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## The Background for Transition: the Case of Poland

by

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The collapse of the communist system in Poland in 1989 was an unexpected event for most, if not all, the parties or actors involved in the long time struggle between the pro-communist and anti-communist social forces. The communist system became the socio-politico-economic reality in 1917 when a relatively small group of social democrats, led by Lenin, took quite easily power from the very weak Russian government of Kierenski. Thereafter they organized hard revolution in which the dominating persons were Dzerzhinski, Stalin and Trotsky, and the key role was played by Lenin.

The communist system was the very first man-made socio-politico-economic system based upon the primarily theoretical blueprints due to Marx and Lenin rather than on some practical experiences.

Communism was considered as an "evolutionary" stage naturally following capitalism, but it was first introduced in the society which was a mixture of feudalism and early capitalism. According to the blueprint left by Marx the

communism as a "man-made" system should have been formed after capitalism, and not before. It was Lenin, Trotsky and Stalin who started to build the communist system based on terror and "partocracy". The present paper is not the proper place for describing the system in details, though. I would only like to stress that the stalinist totalitarian system was imported to Poland from the Soviet Union in accordance with the Yalta and Potsdam agreements, signed by Stalin, Roosevelt and Churchill - later on by Truman and Attlee.

Poland had no choice but to accept the dictate of the big three. There was no chance for Poland to fight for a different image of the country. The civil war which resulted did not reach any bigger scale and after few years, approximately in 1949, the communist system was totally adopted in Poland, as the only feasible solution in the circumstances of that time. The stalinist system was transferred to Poland by a relatively small group of Polish communists and a large group of Soviet "advisers".

Still, even at that time the communist system in Poland was a bit softer than in other Central and East European countries. In 1956, when almost all the Soviet "advisers" were called back from Poland to the Soviet Union, Władysław Gomułka, the then ascending leader of the Polish communist party and therefore of the state, tried to build a soft communist system in Poland, based mainly upon a specific Polish blueprint. It was just in Poland that the idea of the so called communist market economy arose, but Gomułka, a man with the communist and anti-stalinist image of the prisoner of the stalinist period of the turn of 1950s, was not capable of accepting the "revisionist communism". He would sail between the rocks of the communist fundamentalism and the revisionism and he chose the third way, which was somewhat different from the Soviet model and was not conform to the revisionist blueprint of real socialism.

Gomułka made of the previously omnipotent security police the second or even third institution as to the importance in the country, with the party bureaucrats forming the most powerful group. The party "white house" in Warsaw, with Gomułka as the chief, ruled Poland from 1956 to 1970. All the social, political, economic and even scientific activities were supervised through a certain mechanism by the members of the "white house" personnel. Even the prime minister and the ministers of the government, to say nothing of the lower level officials, or even the person at the very prestigious position of the President of Polish Academy of Sciences were all subject to the dictate from the "white house". The parliament and many other important — or even not so important

— social or socio-political institutions were effectively, secretly, manipulated by the the communist party bureaucrats, no matter who would officially be in charge of a given body. Due to existence of some informal factions within the communist party it was even easier to manipulate the institutions headed by people who were not members of the party within the so called communist democracy.

All or almost all of the decisions taken within the ministries were politically supervised by the “white house” staff.

It was President of the Polish Academy of Sciences who complained to the new party leader, Edward Gierek, in 1971, for the real personal power of the “white house” staff. This complaint was repeated by numerous ministers and a new catchword was established: “The Party directs — the Government administers”. Still, the real power of the “white house” persisted until the introduction of the martial law on December 13th, 1981.

Until 1956 the hierarchy of power in Poland was as follows: 1) The Party, 2) Security Service, 3) Government.

Between 1956 and 1970 the hierarchy of power changed to 1) The Party, 2) Government, 3) Security Service, 4) Army. There was no place for parliament nor any trade union as an important actor with definite power.

Then, between 1971 and 1981 the hierarchy was the same as before, but government gained relatively more power. In 1981 the hierarchy drastically changed. It looked in this period, which ended in 1989, as follows: 1) Army, 2) Government, 3) Security Service, 4) Party, 5) Official trade unions.

