

Society as an Economic Actor: The Three Patterns of Institutionalization (Systemic Change in Poland)

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Epistemological Perspective

This essay is based upon actual events in Poland, a country which serves as an ongoing laboratory for studying the formation of several world-views. In this paper, three particular world-views will be analyzed more carefully than others, because serious attempts to institutionalize them have been made since the beginning of the 1980's up to the middle of the 1990's. First, I will explain why I am interested in the concepts "society", "the economic actor", "three patterns", "systemic change" and "Poland". Then, I will propose a "schema of institutional analysis" to link these concepts into a coherent whole.

First: society. The Solidarity movement, from its inception in 1980, searched intensely for an alternative social order to the monocratic one. As of the spring of 1980, these attempts also included economic reforms. The earlier reforms had ended in a fiasco, thus proving the thesis that the system could not be reformed. Solidarity's significance has a historical dimension because never before in the history of socialism had society, as a collective whole, reached such a level of self-organization. This contradicted the theorem of the totalitarian state (and the dogmatic Marxist theorem as well), in which the main driving force was the political authorities, and society was treated like plasticine in the hands of the elites. It also contradicted the theorem which expounded the role of economic growth and the scientific-technological revolution. I have in mind the theories of post-industrial society in the West and the theories of developed socialist society.

Second: economic actor. In the 80's, there was no significant opportunity for economic reform. It would have required total political change, which would have been difficult to achieve without having first obtained full national sovereignty from USSR domination. Economic reform did nevertheless begin, but it was particular because it became the work of the society, whereas reform was required to be, first of all, the work of the elites. This is why it was considered to be a long-term endeavor. Its program could only be realized collectively. Solidarity, as an institution of industrial democracy, was forced to substitute for an institution of political democracy (Morawski 1991). The strikes by the factory personnel were connected as much with pay demands and production and economic issues as they were with elementary civil and political rights.

The workers entered into a union with the intelligentsia. Previously, these two social groups had organized protests individually: the workers in December 1970, and the intelligentsia in March 1968. In 1980-81, however, they organized a massive social movement together. Solidarity became a collectivist movement. All of the main actors in the 80's were of collectivist in nature: Solidarity, blue-collar workers from large enterprises, intelligentsia from different institutions (for example, teachers). Since 1989, however, there has been no strong tendency for society to act in a collective form. It appears in the form of an individual actor: the consumer, the entrepreneur, the private proprietor, the professional. This tendency forwards individual actors is the result of the initiation of systemic reform.

During the 80's, the socio-cultural system, as well as the economic system, acquired the negative capacity of blocking the political system and became part of the "vicious circle" mechanism, to use Myrdal's notion for the undeveloped regions (Myrdal 1958). Social support for the economic reforms allowed for the departure away from stabilizing economic changes, in favor of restructuring, property transformation (privatization) and adaptation to the world economy (European). Social support was conditional in character. The acquiescence to a few economic changes, for ex., privatization,

sometimes means sliding backward. Perhaps this might again create the need for collective action. Once again, the possibility for mobilization is in the hands of industrial crews of large industrial enterprises. They do not seem, however, to be as strong as they were in the 80's (as the case of the Gdańsk shipyards in 1996 shows).

Third: three patterns. Systemic change is an intellectual challenge. The explanation - how the change is made, should be made and can be made - depends on the value system and the methods by which the changes are realized. Of course, various resources (material and others) are also important as well as timing. Regarding values, there is a choice between liberal (for ex. freedom, legal democracy) and democratic values (for ex. egalitarianism, participatory democracy). The manner in which liberal democracy functions in the West proves that differences in doctrinal origin are not necessarily a hindrance to the realization of these different values. Recently, pessimism has emerged concerning whether economic competitiveness, social solidarity and individual freedom will always be compatible (Dahrendorf 1996). In terms of method, two forms of activity should be distinguished: the imperative mode of action of the elite (often radical), and interactive mode of action of society on the basis of practical knowledge, usually evolutionary. In sum, four hypothetical variants emerge: (1) democratic-evolutionary (democratic, socio-democratic), (2) liberal-radical (liberal, neo-liberal), (3) liberal-evolutionary (conservative) and (4) democratic radical (Jacobean, Bolshevik).

