

REVIEWS

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BOOK REVIEW: DECADE OF WONDERS 1988–98.
THIS IS HOW POLISH CAPITALISM WAS BORN
[DEKADA CUDÓW 1988–98.
TAK SIĘ RODZIŁ POLSKI KAPITALIZM]

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Periods of major breakthroughs and accompanying changes in various areas of socio-economic life naturally focus public attention and interest in creative circles. Although the first decade of systemic transformation, including the construction of the foundations of the free market, is one of the frequently taken up motifs in more than just historical narratives, the pace and scale of the changes that took place require various aspects of the transformations to be highlighted. They concern not only political transformations and the construction of institutional foundations, but also entrepreneurial attitudes and the role of grassroots initiatives in building a free market economy. The current of interest in the Polish transformations, including the explosion of Polish entrepreneurship, is reflected in a publication prepared by Andrzej Krajewski under the telling title *The Decade of Wonders* (Krajewski, 2021).

The book under review was published in 2021; that is, when the lockdown forced by the COVID pandemic left a clear mark on the functioning of the entire economy, including the entrepreneurial sector. Although the specific circumstances were not conducive to reading a popularising publication about the achievements in the decade of miracles, the foundations built at that time formed the foundation for subsequent development processes. “The case of our market transformation is a rarity not only

in our history, but in all of history” – Tomasz Wróblewski emphasised in his introduction.

The publication is an example of the implementation of a broader concept: to show the Polish road to capitalism through the prism of the history of Polish entrepreneurship, whether it be distinguished entrepreneurs or craftsmen operating in the small-scale manufacturing sector, or, finally, to identify those areas where the foundations of a free market economy were being laid. Such an idea was born in the environment of the Warsaw Enterprise Institute a few years earlier. However, the concept of the individual volumes of a popularising nature, three of which appeared on the publishing market: in 2018, 2020 and 2021, respectively, was subject to a certain evolution. The first volume, which was edited by several authors, took on the classic form of a compendium publication, which presented profiles of more than 60 entrepreneurs active in the Polish lands from the times of the Piasts and Jagiellons to the first decades of the 20th century. Such an approach was conducive to reflecting on the conditions for entrepreneurship in Polish lands, including the role of representatives of foreign nationalities in building and developing family businesses, as well as the scale of destruction and ownership changes caused by warfare. For it is impossible not to point out the historical and political entanglements of domestic entrepreneurship.¹ The second volume – authored by A. Krajewski – pointed out the constraints on the activities of small entrepreneurs in the realities of the socialist economy, emphasising their ability to take advantage of opportunities and their ability to survive under conditions of “stifling human invention and individualism”. The main narrative, centred around the motto contained in the subtitle of the work, *How enterprising Poles outsmarted the communists*. The economic picture of Peoples Poland outlined by the author also does not lack a difficult reflection on the Polish backwardness, including the technological backwardness of socialist enterprises.

The third volume, which closes with the years 1988–98, against the background of the earlier publications, is an example of a certain compromise. Alongside its analysis of the various areas of economic change and entrepreneurial initiatives undertaken at the time, which form the bulk of the narrative, the final section also takes a closer look at the profiles of in-

¹ A review of the first volume appeared in *Studia Historiae Oeconomicae* (Pacanowska 2019).

dividual entrepreneurs. After all, they were one of the pillars of this eponymous 'fascinating decade'.

The author's journey through the *Decade of Wonders* is organised in seven chapters, showing the different faces of transformational entrepreneurship: from street trading, border trade and the shadow economy, the emergence of new economic entities in the process of privatisation, to the influx of foreign investment. The starting point of the *Decade of Wonders* is quite clearly marked by the Wilczek Act (Dz.U. 1988, No. 41, item 324), which made it possible to set up businesses and defined the framework for doing business. The journey into the beginnings of market transformation is thus starting relatively late. The importance of Polish companies, or the first companies with foreign capital in breaking the state domination of trade, is dealt with very briefly. This is all the more surprising as this problem also escaped the author's attention in the previous volume, devoted to the period of People's Poland. The question, then, is whether the entrepreneurs from Polish firms represent the decline of the system or a prologue and harbinger of change? Although the selection of examples always remains a subjective matter, it can be noted that one of the first and at the same time the largest Polish companies, Interfragrances, was not included in the popularisation work. The well-known phenomenon of pre-transformation entrepreneurship, including the beginnings of companies in the furniture, IT or cosmetics industries, or the role of managers originating from the previous system in initiating new ventures, awaits its researchers and thorough documentation. Not so much in the light of file documentation, but also in the ways and methods characteristic of oral history.

The leitmotif of this publication remains the transformations in various spheres of the Polish economy. The book's strength is its colourful narrative, which is also evident in its focus on catchy subjects that arouse the reader's interest. These certainly include the passage on bazaar trade. The author reveals the backstage of not only the transformation of the 10th-Anniversary Stadium into the most important bazaar of Europe at the time, but also refers to border trade or the markets established around Łódź in Tuszyn and Głuchów. The profile of the initiator and initiator of the "real bazaar" in Rzgów near Łódź – Antoni Ptak – in the summary corresponds to their activities. The creation of conditions for trade and the building of markets is the initial stage in the development of a later chain of shopping malls.

