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TINA and alternative strategies for Polish economic transformation*

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Abstract
The article examines the commonly shared belief that 'there was no alternative' (the TINA hypothesis) regarding the transformation strategy in Poland in 1989–1990. This belief is shown to be incorrect, with evidence that an alternative was contemplated. Following a visit in Stockholm in January 1989 of high-ranking experts of the Consultative Economic Council (a government think-tank established shortly after martial law was introduced on 13 December 1980), the Council produced a report on the *Swedish Model*. The report was hoped to provide foundations for shifting the still centrally planned Polish economy towards economic efficiency and the social welfare standards of the Nordic countries. After the 1989 parliamentary elections and the appointment of the non-communist government of Tadeusz Mazowiecki, the political environment changed radically and the priority of the new government was to swiftly establish a truly liberal market economy in Poland. The article shows, however, that notwithstanding those revolutionary changes, a high-level debate took place only a few weeks after the new government came to power to discuss an option of a more gradual strategy of Poland's economic transformation that at the same time would be of a more social democratic nature. An insider account of that debate and of its external and internal constraints is given in the subsequent sections of the article.

JEL Codes: P11, P21

Keywords
Economic transformation, stabilisation package, structural reforms, Swedish model, TINA hypothesis

*In memoriam of Joe Isaac, an outstanding Australian labor economist.

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Introduction

It is commonly believed that when Poland pioneered its political, social and economic transition, no alternatives to the then chosen transformation strategy existed or were discussed. The TINA question (There Is No Alternative) is related to political, institutional, procedural and economic transformation. The comments offered below refer to the latter only and aim at showing to the contrary – that in fact in Poland, at the government level, an alternative strategy of economic restructuring was in fact intellectually considered. The debate took place shortly after the government of Tadeusz Mazowiecki was installed on 12 September 1989. Since that discussion is relatively unknown, except to its participants and merely a handful of Polish economic historians, it may merit broader attention. Although this article is tightly linked with the 'Post-communism capitalism' symposium in the June 2020 issue of *The Economic and Labour Relations Review* (Vol. 31(2)), it is not another contribution to the well-researched history of transformation from communism to capitalism. Rather, it is an insider account based on archived documents, publicly hitherto unavailable reports, unstructured interviews and the author's own recollections, relating to the early stage of the decision-making process when an alternative strategy of transformation might actually have been formulated. Several contributors to the June special issue of ELRR discuss the transition in Poland from what Żuk and Toporowski (2020) call 'syndicalist rebellion to neoliberal capitalism' and they ask why, together with other countries of East and Central Europe, Poland followed that particular trajectory of transition. I hope the historical account outlined below sheds some additional light on those choices.

Section 'The *Swedish Model* report and its October 1989 debate' of this article presents the 1989 discussion on a little known report prepared in early June 1989 by a government think-tank, the Consultative Economic Council (CEC), and the discussion of that report by the next government think-tank, the Economic Council, established by Poland's first post-World War II non-communist government of Mazowiecki. Political and intellectual differences among participants in that debate, including those among the economic portfolio ministers, are also discussed there. Section 3 summarises large external and internal economic disequilibria in the Polish economy on the eve of its transformation from a centrally planned to a market economy. This summary sets the stage for the next section in which Poland's stabilisation and long-term transformation programmes were agreed with international financial organisations and Poland's foreign creditors. The article ends with a section that explains the reformers' urge to pass 'beyond the point of no-return' in their reform efforts.

The *Swedish Model* report and its October 1989 debate

At least since the early 1980s, the Scandinavian model of a 'social market economy', and especially of the Swedish Welfare Economic Model, attracted much attention among reform-minded Polish economists, sociologists and politicians. At the end of January 1989, a team of nine Polish high-rank members of the Konsultacyjna Rada Gospodarcza (Consultative Economic Council, KRG)[1] went for a 5-day-long research visit to Stockholm. The team was headed by Krzysztof Porwit and included Jan Mujżel and

Marcin Święcicki who both soon became participants of the Polish Round Table negotiations (6 February–5 April 1989), Mujżel representing the Solidarity Trade Unions delegation and Święcicki the Government delegation.[2] The visit resulted in a rather detailed 78-page report which discussed possibilities of transposing the Swedish model to Poland. There is no evidence, however, of the report's any further use after the mission returned; only in the middle of June 1989 was it mimeographed for inner circulation in the CEC.[3] One reason for that might be the Round Table negotiations that started only 2 days after the mission returned. It is not clear whether the report was known to other Solidarity delegates to those negotiations. According to Tadeusz Kowalik who also participated in them, neither Mujżel nor Święcicki ever referred to the report in the course of their participation in the negotiations (see Kowalik, 2011: 152).