Three of these variants have occurred in Poland in a characteristic sequence. First, in the 80's, the democratic orientation took shape. The leading values in this orientation were freedom and egalitarianism (vindictive workers). This, in fact, meant socio-democracy, though this concept did not appear. In this orientation, liberal values concerning basic civil rights were also displayed, but the fundamental elements of a private-market economy, a minimal state, or rule of law were not yet established. I use the concept "orientation" because it suggests the openness and the exploratory character of the position. The democratic-evolutionary

orientation of the 80's contrasts with the very cohesive neo-liberal "paradigm" which emerged in 1989-1993. This was more an attempt to implement the prescriptions of Thatcherism or Reaganomics in Poland rather than the creation of original rules.

As of 1993, compromises were sought because the "shock therapy" in the name of the neo-liberal dogma, threatened the standard of living of many segments of society. Hence, there was a need for "social corrections" to the liberal program. Paradoxically, the practical realization of these corrections are often accompanied by conservative values (tradition, continuation of change, reliance on experience), even though the corrections are made by a leftist coalition government. The fundamental elements of the liberal reform, though, were retained. I suggest the use of the term "conservative perspective" to indicate this somewhat imprecise situation.

Fourth: systemic change. The changes begun in 1989 were qualitatively different from earlier reforms, which were most often based on organizational changes. Even attempts which were considered successful, such as the Hungarian reform in 1968, or self-governing socialism in Yugoslavia, are difficult to evaluate positively today. On the other hand, it is difficult to predict when and how the systemic changes will bring a radical break with the past, that is, when it will be possible to call it "systemic". This break is not easy. Polish capitalism is presently more political than liberal in character (Staniszkis 1994). Although there is no sense in presuming the economy to be fully autonomous it is always partially influenced by the state (Block 1994) - the Polish economic system is particularly dependent on the state. Even worse, the quality of the state's influence on the economy raises doubts. In this situation, it is preferable to refrain from using the term "revolution". This term will really only make sense when the transformation becomes a fact. The concept "revolution" has already been overused once before. For example, the socialist revolution proved to be a false attempt at economic modernization on the basis of central planning, a one-party political system and a collectivist socio-cultural order. Now the time has come to use

better civilization instruments, such as the market, democracy, freedom, law, and the world economy. Success appears to be guaranteed, but the degree of uncertainty is still considerable.

Fifth: Poland. State socialism gained its identity gradually. The system that developed deviated from the Marxist-Leninist ideological project. Despite similarities, state socialism was different in Poland from that in the USSR, China or even Romania. Poland was characterized by a unique "cycle of social protests" in the years 1956, 1970, 1976 and 1980. Such regular protests did not occur in other countries. The rise of Solidarity was a further indication of Poland's distinct nature. It could be said that socialism created its own legacy. This justifies the use of the concept "post-socialism". However, the use of the *Homo Sovieticus* concept is dubious because it is clear that the creation of the "socialist man" failed. This was proven by the mass Solidarity rebellion. Changing people's behavior is difficult, which is why we should not expect that the institutionalization of new rules would take less than one or two generations.

