
The Principles of Economic Transformation in Poland after 1989 According to President Lech Wałęsa: A Research in Economics and Security Studies

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Abstract:

Purpose: The objective of this paper is to present the principles underlying the economic transformation in Poland after 1989 according to the President of the Republic of Poland, Lech Wałęsa.

Design/Methodology/Approach: The research method applied was analysis and synthesis of materials from the Archives of the President of the Republic of Poland in Warsaw. This approach is located in research in the field of economics, with appropriate references to social issues, and thus is related to the subject matter of security studies.

Findings: The empirical results show that the main principles underlying the economic transformation in Poland after 1989 included: the consistency of political and economic reforms, rapid privatisation and reprivatisation, internationalisation of trade, establishment of state institutions to support economic transformation, promotion and protection of the national character of the economy, protective measures for the economically weakest groups. In the process of systemic transformation, little reference was made to the power of national memory.

Practical Implications: With the fall of communism in Poland and the political transformation in 1989, an economic transformation was needed – a transition from a centrally controlled economy to a market economy. In the course of political and economic reforms, one of the greatest obstacles in the process of transformation turned out to be the mentality of a society oscillating around a totalitarian system, the inefficacy of legislative processes and the application of foreign, not Polish solutions.

Originality/value: Selected unique and unpublished sources were used for this study. These are texts summarising the activities of the President and the circles surrounding the Chancellery of the President of the Republic of Poland and the President's Political Services Office.

Keywords: Economic transformation in Poland, privatisation, Lech Wałęsa, fall of communism, economic history, security studies.

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1. Introduction

The objective of this paper is to present new insights concerning the economic transformation in Poland after 1989. More specifically, the article addresses the following scientific question: What were the principles of the economic transformation in Poland after 1989 according to President Lech Wałęsa? The limited time frame is due to the fact that in 1989, Poland began the process of its political and economic transformation. In 1990, Lech Wałęsa was elected President, who held this office until 1995. It was during this period that fundamental changes began, and it was then that the main principles of these changes were formulated.

In the 1990s, the Polish economy underwent a radical transformation from a centrally directed (socialist) economy to a market (capitalist) economy. Starting in 1990, Poland pursued a policy of economic liberalisation. The effect of these transformations is the current state of affairs. The Polish economy is a mixed economy, one of the largest in the European Union and the largest of the European Union member states that were part of the former Eastern Bloc (Blanchard, 1997; Milanovic, 1998; Papava, 2005; Slay, 2014; Koryś, 2018).

To accomplish the objective of this study, unique and unpublished sources have been used. Archival documents held in the Archives of the President of the Republic of Poland in Warsaw were subjected to analysis and synthesis. These texts summarise the activities of the President and the presidential circles surrounding the Chancellery of the President of the Republic of Poland and the President's Political Services Office. The first text was written as an internal report after three years of Lech Wałęsa's term in office. It is entitled "Trzy lata prezydentury Lecha Wałęsy. Zamierzenia i dokonania" [Three years of the presidency of Lech Wałęsa. Intentions and achievements] (1994).

The second one is entitled "Prezydentura Lecha Wałęsy 1990-1995" [The Presidency of Lech Wałęsa, 1990-1995] (1995). These documents, which are internal publications, are a synthesis of Lech Wałęsa's ideological principles and actions and the circle of politicians and experts surrounding him.

The subject of analysis and synthesis are also the texts of speeches by the head of state - especially those with programmatic content (Wałęsa, 1995). It should be noted that Lech Wałęsa is not an economist, but became a national leader, the leader of the Solidarity social movement, and a symbol of the peaceful transformation of communist countries. He was awarded the Nobel Peace Prize in 1983 (Lipiński, 2011; Lussier, 2010; Millard, 2000; Sztafel, 2005).

This study is located in research in the field of economics, with appropriate references to social issues, and thus is related to the subject matter of security studies. The results of the original research (points 3 and 4) are preceded by a historical introduction.

