

# MARKET ECONOMY IN POLAND

*A history*

Tadeusz Włudyka

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MONOGRAFIE



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Dział Praw Autorskich

01-208 Warszawa, ul. Przyokopowa 33

tel. 22 535 82 19

e-mail: [ksiazki@wolterskluwer.pl](mailto:ksiazki@wolterskluwer.pl)

[www.wolterskluwer.pl](http://www.wolterskluwer.pl)

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# Introduction

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In countries with a tradition of a free market economy going back more than one hundred years, both public opinion and the economic policy of subsequent governments focus on pragmatic continuity. Changes or corrections are reduced to the necessary minimum. Further, any such change in economic policy is mainly the result of democratic elections and not that of unusual events of far-reaching, unpredictable consequences, such as wars or crises. However, this scenario is rarely found in countries with a much shorter market economy history, as is the case of Poland.

In 1918, Poland regained its independence after 123 years of not having had its own state. Twenty years later, in 1939, the country was, once again, attacked and occupied by two powers: Nazi Germany and the Soviet Union. As a result of these two invasions the young Polish state was plundered of its most valuable resources, both human and material. Following the Second World War, Poland's fate was written into the new global political order and the ideological divisions of Europe. The effects of the invasions and post-war political events lasted for over forty years until 1989, when the process of transformation towards a market economy began once again. This event consequently marked the beginning of a new period of a free-market economy in Poland.

This book presents the history of Poland's economic development in two periods: the interwar period and the period that followed the collapse of communism. The periods under study came in the aftermath of historic events characterised by massive human and material losses, the First and the Second World War. Only two twenty-year periods which can be said to feature market economy mechanisms in Poland, as prior to 1918 there had been

no Polish state, and the period between 1950 and 1989 was marked by a socialist economy. Such a state of affairs was caused by both “bad geography” and the post-Yalta political “order”. Both periods have also generated many heated discussions on issues related to the economic system and the state’s economic policy.

Despite many similarities, and also some resemblance to other Central European countries, these two periods were marked by some significant differences. First, during the interwar period the greatest challenge that the newly independent Polish state faced was how to merge together three separate units which, since the late 18th century, had belonged to three great powers: Russia (the Russian Partition), Prussia (the Prussian Partition), and the Habsburg Empire (the Austrian Partition). Not surprisingly, in the aftermath of the First World War, all organisational and legal activities of Polish authorities became focused on bringing these three parts together in regaining independence. However, during the second decade of this period in the 1930s, subsequent Polish governments faced with external military threats shifted their priorities towards strengthening the state’s military potential. This shift in priorities, nonetheless, did not mean giving up on a free market economy.

Second, unlike the interwar period, the period marking the transition towards a market economy which started in the last decade of the 20th century, took place in a very different context. Poland in the 1990s was a state with an already established geographical territory and characterised by the dominating (obsolete and deteriorating) role of the state and state property.

Significantly, in both of the analysed periods (1918–1939 and 1989–2009), the process of change, at least doctrinally, was initiated based on the assumptions of economic liberalism and a belief in the freedom of economic activities (free market). Additionally, although for different reasons, both of these periods can be characterised by an increasing involvement of the state in the economy, either in the form of interventionism in the case of the former or by means of a solidarity-based state policy (with some elements of state interventionism) in the case of the latter. This statement is clearly a generalisation, unavoidably fraught, but justified taking into account the consequences at the macro scale: political, social as well as economic.