Six: schema of institutional analysis. I will begin the analysis with values, because they indicate the epistemological perspective. Values co-define the diagnosis of the present time, the past and expectations for the future. They also indicate the actors who are to realize the values. The actors can be either collective or individual, primary or secondary, etc. Defining the space in which they are to act is also important. Usually the public sphere is distinguished from the private sphere, but the three-part schema - state, civil society, private sphere - can also be useful. The next issue is the manner of acting: from above versus from below. Ultimately, it is also worth taking into account the concerns that the representatives of various orientations have. This schema should help in sketching the mechanisms of the emergence and consolidation of new rules. The three separate schema link together: people, their values, methods they use, resources they have, place and time (Wuthnow 1987). If these various elements are well harmonized, we can expect that the consolidation of rules will follow. It would also mean the emergence of a new system. The term "paradigm" suggests

a coherent system of the various above-mentioned elements. In the case of democratic orientation, there was no such coherence. In the case of the neo-liberal paradigm, it happened to be only a theoretical coherence, as this paradigm showed its strength in the United States, but not in Poland. For these reasons, I prefer to discuss the issue of systemic change in terms of institutional patterns rather than only various world-views. To concentrate on world-views may suggest that the answer to the question of what should be made can easily lead to the answers - what is made or can be made. The institutional analysis helps to explain, for example, why so often it does not happen.

Democratic Orientation

The turning point of systemic change according to this orientation is the establishment of society as an independent actor. This occurred in the summer of 1980, when Solidarity arose. Some, however, hold different opinions about the turning point. They believe that in the course of events in December 1970 the protesting workers put forth the idea of free trade unions which they did not then realize (Laba 1991). This is the so called "workers interpretation". Others propose that the formation of Komitet Obrony Robotników (The Committee of Workers' Defense - KOR) in September of 1976 was the turning point. This is the so called "intelligentsia interpretation" because KOR organized the intelligentsia to assist the repressed Radom workers. KOR was, as one of the people from the opposition writes, "formed in the name of society by 14 people" (W. Kuczyński). This was the first visible form of political opposition, which was a very significant event, but not to be equated with the rise of a mass social movement which encompassed more than 10 million members.

Solidarity's visions were alternatives to the system of building from above in the name of Marxist doctrine. The Marxist doctrine assumes that knowledge of the laws of social development permits the political and intellectual elite to freely guide society (Lindblom 1977). Solidarity's vision assumed, on the other hand, that a higher

level of social self-organization could be achieved by means of interaction from below. This was a romantic proposition for a "society without authorities". The program of a "self-governing republic", as an attempt at participatory democracy and a just society, appealed to two values which are considered antinomies: freedom and equality. This suggested a socio-democratic option, although this concept was not used (Bobbio 1996). Freedom was to be realized not only through the acquisition of various individual rights by the people (the liberal element), but above all by socialization of the state through citizen participation in decisions (to amend the etatist system). The obliteration of the border between "state" and "society" was considered both possible and purposeful. The change was to begin from the construction of a civil society as an intermediary sphere between the state and the family. Even earlier, social movements in the West had recognized that state interference in the citizen's life, which had been increasing since the 1930's, should be supplemented by the direct influence of the citizens themselves on the state. This was called the crossing of the border of "institutional politics" (Offe 1995). In Poland, this was to allow for the divisions into "we" (society) and "they" (the party elite, authorities, nomenklatura) to be overcome.

At the center of attention was the workplace. There, the idea of direct participation of the workers in all decisions was to be realized. Trade unions and employee self-governments were to participate not only in decisions concerning work conditions, employment and pay (that would be the realization of the conventional expectation), they were also to participate in production and economic decisions, that is, crossing into the prerogatives usually reserved for management alone. Even farther reaching goal appeared like national sovereignty. Therefore, not only egalitarian and vindictive aims (such as pay indexing) were stressed, but also building a new normative order. This vision strongly mobilized society to fight with the old system.