For understandable reasons in the following months, marked by parliamentary elections and the formation of Mazowiecki's Government, the report was shelved. However, only a few weeks after the Government was installed, in early October 1989, Professor Witold Trzeciakowski, a minister in Mazowiecki's Cabinet (who on 2 December that year formally assumed the position of Chairman of its Economic Council), arranged a special meeting to discuss the report's findings. Next to Trzeciakowski and Mujżel, the meeting was attended by Tadeusz Syryjczyk and Jerzy Osiatyński (the two other ministers holding economic portfolios), Waldemar Kuczyński, then the Mazowiecki's chief economic advisor, Professor Cezary Józefiak, who was the Head of Senate's Committee for Economy, as well as several heads of economic committees of the Sejm (i.e. the lower house of the Polish Parliament) and a number of deputy ministers and senior government officials.

Trzeciakowski's keen personal interest in the CEC's report may be partly attributed to his social democratic political inclinations as well as to his short-lived (and rather successful) business operation right after the war. In the course of Parliamentary hearings that preceded the vote of confidence for Mazowiecki's government, on 8 September 1989, Trzeciakowski said among other things:

> I believe, we must move towards a market economy that would tend to the Swedish model. I mean, to a truly market economy, but a socialist one regarding the distribution of the produced income. . . . In the first place favorable conditions for development of the private sector must be established. . . . [D]ue to external and internal constrains it is impossible to privatize rapidly our industry. Therefore, I think, more indirect forms of business management should be used, i.e., such that would closely imitate running a private business. The government-owned enterprises should be given a status that would allow them to reach productivity standards similar as those of private companies. (Trzeciakowski, 1989a: 26–27)

Expressing his reservations with regard to speedy privatisation, and pointing out the relatively good economic performance of state-owned firms if only they were free of political pressures and run along market principles, Trzeciakowski referred to Italian and French experience. His views were shared in the course of the same hearings by another candidate for a ministerial position who argued for a more balanced approach to privatisation, pointed out at the importance of workers' managed enterprises and countered criticism that workers' managed firms in Yugoslavia were not very efficient, with the argument that the latter operated in an environment of a command economy, but they could have performed much better in a market economy environment (Osiatyński, 1989: 28).[4]

Trzeciakowski continued,

> Cumulation of external and internal disequilibria is the prime cause of our difficulties. 'First, we must handle the problem of external indebtedness. Once this bottleneck is loosened, we may turn to the other key economic policy measure, i.e., to undertaking the counter-inflationary operation. The inflow of hot money must be stopped lest we do not overcome hyperinflation which presently destroys our economy'. (Trzeciakowski, 1989a: 27)

In the opening declaration, the authors of the Swedish Model Report wrote,

> Clearly, the Swedish practice must not be mechanically and instantly implanted in totally different realities of the Polish economy, Yet, in the course of debates on the future model of functioning of our economy, and when forming its legislative foundations, as well as when facing the current economic policy challenges, especially regarding the need to fully restructure our economy, the experience of other countries may prove useful. Ever more vocal becomes recently the idea that attempts to invent completely new rules of functioning of the economy are pointless. [The aim of this report is, however,] to take advantage of the experience of countries with developed market institutional infrastructure, with the corresponding tax system, and which at the same time undergo a major restructuring of their industry. Considering the idea of 'following the experience that brought success in the world', it cannot be followed at one go and requires clarification. Insofar as the key elements of the market mechanism are the same or very similar in developed industrial economies, there are important differences among them with regard to proportions of national income distribution or priorities of economic policy. From that point of view the Swedish economic model is especially interesting. (Konsultacyjna Rada Gospodarcza (KRG), 1989: 2–3)

