη δυτική οικονομική σκέψη. Σε κάθε τάση εξετάζει την φιλοσοφική βάση της, τους στόχους και προσανατολισμούς της, τα προβλήματα που χειρίζεται, τις μεθόδους και ερευνητικές διαδικασίες, τα επιστημονικά αποτελέσματα, και τις επιπτώσεις της στην οικονομική πολιτική της χώρας.

Η δογματική - απολογητική τάση αναφέρεται στην επίσημη ιδεολογία του Κομμουνιστικού Κόμματος και αφορούσε περισσότερο την κριτική της καπιταλιστικής οικονομίας και λιγότερο την κατανόηση της λειτουργίας της οικονομίας κάτω από τις νέες συνθήκες. Η τάση αυτή επικράτησε στο διάστημα 1945-1955, και στη συνέχεια χάνοντας την ιδεολογική πολεμική λειτουργία της έγινε θεματοφύλακας της κρατικής πολιτικής.

Η αναλυτική τάση περιλαμβάνει ευρύ φάσμα απόψεων που αποσκοπούσαν στην κατανόηση του οικονομικού συστήματος της Πολωνίας, του τρόπου λειτουργίας του και της βελτίωσής του. Εμφανίζεται στο πλαίσιο φιλελευθεροποίησης του πολιτικού καθεστώτος το 1955-56 και στη δεκαετία του 1970, με την εισαγωγή Δυτικών οικονομικών αντιλήψεων. Η τάση αυτή ήταν γόνιμη σε θεωρητικές και εμπειρικές μελέτες, διάγνωσης, πρόβλεψης και προγραμματισμού, αλλά δεν είχε σημαντική επίδραση στην αναδιάρθρωση του οικονομικού συστήματος της χώρας.

Η μετασχηματιστική τάση, συνδεδεμένη με την πεποίθηση για πολιτική αναδιάρθρωση του συστήματος, εμφανίστηκε στο πλαίσιο της οικονομικής κρίσης και πολιτικής αναταραχής της δεκαετίας 1970 σε κύκλους πολιτικής αντιπολίτευσης. Η τάση αυτή αντλεί από φιλελεύθερα οικονομικά ρεύματα και δεν έχει ενιαία φιλοσοφική βάση πέραν της αντίθεσής της στην σοσιαλιστική και μαρξιστική ιδεολογία. Ιδιαίτερη έμφαση δίδεται στην συνεργία με τις κοινωνικές επιστήμες και το δίκαιο, ενώ οι μελέτες της αναφέρονται στο μοντέλο της αγοράς.

στην οικονομική συμπεριφορά και την ανάπτυξη. Η αύξηση της επίδρασης της στην πολιτική συνοδεύεται και από την αύξηση του επιστημονικού κύρους της, και την αύξηση του ενδιαφέροντος για ακαδημαϊκές οικονομικές σπουδές.

## Introduction

The present paper is devoted to methodological reflection on the character and development of Polish economics as a social science in the postwar period. The nature of the reflection is determined primarily by how the two elements of this problem, viz. methodology and economics, are understood.

Basically, I assume that methodological reflection or analysis should be based on the understanding of methodology that has developed in the philosophy, or theory, of science, but taking into consideration social aspects and determinants of scientific activity. I rely here on the realistic systems approach as represented by Bunge (1983) and on my conception of a methodological model of a scientific discipline (Chojnicki 1991).

In turn, I understand economics as a social science whose core is the theory of the activity of and changes in the economic system (and not only its growth) in the real sense. However, it embraces not only knowledge, but also the ability to analyse economic reality, explain and predict economic phenomena, and provide theoretical and empirical foundations for economic policy.