Paradoxically, despite having only twenty-odd years of experience with a market economy, Polish economic thought of the interwar period is still very little known, even among Polish economists. This is quite surprising given that both of the discussed periods were marked by heated debates over the state's economic model and the role of state property. Overall, these debates reflected differences between three economic doctrines: liberalism, interventionism, and nationalism. Two of them, liberalism and interventionism, generated significant controversies. Liberalism fell victim to numerous accusations (especially in the aftermath of the Great Depression), for instance of being anachronistic, while interventionism was criticised for its strong belief in the active role of the state in the economy. In Poland its opponents included two main groups – liberals and private enterprise. The first group became known as the “Kraków School”. It was led by professor Adam Krzyżanowski of the Faculty of Law at the Jagiellonian University, which came to be recognised as the main academic centre of liberalism in Poland and propagated values such as economic freedom, a limited role of the state in terms of ownership, and an overall neutral economic policy of government. The second group, known as *Lewiatan*, was made up of different factions connected with private capital. *Lewiatan* members pointed to the poor performance of state-owned industrial enterprises and the effect of state investments “pushing out” capital from private markets.

The most prominent representatives of state interventionism during Poland's interwar period were the First Economic Brigade (*Pierwsza Brygada Gospodarcza*) and the National Economy Club (*Klub Gospodarki Narodowej*) led by Stefan Starzyński and Eugeniusz Kwiatkowski. Their beliefs were, however, heavily criticised from an anti-liberal perspective by the right-wing nationalist movement. The movement known as the National Democracy (*Narodowa Demokracja*) was undoubtedly the strongest political player of the interwar period, espousing an anti-interventionist while also a strongly anti-liberal programme. This movement was also diverse; it was made up of different sub-groups, including the “old” and the “young”, as well as groups representing the Christian democratic thinking of the Catholic Church, who, despite their support for the idea of social solidarism, were against state ownership. In turn, there were also groups with very different ideas, which could be broadly defined as left-wing and which became implemented in post-war communist Poland, starting in 1948.

The second period that will be discussed here begins in the breakthrough year of 1989. Discussion focuses on the aftermath of political events that took place in Poland and other countries of the former socialist bloc. This period is characterised by many economic, political, and social changes that have taken place in Poland since then and are the result of a system transformation towards a market economy.

Neither period can be described as perfect, albeit for different reasons. While recognising the differences between the two periods, they are worth comparing, bearing in mind the old adage that “nothing happens twice”. There is an important question that arises: whether the second of the analysed periods, unique due to Poland’s membership in the European Union as well as the progressing globalisation, will see market tendencies reinforced or the opposite – rational attempts to restrict them. Unfortunately, a complete answer to this question remains to be seen.

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## Chapter I

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### **Poland's market economy in the interwar period (1918–1939)**

#### **1. Doctrinal discussions**

As previously stated, the Polish nationalist movement (National Democracy) of the interwar period played an important role in the country's political life. In the 1930s, the nationalist movement attracted a significant number of members of the political opposition. Consequently, the movement had an electorate to be reckoned with and a relatively broad sphere of influence. The history of this movement is thoroughly documented in available historiographic sources including numerous memoirs and biographies published outside Poland after the Second World War. However, in academic research, which focused primarily on the political programmes and parliamentary activities of the interwar period, there seems to be a noticeable gap when it comes to nationalist economic thinking, especially in the broader context of the 1930s economic doctrines.

It is also worth noting that, while the political programme was clearly the work of the movement's leader, Roman Dmowski, the development of a comprehensive economic programme became a special endeavour of the nationalist elite. The ideological foundation of the economic thinking of the nationalist movement was first formulated in the 1920s. It was the work of two brothers, Stanisław and Władysław Grabski, who later (Władysław in mid-1922 and Stanisław Grabski in 1926) focused on either political or academic work and distanced themselves from party life. The key national democratic ideologue then became Stanisław Głąbiński. Another well-known Polish economist, Edward Taylor, shared the ideologies embraced by the national democratic movement. Nonetheless, Taylor,

who became known as the founder of the Poznań School of Economics, never engaged in politics.

At the end of the 1930s, a new generation of activists – the “young” – emerged from the nationalist movement and enlisted the strong support of the movement's leader Roman Dmowski. The “young” group became very active, both politically and in terms of writing (also for the press) and soon outperformed the “old”. The only person from the “old” team who kept up with the “young” in these areas was Roman Rybarski, head of the so-called “professors’ group”.