Due to “Solidarity” time in 1980-1981 trade unions became a political actor with a definite power.

The first soft revolution of “Solidarity” destroyed the existing order of power, but the very idea of “Solidarity” was the consequence of the so called Committee for Defense of Workers (with the very well known Polish abbreviation of KOR). KOR was a relatively small group of people, but they triggered off the avalanche which destroyed communism in Poland. The strength of KOR was derived from the fact that it defended workers, thereby questioning the fundamental dogma of communism, namely that power is in the hands of the working people, mainly the blue collar employees in industry.

At the beginnings of communism in Poland numerous blue collar workers became the directors of enterprises and later even ministers. Students would truly rule the universities — they governed professors. Many a person of humble origin

would make a very brilliant career. After a dozen years, in the period of socialist stabilization of 1960s, and especially of the second half of 1960s, there were no more such careers. The year 1968 was marked by the so called March events — student revolt equalled only by the one in France in the same year — which were to a large extent driven by the fight between several party factions for taking over of power from the hands of the ageing pre-war communists. These factions were formed by young (or just younger) revisionists, technocrats, agents and officers of the security service. Gomulka kept power through these events, but not for long, and in spite of a great international success — the acknowledgment by German Federal Republic of Polish ownership of the Western and Northern territories regained after the World War II — he was obliged to leave at the next historical turn of December 1970.

Edward Gierek gained the support of the new layer of technocrats, of a part of the party bureaucrats as well as a part of the security service and army. He ascended to power for just about 9 years. The period of the so called “young Gierek” was the period of the greatest economic acceleration during the post-war history of Poland, related to the opening of Poland towards the West and the gaining of credits, partly connected with the opening, within the international capital market. The introduction of Poland Inc. into the international capital market before the managerial revolution had been carried out was a very risky undertaking and Polish communists had been warned of this by the Soviet leadership.

The managerial revolution, announced at the beginning of 1970s, was not implemented in spite of formation of the Great Council of Economic Reform. It was the fact of life that realization of the managerial revolution would stand in the way of the interests of both the party and the governmental bureaucracies. The quite rare proponents of this revolution, like Franciszek Szlachcic, were quickly removed from the leadership of the communist party under the pretences of underestimating the party and government structures.

The enterprises have been governed in Poland in the period of 1956-1989 by the so called quadrangles of power, namely: 1) director, 2) party secretary, 3) trade union leader, 4) representative of the employees or of the Employee Council. Director was politically subject to the Voivodship (province) Party Committee or to the Central Party Committee, as well as to the structures of the corresponding branch ministry. A party secretary within an enterprise belonged to the hierarchical structure of the party and could make use of the

power of this structure. The leader of the trade union belonged, on the other hand, to the hierarchical structure of the trade unions, vested with much less power, and this latter structure was, besides this, supervised by the party. The chairman of the staff or of the Employee Council was independent, but he would not find any support in the existing hierarchies of power and therefore could not do much of useful. In the last period of communism in Poland vain efforts were undertaken of creating a hierarchical structure that would support the employee self government.

In the communist shortage economy, since until the very end the communist economy had been the shortage economy, the role of a good director was not to carry out good economic calculations or to be present on the home and foreign markets, but rather to have the abilities and the "connections" facilitating the game for resources played with the Central Planning Commission. The stake was to bite out as much as possible from the national pie and give back as little as possible. The communist economy was not so much a planned economy as the economy of game with the plan. The effectiveness and efficiency of this economy was not too high. On the other hand - every new party leader, when taking over his almost unlimited power, would promise improvement of economy and of the standard of living. None of them, though, succeeded in this, excepting short periods of just few years at the start, after which the leader would lose the support both within the party and in the society.

The period of Gomułka's rule lasted 14 years, beginning with a very strong popular support and ending with the Gdańsk events, during which dozens of people were killed in the streets. The period of Gierek's rule lasted 9 years and it ended with the first "Solidarity" revolution, then Jaruzelski reigned for 8 years and the end of this period coincided with the end of communism in Poland.