This vision crystallized in the fall of 1981. At that time, the parliament, after coming to an agreement with Solidarity, passed a bill on state enterprise and employees councils (Jakubowicz

1988), and the Solidarity Congress recognized the "self-governing enterprise" as the central institution of alternative order. This did not differ at all from self-governing socialism or democratic socialism. The concern was over a regulated market economy, not about a private economy. Concern about private economy didn't appear until the end of the second half of the eighties. A self-governing multi-sector economy was demanded. In the Solidarity congress theses, the central values recognized were those such as egalitarian society, social justice and self-governing enterprise (Tezy 1981). The term socialism did not appear, but the contents of the slogan were socialist, or rather socio-democratic. This vision did not differ at all from the party reformers' ambitions. This was a proposition for a "third road", because on both sides of the ideological barrier there were certain ideas which were considered valid. Because these propositions came from outside the party, they played a radical-conflictive role, although in fact they were moderate. At least at the start, the desire was to improve the system, not destroy it.

In this vision, society is a collective actor. On the state level, society acts as a spontaneous social movement. On the work place level society acts through trade union or self-government. The organized employees, particularly in large enterprises, were treated - in poetic terms - as "the salt of the earth". In theoretical language, they were the seeds of civil society. Our civil society was to be established not as the extension of private property interests, as had historically occurred, but it was to be built initially in state enterprises. The public sphere was defined in a twofold manner: first, as the state, which needed to be taken over and controlled by society, and second, as the evolutionary construction of civil society. It is easy to predict that this civil society could be only an ethic society because it is difficult to imagine it existing without private ownership (Morawski 1992). Still, however, in addition to independent trade unions there were underground publishing houses as well as assistance to prisoners and the poor. The "void" between the state and the family was to be filled as quickly as possible.

It was naively assumed that the social movement was to

directly establish democracy. It was not defined when and how this was to take place. This appeared to be a illusion, for things usually work differently. Democracy requires first, as C. Tilly writes, the transfer of power from the social movement and the construction of public space (Tilly 1993-94). This occurred in Poland a few years later. In 1989, the entrance of the Solidarity elite into positions of power occurred by way of an accord with the old elites and through the institutionalization of representative democracy as a means of constructing the public sphere. It meant, that, on the one hand, the democratic vision fulfilled an effective mobilizing function of a radical-conflictive alternative to the existing system, but on the other hand, the proposed democratic institutionalization from below could not work and did not work. One may say it could not work because it over-emphasized the dimension of values and under-emphasized the dimension of resources necessary to achieve those noble values. The timing was also not conducive.

Neo-Liberal Paradigm

Since 1989, "society" has ceased to be a subject of social change and has become the object of actions of the elites from above. This is reflected in the neo-liberal paradigm, the practical illustration of which is the "shock therapy" strategy. In the liberal value system, society is nothing more than a collection of rational individuals and individual freedom is treated as the highest value. It is best ensured by a self-regulatory market system, which creates opportunity for everyone. The liberals think about the political sphere in a similar way. This is what "free choice" is about (Friedman 1991). The collectivist system was unable to create these possibilities. This is why the liberals paid so much attention to the battle with the state. Not only with the party state, but with the state as a whole. They want to reduce the state's functions to being occupied purely with public goods, such as those which are not profitable. A "minimal state" signifies for them the removal of one of the barriers which hinders the individual in self-realization.

They treat the state as external to the economy. They are opposed to developing its welfare functions because this would increase its predatory character and prevent it from protecting ownership rights.

The liberal paradigm is measured not only against the old mono-centric system, but also against the democratic paradigm. The liberals are concerned with legal democracy and not with participatory democracy. In the sequence of changes which social change demands, according to the liberals the construction of a free market economy is the first task, and only later will the time for political democracy, or concern for social issues, come (Balcerowicz 1992). Under the influence of critics, Balcerowicz withdrew this emphasis, however, writing that "democracy needs capitalism" (Balcerowicz 1995). For a few liberal dogmatic figures in Poland, Pinochet is still a hero.

Generally speaking, the liberals understand democracy more realistically than those who express a democratic orientation. The liberals preference for representative democracy is not at all surprising, but their extreme readiness to approve of social inequality, unemployment or even poverty gives cause for concern. This conflicts with the practice of modern liberalism in highly developed economies, where concern for these social issues is considered a standard obligation of the state and the business milieu, although, increasingly more often without practical success.