In the *Swedish Model* report and in the course of its informal debate at the Economic Council (called EC hereafter), the Swedish large-scale restructuring programmes were thoroughly examined, with special attention given to enforcing the tough economic efficiency criteria imposed by international markets and to the absence of government support for firms or industries that were unable to meet market profitability standards even in the long run. It was noted that also when industry restructuring meant its closure (as was the case, for instance, with the Swedish shipyard industry that earlier had been thought to be one of the most advanced worldwide), the process of restructuring did not provoke social unrest although the Swedish trade unions were relatively strong. This was seen as the result of active labour market policy which was run in tandem with trade unions and the essence of which was first to seek opportunities for redeployment prior to payment of unemployment benefits. The authors of the report wrote,

> No worker from a closed shipyard was left behind. Economic radicalism co-exists with social solidarism and the approach to solving conflicting interests radically differs from the Thatcherite policies of the period. In Britain, closing insolvent firms is most often followed by rising unemployment, workers' protest and much social unrest' wrote. (KRG, 1989: 3–4)[5]

At the same time, the report's authors and its EC discussants emphasised important political, social, institutional and legal differences between Sweden and Poland, including the attitude of main political and social parties to structural reforms in industry, the prioritising of targets in the course of practical implementation and management of Poland's radical reforms, the complexities of its agricultural policy, the role of the co-operative sector and so on. The authors of the report wrote,

> A large similarity may be seen between the aims of social and economic policies of the Swedish Social Democratic Party and those that we aim at or at least attempt to achieve in Poland, i.e. full employment, linking labor remuneration to labor input and social security. The Swedish experience is especially interesting considering that it may be directly relevant for the Polish economic reforms and its current economic policy targets. (KRG, 1989: 5)

Attaching much importance to industrial policy, and especially to restructuring of individual branches of industry, the authors annexed to the report specific programmes for a socially untroubled restructuring of the Polish steel and shipbuilding industries, and a separate study on the Swedish industrial policy in general.

In the course of the EC debate, the social-democratic nature of the Swedish economic and social system was noted disapprovingly by some speakers who were anxious to set up an unqualified market economy and warned against sliding back to yet another form of the old centrally planned system – inefficient and corrupt, even if it included some measure of economic and political liberalisation. Regarding active labour policy, the difference was noted between restructuring the Swedish shipbuilding industry which required redeployment of about 11,000 workers (some of who were offered early retirement), and the Polish industry restructuring, in the case of which the number of bankrupt enterprises was soon counted in the thousands, and the number of the unemployed in the hundreds of thousands.

This was not the only debate on the strategy of economic transformation at the time in Poland. Next to Kowalik's many publications in which he heavily criticised the actually chosen strategy and advocated a far more gradual approach,[6] perhaps the best known alternative project was an 'Outline of an alternative program for the years 1989–1992' prepared following a workshop attended by several well-known Polish academic economists of leftist persuasion.[7] There are three reasons for thinking that an alternative path could have been adopted. First, the debate on the *Sewdish Model* was arranged by Trzeciakowski who was shortly to assume the chairmanship of the Economic Council (in which capacity he was already interviewed in parliamentary hearings in early September 1989). Second, the participants were high-ranking. Third, the discussion occurred at what was in effect an informal meeting of the EC, unlike other debates at the time. For these reasons, this meeting might have established the foundation for an alternative, more gradual and more social-democratic project of economic restructuring in Poland.

Nevertheless, the CEC's report had no practical impact on Poland's economic stabilisation and transformation policies. Why was that? In order to form the foundation of a truly alternative strategy, the report it would have to be developed from an intellectual general policy framework to a consistent set of economic policy instruments, appropriately scaled and harmonised with each other, because only in such a form could it be considered by the Government's Economic Sub-Cabinet and by the Cabinet as a whole for any decision taking. This did not happen for reasons to which I shall return shortly. Prior to that, however, let me briefly summarise some limitations that Mazowiecki's economic team faced at the time which resulted from large external and internal domestic disequilibria that Trzeciakowski talked about during his parliamentary hearings.