The power of the First Secretary of the Party was practically unlimited. He could even liquidate the communist system. It was extremely difficult to change the person in this position, and the cases when power was simply given over by Ochab in 1956 and Kania in 1981 are just exceptions to the general rule. This is not to say that the fight for power had not been going on almost incessantly between various factions within the party. This fight had many more losers than winners, as there were many pretenders to the position of the First Party Secretary. The fights would usually go on within the Political Bureau of the party, i.e. outside of the public scene.

As power was given over by the communist party in 1989 it dissolved in a way after just a few months, which confirms the statement that the Leninist type of party can only function in conditions of being in power, along with control over army and security service, namely - in conditions of a totalitarian system.

The downfall of the communist system, even in conditions of the second, soft "Solidarity" revolution, did not mean an automatic end to the totalitarian bureaucratic system. "Solidarity" was not prepared for such a swift power takeover, even if power was given over by the communist leaders due to a work accident or rather a well thought out manipulation. The idea of Wałęsa's of giving the banner of "Solidarity" to the museum and of starting new Poland without "Solidarity" was the best, though not realized, concept for the start.

"Solidarity" did not have and still has no blueprint for construction of capitalism in Poland. "Solidarity", an effective instrument of fight with communism has not necessarily been effective in construction of capitalism in Poland.

Outside of the communist block capitalism has been developing in an evolutionary manner and due to the inter-system competition with the communism it gained numerous new, essential features which make of it a distinctly different system from the capitalism of up till 1917. Besides this, after the great crisis of 1920s capitalism underwent also other kind of significant transformations. The present shape of capitalism in USA, Japan and Western Europe is so different from its outlook in 19th century that one of the MPs in the current Polish Sejm (lower, but at the same time decisive, chamber of Parliament), Janusz Korwin-Mikke, is of the opinion that this system is a kind of socialism and not capitalism.

Can capitalism be constructed after the downfall of communism, i.e. can capitalism be at least partly a consciously man-made system or must it emerge only through an evolutionary process?

First, in spite of essential differences, all the real communist systems were based upon the dominating role of the communist party and the power of such a party was necessary for the system to exist. The capitalist system can both be democratic and totalitarian — the history of 20th century demonstrated this clearly. Spain and Italy and also West Germany have shown that there may be a post-totalitarian democratic capitalism. There is in Poland a danger of the post-communist totalitarian capitalism. This danger is insofar greater as there is a spontaneous pluralization of the political life, as demonstrated by the number of more than 130 registered political parties or the presence of a high number

of parties in the present parliament and the lack of capacity of establishment of a stable government. Totalitarianism is by its very nature a more primitive system than democracy, a system which deals more easily with populism and with the destructive role of the masses. The danger of totalitarianism is also insofar high as the bureaucracy, being the remnant of the communist system may also function quite well in the capitalistic totalitarianism. Taking into account, though, that the communist totalitarianism as well as the capitalist totalitarianism are not in fashion in the world opinion, and that Western Europe would not accept into its community any totalitarianism, notwithstanding its economic foundations, the danger mentioned gains another, international dimension.

Totalitarianism is usually connected with strong nationalism, and therefore also with a negative attitude towards the possibility of entering supranational structures. Globalization of the market, which intensified especially in 1970s and 1980s, and which will continue during 1990s, is not advantageous for the totalitarian systems, under the condition, though, that a given country would have an opportunity to effectively enter the global market.

The modern capitalism created also modern democracy, which does not mean, though, that modern democracy can lead in any country and under any kind of conditions to modern capitalism.

The post-communist countries have more possibilities of creating simultaneously modern democracy and modern capitalism than other poor countries. The post-communist countries dispose of significant intellectual surpluses in relation to the needs of the street-trade capitalism. Numerous new businessmen have sound university education. The informational structure of the transforming countries can be made truly modern.

