

**B**EFORE THE Polish opposition became part of the Polish government, it hosted a more-or-less clandestine conference in Krakow in May 1989 on the topic of U.S. foreign policy. In attendance were roughly 50 Polish intellectuals linked to several opposition groups including the Solidarity trade union, the Independent Student Association, and *Future Times*, a journal largely devoted to peace issues. For those Poles privileged enough to receive an invitation (the event received scant advertising), it was a rare opportunity to hear foreign policy "experts" from the West.

It was the usual gang of splenetic neoconservatives, Reagan apologists, and effusively repentant ex-radicals. Ronald Radosh was there to address U.S. policy in Central America and Joshua Muravchik could be heard praising the very democratic values he pilloried as a Yippie twenty years earlier. Leading the group were the two beacons of the "second thoughts" movement of reformed revolutionaries for the right wing: Peter Collier and David Horowitz, former editors of *Ramparts* magazine. To add a little glamour to the conference festivities—the icing, so to speak, on the neo-con Twinkie—Fawn Hall lent her radiant flag-wrapped presence.

Although the conference speakers were predictable, several of the major sponsors of the event might raise some eyebrows: an enormously popular trade union, a student organization fond of militant demonstrations, and even a magazine associated with eco-pacifism. What chimerical beast could boast such a combination of Reaganaut head and progressive body? Unfortunately, this was no creature of fantasy. It was Poland 1989. Neoconservatives had established a beachhead in the land of Solidarity.

For the stateside organizer, the Washington-based right wing National Forum Foundation (NFF), the Second Thoughts roadshow to Poland was more than a mere meditation on U.S. policy past and present. In addition to unabashedly exporting the Reagan

global and economic program, the right-wingers were solidifying contacts with East European dissent—just as these movements were beginning to move into national decision-making positions (not surprisingly, the next stop on the itinerary of several speakers was Hungary). "This conference," announced NFF leader James Denton in his opening remarks, "is one of the first small steps in establishing a lasting and dear friendship."

Little did Denton, NFF employee Fawn Hall, and their band of Adam Smith-toting revisionaries realize that the next step would be quite a bit larger. What had been merely golden-hued supply-side rhetoric for the Krakow audience in May 1989 soon became the centerpiece of Poland's new economic policy. And the man behind this great capitalist leap forward was a neoconservative cut from rather different cloth: Harvard economist Jeffrey Sachs.

**C**ALLED IN to advise a rapidly evolving Polish government in 1989, Sachs proceeded to develop a program for "overnight capitalism" that won sufficient support from key members of both Solidarity and the Communist Party (PZPR) to pass the Polish legislature at the end of 1989. The plan is straightforward: rapid privatization of state industries, reduction of barriers to foreign investors, convertibility of the Polish *zloty*, closing of sunset industries (throwing as many as 30 percent of Polish workers out of jobs), tight fiscal policies. Overall, the plan resembles International Monetary Fund (IMF) austerity programs designed for countries with inflation and foreign debt problems: high exports and low imports, decreased social spending, and unleashed free market forces. Sachs' cure is certainly severe: whether the patient will survive and who will ultimately pay the doctor's bills are less clear.

"In United States terms," Sachs told Laurence Weschler in the *New Yorker*, "I'd be identified as a liberal Democrat and the country I admire the most is Sweden." His self-description not-

withstanding, Sachs' proposed economic program draws substantially from Reaganite and Thatcherite supply-side nostrums. The method by which he reconciles this contradiction is fascinating. To get to the endpoint of his admired Sweden, Sachs argues that Poland must make up lost time quickly by speeding through several stages of 20th century capitalism: normalization through acceleration. What will guide this process? The market. And who will control the market? Primarily foreign capital. Only after the investors have enriched themselves will the average Pole benefit. Then boom: Sweden. Talk about chimeras.

From the Second Thoughts conference to Jeffrey Sachs, clearly there is a market for neoconservatives today in Poland. Nor are these merely imported sentiments. These days, the average Pole will admit to a triple faith in Church, anti-communism, and capitalism, three neoconservative favorites. Are these resemblances to U.S. right wing thought simply coincidental or have Poles, after a decade of widespread support for trade unionism, already begun to indulge in some second thinking of their own?

#### Ideology For Sale

**N**EO-CONSERVATIVE PHILOSOPHY is a veritable stew of traditional conservatism, 19th century liberalism, neoliberalism, libertarianism, populism, and even objectivism. As Ronald Reagan was entering office in 1980, these various strains fused together into a single program and three books in particular were influential. George Gilder's *Wealth and Poverty* provided a quasi-philosophic rationale for supply-side economics; Jeane Kirkpatrick's *Dictatorships and Double Standards* reestablished anti-communism as the yardstick for U.S. foreign policy; Richard Viguerie's *The New Right* imagined the traditional values of family and faith to be the bedrock of both domestic and foreign policy. These books not only defined the agenda of the Reagan era but helped to construct



the image that the United States presented to the world of the 1980s.