2. Historical Context

Against the background of the Polish economic reforms that began after the political changes of 1989, we should above all have in view what happened at the end of the Second World War, namely implementation of the orders of the Communist Party and what these ideas had led to by the end of the 1980s. At the end of the Second World War, under the provisions of the Tehran Conference (28 November – 1 December 1943), the Yalta Conference (4–11 February 1945) and the Potsdam Conference (17 July 1945 – 2 August 1945), Poland found itself in the Soviet sphere of influence. This meant the assumption of power by the political forces controlled from the USSR and the introduction of the Soviet economic model. In order to catch up with highly developed countries, it used isolation from the world economy and strove – at all costs – for economic self-sufficiency.

The economic system in Poland, connected with the political system from 1944-1989, adopted the principle of control over economic processes by means of economic plans as the main instrument for “progress”. Of particular importance was the Plan for Reconstruction of the Economy of 1947-1949, popularly known as the “Three-Year Plan” (Jeziński and Leszczyńska, 2003; Kaliński and Landau, 2003).

The introduction of the socialist economic system in post-war Poland began with agricultural reform. This caused great changes in the Polish countryside, strengthening the position of small and medium-sized farms, and liquidating land assets (and large agri-industrial enterprises, generally those over 50 hectares of arable land). During the agricultural reform of 1944-1949, around 747,000 new farms were set up, after the around six million hectares of land had been parcelled out. About 1.5 million hectares of agricultural land were transferred to the 4,500 State Agricultural Properties established, which in 1949 were transformed into State Agricultural Farms (Czubiński, 2012; Niedzielski, 2018).

In addition to agricultural reform, changes in the ownership of industry took the form of political action. In the spring of 1945, large and some medium-sized manufacturing plants were in state hands. In January 1946, a law was passed to take the fundamental branches of the national economy into state ownership. Without compensation, industrial, mining, transport and telecommunications, insurance and commercial enterprises, as well as banks belonging to the Reich and the Free City of Gdańsk and their citizens, companies controlled by them and traitors to the Polish nation were transferred into state ownership. Taken over with compensation were companies in the seventeen most important branches of industry as well as others employing more than fifty workers per shift. The new law left the artisanal crafts outside of its purview. Also exempted from nationalisation were companies in construction and installation due to their role in the reconstruction of the country (Kaliński and Landau, 2003).

An important area covered by the changes in post-war Poland was foreign trade and banking. As concerns foreign trade, in the early period the wartime law on the import and export of goods was used. It made foreign trade dependent on the consent of the appropriate ministry. The state thus held a de facto monopoly in this area. The state monopoly on foreign trade assumed a more clearly defined legal form in the Constitution of the Polish People's Republic of 1952. This was supplemented by a monopoly on foreign exchange, which forced exporters to sell foreign currencies to the state, and importers received them only for the purpose of carrying out purchases defined in the economic plan. As concerns banking, an important event was the establishment of the National Bank of Poland in January 1945 as the state central bank. As a result, the government had the appropriate tools at its disposal to implement monetary and credit policy. This led to the elimination of private banks. Initially, these were prohibited from exchanging their holdings of currency issued under occupation, and then most banks' charters were revoked (Fryszak, 2018).

Poland's dependence on the USSR and the political, social and economic changes that this entailed meant that as early as 1949, 66% of the national income was generated by the public sector. The dominance of the socialised sector was linked to the system of centralised planning and management of the economy, resulting in the incapacitation of enterprises. The state decided on the allocation of the factors of production and accounted for their use (Kaliński and Landau, 2003). The Three-Year Plan implemented between 1947 and 1949 was the only one in the history of the Polish People's Republic that could be fully achieved. Subsequent plans (the six-year plan 1950-1955 and subsequent five-year plans) were altered and only partially implemented. The completion of multiannual plans ceased after 1989.

Dissatisfaction with the economic situation in Poland under communist rule was expressed in many workers' strikes. These strikes were not infrequently pacified by use of the militia as well as the army for this purpose by the people's authorities. Live ammunition was used to kill strikers. This was the case, for example, in 1956, when soldiers under the command of General Stanisław Popławski, whose origin was in the Red Army (d. 1973 in Moscow), were used to suppress the strike in Poznań (Białecki and Jankowiak, 2007; Jankowiak and Rogulska, 2002). Similarly, in December 1970, the militia and army pacified workers' strikes in Gdynia, Gdańsk, Szczecin and Elbląg, killing a total of 41 people and injuring 1,164 (Branach, 2013; Jagliński, 2010).