The liberals keep the idea of "self-governing republic", but they give it a different content from its incarnation in the democratic orientation. The liberals do not promote employee self-government at the workplace, but territorial self-government in the place of residence instead. The "self-governed enterprise" is for them a type of "Bermuda triangle". They fight trade unions, which they see as a huge pressure group in the process of the redistribution of national income. They fight even more strongly with employee self-governments which are trespassing into the proprietor's or management's "sacred prerogatives". Pro-self-governing tendencies are, however, still strong among industrial work forces. The liberals do not like the most popular form of privatization of state ownership among the work force, namely that of employee-

owned companies (Cichomski, Kulpińska and Morawski 1995). Of 2,334 privatized enterprises, by 1994 829 of them had chosen the path of privatization in the form of employee-owned companies (Jarosz 1994:13). They also negatively evaluate the idea of privatization through general franchisement (citizen property) -seeing it as a "socialist deficiency", or as "a way of catching voters" (Lewandowski 1995).

The liberal vision of the role of society is different from the democratic orientation. For liberals, it is not about a battle of communities for the rights for other communities: trade union, the nation, or the church, as in the democratic orientation. Rather, it is about the rights of the individual as a consumer, a private entrepreneur, a professional, etc. The collective actor here is the middle class, perceived as the main element of civil society. The liberals see the middle class as the main stabilizers of socio-economic life.

The liberals do not only want to supplement the democratic vision. Let us consider the leading value: the freedom of the individual, which is just as important to those who articulate the democratic orientation. With the liberals, freedom does not go hand in hand with striving for egalitarianism, because they easily accept social inequality as an unavoidable result of the free market. Efficiency is more important to them than justice. This is why, for the liberals, society becomes the concern of the elite. Workers are seen by them as "a large mute force" which should patiently fulfill the task given to them by the elite (Gardawski, Żukowski 1993). With respect to the workers and the peasants, liberals make consistent accusations of populism. Admittedly, this tendency is a constant threat, but it has not yet had been of decisive importance in the practice of our political life. Conversely, the strata accused of populism are "the silent hero" of systemic changes because they ensure approval for these changes even though they carry the burdens of systemic change, for ex., in the form of lower standard of living. Though, in the seventh year of transformation, a fairly high pace of economic growth is beginning to produce positive fruit, it does not stop the intensification of the pauperization and

marginalization process of large social groups (Frieske 1996). These problems are not the subject of liberal concerns. They are almost entirely focused on the economy, as though unconscious of the fact that the costs of exclusive care for the market could be just as bad as exclusive care for the state (Hayek 1944).

They recognize 1989 as the turning point, because it was then that the private market economy was acknowledged as the aim of change. In the democratic orientation the "moral economy" dominated, with its concern for egalitarianism, paternalism and solidarity (Tymowski 1993). These principles should, in the opinion of the liberals, be rejected as soon as possible because they strengthen irrational contradictions against economic reform. This explains why liberals are not inclined to accept 1980 as the turning point (it is definitely the turning point for the democratic orientation). Institutions which fight for such an order should also be rejected or restrained. The liberals do not see, for ex., trade unions and self-governing work forces as essential institutions in the process of securing group interests. They are concerned with the de-articulation of employee interests. They don't realize that modern liberal democracy, in the history of capitalism, has worked out an understanding for different interests and the creation of regulative institutions for solving conflicts. This is what the American pluralist system is based on. It leaves trade unions the possibility of making collective agreements and regulating conflicts on low levels (mediation and arbitration). Theoretically, our liberals agree to this system because it leaves the effects of the negotiation to a free game among partners in the market. In practice, however, they strive to eliminate trade unions. Trade unions are weak in private enterprises, or absent altogether.

