



CASE – Centrum Analiz
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**Comments on the Anders Åslund's paper:
„The Polish Transition in Comparative Perspective”**

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A pleasure to read...

- Sometimes the success of a country may be more visible from outside...
- Good to recall a very difficult starting point...
- Interesting search for the reasons of the success...
- Right critique of the shortcomings...
- An honest warning: „not obvious that Poland will continue to outperform”

The 3 periods (+ future)

- Anders divides the transition of Poland into 3 periods:

- 1990-2000 (early transition)
- 2001-2007 (pre-crisis septennium)
- 2007-2013 (crisis years)

- His conclusions:

- Poland outperformed other countries in the early transition and in the crisis years, but was outperformed during the pre-crisis septennium
- The good performance can not be taken for granted in the future, a risk of the „middle-income trap“ does exist.

Early transition

■ Anders:

- The reasons for success = the Washington consensus
- The reforms: fast, radical, comprehensive
- Shortcomings: reforms of the welfare state

■ My comments:

- Indeed, the Washington consensus worked in Poland
- Sequencing, scope: easy to win the battle of Waterloo now...
- The miraculous role of the entrepreneurship
- Privatization: slow, but some good side effects
- Shortcomings: insufficient reforms of the State

Pre-crisis septennium

■ Anders:

- The reasons for poorer results: lagging behind in the second generation of reforms, fiscal policy, monetary policy

■ My comments:

- Obviously right, but the problem needs some more insight
- Results poor due to the 2001-2002 slowdown
- The risk of a currency crisis and an ex-ante adjustment programme
- (Arguably) excessive monetary tightening in 2000-2001
- Unfinished agenda of reforms
- Good side effects: the second wave of restructuring

Crisis years

■ Anders:

- Strict pre-crisis monetary policy
- Floating exchange rate
- Fiscal stimulus

■ My comments:

- Yes, but also low indebtedness level (households and firms)
- Flexibility of the economy
- EU impact
- A lot of good luck

Future

■ Anders:

- „Not obvious that Poland will continue to outperform”
- Low investment rate, R&D, quality of higher education
- „Middle-income trap”?

■ My comments:

- All of this is correct
- Two major setbacks: low saving rate and low social capital
- Demographics
- The area waiting for major reforms: the State