The strikes in the People's Republic of Poland had a direct impact on the political changes. Particularly important were those in 1980, among others, in the Gdańsk Shipyard. An important role in these was played by Lech Wałęsa, who took part in negotiations between workers and the government. After these strikes, which ended with the signing of agreements [called the Gdańsk Social Accord(s) or August Agreement(s)], the Independent Self-Governing Trade Union "Solidarity" was established (NSZZ "Solidarność").

It was also the beginning of fifteen months of relative freedom in the communist state (Flis and Kazański, 2010; Machcewicz, 2015; Wałęsa, 2008). This period, popularly known as the “Carnival of Solidarity”, ended however in martial law between 1981-1983. The events of August 1980 were an impulse for political and economic changes, which ultimately led to the collapse of the Polish People’s Republic and other people’s democracies of the Eastern bloc, the regaining of sovereignty by Poland and the formation of the Third Polish Republic.

The 1980s witnessed the apogee of the economic crisis in Poland. With the introduction of martial law in Poland – from 13 December 1981, suspended on 31 December 1982, and lifted on 22 July 1983 (Flis and Kazański, 2010; Machcewicz, 2015; Wałęsa, 2008) – control of the largest enterprises was taken over by unprepared military commissioners. The economy was directly affected by the economic sanctions imposed by the United States and by rules introduced within the country, such as those related to restrictions on the movement of people and goods between enterprises. In 1981, national income fell by 22% and in 1982 by 6%. In 1982, gross domestic product was 15% lower than in 1980. On 1 February 1982, prices were raised by more than 100%, which reduced the real income of the population by about 30%. After the end of martial law, the economy stagnated. Over 80% of products were not available on the market. Monetary overhang increased (Chawluk, 1997).

The Communist authorities still made attempts to save the economy, such as the next stage of economic reform announced in 1987. These were, however, to a large extent propaganda efforts. In December 1988, a law was passed (commonly referred to as the “Wilczek Act” after the name of its main author – Mieczysław Wilczek, Minister of Industry in the Communist government of Prime Minister Mieczysław Rakowski), which legalised private economic activity. The rules “what is not prohibited is permitted” and “allow to do” came to apply, rightly associated with *laissez-faire* economics. However, proper economic reforms fundamentally began in 1989. With the fall of communism, the government of Prime Minister Tadeusz Mazowiecki began to change the economic system.

In December 1989, the Sejm passed laws proposed by Deputy Prime Minister and Minister of Finance Leszek Balcerowicz (the term “the Balcerowicz Plan” comes from his name). The foundation consisted of two strategic objectives: combating hyperinflation (in 1989 it was 351%, and in 1990, 686%) and building a free market economy (Główny, 2002; Grała, 2005; Dziuba and Tracz 2017; Kaliński, 2014; Kienzlar, 2017; Kienzlar, 2018). An important event for the reforms was the fact that on 22 December 1990, Lech Wałęsa, world-famous as a worker and leader of the Solidarity movement and an advocate of economic reforms, became President.

The framework for the Polish economic transformation was the Balcerowicz Plan (Balcerowicz, 1994; Balcerowicz, 1995; Balcerowicz, 1999;; Caselli and Pastrello, 1992; Godłów-Legiędź, 2017; Hunter Jr. and Ryan, 2011; Hunter Jr. and Ryan,

2005; Kozłowski, 2019; Kooths, 2018), the Polish implementation of shock therapy (Klein, 2008). In the view of the political circles surrounding President Lech Wałęsa, the Balcerowicz Plan was primarily financial in nature. It was based on the pursuit of ensuring the value of the złoty and its convertibility in practice and maintaining budgetary balance. It brought tangible effects in the form of market balance and a reduction in inflation.

However, in practice it lacked systematic adaptive, protective and education measures that would allow state enterprises and citizens to find their way in a new economic reality (Trzy lata prezydentury Lecha Wałęsy, 1994). One person from outside Poland who played a special role in defining the vision of economic reform was the American economist Jeffrey David Sachs. This line of conduct was supported also by several Polish economists working abroad, such as Jan Vincent Rostowski and Stanisław Gomulka (Koryś, 2018, p. 327). Among other things, Sachs advised on reforms, including privatisation and shock therapy. The plan was aimed at a rapid departure from the centrally planned economy (Sachs, 1991; Sachs, 1992; Sachs, 1993; Sachs, 1999; Lipton and Sachs, 1990).