They are also opposed to negotiations between representation of various interests. The aim of such negotiations is to forge partnerships between important actors in the arena of labor relations. Only moderate liberals consider such solutions desirable. This is testified to by the so called state enterprise pact proposition. The liberals ultimately supported this corporatist idea, because they believed that it could offer politicized trade unions in Poland a

share in negotiations at the state level in exchange for an agreement to accelerate state enterprise privatization.

Furthermore, there is no way that the liberals would agree to give trade unions a full political function. Their role is to cover the issues of labor and pay conditions. The systemic change is for the liberals the same as accepting the attitude of "a market friend" and in no way "a friend of the people". They treat the slogan of building "capitalism with a human face" as part of the naive Solidarity "ethos" (Lewandowski 1994). They consider "socialization" to be akin to collectivist ideas that have been used up, because in fact collectivist ideas legitimize the socialist system. The privatization idea has replaced the "socialization" idea. They suggest that freedom be understood in pragmatic terms as "'freedom' in the face of a specific task. First and above all freedom for Leszek Balcerowicz ... the freedom to make economic reforms" (Tischner in: Michnik, Tischner i Zakowski 1995:559).

For the liberals, the border between the private and public spheres should not be blurred. The citizen should control the public sphere, but the citizen can not directly participate in the state decisions. Civil society is important to them, but it does not belong to the political (state) sphere. As much as the democrats would like to build a civil society on the grounds of common values, or even a moral appeal, the liberals accurately feel that the necessary condition for the establishment of a civil society is, above all, a private market economy. The separation of the private sphere from the political sphere, which they call political society, could, in their opinion, help to accelerate this process. The state can become strong only if it is exclusively occupied with civil and political rights of the citizen. The liberals believe that concern for social rights will only burden the state.

In defending the thesis that the less control the state has over the economy, the more market self-regulation there will be, the liberals do not perceive certain contradictions in their paradigm. Fighting against the state, in the name of the invisible hand of the market, they themselves are the visible hand of the state because in the name of the ideological project of the "capitalism" they

have realized privatization. Integration with Europe and other spheres could be added in which the state is permanently present, although the liberals claim it is useless. In my opinion, the problem is not so much how much control the state has over the economy, but the quality of the state regulatory measures in the economy. One can agree, of course, that the state should be less present in the real sphere (state property should be limited), but in the sphere of regulation (a distinction made by Janos Kornai) it is present and always will be present.

The Polish neo-liberals were quickly seen as constructivists (Kowalik 1995). This is an accurate accusation, because they treat economic reform as an "operation" of the elite, which in one blow can make the transition from one state of market equilibrium to another. While remaining exclusively in the sphere of concern for rational market allocation, the liberals in effect created such social dissatisfaction that the executors of systemic change themselves were removed from positions of power two to four years later in democratic elections. Instead of the declared "controlled shock" by the liberals (Balcerowicz 1992), society recognized that it was "uncontrolled shock". This is proof that in addition to the rationality of the market, other rationalities too are at work. These other rationalities are the result of interactive mechanisms in defense of the status quo. In summary, the use of the neo-liberal paradigm imported from the West (World Bank, IMF, etc.), back fired on those who implemented it. Using the institutional analysis language, one may conclude that the liberals put so much emphasis on securing various resources and methods that they neglected somewhat the dimension covering the "habits of hearts" (values), that is, the mechanisms of socio-cultural background of systemic change.

Conservative Perspective

In the conservative perspective slowly emerging in Poland, two issues are at stake:

The first issue is that of distancing themselves from the

dogmatic neo-liberals who, in applying "revolutionary" methods of shock therapy, divide society. The conservative calls the Polish neo-liberal a fanatic modernizer, who "...under threat of imposing the curse of the Homo Sovieticus, want ... again with a whip concealed in a boot, to stand on a platform in front of the ignorant masses and to give it the political parade of correct uniforms on the road to 'open society'" (Ostrowski 1996:27).