Poland's macroeconomic disequilibria on the eve of transformation

Since 1981, Poland stopped servicing its foreign debt and was practically bankrupt. Following the disclosure, in June 1989, of the hitherto highly secret information on Poland's balance of payments, it appeared that the country had no foreign exchange reserves even to finance the most necessary imports, starting with medicine and extending to fodder and fuels, with continuously mounting debts towards the West and the Soviet Union – the main supplier of gas, oil and grain to Poland. Immediate international assistance was badly needed. Although ever since the martial law was introduced on 13 December 1981, the underground *Solidarity* structures had benefitted from international humanitarian aid;[8] however, even if that aid were to continue, it could bring millions of US dollars, whereas what the economy needed had to be counted in USD billions. In July 1989, a meeting chaired by Trzeciakowski was held in the *Solidarity* Office in Brussels. Its aim was to discuss the outline of a *Solidarity* economic programme, and its participants included Polish and foreign experts as well as *Solidarity* trade union leaders. The document set out a clearly liberal project of transformation, without much link to the *Solidarity* economic agenda agreed upon in the course of Round Table negotiations. The programme was to be addressed to the International Monetary Fund (IMF), the World Bank and the Paris and London clubs which represented Poland's public and private foreign creditors. The foreign assistance asked for was to include (among other) a USD 10 billion loan, restructuring of the outstanding foreign debt, and technical assistance in the transformation of the economy (for a later draft of that document, authored mainly by Trzeciakowski, see Kowalik, 2010: 408–412, in English).

When the Economic Council first met, on 2 December 1989, with the participation of many high-ranking international experts, the single question it discussed was the goals and economic policy package of the government's transformation programme.[9] Practically all participants supported the earlier prepared outline of a Government programme that was very much patterned along the Washington Consensus agenda with a clear preference for speedily restoring short-period equilibrium and eliminating the first symptoms of hyperinflation, even at the expense of large reductions in output, employment and wages. The differences among discussants related to the recommended depth of the required deflationary measures and to the estimates of their macroeconomic results, such as the expected time paths of inflation, and of the decline in real wage income, aggregate output and employment, and so on (Kowalik, 2010).[10]

With the formation of Mazowiecki's Government, the leading role in drafting its economic programme and the resulting project of a new Stand-By Agreement with the IMF was assumed by Leszek Balcerowicz whose statutory task as the Deputy Prime Minister and Finance Minister was to prepare the programme of economic transformation, the corresponding legislative package and the Letter of Intent addressed to the IMF. Successive drafts of those documents had been discussed at the Economic Sub-Cabinet and by the Council of Ministers. Trzeciakowski's many comments and suggested improvements to those drafts were of great value, but his main task had shifted to coordination of foreign assistance (in close cooperation with the Central Planning Office).

In October, during the 1989 annual meeting of the IMF and the World Bank, Balcerowicz presented to the finance ministers of the G7 countries details of Poland's economic programme. In view of the overall economic position of the country, it was to commence as of 1 January 1990. The programme was met with the approval of his audience which was important for the ongoing talks with the IMF on financial assistance. Moreover, on 25 October, Balcerowicz reached an agreement with the Soviet Union on continuation of Soviet supplies of raw materials. The Letter of Intent to the IMF was approved by the Government and sent to the IMF on 22 December (see Kowalik, 2010: 678–708 for its content) and on 5 February 1990 a Stand-By Agreement was signed. Under the Agreement, the implementation of the loan's conditions was to be surveyed every 3 months. Reaching the Agreement resulted in granting Poland a USD 1 billion Stabilisation Fund, plus a USD 720 million IMF loan for 13 months, access to World Bank's credits, to credits of the European Investment Bank, and to government guaranteed credits of the G-24 countries. Finally, it facilitated an agreement with creditors represented by the Paris and London clubs on the reduction and restricting of the Polish foreign debt.[11]

Regarding the internal disequilibrium, Poland has been very much a 'shortage economy', with suppressed inflation in the form of 'inflationary overhang' that accumulated over years due to supplies of consumer goods rising slower than household incomes (much the same was true in the markets for construction materials, fertilisers and other agricultural inputs). That disequilibrium was the outcome of ill-balanced proportions of economic development, with rates of growth of capital goods sectors outpacing those of consumer goods sectors.[12] Ever since the late 1940s, several attempts to restore equilibrium by means of shock-rises of consumer prices have been undertaken every few years, but all proved futile because they were not, and could not, have been accompanied by corresponding changes in sectoral proportions of growth and large inefficiencies of the command economy.