In the last two decades, methodological problems have attracted closer attention in Western economic thought, as well as in other social sciences. It manifested itself, not in methodologists taking interest in economics, but rather in methodological self-reflection of economists. Its primary causes were the crisis of economic thought and demands

for renewal of economics generated by the dramatic transformations of the economy and society in the 1970s. Also, disputes of various economic schools and directions started to be considered in their methodological aspects. The scope of methodological interest in economics included mainly: (1) methodological models of economics, (2) methodological characteristics of the chief trends in economics, and (3) requirements for the restructuring of economics (cf. Blaug 1992, Pheby 1988, Mair and Miller 1991).

A fundamental question that has to be dealt with at this point is how to present methodological problems of economics. The answer depends on the concept of methodological analysis. Without discussing the various possible meta-methodological approaches, I shall adopt the realistic systems approach. This means treating economics as a dynamic socio-cognitive subsystem. As any science, economics can be understood as a concrete system which embraces a distinct community of researchers engaged in scientific activity within a specific scientific field. The product of this activity is economic knowledge. Society forms the surroundings of this system: there is interaction between it and economics. This approach allows an integration of various aspects of methodological analysis. Although it is close to the assumptions of the philosophy of science with its focus on pragmatic and apragmatic aspects of science (as a cognitive activity and as a conceptual system, respectively), it also allows science to be treat-

ed as a mode of social activity as well as its product shaped by the community of researchers in a specific social environment under specific social and political conditions. In this approach, science is also a historical product undergoing constant changes.

Relying on these assumptions, I shall discuss two issues significant from the methodological point of view:

(1) the character and determinants of the transformation of Polish economics, and

(2) methodological characteristics of the main trends in Polish economics.

### **1. The Character and Determinants of the Transformation of Polish Economics in the Postwar Period**

The definition of the nature and factors of change lies outside the traditional methodological approach, but is crucial for the understanding of Polish economics. This issue has to be considered in two aspects: the scope and the content of economics.

The scope determines what kinds of issues economics is interested in. It is defined by a set of questions - problems it addresses.

The content, in turn, implies a choice of a specific solution to a scientific problem, i.e. the contents of the answer, in the form of a theory or its fragment, a diagnosis, a forecast, etc.

These aspects have been influenced by different factors and mechanisms. *The scope of economic inquiry*, or the problems it deals with, have been strongly, if not crucially, affected by factors extraneous to science. Primarily, there was the fundamental fact of a

change of the socio-economic system that took place after the war, and especially after 1949. It was a result of the military and political control of Poland by the USSR and the formation, after successive mutations of 'people's democracy', of a Communist regime in Poland striving to make the country's political and economic systems a copy of the Soviet ones. With the introduction of a command economy, central planning, state property and state-run enterprises, and the dominant role of the Communist Party (PZPR, the Polish United Workers' Party) in managing the economy, economists were obliged to shift their interests to those fields of research. The creation of such an economic system was facilitated by the tremendous damage the Polish economy had suffered as a result of the Second World War, the impoverishment of the society, and the deprivation of Polish owners of their medium-sized and big enterprises by German and Soviet war authorities. Also, societal opinion grew more radical after the war, and the conviction spread that the heavy industry should be nationalised. These views found reflection in the conception of a balanced, three-sector economic model (private, co-operative and state-owned). Some economists were inclined to admit the necessity of nationalising industry and introducing economic and spatial planning. However, in 1949 this conception was rejected in favour of full nationalisation of the economy, collectivisation of farming, and the introduction of central planning.

The radical changes in the economic and political systems were accompanied by strong political pressure to eliminate so-called bourgeois economics, first through fierce criticism, and then

through the elimination of economics as a separate direction of academic education and sacking many university professors. Even Oskar Lange lectured, not on economics, but statistics when he came back from the USA. These developments forced scholars to change not only the scope, but also the content of their research. It was only after 1955 that a new internal and external political situation brought liberalisation and a return to studies under conditions of a certain freedom of choice of topics and less intensive indoctrination. However, even with considerable political liberalisation, economics never stopped being under political pressure and Party control. It manifested itself, first in the matter of economic reforms, then the transformation of the socio-economic system, and finally the influence of 'bourgeois economics', including Keynesian economics.