Overall, although the nationalist movement (National Democracy) may have had significant political power in interwar Poland, it clearly did not develop a uniform economic programme. Growing tensions between the two groups (the “old” and the “young”) often led to differing opinions and positions among their members regarding economic policy.

While the “old” were careful in formulating their economic programme, the “young” were convinced that any and all problems in the area of economy can only be resolved by eliminating liberal and communist economic ideas and implementing nationalist principles. The internal conflicts within the nationalist movement which continued throughout the 1930s, numerous sources suggest, not only weakened the movement's position but also led to the emergence of two different and competing economic models within the movement by the second half of the 1930s.

The “old” team's programme was authored by professor Roman Rybarski, while Adam Doboszyński represented the “youth”. However, despite some clear, doctrinal differences, all programmes formulated within the nationalist movement shared the same characteristics and can thus be described as nationalistic, chauvinistic, totalitarian and clearly fascist.

In analysing the doctrinal discussions of the 1930s, it is especially important to keep in mind the views of Roman Dmowski, who was the leader of the National Democracy and who, while rising above the formal divisions of the nationalist camp, enjoyed the support of the “young” (especially Jędrzej Giertych and the National Radical Camp-Falanga). Further, to objectively assess the economic policy of the “young” nationalists, it is important to take

into account the writings of Adam Doboszyński. Doboszyński was regarded as a very controversial figure, but after the publication of his *Gospodarka narodowa* (*National Economy*) in 1934 he became publicly recognised as the author of the nationalistic programme. In less than five years, Doboszyński's book was reprinted three times, and became a must-read for anyone interested in nationalist thinking. Its publication ignited a lively debate, especially in the opinion media which, characteristic of the interwar period, engaged all political groups and fractions. In 1945, Doboszyński published his book one more time, but this time in London as *The Economics of Charity*. In terms of economics, Doboszyński's London edition reveals greater maturity in comparison with the original editions published in Poland in the interwar period, as well as incorporating the body of European thought on state interventionism in the market economy. Further, *Gospodarka narodowa*'s original interwar editions caused quite a stir at the time and sparked diverse reactions, ranging from total criticism to full affirmation. However, after the Second World War Doboszyński's views, especially those referring to political systems, became almost completely obsolete.

Moreover, a complete analysis of the economic thinking of Polish nationalists in the interwar period must include other publications of the mid-1930s. Such works include Roman Rybarski's *Podstawy narodowego programu gospodarczego* (*Foundations of the Nationalist Economic Programme*) published in 1934 and *Program gospodarczy* (*Economic Programme*) published in 1937. Another important publication, regarded as a semi-official programme of the nationalist movement, was Jędrzej Giertych's *O wyjście z kryzysu* (*Towards Ending the Crisis*) published in 1938.

The purpose of this analysis is to show the relationship between the Polish nationalist programme of the interwar period and the economic thinking rooted in the social teachings of the Catholic Church, which included ideas of solidarism, ordoliberalism (with its economic practice in the form of a social free market economy), as well as other ideas of economic justice and economic morality. To acknowledge this relationship, please note that the ideas of "ordo", meaning the natural economic order, just like the idea of solidarism, can be traced back to the philosophy of St. Thomas Aquinas, whose elements can also be seen in the thinking of both nationalists and Christian democrats.

Despite clear ideological differences, there were also some striking similarities between the nationalist economic programme of the interwar period and the 1930s economic ideas of the Swedish social democrats and American neoliberals. These ideas contributed significantly to the development of the “third way doctrine” implemented in many countries after the Second World War. The analogy is therefore quite well founded, bar the fundamental difference of nationalism typical of nationalist movements (including the economic policy of Christian democrats). This observation was once made by a Polish historian, Jerzy Holzer, who wrote: “in nationalist circles the programme of economic liberalism was limited only by nationalism”, though Holzer’s words could not be applied to the economic programmes of all nationalist movements.