The transition from the communist economy to the modern capitalist one is still not practically realized, and, moreover, there is still no definite blueprint for such a transition. The experiences of the three past years indicate that irrespective of the method applied: shock therapy or smooth transition (see the instances of Poland, Czecho-Slovakia and Hungary) deep recession and unemployment cannot be avoided. The costs to be paid by Central and Eastern Europe for transition to the modern market economy are much higher than anybody could expect. There exists a real danger that the social costs already borne to date, especially by farmers and a large part of blue collar workers are reaching the limits of acceptability. It should be clearly stated, though, that nobody would be able now to reconstruct the communist economy from its ruins, and that

there is no return to the communist economy nor to the power of the communist party, which, having not fulfilled the social and economic promises simply evaporated. The pronouncements threatening with the return of communism, especially when heard in Poland, can be said to indicate complete ignorance or lack of honesty of those who popularize such views.

Communism did not only demoralize an important portion of the working classes and layers of the respective societies, but did also contribute to upbringing of even its enemies, creating thereby the group of people who are anticommunists as to their views, but communists as to their political style. These people do not only ridicule themselves, but the countries from which they come as well.

Communism had to collapse, because in the time period of several decades it demonstrated its incapacity of reaching higher labour effectiveness than that of modern capitalism. It collapsed also because it did not realize the promised transition of power unto the hands of working people. The communist parties got alienated not only from the majority of the society, but also from the working class itself. This working class did not destroy the capitalism, as it was envisaged by the classics of Marxian thought, but its "own" communist system. The working class could also destroy its "own" "Solidarity", but it is presently not capable of creating any own system nor of constructing capitalism. Thus, it has to step down from the main political scene if it does not want to destroy its truly own nation and society between Odra and Bug rivers.

Likewise, the old post-communist totalitarian bureaucracy, or the new, post-solidaritarian one, cannot be one of the main actors of the transition to the modern capitalist society, but only an important secondary actor.

The still existing domination of politics over economy can cause great economic and social losses.

Thus, modern democracy, together with construction of modern capitalist economy is the only proper and feasible solution for Poland, but certainly a very difficult, complex and requiring solution. It requires both entrepreneurship and work. Not only simple physical effort is needed but the research intensive work as well, or even perhaps more so. It is also necessary to carry out the managerial revolution. This revolution has to be carried out already now, for it is only educated entrepreneurs and managers with a vision of future that will be capable of realizing the project of creation of modern market economy in



Poland. We do not have too much time for that, nor too much money, but there is no other issue.

The quicker we shall forget of both the communism and "Solidarity", and the quicker we shall create the foundations for modern democracy and capitalism through effective work, innovation and entrepreneurship, as well as the latest technology available from the US, Japan and Western Europe, the higher our chances for development and success.

The international (but in fact mainly Polish-Czecho-Slovak) conference in Bratislava in 1990, and the subsequent world conference of the International Federation of Operations Research Societies (IFORS), held in Warsaw in June 1992, with participants from 27 countries and all the continents, demonstrate that the vision of modern market economy in Central and Eastern Europe, including Poland, is receiving more and more interest, not only among the scientists involved in operations research and systems analysis, but also among economists, representatives of social sciences, as well as people active in economy, politics and civil service.

The world of 1990s will be the world of Great Changes — in world economy, in world science and technology. The socio-political revolution, as well as the scientific and technological revolution, may take a soft or a hard, brutal course. World will be divided into those who are quicker, more effective and more efficient — and they will become rich, for such are the demands of the new information society, in which human and artificial intelligence would combine to form a new frontier of productivity and creativity, where human capital will be very important, together with the scientific and technological capital — and those who are slow, ineffective, lazy and, consequently, poor.

Operational and systems research will be the intellectual instrument of the new age of Information and Intelligence. Communication, Computers, Control (but not Command), Cooperation, Competitiveness and Creativity, as well as Information and Intelligence will constitute the basis of New Economy and New Management. The thus conceived C<sup>6</sup> I<sup>2</sup> Systems are feasible only with extensive and intensive usage of operations and systems research. The Golden Century of Operations and Systems Research has just started.

