

Books that are noteworthy

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Please note that only the first book, *Riddles of economic growth*, is already available in English, while the other two books are still only in Polish language.

Riddles of economic growth. Driving forces and crises – comparative analysis. Leszek Balcerowicz and Andrew Rzońca. C.H. Beck. 978-83-255-3055-6.

Late in 2014, just a few weeks before Christmas I attended a conference in New York. As “luck” would have it that day professor Balcerowicz was at the World Bank in Washington DC, promoting his new book and sharing in the *Riddles of economic growth*. Many development professionals, policy experts and other government officials attended the event. I had the pleasure and the privilege of translating the very first draft of its introductory chapter. Before it appeared as a book, its excerpt appeared in the WICS Journal (The WICS morphed into the Business and Public Administration Studies since then).

The book launch led by Balcerowicz was filled with fascinating stories and anecdotes. Leszek’s talk was informative, inspiring and lively. With many questions following – and from what I am told – participants were inspired and impressed with the book’s provocative, yet highly insightful message. Perhaps it is because the message appears in the form of probing questions: how is it that after so many decades of studies and research we still know so little about what determines economic growth? Also, why do some economies perform much better (you might say: against their odds) than other countries?

Authors pose a number of interesting and intriguing questions such as for example these:

- Why did Australia break away economically from New Zealand?
- Why did Austria (almost) catch up with Switzerland?
- Why is Mexico much poorer than Spain?
- Why has Venezuela become poorer than Chile?
- Why does Puerto Rico resemble the former GDR?
- Why did „communist” China overtake „capitalist” India?
- Why has Pakistan developed more slowly than Indonesia?

Authors then attempt to answer (or at times just hint some possible causes, or explanations for) these and similar questions while addressing a much broader question: where do the differences in economic growth come from? It is an important issue to be analyzed in a different way because its authors systematically assess the overall development and the complexity of effects of historical and economic crises. The deeper causes of earlier recessions that were determined by the institutional conditions, also affected economic growth and its performance. The authors assess the causes of low labor and capital expenditures, low saving rates, structural adjustments and many other phenomena. They also compare various pairs of selected countries, assess and contrast their findings with highly successful countries, coming up with many surprising and intriguing findings.

The book attempts to elucidate the complex causes of the differences in economic performance. The issue is important not only from an analytical point of view. It is also a practical

question. Especially now in the early 21st century, when we are flooded with information and starving for true knowledge. Economic growth is the most concise method and comprehensive way to effectively rescue societies from poverty and increase standards of living. As long as the economy grows then income of its members grows as well. For example, as authors point out, income of the poorest one-fifth of South Korea – one of the economic tigers of the world – is approximately four times higher than the income of the most affluent one-fifth on the Korean peninsula prior to the Korean War and it is seven times higher than income earned by the average North Korean. In the book, readers may encounter more similar and surprising examples of speedy economic growth and examples to the contrary.

Without economic growth, the only mechanism enabling some to become richer is for others to become poorer. It is the well known “zero-sum game” proposition. When you are slicing the income pie, it may lead to a reduction in its size. There are many countries in the world who suffer significantly lower per capita incomes than they did several decades before.

Representatives of an influential school of thought – known as growth theory – proximate causes of economic growth to accumulation of capital, employment and productivity (labor and capital). This theory does not provide a complete explanation. It is because the proximate causes require explanation themselves. Because of this weakness in the above paradigm, more and more research looks for deeper causes of the differences in the rate of growth in and among countries. The studies usually deal with institutions and their systems. The research on economic growth is interceded by other work dealing with theoretical micro and macro-economy as well as political economy. The book is highly regarded and endorsed by many economists and policy practitioners. „Overall, I think the book is one of the most interesting ones published in Poland in recent years. (...) It is easy to read and therefore may also be of interest to lay people,

not only those in academia. However, the students of economics and the academicians will be the main target of this book. „ – said professor Stanislaw Gomulka.

Discovering freedom. Against the enslavement of minds. Leszek Balcerowicz. Profit. 978-83-7785-061-9.