At issue in this analysis is the search undertaken by the representatives of the “third way” of economic thinking to find an alternative to liberalism and collectivism. The alternative they envisioned was a system most favourable to small and medium-sized private property. Finally, the analysis of the nationalist economic thinking that became known as the “third way” illustrates the level of complexity involved in the development process of the interwar economic doctrines.

### **The “third way”**

The main assumption behind the concept of the “third way” is the principle of solidarism, regarded as the basis of economic systems and opposed to the theory of class conflict. As stated before, the inspiration for an intermediate (third way) system, which would be neither economic liberalism nor collectivism, came from the social teachings of the Catholic Church. Their origins go back to the philosophy of St. Thomas Aquinas, but they were also formulated in papal encyclicals, especially: Leo XIII’s *Rerum Novarum* and Pius XI’s *Quadragesimo Anno*. The former was proclaimed in 1891, while the latter, forty years later, in 1931.

Similarly, during Poland’s interwar period, the doctrine of the “third way” was primarily supported by the political groups which based their programmes on the principles of the social teachings of the Catholic Church. Those political groups included the Christian democrats, national democrats, conservatives and agrarian parties.

Overall, the doctrine of the “third way” was quite popular in Europe in the late 1930s, both in Catholic and Protestant circles. Its influence could also be seen among German and Scandinavian (especially Swedish) social democrats. Additionally, in the aftermath of the Great Depression and the sudden collapse of private economy based on the doctrine of *laissez-faire*, the idea of an intermediary economic model became quite popular also among American liberals. Among the supporters of such an approach was Adolf A. Berle. In fact, Berle used the concept of an “intermediate system” in his doctrine of “people’s capitalism”, in which he envisioned reducing materialistic inequalities and social tensions that characterised the American society. Berle wished to achieve his goal without having to make any changes to the existing economic system based on private property.

As the Second World War erupted, it brought about many far-reaching consequences both politically and economically, and it should come as no surprise that after the war many developed countries (especially in Europe where the war-caused damage, material as well as moral, was the greatest) opted for a mixed-economy model, with considerable state involvement within the framework of a market economy. Conversely, in socialist countries, where the system of a centrally-planned economy was being introduced, the state became the sole owner and administrator of the economic system. These changes marked the beginning of a long-lasting divide between free market economies and collective economies.

Ordoliberalism, which is a practical example of the implementation of the idea of the “third way”, is deeply rooted in Christian ethics. It refers especially to the concept of a complete co-dependence between the social and economic system. Proponents of this idea strongly believe in the individual’s freedom and assume that it is the individual who takes responsibility for the entire society and not the other way round. Hence, first and foremost, ordoliberals put human beings and their morality at the core of the economic system. That is also why they were highly concerned about increasingly excessive consumerism. Representatives of this thinking, such as Walter Eucken and Wilhelm Röpke, subsequently made claims that an unlimited development of the cult of productiveness, materialistic expansion of production, and an excessively high standard of living lead to moral breakdown, especially when ethics are disregarded. To cure the illness of modern so-

cieties, Alexander Rüstow recommended relying on “the family, the community and the church; all of which the state should provide special care for”. Eucken, in addition, stressed that it was the church that had always put forward the principle of social solidarism, while its social teachings had for centuries tried to assess the value of economic, social and political life from a moral perspective. For this reason, providing social security, justice, and economic morality were regarded as the “challenge of the times and the central task of humanity”.

While ordoliberalism did not offer any ready solutions, it determined (quite precisely) the obligations of the state and created a model economic system which combined the goals of the individual with the goals of the entire society. It is clear, however, that the implementation of such a model would require the state to work towards convincing the entire society of the benefits of living in an ordered, stable and secure system. This can be facilitated by an economic and political order in which class differences have already been eliminated, as the existence of social classes – in the view of the ordoliberals – **always** [author's emphasis] leads to conflicts.