The second issue is that of considering the socio-cultural embeddedness and tacit knowledge. The conservatives represent defined attitudes toward society and political practice (Scruton 1982). The most highly evaluated aspect is the achievement of society, legitimized by tradition or custom, which is its tacit knowledge and possibly even that which results from the course of events, rather than some new ideas of reason, although they may have abstract theoretical justifications. The conservatives do not appreciate systemic change, understood as "capitalism by design" (Offe 1992), which became the practice of neo-liberals, because they reject universal solutions. They are opposed to accepting the economy as a closed system, and rather view the economy as dependent on the political and social context. Systemic change is a process in which there must be room for trial and error. There are many paths of development. It is impossible to define the aim of the changes. This is a perspective of evolutionary, adaptive changes, which prefers regulative action in place of standard neo-classical approaches which are dominated by allocative efficiency (Delorme 1995; Boyer 1995). Niklas Luhmann writes that the results of having obtained one's desires are, ultimately, the need to adjust to the very changes one has implemented. (Luhmann 1994:145).

The conservatives are as critical of the "romantic illusions" in the democratic orientation as they are of the constructivist propositions of the dogmatic neo-liberals. They do not share assumptions or optimism of the neo-liberals and those in the democratic orientation. They don't see the possibility of achieving equality. Hierarchy is, for them, one of the attributes of the social world. The most important source of these inequalities is the

market, because economic efficiency is the result of unequal reward (the functional requirement). At the same time, they agree to solutions which de facto increase the chances of easing excessive distances. They oppose the procedural approach supported by neoliberals, which implies that their own approach stresses the substantial aspects. In Poland this has taken the form of a corporate system, called negotiating. This system belongs to the conservative tradition when built more from above than from below, as for ex., in Germany and Austria, and also to the socio-democratic tradition when built more from below than from above, as for ex., in Sweden. Conservatists propose a system of organized cooperation between socio-economic actors. This is not, however, a system of organized conflict with the aid of procedures, which the neo-liberals propose. An example of the negotiating mechanism, in which decisions are agreed on, is the Komisja Trójstronna (The Tripartism Commission) of the government, employers and employees (trade unions). Its effective introduction occurred in 1994. The scope of the activity of the Komisja Trójstronna is broadening, but it is primarily concerned with pay negotiations. It insures a higher level of conflict regulation because the number of strikes has begun to decrease (the decrease was also caused by high economic growth). The corporate system takes context into consideration because it ensures trade unions activity on the nation-wide level (macro) and the regional level (mezzo), which is part of the Solidarity tradition. It does not place trade unions only on the enterprise level (micro), as the neo-liberals do. In sum, the corporate system means the introduction of rules recommended by the International Labour Organization. Until now, these rules have had positive effects in Germany and Austria.

The realization of freedom in the conservative perspective is to occur within the realms of local democracy and, more generally, of self-governing society with the use of representative democracy mechanisms. As far as the state is concerned, the conservatives recommend using it only when there is no other choice, that is, according to the subsidiarity concept. The values and interests which are to be realized depend solely on social partners. The

manners of change are also important to the conservatives, which they recommend be evolutionary, gradual, slow, agreed upon between social partners, pragmatic, and based on tacit knowledge. In effect, conservatists are strong in making good diagnoses, because they start from "habits of hearts" (rooted in tradition and history). Definitely, the main elements of the institutionalization process (values, methods, resources, etc.) are well harmonized. The problem, however, is that this process can lead to stagnation. Liberals and democrats are more action oriented than conservatists.

Concluding Remarks and Summary (Table)

The table 1 summarizes the three paradigms of systemic change.

Three concluding remarks are necessary. The first concerns the clarity of the typology. The institutional patterns presented are exclusive types of intellectual perception and practical action. In fact, however, they overlap with one another, which, to a certain degree, proves that the way of thinking about systemic change in Poland is still pre-paradigmatic in character. This is particularly true of manners of action.

