

## TOWARD AN OPEN WORLD ORDER

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The other side of every simplification is a complication.

Novalis

If one were to look for the traces of the future in the present, he would find the optimism expressed in this topic to be more justified than it was the case a decade ago. The world was then dominated by omnipresent constructivism and loss of faith in democratic capitalism was evident. The economy seemed to be governed by all-powerful theories of Marx, Keynes and Galbraith. The notion of "convergence" which itself did not explain anything, served as a cover for aggressive actions of the Soviet empire to which the Western world had surrendered in Helsinki. Within the scope of possibilities of the USSR, fed with Western marxism and Western grain, was the one of buying from the capitalists a proverbial "Lenin's string". The whole "free world" seemed to be following the road to serfdom.

America turned out to be the first to become disillusioned. It was there that the new 20th century praiseworthy revolution, a conservative revolution, had begun. It revived the spirit of democratic capitalism which converted the Latin civilization into the first world-wide civilization. Adam Smith's teaching "about the causes of the wealth of nations" also enjoyed its revival and J.A. Schumpeter's doubts in capitalism's ability to survive were replaced by absolute certainty.

This certainty was also shared by communism which found itself forced to acknowledge its civilizing defeat. It has sparked off two different processes within communism. One of them is the course of reforms which are often inconsistently implemented palliatives and may thus prove unsuccessful. The other one, much

more profound and significant is the revival of Latin civilization. Its signs can be found in changing attitudes towards religion, law, property or nation. All this makes out of communism a non-ideological, police-state characterized by limited pluralism and market economy, the latter finding support in civilization-oriented society.

Communism is today nothing more than the longest way to capitalism, maybe non-democratic, but still capitalism. For communism the only possible solution is a liberal solution. This is why today one can talk about moving toward an open world order.

## Toward an open world order'

Każde uproszczenie stanowi z drugiej strony jakąś komplikację

Novalis

Jeśli by szukać śladów przyszłości w teraźniejszości to optymizm wyrażony w temacie wydaje się być dzisiaj bardziej uzasadniony niż jeszcze dziesięć lat temu. Świat zalewała wówczas fala konstruktivismu. Upadek władzy w demokratyczny kapitalizm był niemal powszechny. Wydawało się, że gospodarkę niepodzielnie zawładnęły teorie Marksa, Keynesa i Galbraitha. Termin „konwergencja” nie wybrzmiał niczego, przystąpił jedynie agresywny poczynania imperium sowieckiego, przed którym Zachód kapitulował w Helsinkach. W zasięgu ZSRR, kornijnego zachodnim marksizmem, zachodnim zbożem, możliwe stało się kupienie od kapitalistów przestawianego Leninowskiego sznura. Wydawało się, że cały „wolny świat” zmierza nieodwołalnie „drogą do poddaństwa” (the road to serfdom). Otrzesnięcie nastąpiło w Ameryce. Dała ono początek nowej, dwudziestowiecznej ~~nowej~~ chwalebnej rewolucji = rewolucji konserwatywnej. Ożył duch demokratycznego kapitalizmu, który przekształcał cywilizację Tachistą w pierwszą cywilizację o znaczeniu ogólnowświatowym. Przypomiano sobie nauki Adama Smitha i „pryczynę” bogactwa narodów. Wątpliwość J.A. Schumpetera, czy kapitalizm może przetrwać, przetrwała się w pewność.

7. Ventures with Polish private firms may be profitable for Western partners whose convertible currency receipts and expenditures will give them the proper yardstick with which to measure effects of these ventures realised in still non-transparent, closed economies. The same ventures will be advantageous for Polish private firms for reasons explained in the preceding paragraph - even if real profitability is difficult to establish in the economy with distorted relative prices.

8. I have been considering industrial joint-ventures so far. There is, however, a wide range of involvements open to Western business firms. The simplest and easiest to point out are similar joint ventures in the area of human capital-intensive business services, taking the advantage of the underutilised intellectual potential of highly educated people in Poland /or any centrally managed economy for that matter/.

9. Much more varied - and in the longer run also more important - are however involvements that are called by economic development experts "institution-building". The expanding private businesses in Poland are in the great need of the institutional infrastructure: development banks, insurance companies, innovation centres, management schools, etc. Here, Western governments' money combined with Western firms and institutions' expertise could combine in creating efficiently working institutions. .

Let it be noted that these institutions will be necessary not only for the expansion of Polish private sector but of joint ventures, wholly-owned subsidiaries, mergers or any other forms of foreign equity-based /and many non-equity-based forms/ of foreign involvement.

True, they would work in the transition period at less than usual Western levels of efficiency due to the unfinished transition to the normal market-type economy. Nonetheless they would be more helpful - and more efficient - than the existing state institutions to which the cooperating partners would have to turn in the absence of private counterparts of the needed type.

10. It needs no reminding the readers that the room for foreign investment would increase very substantially with the changes introduced in the state sector that would clarify property rights, as well as with the accomplished liberalisation of domestic prices and exchange rate. Only then the whole range of foreign investments can be considered. The analysis presented here is confined, however, to the transition period only.