Choosing the “third way” as the best socio-economic doctrine was motivated by the flaws seen in other systems. As Eucken would point out, both liberal economy and excessive industrialisation had violated the long-established economic and political order of individuals. The *laissez-faire* system, which had been around for decades, only appeared to be independent, for in practice economic activity was restricted by law. This meant that the state was not involved in organising everyday economic life (something ordoliberals would regard as a fundamental error) or in preventing harmful phenomena from happening. Hence, any economic activity, as long as it fit within the general legal norms, even though it may not have complied with the principles of ethics and morality, was allowed without any limitations.

The crisis of the liberal state could not have been prevented by the economic experiments undertaken in Western Europe in the 1920s. The experiments consisted of attempts to introduce a planned economy and were described by ordoliberals as “economic centralism”. Incidents of state interventions had been taking place since the turn of the 20th century, but they were not accompanied by any attempts aimed at preventing an increase of social conflict.

In the 1920s and the 1930s economic experiments were undertaken in countries with economies heavily dependent on agriculture and those which were interested in rapid industrialisation. Experiments also took place in the more developed countries where, despite the presence of a centrally steered economy, private forms of ownership continued to play an important role. Eucken, for example, was convinced that the centrally planned economy model would not allow for the introduction of an economic system that would be in compliance with economic morphology and natural social order. In his view economic theory had to precisely define concepts such as: state economy, capitalist economy, and socialist economy. Such precise definitions are necessary to distinguish between different economic systems, especially as regards private ownership, the principles of establishing prices and wages, the role of money, and the legal systems governing financial institutions. The doctrines of ordoliberalism and the social market economy combined create the constitutional basis of the political system.

Ordoliberals criticised the seeming “blessings” of collectivism. They especially criticised the widespread nationalisation of the material sphere, which is based on large economic units, norms, standards, etc. Further, they also believed the material sphere to be ineffective and believed it could significantly influence the intangible, which to a large degree referred to nationalised assets like education, health care, culture, and the way they were financed. Without a free market, the state, which makes planned investments using abstract money for this purpose, vastly hinders the choices of individuals. As early as in the 1930s, Eucken questioned the overall success of planned economy models stating that individual aspirations are, as a rule, largely different than the effects of production which is steered by a plan. What is more, production decisions made centrally preclude the existence of a private sector which generates the means of production. With time, even what is left of it gets pushed out by state interventions, ruining both individual and collective responsibility.

Based on these assumptions ordoliberals claimed that modern societies should solve their economic problems by skilfully linking the features of the system of a small individual economy with the features of a planned economy, that is find the “third way”. The “third way” is a combination of two opposite economic systems and a compromise between them. Eucken admitted that

the road towards ordoliberalism had already been taken by utopian socialists, but the direction of collective ownership, which they pursued, could not have brought about the expected results. For Eucken, the best economic system was based on: the domination of small and medium-sized property, the state's comprehensive support for the "middle class", and market competition. Eucken also believed that it was the state's obligation to counteract monopolistic tendencies. All this, however, should be controlled by economic ethics. In the same vein, Röpke would claim that although economisation and materialisation give rise to a cult of labour productivity, material expansion, and an increase in the standard of living, all absolutes lead to evil. Hence, the cult of a high standard of living was, in his view, just as much of an evil as underrating it and pushing people towards poverty.

From this perspective, it is the economic ethics of the individuals and the society that influence political practice. Ethical arrangements are seen as more effective than the legal system when it comes to regulating social interactions. This is especially true with regard to such areas as labour relations between employers and employees. The creator of the "ordo" concept also believed that interpersonal relations were governed by the "Christian duty to love, first one's family, then the society". "A healthy family life" was in his view the basis of a healthy society, conditional upon owning "a house with a garden". Overall, ordoliberalism, with its strong emphasis on ethics, is regarded as a moral stance in the history of economic thinking, with a "high degree of idealism".