Equally interesting is the material devoted to the formation of new business spaces. These include those associated with the IT revolution,

such as the import of computer equipment (Optimus) or the beginning of computerisation of financial institutions. The massive influx of previously unavailable consumer goods onto the Polish market, including consumer electronics, TV and radio sets, but also sound equipment, VCRs or computer game consoles, mainly Japanese or Korean, fostered changes in the way people spent their leisure time. In addition to the emergence of video equipment rental shops, it also influenced the formation of the Polish advertising environment. It was also a challenge for entrepreneurs, who took decisions to establish the first radio stations (Radio Z or RMF) or private television stations (Polsat and TVN).

Building the foundations of a free market economy required the restoration of private property. In the following chapters, the author, on the one hand, reveals the controversies related to the privatisation of the largest enterprises and, on the other hand, by referring to social stereotypes, points to the pace of privatisation with the participation of foreign investors. The trump card of the work here remains the unconventional selection of examples (Paper Machine Factory from Jelenia Góra, Kwidzyn Pulp and Paper Works or plants from the tyre industry). In a narrative focused on the valuation of enterprises, and in the case of employee privatisation on crew shares, the problem of technological modernisation escapes.

In the decade of miracles, a significant problem was to obtain the financial resources needed to start a business. The initial accumulation of capital in Polish conditions, however, took place using own resources, i.e. primarily domestic capital or funds obtained from commercial trips abroad. If it was relatively easy to raise the first funds from commercial activities, it was much more difficult to locate them. The banking system had only just begun to take shape and some banks, including cooperative banks with a significant number of branches, failed to cope with the growing market competition and declared bankruptcy. The weakness of the banking system at the time, and at the same time the level of economic knowledge of Poles at the time, is well illustrated by the case of Aleksander Gawronik, an entrepreneur associated with Bezpieczna Kasa Oszczędności, which offered high interest rates on deposits. The author illustrates the exploitation of legal loopholes, a motto guiding the heroes of the Polish transformation, known from the slogan "what is not legally prohibited is allowed", based on the controversial business idea of Bogusław Bąsik and the well-known Art-B affair.

In portraying the realities of the Polish economy, the author did not shy away from tackling topics that were difficult and not easy to grasp,

such as the black economy or organised crime. Indeed, scandals involving the possibility of operating on the edge of the law, including the smuggling of illegal goods such as alcohol or petrol, were an integral part of the reality of the time. It was not without reason that the border on the Oder and Lower Silesia was called the Polish "Rio Grande". An attempt to crack down on illegal business led to the abduction and death in Poznań in 1992 of one of Wielkopolska's well-known investigative journalists, Jarosław Ziętara.

In a brilliantly written picture of the 1990s, which does not lack references to difficult subjects, reporting on the scandals of the time, the first achievements, the new businesses, a narrative focused on successes prevails. The bulk of ventures launched in the 1990s have not stood the test of time. "Failure is a natural part of the business cycle. Companies rise, companies fall. Capitalism moves on" – is the well-known motto of Fortune Magazine. Among the companies founded in the early 1990s, according to various estimates, around 20 per cent have survived to the present day, largely forming the core of today's family businesses.

There is also no place in *Decade of Wonders*, and this is a view characteristic of liberal circles, for depicting the situation in small towns, in the Polish countryside, including the post-state farm areas. It is hard not to notice that these problems do not correspond to the message of the whole. The Polish road to capitalism is also the beginning, let us add not an easy one, of the modernisation of the Polish countryside and Polish agriculture. In these areas, despite the hopelessness and growing unemployment, we have examples of new initiatives and not easy ways to survive. These are the problems of small-scale agro-processing and agricultural supply, as well as fears of "EU competition".

When analysing the content of the decade of the 1990s, it is also in vain to look for the achievements of the local authorities of the first terms of office, their role in shaping the business environment, creating a climate for attracting investors and, puzzlingly, also the beginnings of the development of road infrastructure. After all, the state of the infrastructure largely determined the location of the first foreign investments. It was the road haulage companies initiated at that time that would become a distinctive feature of the Polish economy in the European Union, and consequently of the entire logistics and transport industry.

In the final part of the publication, in a separate chapter, the author presents selected profiles of "people with an idea for success". Although it is not easy, based on examples, to show the whole plethora of busi-

nessmen of the time, in this part we will encounter unconventional people, people with character, who courageously took matters into their own hands. Among the profiles of Polish entrepreneurs presented here, we will find representatives of various industries, operating in new areas or modernising existing enterprises. Apart from Jan Kulczyk, Michał Sołowow or Aleksander Gudzowaty, the latter group includes Piotr Owerko, founder of Bakalland, Dariusz Miłek, founder of the CCC chain, Piotr Voelkel or Marzena Gradecka, founder of a cosmetics wholesaler.

Finally, we should add that the well-thought-out graphic design of all volumes, including a colourfully varied cover, and printing on chalkboard paper, provide the visual qualities of the undertaking, conducive to the popularisation of the subject matter. The advantages of the publication, intended not so much for the scientific community, but for the younger generation, who associate the times of change quite unambiguously with the breakthrough year 1989, are emphasised by the photo service, mostly in black and white. The photographs from this period, taken on analogue cameras, in relation to some areas of the economy's functioning, provide a unique record of the first years of transition.

The authors intended the publication to interest readers in the first decade of Polish transformation, including the "shock therapy" initiated by Leszek Balcerowicz's reform, emphasising the importance of the changes taking place. The author's not easy challenge of presenting the watershed times is a good exemplification of the well-known saying of Václav Havel's "the abyss cannot be overcome in one leap". Reading A. Krajewski's book, which shows the clash of two worlds, the world of the socialist economy and the construction of the foundations of a free market economy, can make readers realise the scale of the changes that took place after 1989.

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