*The content of economic inquiry* was more affected by internal factors of economics as a science, although one can hardly regard as such the heavy dogmatic Marxist indoctrination with its principle of partisan science that was enforced in the years 1949-1954. It should be emphasised, however, that the Soviet type of Marxist-Leninist orthodoxy had never been fully accepted by Polish academic economists; it was propagated by Party institutions. Still, in that period a serious internal factor influencing the adoption of a given solution and its justification was the fact that several economists had embraced the principles of Marxist methodology. This limited the empirical testing of hypotheses. There were various ways in which all those factors influenced the results of scientific activity. They could activate certain theoretical preferences, or act as

filters eliminating certain solutions.

These factors and mechanisms that were in operation in the years 1949-1955 severely limited the autonomous model of development of economics as defined by its internal principles and cognitive values. Thus, further changes in economics and its development can be treated as the elimination of external factors limiting both the scope and subject matter of this science. This does not mean, of course, that they succeeded in resisting their influence.

## **2. Methodological Characteristics of the Main Trends in Polish Economics**

While the fundamental changes that have taken place in Polish economics depended heavily on changes and shifts in the Party activity and policy, especially in the way it wielded power, it is hard to distinguish the turning points of these changes precisely, at least when the Communists were in power (1945-1989). Hence, in place of such a periodisation I propose distinguishing and considering the main trends in the development of Polish economics.

The main criteria of this division are: (1) the attitude towards the economic conceptions and policies of the Party and government, and (2) the openness to concepts of economic sciences, including Western economic thought.

On this basis I distinguish three principal trends in Polish postwar economics:

- (1) a dogmatic-apologetic trend,
- (2) an analytical trend, and
- (3) a transformational trend.

This division is a mere methodological hypothesis constructed to account for and gain an understanding of Polish economic thought.

The methodological characterisation of the trends will not be homogeneous and complete, because in each of them socio-cognitive aspects under analysis vary in importance. The aspects include:

- (1) the philosophical foundations of inquiry,
- (2) goals and functions,
- (3) problems,
- (4) methods of the research procedure,
- (5) the nature of results, and
- (6) the impact on economic policy.

### *2.1. The dogmatic-apologetic trend*

This trend represented an economic doctrine based on so-called Marxism-Leninism as an official ideology of the Communist Party. It concerned the prophetic and primitive version of Marxism-Leninism, with its claims about the inexorable laws of history and progress, and about the special role and rights of the Communist Party which ensured it a monopoly of tripartite power: political, economic and ideological. The methodological characteristics of this trend can be briefly presented as follows:

1. Marxism-Leninism was both the foundation and a component of the dogmatic-apologetic trend. Its general schemata, however, did not provide firm theoretical ground for the construction of the theory of socialist economics. They served as ideological assumptions on the basis of which the economic system was being transformed, and targets and strategies were defined. Their influence was most manifest in the conception of the dominance of the heavy industry over all the rest, and in the

compulsory collectivisation of farming. They were used to justify and popularise economic and planning activities of the Party authorities. Marxism-Leninism, however, had never won full approval of either the academic circles or some economic activists, because it led to the sovietisation of the economy and was blatantly incompatible with the principles of management acquired from neo-classical economics. The adoption of Marxism as the philosophical basis was ideological in nature, not analytical. It was not reflected in deep Marxist studies of economic phenomena and processes, which was the case in, e.g., economic history (cf. Topolski 1983: 95-101).

2. One of the chief aims of this trend was 'a struggle with bourgeois economics', which consisted mainly in the criticism of capitalist economics as being incapable of overcoming the fundamental contradictions inherent in it. They were considered, not in terms of actual facts, but rather in terms of Marxist-Leninist ideology. To some extent, this matter was reduced to disputes about doctrinal 'purity' and embraced the criticism of concepts, defined as revisionism, which departed from the official Party interpretation. Attempts to draw on Western Marxist thought were also qualified as revisionist and condemned by the Party. This was accompanied by the liquidation of scientific economic journals. Positive aims, in turn, included the description of changes in the sectoral structure and development of the economy as well as justification and glorification of the new policy and benefits deriving from the new economic system.