Furthermore, ordoliberals believed that social security should not be provided in a social market economy at the cost of individuals' own activity. For them, only entrepreneurship can ensure material success, which confirms that the effort was worthwhile. That is why providing individuals with an opportunity to make savings (thanks to a higher income) with the purpose of setting up their own enterprises is superior to the financial support offered by the state. That being said, it is important to point out that ordoliberals were also aware that social policy in any system was dependent on the financial ability of the state. Believing that "there is and will [always] be a chasm between social needs and the capability of fulfilling them", ordoliberals suggested that social policy should always be seen as a compromise between the needs of the society and the means to fulfil them.

In ordoliberal thinking, the primary objective of a market economy is to reach the state of full employment. It does not mean, however, that all citizens will be ensured stable employment, regardless of the state of the economy. In that light, German ordoliberals thought that the best motivation to work is a system of high remuneration and pensions which are comparable to salaries. To maintain such a system, anti-inflation economic strategies and a stable monetary system were of key importance.

In Röpke's view, to maintain, or actually to defend in practice, the principles of a social market economy it was necessary to distribute wealth to everyone according to what conscience suggests, by constant explaining and comprehensive modernising of the ethics of human actions. This opinion was fully shared by Alexander Rüstow who, when formulating the hierarchy of goals, put the welfare of families and communities as well as that of the state ahead of the considerations of the national economy. Rüstow was particularly in favour of the protection of all forms of social integration, which included religion, ethics, aesthetics, and culture. However, he was also aware that their development was impossible without adequate means generated by the economy.

It is quite striking that in ordoliberals' view the rebuilding of the German economic system in 1947 was possible thanks to the society's shared Christian values. In that vein, German literature includes many references showing the links between the philosophy of St. Thomas Aquinas and ordoliberalism. Having said that, it is also important to point out the contribution made by German academics in developing the concept of "ordo" and its essence based on the rules of inclusion and not the alienation of an individual. The academics who in the 1930s formed the so-called Freiburg Circle continued to work during the Second World War despite the diverse fates they faced. This explains why their major works were published in the post-war period, which also saw the practical implementation of their theoretical assumptions in the form of a social market economy initiated in 1947 in West Germany and continued, after 1949, in the Federal Republic of Germany.

Overall, a broader presentation of the postulates of ordoliberalism, which is attempted here, lends itself to pointing out some similarities, as well as differences, between this way of thinking and the economic programme of the Polish National Democracy. The idea of solidarism also had many support-

ers in Poland during the interwar period. Slogans questioning class-based determinism were popular among all political groups labelled as right-wing and those whose political postulates adhered to the doctrine of the Catholic Church. Among them, the most powerful political players were: the National Democracy, the Christian Democracy as well as conservative groups which primarily gathered representatives of the landed gentry and aristocracy. In addition, the idea of solidarism was also supported by a great share of the Polish clergy (of diverse political views) as well as the lay representatives of social-economic Catholic thinking associated with the Lublin University and the Primate's Social Council.

The economic programme of the Polish Christian democrats, represented mainly by the Labour Party (*Stronnictwo Pracy*), adhered to the ideals of solidarism. The movement was established in 1937 through the merger of three political groups: the Polish Christian Democratic Party, the National Workers' Party, and the Union of the former soldiers of Haller's Army (*Związek Hallerczyków*). Characteristically, they all declared respect for private property which, they believed, should only be subject to a state-wide economic plan, with breaking up of vast estates and redistribution of excessive wealth – as postulated in papal encyclicals. It was the duty of the state to maintain oversight over business cartels and credit, though without excessive interventionism and bureaucracy. Hence, the most important economic tasks of the state were: nationalisation of large-scale industry, division of land property into medium-sized lots, support for local cooperatives, and elimination of unnecessary intermediaries. Christian democrats also demanded fair family remuneration, increases in workers' pay based on a shareholding system, social enfranchisement, elimination of anonymous property (usually of a foreign origin), protection of social rights, and expansion of public investments.