The second remark concerns the fact that systemic change persists. Hopes that the effects of the changes in the economy would occur quickly have disappeared. Even in the political sphere many issues are unsolved, for ex., the absence of a constitution. It could be acknowledged that the absence of a consolidated democracy, or more generally, the modernization of the state, is a factor which slows down the progress in the sphere of systemic economic reforms. This suggests that it is not liberal capitalism which is taking shape, but political capitalism, in which access to political authority leads to the gathering of economic wealth. This is the so called "nomenklatura enfranchisement", mainly old from the times of the PZR, but also new, for ex., post-Solidarity.

The third remark concerns the lack of rapid progress in the sphere of economic reforms because of socio-cultural barriers. The values and behavior of Poles could be perceived as relatively

Table 1

Three Institutionalization Patterns in Poland

Dimension	Democratic	Liberal	Conservative
Values	<ul style="list-style-type: none"> - self-governing republic - freedom and equality - participatory democracy - orientation on values - self-governed enterprise - regulated market 	<ul style="list-style-type: none"> - freedom of choice for the individual - freedom and inequality - representative democracy - orientation on private interests - private enterprise - free market 	<ul style="list-style-type: none"> - change and continuity - freedom and inequality - neo-corporatism - values and interests -private and self-governing enterprise (temporary) -negotiating mechanism
Diagnoses	<ul style="list-style-type: none"> turning point: 1980 (or: 1970, 1976) Solidarity is a new social movement 	<ul style="list-style-type: none"> turning point: 1989 Solidarity is an old social movement (conventional) 	<ul style="list-style-type: none"> turning point: evolutionary Solidarity is an old / new social movement
Actors	<ul style="list-style-type: none"> - community - workers and intelligentsia - trade unions 	<ul style="list-style-type: none"> - the individual - the middle class - elites 	<ul style="list-style-type: none"> - the individual in the community - three parts: the state, the group, the individual - accountable elites
Sphere of activity and method	<ul style="list-style-type: none"> - civil society - socialize state property - work place - "third road" - system change 	<ul style="list-style-type: none"> - rule of law - local self-government -place of residence - one best road (exists) - organized conflict (by procedures) 	<ul style="list-style-type: none"> - state located in institutions - local self-government - place of residence - many roads: by means of trial and error - organized cooperation (by negotiations of group interest representatives)
Concerns	<ul style="list-style-type: none"> "we / they" division 	<ul style="list-style-type: none"> allocation rationality 	<ul style="list-style-type: none"> adaptation rationality

non-innovative. Earlier I noted that there is only a modestly positive attitude toward privatization, but it is important to note that although employees prefer to have an employee-owned company or state enterprise as their place of work, they simultaneously acknowledge that private property is more effective for the economy as a whole (Cichomski, Kulpińska, Morawski 1995). This prolongs the appearance of new actors on the economic scene. The rational consumer was born first because the economy was opened to the outside quickly - and, many feel, to the detriment of Polish interests. To create a middle class as a holder of financial capital will be more difficult. Most difficult will be the formation among Poles of individuals' attitudes of a rational and utilitarian orientation. This is considered the initial condition for the construction of a capitalist economy (Jowitt 1993), although the example of many Asian countries illustrates that community culture, in which the group dominates over the individual, could also be functional for rapid economic development. In contrast, in Poland community-oriented attitudes are the source of collectivist activity for the sake of populist programs.

The conservative perspective is becoming a compromise in Poland, the achievement of which depends, on the one hand, on the action of elites with a tendency toward oligarchization (which has arrived too early) and on the other hand, on the action of society which has unsatisfied material needs and is not ready to agree to solutions which are only temporarily satisfactory. This constitutes an obstacle for the technocratic tendencies. It does not, however, prevent the country from a strategic drift of the economy in the direction of a hybrid system, which could prove to be unfavorable.

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