3. The choice of problems taken up by this trend followed from doctrinal assumptions rather than the desire to understand the functioning of the econo-

my under the new systemic conditions. Hence chief interest was focused on the concepts of the material production base and production relations, forms of property, the character of the commodity system, and the operation of economic laws, especially the law of value. Issues that showed any closer connection with economic practice involved the planning of national income and the organisation of labour.

4. The methodology of research procedure referred to the categories of dialectics and historical materialism and employed the principles of Marxian abstraction, but the actual practice was speculative and eristic in nature. Marxist ideology pervaded (or at least was supposed to pervade) the whole of the research procedure: from the choice of subjects well within the Marxist-Leninist doctrine, through the selection of factual material, to the interpretation of results. This was accompanied by susceptibility to political arguments put forward in the course of successive modifications of the directions of transformation of the economic system. In place of proper theoretical reflection, there was pointless theorising and comments on the so-called Marxist classics, with the obligatory Stalin among them. At the same time, the cutting off of economics from empirical data as a result of information blockade, an extended understanding of official secrets and the fabrication of facts, limited empirical studies and made it impossible to justify and test hypotheses, build forecasts, and make planning more realistic.

5. Research results assumed the form of theoretical reflections of a macroeconomic nature, containing a mixture of descriptive and postulative elements. They practically disregarded specifically

Polish conditions. They can hardly be regarded as original. It is usually stressed, however, that the first manual of the political economy of socialism prepared by Brus and Pohorille was published in Poland (1951). It should also be emphasised that the high scientific culture of many university economists derived from their study of neo-classical economics made their works stand out for their intellectual value among similar works published especially in the USSR.

6. The impact of economic works representing the dogmatic-apologetic trend on planning and economic policy could not be significant, naturally, although in some discussions about economic planning and relations among the various sectors of the economy they did play a positive role, if only through a lucid formulation of standpoints. Practical activities in the field of systemic transformations and socio-economic policy relied, not on theoretical-economic grounds, but rather on the Soviet practice and experiences. This does not mean that the model of the Polish economy was identical with the Soviet one, even in the years of the so-called Stalinist regime. However, any differences between them were due to the fundamental differences in history and culture.

The dogmatic-apologetic trend dominated Polish economics mainly in the years 1945-1955. After 1955 it lost its ideological offensiveness and became a guardian of the socialist character of the economy, especially central planning and state property. Even so, this trend kept intensifying in later years too, although in a different form, especially in periods of political crisis (1970, 1980/81) when the Communist system was felt to be confronted with threats,

whether real or imaginary. It manifested itself then in counter-reformatory demands for reinforced central planning and a reduction in private farming and services, and in abandoning the analysis of the real state of the economy.

## 2.2. *The analytical trend*

This trend embraces a wide range of economic conceptions which have become tools for the understanding of how the economic system existing in Poland operates and how its performance can be improved. Two intertwining approaches can be distinguished in this trend: (1) critical-analytic and (2) constructive-analytic. The first focuses on a critical search for various theoretical concepts and their use in the description and understanding of mechanisms and processes. The other approach, in turn, shifts the focus onto economic policy and the reform of the system. Generally, the first approach has been much more successful than the other.

What enabled this trend to develop was the liberalisation in the activities of the Party and state authorities that took place in the years 1955-1956 and the beginning of the 1970s. The trend was created, on the one hand, by eminent economists with experience of Western economics and publications on it (Lange, Kalecki), and on the other, by economists of a younger generation who succeeded in winning scholarships to the USA, Great Britain and France.

The methodological characteristics of the analytical trend can be outlined as follows.