The situation was much aggravated, however, after Mieczysław Rakowski's Government liberalised government-controlled food prices and eliminated rationing of meat and other consumer goods (on 1 August 1988). It was hoped that following significant liberalisation, introduced shortly before price rises, of laws regulating private business, whether domestic or foreign owned, the supply of consumer goods (and of meat especially) would expand. The supply effect couldn't have worked without linking price and business liberalisation with measures preventing household incomes rising in step with prices, and with a large reduction of pent-up consumer demand. However, Rakowski's Government neither had political support nor enjoyed public confidence to accomplish that reduction. The end result was accelerated inflation which, prior to start of Poland's stabilisation package, reached already 20%–30% per month and threatened to turn into hyperinflation. Lest this happen, the economic programme of Mazowiecki's Government had to block wage rises through partial wage rates indexation in relation to price rises and significantly reduce real wages.

Linking the stabilisation program with the systemic transformation reforms

Of the two interconnected pillars of Poland's economic transformation programme, the first was the stabilisation plan that would restore the short-period market equilibrium and the second – the long-run transition from a centrally planned to a market economy. The success of the former was critical for the latter. The essence of a stabilisation plan was a well-researched area, as such plans had already earlier been put into operation in several Latin American countries and elsewhere, under the auspices and guidance of the IMF, the World Bank and other international financial institutions. Implementation of the stabilisation plan in the Polish context required liberalisation of most of the still government-controlled prices, absorption of the accumulated surplus demand, liberalisation of private sector economic activity in all sectors of the economy including foreign trade, and – following a large devaluation of the rate of exchange of the Złoty – stabilisation of the new equilibrium rate (which under the new rate of exchange regime was also to become an important counter-inflationary anchor).

The success of stabilisation of the new exchange rate depended, in turn, upon protecting it against speculative attacks of financial markets that might give rise to panic outflows of foreign capital from Poland. This was the main reason for applying for additional support in the form of the Stabilisation Fund. As already noted, the Fund was established mainly thanks to engagement of the governments of the United States, France, Great Britain and Japan, with the support of the IMF, the World Bank and the Paris Club creditor countries.

This specific context of Poland's early transformation should be taken into account as it sheds some light on the TINA question. It is true that the Stabilisation Fund proved unnecessary; some years later, it was largely used to reconstruct the Polish banking sector. However, the Fund's very founding, together with intensive participation of international financial institutions and Poland's foreign creditors (see Note 10), gave them exceptionally strong leverage to co-determine also the specific projects of the long-term structural transformation. The ideas put forward in the *Swedish Model* report were rather foreign to those institutions, the financial markets and the donor countries which were guided by Washington Consensus policy guidelines that at the time dominated mainstream economic theorising and policy making, and which on the whole opted for a radical course of reforms. As a rule their advice was followed. To slightly paraphrase the 1555 Peace of Augsburg assertion of Emperor Charles V, one could conclude: *Cuius pecunio, eius regio et religio*.

However, even in the absence of that external advice, I doubt if any of the economic portfolio ministers of Mazowiecki's government would have proposed an alternative transformation strategy. Why was that? I can speak only for myself. As the Minister – Head of the Central Planning Office – that is, a government analytic centre – neither I nor my senior staff believed there indeed was any workable alternative for the stabilisation operation. Yes, in the course of Cabinet's meetings, and of its Economic Sub-Committee, we had indeed expressed different views regarding the desired time-path of eliminating the demand-driven inflation, the wage indexing coefficients and other macroeconomic indicators (the new equilibrium rate of exchange, rates of interest and the corresponding monetary policy, etc.). However, insofar as I remember, no minister expressed doubts as to the need and the essence of the package, nor as to how it should be introduced. Only many years later did Kowalik open the discussion on the depths of the consumer disequilibrium in Poland prior to the introduction of the stabilisation plan and express the view that the rise of consumer prices following Rakowski's price liberalisation had already absorbed most of the pent-up consumer demand. However, I know of no evidence of Kowalik doubting, in 1989–1992, the existence of a large inflationary overhang.