The political principle was that the changes in the country were to take place, above all, quickly. The pace of change was essential. At the same time, attempts were made to “get along” with the communists and “forget” about the past – the Polish experience of building a sovereign state. A conviction arose that the Polish experience – even if it was before the Second World War – was irrelevant, and that the only proper solutions were suggested by representatives of Western countries. Years later, the Polish philosopher Dariusz Karłowicz (2017, p. 13) summed up that period of transformation, writing “When Poland was slowly regaining consciousness in 1989, at first it was thought that in general it did not need to remember what it was; it did not need to wonder what shaped its political customs, reflexes, habits, its axiology, aspirations, way of thinking, unique lifestyle, unique form. Many thought that it was enough for Poland to know what it wanted to become, and the rest were “substitute topics”.

For various reasons, among which anti-community phobias and the project of reconciliation with the Communists turned out to be the most important, the original plan was to deepen amnesia. Succour for immediate political needs was provided by oikophobia, which had been inoculated for generations. The partitioners and occupiers so effectively taught Poles to despise their own past that, in the opinion of many, it was memory and identity that were the main enemies of freedom, individualism and modernity”. For that “Poland that only needed to know what it wanted to become”, “deepening amnesia” and “oikophobia” also applied to the visions and principles of economic change. With this regard, it should be noted that although in half a century the world economy underwent profound and irreversible changes, and thus it was not possible to imagine restoring the pre-war situation,

values and ideals that inspired Polish economic policy in the interwar years could be recovered and adapted to the new scenario. However, following the abovementioned perspectives, during this phase the US became the main point of reference, thus – following President Ronald Reagan’s approach – with a great emphasis on neoliberal economic principles, believing that market forces were able to solve every kind of economic and social problem of the country (Dale and Fabry, 2018).

3. Empirical Results: The Imperative for and Coherence of Political and Economic Reforms in Poland

Economic change in Poland after 1989 had to be linked directly to political change. Lech Wałęsa expressed this principle of change already in his first speech at a formal joint session of the Chambers of the Sejm and Senate after his inauguration as President of the Republic of Poland on 22 December 1990. At that time, he said that the nation expected the rulers of the state to “change its economic policy and the way it is governed”. (Wałęsa, 1995, p. 9). Together with the democratically and directly elected president and the government already in place of Prime Minister Tadeusz Mazowiecki, who was a member of the opposition to the Communist party, it was clear that Poland was on the threshold of political and economic reforms. It was also clear that, as Lech Wałęsa (1995, p. 9) expressed it, “The bad times, when our country’s rulers have been elected under pressure from foreigners or as a result of compromises, are coming to an end”.

On the day of his inauguration, the new president spoke synthetically of future reforms, which were to be political and economic: “Our reforms must progress faster and more efficiently, not only thinking in terms of numbers, but above all in terms of people. We need to rebuild the structure of the state. Decentralise it in such a way that as many decisions as possible are taken at the bottom. Where people live and know their problems. This is a huge legislative and financial task” (Wałęsa, 1995, p. 9). Immediately after this assertion, in which it is easy to see the ideas of the proper functioning of the state referring to the idea of civil society, Lech Wałęsa (1995, p. 10) took up in his speech a subject directly related to the issue of privatisation: “An equally great task is widespread privatisation. Poland should become a nation of owners. Everyone should be able to become an owner of national property, a part of our homeland. This is the simplest, proven way to accountability. Only in this way will we increase our wealth and learn how to be economically efficient”.

It should be noted that of the entire constellation of economic issues that confronted Poland at the time, which was, in a way, on the cusp of reform, Lech Wałęsa mentioned only one issue – widespread privatisation. Privatisation should thus be seen as a symbol of change. For it was obvious to Polish society that Communism built the lie of its power by first robbing the rightful owners of companies, land, etc. The imperative of synchronous political and economic change also resounded in the speech made in the following speech – after receiving the insignia of state power. The new President then said, “We must build a democratic, independent and

prosperous Poland. A Poland with a clear political and economic system” (Wałęsa, 1995, p. 11).