1. In this trend, the assumptions of Marxist philosophy no longer played a decisive role in the interpretation of

economic reality. While it was a fairly common practice to refer to so-called Marx's basic economic categories, it mainly concerned the nature of the subject matter of economics rather than analytical approaches. An example is Lange, whose *Political economy* (1959) makes liberal use of non-Marxist thought to build theoretical foundations of research on the so-called socialist economy. Sometimes these assumptions were treated as a kind of shield to fend off criticism of the orthodox trend and Party ideologists. The analytical trend started to make wider use of concepts of non-Marxist economics containing various components of neo-classical and neo-Keynesian research programmes, such as those concerning economic rationality, the behaviour of economic agents, etc. The different notional categories and analytical models, when used e.g. in disputes about economic rationality, threw a new light on irregularities in the operation of the economic system (cf. {ukawer 1985). Besides, they broadened the research horizons and weakened the dogmatic conceptions by making them look obsolete. Use was also made of the concepts of Marxist thought developed in the West. Thus, the basic manifestation of the analytical trend, as well as its tool, was the introduction and use of a language containing terms of non-Marxist economics.

2. The main goal of the analytical trend was the building of a theory of a planned economy accommodating effective mechanisms of its operation and factors of economic growth. This task was taken on as a result of a severe criticism, voiced at the 2nd Convention of Economists in 1956, of the centralised command model which developed in the early 1950s following the economic fail-

ure of the six-year plan. Demands were also made at the Convention to activate economic tools and mechanisms by allowing for the operation of the law of value, making enterprises independent, and introducing a decentralised model of the economy. Several proposals and projects of changes in this model were put forward which kept being revived at many times in a variety of versions. Before 1989, none of them led to any fundamental reform of Poland's economic system, because the Party was afraid to transform it into a market-oriented type of economy for fear it would diminish its power. Still, the discussion about the transformation of the economy and its state became an element of economic inquiry. Researchers made efforts to work out various theoretical concepts and operational models of this economy and factors of its development.

3. The analytical trend took up a variety of issues which are rather hard to systematise owing to their multi-faceted character, especially the combination of the cognitive aspects of attempts to build a theory of socialist economy and the normative aspects of economic policy and the transformation of the existing socio-economic system, whose degeneration kept increasing despite attempts at its amelioration. These aspects, however, are intertwined and cannot be dealt with separately.

The research of the analytical trend focused on four problem groups: the modelling of the economic system, principles of economic activity, the operation of the economy, and economic development.

(a) The modelling of the economic system was the problem that came to the fore in the years 1956-1959; later on, it was given less and less prominence. The

starting-point was the demand to introduce a decentralised model put forward in 1956. It provided a basis not only for a discussion about the nature of this model, but also about the nature of the various institutional-organisational and regulatory components and instruments of the economic system. Their modifications at least made the system's operation more flexible and improved its efficiency. This was a stimulus to reflection on the principles and mechanisms of economic activity.

Although these issues were taken up at various points in time, especially at the start of the 1980s, their analyses did not lead to the transformation of the economic system into a decentralised market economy, mainly for political reasons: the Party feared the loss of power and a change in the political system.

(b) The interest in the principles of economic activity manifested itself primarily in scholars taking up problems of economic rationality. The first was Lange (1959), who developed the conception of praxeological rationality as a basis of quantification of goals and means of economic activity. It served to work out economic calculus, its optimisation and conditions of application. The question of rationality and its types (macro- and micro-rationality) came back in the 1980s providing a basis for reflections about the ways of operation and targets of the economy. Despite their theoretical character, they challenged the principle of the centralised management of the economy. A similar case was reflections on issues concerning the law of value.

(c) The matter arousing the greatest interest, however, was the question of mechanisms of the economy. The issues



investigated in this field included the role and control of prices, measures of production and efficiency, the role of stimuli, the creation of large economic organisations, the function and nature of planning, the independence of enterprises, and the role of the market and consumption. The analyses of these topics and the approaches adopted in the procedure were the subjects of disputes and polemics. They were also a response to negative phenomena observed in the economy and its advancing degeneration.