For Poles sympathetic to Solidarity (i.e. most Poles), this image elicited a great deal of approval throughout the decade. The new Kirkpatrick-influenced foreign policy, for instance, highlighted precisely the qualities that would appeal to the mass opposition movement: uncompromising anticommunism, impassioned defense of human rights and unconditional support for democracy. That the anticommunism was, in fact, instrumental (e.g. treatment of China vs. treatment of Soviet Union), the human rights standard selectively applied (e.g. Poland vs. El Salvador) and the championing of democracy often more in word than deed (e.g. U.S. intervention in Latin American elections) was not a perspective Poles could hear on Voice of America or through Second Thoughts conferences.

**S**Ocially, the neoconservative reverence for the traditional values of family and Church dovetail with Polish attitudes. Overwhelmingly Catholic and centered around family traditions, the majority of Poles have always looked skeptically at liberal social mores. When the Catholic Church launched a campaign in 1989 to criminalize abortion, the move was opposed by only a small fraction of the population (generally students and professionals; there is at present no women's movement to speak of in Poland). Much of the progressive social legislation—such as the liberal abortion law—is associated in the public mind with the atheistic Communist Party that initiated it. With the decline of Communist power, the suppressed traditionalism of Poles has resurfaced.

The core of the neoconservative platform, however, is economic: the ideal of an unregulated, unrestricted free market. This notion—unlike anti-Communism or family values—has not always been popular among Poles. In other words, capitalism had to be sold to Poland and the selling techniques were diverse. At the May conference in Krakow, for example, the second thinkers argued that the very development of democracy was contingent on the unrestrained growth of capitalism: pluralism would only come from supply-side restructuring. For an audience

deprived of political democracy for so long, this message could be seductive.

Another method was the Trojan Horse stratagem. As David Stockman argued in his infamous *Atlantic* article, supply-side economics promised juicy tax cuts to sucker American voters into supporting what had always been an unpopular economic policy of redistributing income away from the middle class and poor. For the Poles, supply-side economics is a Trojan Horse of a slightly different color: the promise of unlimited prosperity convinces Poles to support what had always been terribly unpopular austerity measures.

To be successful, the neoconservative philosophy needed more than just packaging. In order for Poles to embrace the Sachs plan, some fundamental rethinking of economic principles had to take place. For that reason, the message that Horowitz and Collier brought to Krakow—second thoughts are better than first ones—was particularly well-timed. By 1989, both the Party and Solidarity were on the verge of repudiating historic positions.

### Market Mania

**M**ARKETS ARE not a new fad for the Polish Communist Party. In 1980, with the economy on the brink of collapse, the government proposed easing food subsidies, increasing exports, and introducing modest free enterprise mechanisms. Practically, this program translated into higher prices and fewer imported goods on the shelves.

But Poles were not ready for austerity. The 1970s were a decade of remarkable prosperity for the average Pole—well-stocked supermarkets, an influx of Western goods, decent wages, low prices—all made possible by foreign loans. As the world economy slumped and the interest on the loans became difficult to pay, the period of false prosperity ended. When the government attempted to raise food prices precisely when the standard of living was dropping, widespread protests ensued and triggered the rise of a mass trade union movement.

The July 1981 compromise between the government and Solidarity combined the Party's preference for increased market forces with Solidarity's emphasis on increased worker par-

ticipation in decision-making. The compromise was short-lived. In December, the government imposed Martial Law. When the economic plan was finally instituted in early 1982, Solidarity was an illegal organization and prospects for true worker participation were bleak. The market half of the program, however, was implemented with mixed results. Economic output for the year, for instance, declined 5.5 percent (after having declined 12 percent the year before).

After continuing to champion market reforms over the next several years, the government decided in October 1987 to quicken the pace. It proposed reforms that would have led to a securities market, a bankruptcy law, a lessening of central planning, price increases, and job losses. In hopes of gaining popular support, the government put its version of austerity capitalism to a referendum vote. Refusing to vote in numbers sufficient to ratify the government program, Polish citizens sent a clear signal that the promised efficiency of capitalism would not be accepted at the price of political continuity for the Party.

Throughout its campaign to bring markets to Poland, the Party was acting more in its own interests than as a result of any deep ideological commitment to capitalism. First of all, the Party wanted to make the economy more congenial to foreign investors and international lending agencies. With an influx of foreign capital, the Party could theoretically regain political authority by restoring the standard of living to its 1978 level. Furthermore, if the Party could control the economic transition away from planning, the *nomenklatura's* position in society would be secure. Industrial planners under the centralized system would become factory owners and managers under the new capitalism.

While the Party struggled to maintain its political authority during the 1980s, Solidarity was gradually revising its economic program. Responding to strong egalitarian sentiment in Polish society in 1980, Solidarity initially opposed market forces that might dilute the social contract—for instance, the elimination of government food subsidies that would lead to large price increases. Instead of market principles, Solidarity supported independent self-



management councils through which workers would make critical decisions concerning the day-to-day operations of enterprises. After Martial Law, the suddenly illegal Solidarity concentrated on survival first, and rebuilding a movement second. Discussions concerning specific economic programs were a luxury that an underground movement could ill afford. Some research reveals, however, that even by 1984 worker self-management had declined in popularity, especially among younger workers.