In lieu of conclusions: Passing the 'point of no return'

Towards the end of 1989, I had increasing doubts regarding the realism of macroeconomic assumptions and the assumed results of our stabilisation plan and invited the late Professor Kazimierz Łaski, my teacher, mentor and long-time friend, to come to Warsaw in the capacity of my adviser. He came in January 1990; in the next few weeks he prepared a report that pointed out at a much stronger fall in GDP and much worse other macroeconomic indicators than those assumed in our Stabilisation Plan, and the (related) much larger social and economic costs of the Plan.[13] However, notwithstanding a rather hostile reception of his report by my colleagues in the government and elsewhere,[14] Łaski argued merely for a less ambitious trajectory of achieving short-period market equilibrium, but otherwise supported the need to restore it. Also neither Mujżel nor any other co-author of the CEC's *Swedish Model* report proposed at the time any alternative to the Stabilisation Plan. In fact, no alternative to it existed then in any 'menu of options' that I remember. Jacek Kuroń, one of the indisputable leaders of the Polish political opposition since the mid-1960s, who at the end of his life wrote a very critical assessment of our economic and social policy of the early 1990s, readily admitted in a number of conversations with the present author that at the time he also did not see any alternative strategy. Karol Modzelewski, another hero of the Polish political opposition and a hard critic of economic liberalism in Poland, shared Kuroń's opinion with reservations, emphasising the lack of a working alternative (see Modzelewski, 2013: 398–399, 403).

Needless to say, the second pillar comprising institutional and structural policy measures gave rise to more disputes among Mazowiecki's Cabinet ministers and to heavy criticism of others, some of which with the benefit of hindsight proved right. In defence of our right or wrong choices, at the end of this note I wish to draw attention to yet another factor which may partly explain our determination in setting a fast course for Poland's economic transformation. Mazowiecki himself, as well as his many ministers and the leaders of Solidarity Caucus in the parliament, either personally participated in earlier reform attempts that started in Poland already after the 1956 workers' protests that ended with bloodshed, or knew the course of those reforms and their insubstantial results from government documents, expert reports and so on. This was the experience of Leszek Balcerowicz and his closest collaborators, of Professors Janusz Zieliński and Janusz Beksiak, Cezary Józefiak and Jan Mujżel, as well as my own experience first related to my detailed examination of the course of the 1956–1962 economic reform (in relation to my editing vol. 3 of Michał Kalecki's *Collected Works*) and then to my personal participation in several government and non-government teams attempting to reform the Polish economy in the late 1970s and 1980s, to the experience of Waldemar Kuczyński, Aleksander Smolar and Ryszard Bugaj and many others, some of whom were assistants of Włodzimierz Brus at Warsaw University.

Brus, who himself since early 1955 participated in many successive attempts to reform and rationalise the Polish economy, and who devised some of them, wrote at the end of his life in an autobiographical essay about 'The bane of reforming the socialist economic system' (Brus, 1993). The economic team of Mazowiecki's government, including its ministers of more social-democratic persuasions, was only too well aware of that bane. Much the same applied to the deputy ministers and senior government staff as well as to economic reformers in local governments, academia and the media. Whatever was the starting point and the expected final results of all post-1956 attempts at economic reforms in Poland – notwithstanding their intellectual and practical importance (throughout its post-World War II history Poland has been the most liberal and open economic and political system among the Soviet-bloc countries), all those attempts ended similarly: in abandoning the reform course and the return to pre-reform track of command economy, arbitrary economic decision-making, waste of resources and wrongly conceived priority of politics over the economy. We were aware that in order this time to succeed, we needed to go past 'the point of no return'. Some of us thought that the fast-liberal bias could be corrected with time and that there will be more room for true 'social market economy' – a concept to which Mazowiecki and some of his ministers were quite attached. At the same time, we were aware that the human, institutional, legal and resource capacity to achieve any such standards have been then missing and it would take time to establish them.

With the benefit of hindsight, it may be argued that while we no doubt went beyond the point of no return, in the early years of transformation we also made mistakes and took wrong choices. We might have reached more or less the same results at a lesser social and political cost. Nevertheless, in transiting from a command to a market economy, compared to other countries of Central and East Europe, I believe Poland has done reasonably well.