(d) Economic growth and development supplied a complementary and equally important set of problems to be dealt with. The first to take them up was Kalecki (1963), who considered the relationship between the rate of economic growth and the efficiency of capital and rate of investment. On this basis principles of the efficiency of investment were worked out. Further issues included changes in the economic structure, growth rate, balance of investment processes, trends in and fluctuation of economic development, and the population's standards of living. A separate, though related, group of problems included regional development and the location of economic activity. These were dealt with mainly outside the mainstream of economics, as part of research in economic geography and the development of the space economy. These studies supplied objective information about the state of the economy, and showed incorrect allocation of investments and growing backwardness.

All these problems were taken up in various periods of economic difficulties and crises in Poland, as attempts at preventing them or in response to them. Hence the involvement of reform efforts

and economic policy in current matters.

4. A salient characteristic of this trend is its interest in research methods and the mathematical modelling of economic processes (cf. Czerwiński 1982). Mathematical economics proved to be the least attractive. This was due to its neo-classical assumptions, which were not feasible in the Polish economy, a dislike of mathematical formalism felt by economists influenced by Marxism, and their poor knowledge of mathematics. All this made the adaptation and development of mathematical economics rather difficult. The translation of Allen's (1961) work had no significant influence, and thus a consistent mathematical theory of the behaviour patterns and development of socialist economy failed to be created.

What did arouse much interest were econometric issues. The publication of Lange's *Introduction to econometry* in 1957 marked the opening of this field of inquiry. Its scope was understood broadly as embracing not only regression econometric models, but also cybernetic models and operational methods. A survey of the domains in which econometry was applied shows that this type of research focused on links of the national economy, including input-output analysis, the analysis of production processes, market analysis, and growth models. These studies helped to make economic analysis more empirical and stimulated the demand for statistical data necessary to estimate and test models.

Apart from econometric studies proper, the research also concentrated on decision theory and optimisation methods, including programming and game theory methods. This line of inquiry contributed to the popularisation of Western economic thought.

However, its chief value lay in teaching a certain style of thinking in decision-making, and certain solutions in the practical sphere.

The use of mathematical modelling of economic relationships and processes provided scholars with research means and tools that made economic analyses more realistic, and that made diagnosing and forecasting possible. They made the results more objective and theoretical analyses more concrete. They also proved concepts and tools from outside the stock of Marxist thought to be extremely useful.

Mathematical modelling and econometric methods generated criticism that was based on Marxist assumptions. It charged them with attaching undue importance to quantitative aspects of economic life, an ahistorical character of their models, and no connection with reality (cf. Turawicki 1961). It had no major effect on the development of this line of research, however, because Marxism and ideological criticism stopped being so influential in Polish science.

5. Methodologically, the research results of the analytical trend fall into one of the five categories: (1) theoretical studies, (2) empirical and diagnostic studies, (3) forecasting studies, (4) planning studies, and (5) those concerning economic policy.

The main achievement of the theoretical studies was the formulation of macroeconomic assumptions and the creation of the notional apparatus that made it possible to examine the 'real' nature and state of the economy. In particular, they allowed the detection of institutional determinants and limited efficiency of the performance and development of the socialist planned econo-

my, and the construction of models enhancing its rationality. It was achieved to a large extent by the use of the concepts of modern non-Marxist economics and economic modelling. This opened up a cognitive perspective to inquiry and helped overcome the limitations imposed by the closeness of Marxist conceptions. Because of their ideological functions, these conceptions had to protect the system and justify its rationality. And while a consistent theory of a planned socialist economy had never been constructed, progress was made in the understanding of the nature of economic activity.

Empirical studies, mostly of econometric and statistical character, provided an insight into some economic regularities inherent in a planned economy. They primarily concerned macroeconomic quantities and relationships involved in development, such as investment, growth, consumption, prices and wages, etc., as well as factors of recession. At the same time empirical studies also played an important informative and diagnostic role, because they ascertained the actual economic situation, which was of prime importance in the conditions of censorship and the tendency to embellish the official picture of the economy. A considerable part of those studies was devoted to the spatial structure of economic activity, especially the location of industry and the country's regional structure, as well as factors of development of individual regions. Carried out in a broad geographical, demographic, sociological and town-planning context, they were interdisciplinary in nature.