Lech Wałęsa (1995, p. 20) spoke about the indispensability of political and economic reforms, and at the same time the legacy of the communist era, during an official visit to the United States: “The most important issue for Poland today is its genuine entry into the great family of free nations. For this to be possible, we need to heal the economy. Economic troubles are the legacy of decades of a system based on economic fiction. Debt, the backward structure of industry, the lack of capital, the lack of trade and manufacturing links with developed countries – these are elements of this legacy.

However, we are already overcoming it. The reduction of the Polish debt is a huge impetus for us to move forward. Poland is really an attractive economic partner. It is open to investment, trade and cooperation in manufacturing. You can do business with us. There are raw materials and industrial infrastructure. There are thousands of educated people who are eager to work. It is the largest market in Central Europe”. Similar content, i.e., dissociation from the communist political and economic model, was included by Lech Wałęsa (1995, p. 220) in a letter to the National Council of Poland in London on the occasion of the end of its activities in exile: “We want to erase the traces of the unwanted half-century in Poland today. The Third Republic is to be a state based on new political principles, with a free market economy and unhindered initiative by citizens who take responsibility for their actions”.

The inseparability of economic and political reforms resounded in the “Principles of Polish Security Policy” adopted in 1992, which were in essence the national security strategy of the time. The document contained the following statement: “We can overcome our developmental backwardness and become an equal partner of developed countries only by quickly and effectively integrating Poland into the process of Western European economic and political integration” (“Założenia polskiej polityki bezpieczeństwa”, 1992, p. 73).

The economic transformation called for a series of measures, among which Lech Wałęsa highlighted five fundamental tasks. It should be noted that in first place was a reference to the main obstacle to reform, namely time. The issue of the indispensability of accelerating the process of privatisation in particular was repeated in many statements made by the President and his closest associates and advisers (Gelb, 1991; Sachs, 1991; Simoneti, 1991). According to Lech Wałęsa (1995), these fundamental tasks were:

1. Rapid, widespread, and just privatization of the public sphere, a revolution in property ownership.
2. Healing the state economy by changes to the law on state enterprises.

3. Establishment of the institution of the State Treasury. Precise definition of the concept of ownership and responsibility, which will make privatisation and restructuring possible.
4. Reform of the banking, tax, and customs systems in view of the necessity to improve currency circulation, which will ensure stable revenues for the budget and protect the Polish economy from unfair competition.
5. Building of a new social security system and creating a transparent system of credit.

In light of the reports of the President's Political Services Office, the main objectives of Lech Wałęsa's initiatives in the area of systemic economic transformation were three issues:

1. Creation of an efficient and stable market economy.
2. Gradual decentralisation of the management of economic processes through abolition of state monopolies (while retaining the necessary minimum of the monopoly on state intervention).
3. Stimulation of investment through tax and credit facilities for domestic enterprises as well as incentives and effective promotional services for foreign capital.

To the second point, it should be added that this gradual decentralisation of the management of economic processes was to be a two-way street. Firstly, this was to be achieved by promoting forms of governance and ownership other than state ownership (privatisation or socialisation of enterprises, financial institutions and foreign trade; guaranteeing the fiscal autonomy for local authorities and clearly defining municipal ownership). Secondly, it was to occur through state intervention in economic processes when necessary until free market mechanisms had stabilised (setting the course of economic development, development of the country's infrastructure, creation of a social safety net for the economically weakest groups) ("Trzy lata prezydentury Lecha Wałęsy", 1994).

Analysis of Lech Wałęsa's statements and reports from the President's Political Services Office allows identification of three basic threats to economic and political reform:

1. The limitations of society resulting from the psychological entanglement with the rules of a totalitarian state distorting social life.
2. Lack of sufficient investment support from Western countries, which was supposed to result from an unreviewed assessment by some Western governments which placed Poland in the category of countries with high investment risk.
3. The passage of time with the parallel slow actions of successive governments, especially at the level of legislative changes, which resulted in

the powerlessness of the legislative authority to influence the advancing destabilisation of the state (Smuniewski, 2019).