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Notes

1. Consultative Economic Council (CEC) was an advisory think-tank to the government, headed by Professor Czesław Bobrowski. Established in 1982, it was partly a measure of political appeasement after introduction of the martial law in Poland on 13 December 1981, and partly to improve economic efficiency at the enterprise level. In 1989, it was replaced by the

reinstituted Economic Council (which was originally established in 1956, functioned until 1962, and formulated some projects that aimed at rationalising the Polish command economy, and to combine its rigid central planning with worker councils' control with a measure of market-oriented indicators of enterprise performance). The CEC's mission in Stockholm (30 January–3 February) was organised by the Swedish Ministry of Foreign Affairs.

2. However, in a couple of months, Święcicki, with support of the Solidarity Trade Unions, was elected to the Parliament; in September that year, he became a member of Mazowiecki's Cabinet.
3. Konsultacyjna Rada Gospodarcza, June 1989. Unfortunately, the report in its full length is no longer publicly available. I am grateful to Ms Bożena Zasieczna, of the Muza publishers, for sharing this document with me. For its discussion, see Kowalik (2009: 110–112) and his 'Intelektualne źródła polskiej transformacji', *www.ekologiasztuka.pl/txt/intelek_tkowalik.rtf*, pp. 3–4; see also Święcicki (2017) (all in Polish).
4. Moreover, at the end of 1989, then already as the Chairman of the Economic Council, in his letter to Bronisław Wilk, the Deputy Head of the Sejm's Extraordinary Committee for Examining the Projects of Laws Introducing New Economic System, Trzeciakowski wrote that

   [T]he main and still actual reservations of the [Economic] Council relate to four issues: the broad scope of regulations, the procedural aspects of decision-making in the process of privatization of state-owned companies, the terms of operation of the Treasury-owned companies, and the question of subjectivity of the employees representation. . . . The role of Sejm, of local governments, and of the employees representation was eliminated or limited, which is wrong (Trzeciakowski, 1989b). He thought the government proposed legislation required improvement and yet another package of legislation should be sent to the Sejm with the purpose of eliminating the loopholes and make the system of economic ownership structure 'complete'.

5. It should be noted, however, that 'active labor policy' was at the time only pioneered by Sweden and uncommon in other developed market economies.
6. For a summary of his arguments and reference to his most important publications, see Kowalik (2009, 2011).
7. See Mieszczankowski (1989). For a semi-official criticism of that programme, see Misiąg (1989), who at the time served as Director of Department of Financial Policy and Analysis in the Ministry of Finance.
8. Already the following day after the martial law was imposed, massive protests in Paris gathered hundreds of thousands participants, and about USD 1 million was collected that day to assist those imprisoned, detained, their families, and to help Solidarity underground structures to survive and continue their activity. This worldwide humanitarian assistance continued throughout the 1980s and was coordinated by the Solidarity Trade Union Office in Brussels.
9. For minutes of that meeting, including Mazowiecki's opening statement, see the State Archive in Warsaw, URM 22/222. Among foreign experts that attended the meeting were Michael Bruno, Jacob Frankel, William R. Rhodes, Jeffrey Sachs, Paul Volker and Alan Walters. Most of them (plus Stanley Fisher) attended also the Council's meeting on 23–24 April that discussed progress achieved in the first 3 months of Poland's transformation and challenges in meeting the Stand-By Agreement with the IMF (see Mieszczankowski, 1989, URM 22/243).
10. The single exception was the paper of Walery Amiel from the World Bank who argued for a more gradual adjustment (see the State Archive in Warsaw, URM 22/222).
11. According to estimates of the Central Planning Office, the West committed assistance to Poland, as of 31 June 1990, amounted to (in USD million): 570.5 of food assistance; 612.9 for technical assistance, training and environment protection; 1530 of Eximbank and other commercial banks credits; up to 2749.25 of guarantees for export and investment credits; and

2055.25 as Stabilization Fund and Private Sector Development Fund (see the State Archive in Warsaw, URM 22/226).

12. Far more balanced proportions of sectoral development were observed in the [then] Czechoslovakia and Hungary, but not in other Soviet Bloc countries.
13. See Łaski (1990).
14. See Gomułka and Kowalik (2011: 20–23, 142–155, 197, 209–212).

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