Studies in the field of economic forecasting were of three types: (1) they concerned forecasting methods and their

usefulness for planning, (2) they drew up forecasts of economic phenomena and prepared scenarios of development, and (3) they focused on global processes of socio-economic and ecological change, with reference to reports of the Club of Rome, among other sources. Although they started late, these studies became an element of international co-operation and comparative analyses, which contributed to the opening of Polish economics to world issues.

Studies concerning economic planning concentrated on the improvement of old, and the introduction of new, programming and balancing techniques as well as co-ordination of plans of economic development, also in a spatial and a regional approach. They did not improve the effectiveness of the decision-making process or the economic policy, however, mainly owing to the resistance of the centralised command system. What they did achieve was a mounting criticism of the system and the growing conviction that it had to be transformed.

6. In spite of a considerable degree of pragmatism of the theoretical-economic studies and their connection with Poland's political and social actualities, they had no significant influence on the restructuring of the country's economic system. This was not due to their cognitive and practical functions, which is almost a truism. It was due to the conviction that these studies were conducive to reforms of the economic system that could change the political system as well, and hence their consequences were seen as politically dangerous. They limited the possibilities of the play with the system. Also, the inability to make proper use of economic knowledge was of some significance.

### *2.3. The transformational trend*

The transformational trend developed as a result of a growing conviction that the economy was unreformable and economic progress impossible under the existing political conditions. Other factors were the reappearance of economic crises and the growing political unrest of the late 1970s. Hence programmes of the reconstruction of the economic system combined with the restructuring of the political system that appeared in the political opposition circles.

At the same time, also Party and government officials started to promote programmes of a reform of the economic system, especially in the late 1980s, to stop the economy from becoming more and more ineffectual, or even from collapsing, and to weaken the political opposition. These programmes provided for the socialisation of planning, the independence of enterprises, and an increased role of the market in a multi-sectoral economy and equal rights of various forms of property. In each of their many variants, the programmes aimed at restricting central planning to a degree, and introducing some mechanisms of market allocation. What they were not intended to do was change the economic system into a free-market one. They were never put into practice, however, because of vacillations of the authorities and the political event of 1989. They opened up the possibility of restructuring the economic system and making it into a market one. Concepts and programmes of the restructuring, ways of its implementation and factors determining it are the interests of the transformational trend. Processes involved in it faced economists with completely new problems and goals

resulting from the character and rules of a market economy and ways of transition to it. There were differences of opinion on this matter as well as a variety of orientations concerning the programme and ways of the transformation.

In agreement with the assumptions adopted, I shall restrict the characterisation of the transformational trend to its methodological aspects.

1. The philosophical foundations of the trend are not homogeneous and unequivocal. Its 'natural' ideological basis was economic and political liberalism as a doctrine of market support opposing the social-democratic and Marxist ideologies. However, the disputes about the direction of the transformation started to refer to the main doctrines occurring in Western economic thought, with monetarism and Keynesian economics treated as the principal opposing standpoints (cf. Wilczynski 1991). This opposition became the main basis for identifying the nature and ways of the transformation. It was used to evaluate the Balcerowicz Plan by ascribing it a neo-liberal and monetaristic character, which may have been true in relation to only some of its elements (Wojtyna 1995). It is also debatable whether these standpoints exhaust the doctrines in question, and whether it is at all possible to use Western economic doctrines to understand the Polish transformation.