Importantly, representatives of this kind of thinking in the interwar period perceived their own nation, Poles, as the sole beneficiary of the above mentioned economic policies while Slavic minorities were guaranteed limited autonomy and only when they demonstrated full loyalty towards the Polish state. While being quite critical of the German minority, these groups did not really develop a clear position on Jews. It was not until 1938 when, in the face of an escalation of ethnic conflicts in Europe, the Labour Party (distan-

ing itself from any form of violence) recommended enhancing economic competition with Jews, pushing them out of trade, and effecting their mass emigration. Antisemitism was economic in nature and resulted from poverty. In cities, the Jewish population constituted between 30% and 60% of the inhabitants, and engaged mainly in trade and crafts. People of Jewish origin dominated the professions: law and medicine. The Labour Movement was initially very cautious of any forms of radical political life, but it gradually got closer to the right-wing group known as the Camp of National Unity (*Obóz Zjednoczenia Narodowego*).

The main lay representatives of the Christian democratic economic thought were two professors: Leopold Caro of the Lviv Technical University and Ludwik Górski of the Catholic University in Lublin. Their academic interests concentrated primarily around the issues of fair pay and ownership. Other thinkers in this group included Kazimierz Studentowicz and Robert Battaglia.

Among the clergy, economic thought and the idea of social solidarity were of interest to Father Professor Adam Szymański (a specialist in social Catholicism), Adam Roszkowski (an expert on corporationism), and Jan Piwowarczyk, who became regarded as an unofficial ideologue of the Labour Movement and who, after the Second World War, became a long-term editor with the Catholic weekly, *Tygodnik Powszechny*. Additionally, there was also Andrzej Mytkowicz, a specialist in remuneration systems, Aleksander Woycicki, a historian of the labour movement, Stefan Wyszyński, who focused his analyses on the topic of property in papal encyclicals, Teodor Kubina, and Stanisław Adamski. Overall, the above listed thinkers concentrated their analyses on the works of St. Thomas Aquinas and papal encyclicals, with a special emphasis on issues like ownership distribution, fair price, remuneration systems, economic morality, and the enterprise as an institution combining the interests of both employers and employees. They pointed to certain positive solutions of Italian corporationism, weakening both the class conflict and socialist propaganda.

The idea of social solidarity was also popular in some conservative circles (for example in Kraków). A Jagiellonian professor, Władysław Leopold Jaworski, made numerous attempts at popularising the ideas of solidarity as formulated in *Quadragesimo Anno* and *Summa theologica*.

Despite some formal divisions and personal disputes, the Polish right wing of the interwar period showed a great deal of similarity in terms of the content of economic programmes. The common feature of these programmes, which actually differed from one another only in some minor details, was a rejection of both liberalism and socialism as well as the support for “a moral economic system which includes national interests”. Importantly, all right-wing economic programmes were based on small and medium-sized private property and a deconcentrated industry co-owned by the employees. It was believed that transition to such a system would be a long-term process. Labour, rather than wealth, was regarded as the main source of subsistence, while wealth disparities were criticised as causing clashes between classes. In addition, some emphasis was put on the relationship between economy and morality, which explains the strong criticism of unemployment, usury, and anonymous capital. All representatives of the Christian democratic economic thinking strongly believed in the power of self-governance and thus opposed excessive state interventionism.

The economic postulates of the traditionally Catholic, but at times also anticlerical, agrarian movement included the deconcentration of industry and agriculture, the elimination of monopolies from economic life, the establishment of credit unions, the propagation of small private property wherever possible, and in highly concentrated industries – state ownership combined with employee shareholding. The programme was authored by Stanisław Miłkowski, recognised as the founder of Polish agrarianism.

Starting in the 1920s, the social teachings of the Catholic Church developed very rapidly, especially its focus on economic ethics extending to international economic relations. According to Czesław Strzeszewski, a Polish academic, the “strong tendencies to imbue economics with a moral nature” could already be observed in the first years of the 20th century, especially in Germany. However, the attempts to mix the philosophy of St. Thomas Aquinas with individualism, liberalism, and collectivism were not in line with the social teachings of the Catholic Church.