4. Empirical Results: Economic Policy in the Vision of the Political System of the State

During the period when Lech Wałęsa was in office in Poland, economic policy was seen as one of the essential components of the vision of the political system of the state. The principles of that vision were unambiguously described by the President's Political Services Office. Issues related to economic policy were presented as the second element in this vision of the state, while the definition of the relationship between parliament, government and local government was placed first. The third element of the political vision was the definition of the directions of social policy.

The fourth element of the vision of the state was the definition of the roles of the army and police, and the overall concept of foreign policy ("Prezydentura Lecha Wałęsy 1990-1995", 1995). It should be noted here that issues related to unemployment⁴ were placed by the President's Political Services Office in part three, which describes social policy, and not in part two, which deals with economic issues (Smuniewski, 2019). In solving the problems in this area, it was assumed that the main role was to be played by the state, which was primarily to facilitate workforce mobility and retraining. However, the trade unions were to play only a support role in this regard ("Prezydentura Lecha Wałęsy 1990-1995", 1995).

The implementation of this concept of economic policy, seen as one of the four elements of the vision of the political system of the state, was divided by the President's Political Services Office into two stages. The first stage was described in a very concise and even casual way – in a single sentence. The authors of the document state that in the first stage the duty that the state was to fulfil was to create the legal and organisational conditions and to implement the reforms. It was also stated that this stage should ensure the stabilisation of market mechanisms ("Prezydentura Lecha Wałęsy 1990-1995", 1995). The authors of the document did not, however, describe how this stabilisation of market mechanisms was to be manifested. It can be concluded that since the text was written in the final months of the presidential term of office, and Lech Wałęsa's re-election was not certain⁵, the

⁴The rate of registered unemployment in Poland (according to data from the Central Statistical Office in Warsaw) during the presidency of Lech Wałęsa increased as follows: January 1991 – 6.6%, January 1992 – 12.1%, January 1993 – 14.2%, January 1994 – 16.7%, January 1995 – 16.1%.

⁵Lech Wałęsa did not win reelection. The 1995 presidential election was won by Aleksander Kwaśniewski, whose political origins were in the Communist party and who from 1985-1989 was a minister in the communist Polish United Workers' Party government. Aleksander Kwaśniewski served two terms as president from 1995-2005.

perfunctory description of this stage results from the fact that it was not carried out as intended.

It was predicted, however, that in the second stage of implementation of the economic policy of the transition period, the role of the state in the economy would be significantly reduced to four main fields of activity:

- setting the course for development,
- infrastructure development,
- creation of a social safety net for the economically weakest groups,
- using primarily the domestic human potential in the strategy for development (“Prezydentura Lecha Wałęsy 1990-1995”, 1995).

These four fields of activity ascribed to the state clearly assign it the role of servant to the economic activity of the citizens themselves. This ideological direction in the development of the economic vision of the state stemmed from the original principle that “the market is not only about goods and institutions but above all about people”. (“Prezydentura Lecha Wałęsy 1990-1995”, 1995, pp. 13-14). Referring also to this same principle, it was assumed that the primary function of the state would be to secure the possibility of economic development through four clearly defined courses of action. These were:

1. Rapid privatisation and the independence of enterprises.
2. Reactivation of specialised financial institutions to support the development of private entrepreneurship.
3. Launching as soon as possible new procedures for low-interest bank lending to productive enterprises, especially for those with low fixed assets.
4. Leading agriculture into the free-market economy.

As concerns the first course of action, that is, the rapid privatisation and independence of enterprises, the President’s Political Services Office proposed:

1. Distribution of productive assets and reprivatisation to ensure rapid gains in efficiency.
2. Restitution of property to its rightful owners and granting the right to a part of the national assets to the Nation itself, which was to be just compensation for pain and suffering.
3. Secured ownership rights of the state by restoring the jurisdiction of the State Treasury (“Prezydentura Lecha Wałęsy 1990-1995”, 1995, p. 14).