2. In this trend, practical goals dominate over cognitive ones in its research activity. Priority was given to preparing the programme of reforms and restructuring the economy, and to their justification and criticism. Particularly important was the discussion about the Balcerowicz Plan and its modifications and counter-proposals. The implemen-

tation of this plan and economic reforms, however, has generated many problems whose identification has become a crucial condition of a successful and effective transformation of the Polish economy. Thus, research activity is subordinated to the task of restructuring the economic system. Studies are supposed to analyse the conditions in which the transformation is to take place, identify barriers and obstacles, monitor the range of change and the state of the economy, and evaluate beneficial and adverse effects of the process.

3. In the inquiry of the transformational trend, general economic issues predominate over microeconomic ones, and application-oriented over cognitive ones.

There are two groups of general economic issues. One deals primarily with the transformation of the economic system and the factors and conditions of its development in a holistic approach which takes into consideration the interrelations among its various components and among the processes of systemic change. The other group includes issues referring to such components of the system and their operation as: the character and factors of inflation, ways and means of privatisation, instruments of industrial and agricultural as well as fiscal and monetary policies, etc. General problems are especially difficult to deal with, because there are no suitable theories in Western economic thought to provide a standard of solution, and the very process of transformation is unique. Thus, the Polish experience may provide a basis for the building of a general transformation theory.

Microeconomic problems attracted less attention initially, but with the advance of the transformation they gain

in importance. They reflect the point of view of individual economic agents, especially enterprises and their performance on the market, as well as regional subsystems of the economy and conditions of their development and restructuring. In this field it is possible to make wider use of the concepts of Western economic thought.

These studies also supply reasons and arguments for the reform policy. However, the fast rate of change in the economy make a lot of solutions lose their relevance rapidly.

4. The methodology of economic research has not changed in any fundamental way, because studies of the analytical trend, especially empirical ones, were carried out at a high methodological level and generally obeyed the principle of scientific objectivism. Less attention was devoted to econometric methods and modelling; instead, the focus shifted to co-operation with other social sciences, mainly sociology and law. What has changed radically since the 1989 events is the socio-cognitive and political context of economic inquiry. They mark the end of pressure exerted by government and Party officials, also through censorship, now abolished, to avoid topics and suppress results that would expose the ineffectual economic system, bad economic policy and inefficiency of those in power, disclaim the benefits of economic co-operation with the USSR and the other so-called socialist states, prove the capitalist economy to be more efficient, etc.

5. The concentration of interest on transformational and macroeconomic issues has been reflected in research results. They mainly concern: (1) the nature of a market model of the economic system, variants of the pro-

gramme of its implementation and operation, as well as its determinants and social consequences; (2) diagnoses and forecasts of the behaviour and relationships of macroeconomic components of the economy: consumption, investment, national income, export, inflation, unemployment, etc.; and (3) programmes and forecasts of trajectories of economic development. These results are often presented in the form of several variants, and are evaluated and considered in the conditions of sharp polemics and challenging their relevance or usefulness. Hence, basic forms of their presentation are sketches and essays, which do not always meet the rigour of scientific argumentation.

Three issues have provoked particularly heated disputes: (1) variants of implementation of the transformation programmes, which have crystallised into two standpoints - of advocates of radical change (and a shock therapy) and proponents of a gradual transformation of the economy (and a gradual therapy) (Wilczyński 1995); (2) the continuity or discontinuity of change, and so an evolutionary or revolutionary transition from reformatory to transformational thought; and (3) original or borrowed conceptions and ways of instituting system transformation. Without going into the details of these standpoints and their arguments, let me point out that they have a distinct political context, and that at least the first two depend on the political situation of the opponents, although they are not its simple consequence.

6. The impact of economic thought on economic policy has increased considerably. In fact, it is now its integral component. It has also strengthened its influence on society. The rather hermetic and closed scientific discussions are

presented in the media and addressed to larger groups of viewers. This means the extension of the functions of economics to social education, which is also significant because of the fact that in none of the social sciences is research activity so implicated in social practice, and its effects felt so immediately, as in economics. An indirect effect is that the prestige of economics has gone up considerably, as indicated, among other things, by increased interest in academic economic studies.

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