This. 1027-page innovatively and uniquely compiled „bible freedom” is highly recommended by the Civic Development Forum (FOR). „Discovering freedom. Against the enslavement of minds” is a collection of fifty works of libertarian thinkers well known in most of the western democracies. It was collected and introduced at length, with more than eighty pages of personal reflections by Leszek Balcerowicz. Among the key authors and writers are classics of philosophy (Adam Smith, David Hume, John Stuart Mill and many other great thinkers), as well as the great philosophers (Polanyi, or one of Poland’s most brilliant thinkers – Leszek Kolakowski). Even some controversial politicians find their place there, such as Janusz Korwin-Mikke. In his lengthy introduction Balcerowicz writes: “Anti-freedom pressures that exist in a democracy, of course, do not constitute a departure from democracy and civil liberties. But the defense of liberty in the context of risk of democracy and civil society. This requires a constant systematic and professional activities, because these pressures never cease. Thus, the struggle for freedom will never end”.

One may travel with Leszek Balcerowicz from classical philosophy (Mill, Locke, Popper), with some of the greatest minds of the previous era (Tocqueville, Bastiat, Constant), to the great economists of our times (Hayek, Mises, Friedman), historians (Pipes). We get a glimpse of the key makers of libertarianism (Nozick) and back to where it all began: Adam Smith. We read lots about human nature. We find out why the greatest enemy of democracy is just the very nature of man, understand-

ing therefore what is inside of each and every person. What does democracy really demand and consist of? What really threatens our loss of freedom? What do we really know and understand about markets?

Anyone who questions the direction our modern world is going in, or anyone who feels that our recent economic, social and political history makes little sense should read this collection of classical essays. One has to read „Discovering freedom” systematically and slowly. Freedom, is the most often misunderstood word that man knows. We are familiar with the cliché that „with great freedom come great responsibility.” We feel free when we become aware of taking responsible steps and realizing that these are at once sensible and/or liberating at the same time. And so, everyone should read this book. It is wise, demanding, and inspiring.

One has to fight – Who really is Leszek Balcerowicz?

Marta Stremecka and Leszek Balcerowicz. Czerwone i Czarne. 978-83-7700-160-8.

What was his childhood like? What was his life in the era of Polish economic transformation? The biographical narrative „You have to fight”, or a bit impersonally: “One has to fight” is an interview with Martha Stremecka. Here, Leszek Balcerowicz reveals many previously hidden details of his private life. After his recent opera magna: „Discovering freedom, (released in 2013) came another book: „Against slavery of minds”. „One has to fight” is the most recent book by Leszek Balcerowicz. This time, he talks about his life from childhood to adulthood, revealing anxieties and emotions. Leszek Balcerowicz might be considered one of the most interesting political and intellectual actors of the last twenty-five years. He is the author and architect of the most difficult economic transition, having served as a Deputy Prime Minister in Tadeusz Mazowiecki first non-communist government. „One has

to fight” is a very different story. This book shows him „behind the scenes” from childhood through his personal and professional life. The lively stories and anecdotes show his strong character depicted through such examples as early fights with peers in the yard. His biographical narrative reveals what ignited his strong emotions, experiences and unrest. Life in government, in politics and brokering tough reforms showed that Leszek Balcerowicz truly had to have a tough skin to endure and to remain firmly convinced of his rational decisions, because behind his huge economic knowledge hinged a fragile future of Poland’s successful reforms. His book „You have to fight” is the confirmation of how right he was.

Leszek Balcerowicz (b. 1947) – economist, Professor of School of Economics in Warsaw and an MBA from St. John’s University in New York. He is the author of economic reforms in Poland started after the fall of communism in 1989. He was Deputy Prime Minister and Minister of Finance in the first non-communist Polish government after World War II (1989-1991 and also served in 1997-2000). From 2000 to 2007 he was a President of the Polish National Bank (NBP). He holds honorary doctorates from more than 20 universities. He is the author of over 100 publications on economic issues. For his major contributions to the economic transformation in Poland, he was awarded the Order of the White Eagle – the highest Polish state distinction. In 2007, he founded the Foundation for Civic Development Forum FOR, where he is the Chairman of the Council.