

**The
Global Long-term
Economic Growth
and the
Economic Transformation
of Poland
and Eastern Europe**

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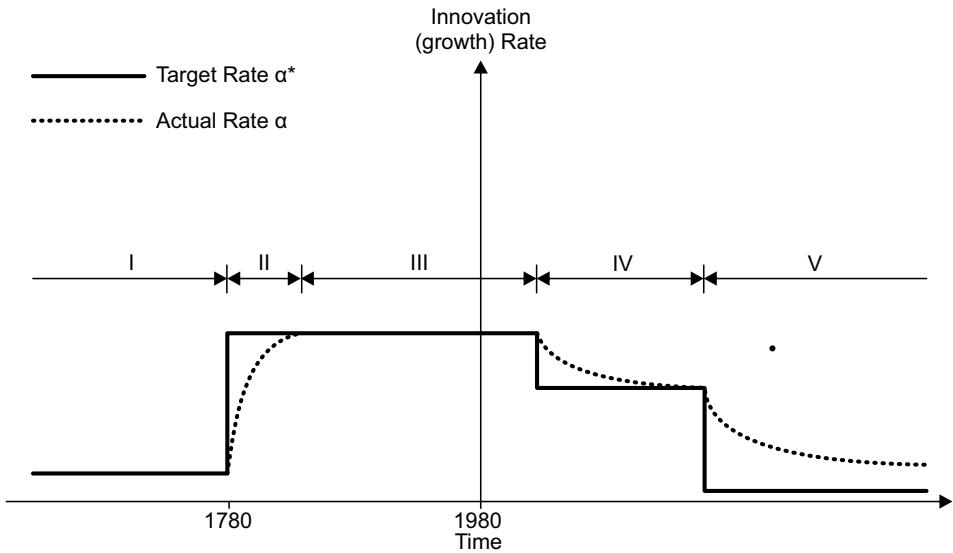
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The target and actual innovation rates over time in the Technology Frontier Area (TFA). The dates and magnitudes are chosen for illustrative purposes

The Five Periods of the global innovation rate α , the growth rate of the world population n , the growth rate of employment in the global sector producing conventional goods n_1 , the growth rate of global capital in the sector producing qualitative changes, $n_1 + \alpha$, the growth rate of global employment in the sector producing qualitative changes, n_2 , the growth rate of global Gross Domestic Product per manhour, g :

- (I) n, n_1 and n_2 are all very low. So are α and g .
- (II) $(n_1, n_2) \gg n$ and n is high. The rates α and g are increasing.
- (III) $(n_1, n_2) \gg n$, but α and g are high and stable.
- (IV) $n_1 = n_2 = n = 0$, but n is still high.
- (V) $n_1 = n_2 = n = 0$, α and g are declining.

Table of contents

Introduction	9
1. The global economy in the 21 st century: Will the trends of the 20 th century continue?	11
2. A theory of global economic growth in the very long-run: Is a grand innovation slowdown inevitable?	31
3. On the design of economic policy: The challenge of Eastern Europe	53
4. Economic and political constraints during transition	67
5. The IMF-supported programs of Poland and Russia, 1990-1994: Principles, errors, and results	89
6. Macroeconomic policies and achievements in transition economies, 1989-99	123
7. The causes of recession following stabilization	155
8. Polish economic reform, 1990-91: Principles, policies and outcomes	169
9. Kornai's road to a free economy in light of Polish experience	195
10. Poland: Glass half full	203
11. The financial situation of enterprises and its impact on fiscal and monetary policies: Poland 1992-3	229
12. Privatization in Poland 1989-93: Policies, methods, and results	249
13. The Polish conflict	289
14. Perspectives for the eurozone, short term and long term	297
15. Poland's economic and social transformation 1989-2014 and contemporary challenges	319
16. Poland's economic performance in global and long-term perspective: Surprises so far and risks in the years ahead	331

Table of contents

17. Ekonomiczne i polityczne implikacje pozostawania Polski poza strefą euro	345
18. Poland's transformation: Facts and myths about the period 1990-2020 and the country's chances of attaining the economic level of the USA and Germany after 2020	371
19. The comparative analysis of Poland and Greece: Short-term policy errors versus longer-term rationality	393
20. Finanse publiczne w Polsce: bardzo zmienna polityka w latach 1970–1990, obecne i przyszłe zagrożenia, jaką racjonalna polityka w latach 2023–2050	411
Detailed table of contents	421
Name index	431