ON THE EVE of the Round Table negotiations between the Party and Solidarity in early 1989, the vacuum of economic proposals was stunning. The government still clung to its unpopular austerity measures; Solidarity had its old standard of worker self-management, but no concrete plan for the larger economic issues of reforming state enterprises, handling the foreign debt, and reforming wage and price policies. Although the Round Table negotiations conveniently left unaddressed these tricky problems, economic issues were nonetheless settled. Turning its back on worker self-management, Solidarity was willing to support austerity capitalism in exchange for legalization and greater political power. Having finally won approval for austerity but quickly losing its political power, the Party accepted the rapid privatization of state assets which would potentially disfranchise it as an institution (but potentially enrich individual Party members).

By the time a coalition government emerged last August, the economic situation was deteriorating quickly. Neither side was interested in half measures; the Party's experiments with markets had not after all been particularly successful in the 1980s. But the price of full-scale marketization a la Sachs was going to be stiff. Between December 1988 and December 1989, according to the weekly newspaper *Polityka*, the price of bread rose from 59 zlotys to 920 zlotys. Butter skyrocketed over the same period to 2050 zlotys from 195 zlotys. Still higher prices are projected for 1990 and the government has pledged to prevent wages from keeping pace.

Although many Poles are skeptical about the potential for success of the

Sachs plan, the official line has been one of conditional optimism. Writing in the former Party weekly *Polityka* this January, commentator Jerzy Baczynski argued: "Personally, I don't share the opinion that 'we can not succeed.' It is an exceptional perhaps singular time—historically and psychologically—to undertake the radical task of overcoming inflation and creating the basis for a market economy. Even if it would have to end like other 'great leaps' I think that we must nevertheless take it. Particularly because the chance is there. In the meantime, we must endure."

So "overnight capitalism" appears to have been accepted, however grudgingly, after a decade of maneuvering and shifting of positions. With this final element added to the more longstanding commitments to family, faith, and anticommunism, Polish neoconservatism seems to have triumphed.

Lest the National Forum Foundation rejoice too soon, however, appearances in this case may be deceptive.

### Korwin-Mikke

JANUSZ KORWIN-MIKKE is the closest thing Poland has at the moment to a true neoconservative. A fan of Friedrich von Hayek and Milton Friedman, Korwin-Mikke would like to substitute the free market for centralized planning, and radically diminish the government's role in society to virtually nil. The inequalities that an unrestrained market and government-less society would engender do not bother him. "For socialists, the more equality the better," he explained to a Polish newspaper. "For me, I prefer inequality. Social justice simply doesn't exist."

Though he articulates many of the themes of neoconservatism, Korwin-Mikke does not presently have a large following in Poland. Indeed, in the June elections for the Polish parliament, he lost to his Solidarity opponent. To say, then, that Poland has become unreservedly neoconservative would be a trifle premature.

Despite all that has been written above, the resemblances between the dominant Polish ideology and U.S. neoconservatism are, for the most part, a function of circumstance. For instance, as the Communist Party becomes but one party among many and the Soviet Union goes from "big

brother" to trading partner, anticommunism and antiSovietism will lose their intensity. As multi-party pluralism gradually becomes established and censorship eases, anti-statist sentiment will subside. Poles are not opposed on principle to government intervention in the economy. They simply want greater control over any government which would be doing the intervening. Adherence to values of family and faith, meanwhile, are sure to be challenged by the present economic program. "Overnight capitalism" urges the very economic growth and societal disruptions that break the traditional bonds in society. Workers will be thrown out of jobs and forced to move to new cities, thus breaking up extended families and straining marriages.

Even support for "overnight capitalism" may only be transitory. As economic austerity begins to hurt as much as the inefficiencies of centralized planning once did, capitalism will no longer be viewed as wholly positive. Workers in sunset industries and farmers angry at losing large government subsidies are already understanding the true nature of the supply-side Trojan Horse. Silesian coal miners struck in January over government-imposed wage controls. Eventually returning to work, the miners indicated that future strikes were not out of the picture. Austerity measures will not go unchallenged.

ON A SUPERFICIAL level, the second-thinkers have won. Their brand of neoconservatism has, for now, melded with what passes for Polish neoconservatism. If they have been truly successful in implanting their philosophies, then Korwin-Mikke and his ilk will, like Reagan did in 1980, pull together all the strands of the new ideology into a political party and surge to power.

Fortunately, it is not 1980. As politics become more pluralistic and opposition to supply-side austerity mounts, Poles will no doubt come to view the neoconservative model developed by Kirkpatrick, Gilder, Viguerie, and others as the ill-conceived and second-rate thinking of another age. In 1990, however, during this turbulent interregnum in which the old is dying out and the new has yet to emerge, Polish second-thoughts are the latest morbid symptoms. Z