Liberals, too, attempted to reform the free market economy in order to create an intermediate system. These attempts resulted in the previously discussed doctrine of “people’s capitalism”, put forward by Adolf A. Berle who, under

the strong influence of John Maynard Keynes, asserted the need to create a democratic capitalism “without capitalists, private property or profit domination”.

Unquestionably, the writings of Keynes were a key source of inspiration for the liberal movement. However, it is also important to stress that the younger generation of thinkers associated with this movement were also strongly influenced by Thorstein Veblen, the author of *The Theory of the Leisure Class* and a fierce critic of the American economic system of the 1920s. Berle, who for several years had been an economic advisor to President Franklin D. Roosevelt (and in the 1960s also to President John F. Kennedy), strongly supported practical state interventionism. However, it was not until the 1950s and the 1960s that he turned the 1930s economic concepts into an economic programme of “people’s capitalism”.

The essence of Berle’s doctrine was to bring all social groups together through common interests, by providing income to workers not only in the form of remuneration for the work they were doing, but also as a share in ownership. In 1934, together with G. C. Means, Berle presented his criticism of monopolies; in it, Berle postulated the need to socialise and distribute property, which would deprive its owners of their uncontrollable power. Incidentally, 1934 was also the year that the economic programmes by two previously mentioned Polish nationalist thinkers, Roman Rybarski and Adam Doboszyński, were published.

The interest in the ideas of American neoliberals was revived in the late 1950s. At that time, the process of the democratisation of concentrated property was initiated. It brought about a massive increase in the number of shareholders (i.e. co-owners) and a decrease in the excessive income discrepancies within American society. For Berle, just like for ordoliberal, the decentralisation of production (that is the deconcentration of industry) and demonopolisation were the main conditions for the existence of a market economy. And yet, while criticising the excessive concentration of property and political power in the United States, Berle did not rely on the existing body of European economic thought, especially Thomism or neo-Thomism, nor did he even refer to it.

Undoubtedly, the most prominent representative of liberal interventionism in the Anglo-Saxon economic thought to date is the Canadian and later American economist – John K. Galbraith. Having stated that, it is also important to mention the role of Swedish social democrats in the development of the “third way” concept in the European economic thinking, both in theoretical and practical terms. Notably, the so-called “Stockholm School” established in the 1920s by Knut Wicksel was especially active in this regard. Its proponents, however, remained relatively unknown for a long time: coming from a small country, they were, in a way, overshadowed by the Anglo-Saxon thinkers, especially Keynes.

It was not until the Swedish economic model proved successful and became widely recognised in the 1950s and 1960s that these Scandinavian thinkers received their belated international acclaim. And yet it was Wicksel who, even before Keynes, called for a fair and equal division of the gross national income, restrictions on succession, progressive taxation of income, and cheap state loan programmes for small business. He was also a strong supporter of an active credit and monetary policy. Together with Gustav K. Cassel, Wicksel had a significant influence on the views of the most acclaimed representative of the Stockholm School – Karl G. Myrdal. Starting in 1931, Myrdal attempted to demonstrate the superiority of the “intermediate system” over economic liberalism and collectivism in his publications.

Myrdal's 1934 publication, *Crisis in the Population Question*, played a crucial role in promoting his economic concepts among Swedish social democrats. The work included an analysis of the causes of the 1929–1933 economic crisis (the Great Depression) as well as a presentation of the assumptions of the state's economic and social policy. A practical implementation of this programme started in Sweden in 1935. Myrdal also called for a transition from the “welfare state”, which he referred to as the “people's home”, to the “welfare world”, through increasing international integration and decreasing global economic inequality.

Myrdal received recognition for his works published in the late 1950s and early 1960s in which he justified his conviction (seemingly in contradiction with classical development thinking) that underdeveloped countries **should** [author's emphasis] steer well clear of the path of industrialisation