As regards the second course of action, namely the reactivation of specialised financial institutions to support the development of private entrepreneurship, listed are mortgages, insurance companies, loan guarantees and pension funds. It was assumed that with the division of national assets into state and private assets,

institutions supporting the development of private enterprises were needed, so that their chances would be equal to those of state enterprises.

As regards the third course of action, which was to launch as soon as possible new procedures for low-interest bank lending for productive enterprises, especially those with low fixed assets, a promotion of the middle class, to which it was clearly aimed, was visible. The same objective was also to be served by a new tax system which would be the same for all and which would consist mainly of an income tax on companies, households and citizens and a consumption tax. It should be noted that, in the view of the President's Political Services Office, directing this form of aid was to be a manifestation of concern for justice for the middle class, which was most consistently broken and persecuted by the Communist regime ("Prezydentura Lecha Wałęsy 1990-1995", 1995).

As regards the fourth course of action, namely leading agriculture into the free market economy, this was about "freeing agriculture from monopolistic structures operating in the areas of supply with the means of production as well as the sale and processing of agricultural products". ("Prezydentura Lecha Wałęsy 1990-1995", 1995, p. 15). The development of agriculture was also to ensure the legal security of land ownership and the elimination of barriers to free trade, also in land. As in the case of production enterprises, state assets related to agriculture and cooperatives were not to be liquidated, but to be made independent and subject to the law of the free market. However, the economic policy developed by the President's Political Services Office posited that agriculture should have a special position in the national economy. This position was to be ensured by state customs and credit policies. The aim was to emphasise that Polish economic policy "must defend Polish farmers from the effects of the agricultural protectionism of Western European countries". ("Prezydentura Lecha Wałęsy 1990-1995", 1995, p. 15). At the same time, it was assumed that, in contrast to other branches of the economy, it was acceptable in agriculture, albeit temporary, to use public funds to subsidize certain agricultural goods important for feeding the nation.

The description of these four clearly defined courses of action to ensure the possibility of economic development is accompanied by commentary on the concept of foreign economic cooperation. The aim was to remove formal and bureaucratic barriers to capital investment in Polish companies. It was, however, stipulated that this cooperation should facilitate export-oriented production in domestic companies. This reservation was intended to ensure that the expected economic development was based primarily on domestic human potential.

To summarise the second stage of the economic policy of the transformation period, it can be concluded that the responsibilities of the state towards the national economy, divided into four courses of action allowing it to develop, can be divided into two main segments: creative and defensive. The first includes state actions defining the course of development of the economy, including in particular the scope

of state and private property, and actions restoring equal opportunities for development for both types of property. The second segment includes all those activities of the state which aim to promote and protect the national character of the economy, as well as protective measures for the economically weakest groups. The introduction of a clear division of ownership in the economy, the assignment of specific rights and duties, respect for national tradition, and protection of the weakest were to be the realisation of the presidential concern for justice and security in the vision of the political system of the state (Prezydentura Lecha Wałęsy 1990-1995, 1995).

5. Summary and Concluding Comments

This article offers new insight into the economic transformation in Poland after 1989, by analysing their inspiring criteria according to President Lech Wałęsa. The achievement of this goal was possible thanks to the analysis and synthesis of selected unique and unpublished sources. These texts summarise the activities of President Lech Wałęsa and the presidential circles surrounding the Chancellery of the President of the Republic of Poland and the President's Political Services Office. They come from the Archives of the President of Poland in Warsaw.

The analysis of the results of this research allows one to state that the main principles of the economic changes in Poland after 1989, according to President Lech Wałęsa, were the consistency of political and economic reforms, rapid privatisation and reprivatisation, internationalisation of trade, establishment of state institutions to support economic transformation, promotion and protection of the national character of the economy, protective measures for the economically weakest groups. In the course of political and economic reforms, it turned out that one of the greatest obstacles in the process of transformation was the psychological limitations of society, which was imbued with the mentality of a totalitarian system, the inefficacy of legislative processes (the legislation which was made was not keeping up with the rapid changes) and the application, in large part, of foreign solutions, which were not adapted to the specificities of the Polish context. In particular, there were no strong attempts to refer to history – even to before the Second World War – and national identity in order to seek ideological principles and economic solutions best suited to the Polish mentality, resulting from the country's own experience rooted in national memory.

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