

THE ROAD FROM GDANSK: HOW SOLIDARITY FOUND HAVEN IN THE MARKETPLACE

by GARY FIELDS

If the purpose of history is to link past and present, then the recently-concluded presidential theatrics in Poland offer a provocative challenge to historical imagination. Buried beneath the reporting on Poland's first contested election in forty-five years lies a story yet to be told by those who would uncover the lineages of the present. The broad outlines are familiar. Two moments in recent history—1980 and 1990—are joined in the person of one individual: the electrician who scaled the walls of the Lenin Shipyard to lead one of history's most dramatic labor uprisings and the politician who has now assumed the right of coronation. But the historical space between these moments remains a mystery. How did the labor militant of 1980 become the president of 1990, with aspirations to govern Poland "like a sheriff"¹ and enforce what almost overnight became the supreme law of the land, the law of the market?

In September 1981, at Solidarity's First National Congress in Gdansk, Edward Lipinski of the Workers' Defense Committee (KOR) electrified the delegates and spectators when he declared that the forces opposed to socialism in Poland came not from Solidarity but from the Polish govern-

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ment. To thunderous applause Lipinski proudly claimed to be a lifelong socialist and confidently asserted: "There are no significant forces in Poland which desire the reprivatization of the means of production."² Lipinski's sentiments were hardly isolated. Far from advocating a return to free enterprise to counter Poland's economic malaise, Solidarity's program for economic reform stressed the need for workers to organize themselves to administer the economy directly. "We want economic power to be exercised by self-management committees rather than fifteen members of the Politburo," is how one of the architects of Solidarity's program, Jerzy Milewski, described the union's position. In defining the political content of the program, Milewski concluded: "What the Union strives to attain is socialist to the bone."³

These statements reflected a broad consensus on the issue of ownership and economic reform that had evolved since Solidarity's formation in 1980. Prior to the congress, Solidarity leaders Adam Michnik, Bronislaw Geremek, and even Lech Walesa all ruled out a return of the nation's wealth to private ownership.⁴ "I am a worker and workers have never been in favor of capitalism," declared Walesa. "When we make the worker the master of his work . . . socialism will be in all respects much better than capitalism." Geremek, one of Walesa's chief advisors was even more explicit. Emphasizing how the union had consulted extensively with workers on the question of ownership, Geremek insisted that

the issue of public property is definitively settled. To return to the western system would be a regression of civilization . . . The system [in Poland] is being challenged [by Solidarity] not because it is socialist but because it is not socialist enough.

In September 1989, Solidarity found itself in a position to fulfill its dream. By virtue of its historic transformation from popular oppositional force to outlawed underground organization to inheritor of governmental power, Solidarity earned the chance to implement the program adopted at its first congress. Yet when it took power, it chose a radically

different approach to transforming the country's shattered economy than anyone would have expected prior to the imposition of martial law in December 1981.

The Solidarity-led government of Tadeusz Mazowiecki immediately adopted a plan to restructure the economy that was anything but "socialist to the bone." There would be no workers' self-organization, no experiments with more democratic forms of economic planning and workers' self-management. Workers were called upon to tighten their belts and face the closing of inefficient establishments. The only criticism levelled at this plan by Lech Walesa during the ensuing year was that the transition was not quick enough. This critique apparently found enough support among Solidarity members to undermine the Mazowiecki government during its first year and secure Walesa's ultimate triumph. If "The Road to Gdansk,"⁵ symbolizes the route chosen in 1980-1981 by a self-organized labor movement aspiring to enterprise self-management, democratic planning, and an economy of freely associated producers, then the Polish workers' movement in 1989-1990 might accurately be traveling the road from Gdansk, where the signposts are etched with free-market ideals which originated 200 years earlier. Why did this turnaround take place and where will the workers' movement venture in the coming decade?

The Organizational Pattern of 1980

When the workers occupied their factories in the summer of 1980 and formed the strike committees that became organizational cells of Solidarity, they followed one of the main traditions of the twentieth century workers' movement. Solidarity can trace its lineage to those historical moments when workers have challenged existing authorities, including their own unions, and formed their own workplace institutions.

Between the Second World War and 1980, the structure of Polish working-class organizations was similar to that of the

AFL-CIO. Workers in the various branches of industry established separate unions with a national leadership for each based in Warsaw. One of the principal features of the postwar system in Poland, as in the rest of Eastern Europe, was the subordination of the unions to the control of the state and the party controlling it, the Polish United Workers Party (PUWP). Ostensibly the defender of workers' rights on the job, the unions in fact had three functions: to negotiate with the state/party employer over the terms of remuneration, to administer the employee vacation and benefit system, and most importantly to act as a transmission belt for the dictates of the state and the PUWP. In the context of Poland's centrally-planned economy, the practical role of the unions was to try to make sure that the output targets handed down by the Central Planning Ministry were fulfilled. Consequently, the unions played a major administrative and disciplinary role in the centrally-planned economy and were themselves institutional stakeholders in the prevailing system. Not surprisingly, the unions opposed the strikes of the Polish workers during the summer of 1990.

In occupying their workplaces during these months, the workers developed a geographically-based organization that shattered the system of branch unionism. As strikes spread across Poland, strike committees at the various worksites established links with one another on both municipal and regional levels through a system of Inter-factory Strike Committees. The movement assumed national dimensions through a National Coordination Council that linked all of the regional committees in one organization. The forms of organization adopted by the workers both during and after their strikes were geographic—based on affiliations of workers in towns or regions—in contrast to the industrial focus of the existing branch trade unions. This new dual power structure gave the workers entirely new possibilities for fulfilling their aspirations. By organizing themselves locally and regionally, the workers rejected the possibility of reforming the branch unions to pursue their interests. The horizon-

tal links among workers created by the geographical structure of Solidarity were therefore a revolution in the making.

The Roots of Solidarity

In developing a system of horizontal links, Solidarity followed a tradition of workers' self-organization that began with the workers' councils (Soviets) of the 1905 Russian revolution. This practice re-emerged again in Russia in 1917, in Germany, Italy, and Hungary in 1918-1919, in Spain during the 1930s, in Hungary in 1956, in France in 1968. Unlike other forms of working class militancy, these workers' organizations became centers of dual power. Solidarity is also heir to a variant of this tradition that workers themselves developed in forming factory councils during the uprising in Poznan in 1956, in Gdansk in 1970, and to some extent in Radom and Warsaw in 1976.

Poland is the birthplace of one of the most profound theorists of this revolutionary workers' tradition, Rosa Luxemburg, who developed her views on workers' power by analyzing the relationships among mass strikes, trade unionism, and workers' self-organization. Her ideas took shape in a series of polemics written around the turn of the century, criticizing the conservative tendencies in the largest organized socialist movement of that time, the German Social Democratic Party. She tried to persuade the party leadership that social reform, as advocated by such theoreticians as Eduard Bernstein in *Evolutionary Socialism*, offered no solution for the workers.

Luxemburg's point of departure was her interpretation of the wage relation in capitalist society developed in her early work *Social Reform or Revolution* (1899).⁶ According to her theory, the system of class domination under capitalism fixes the level of wages, and any notion that trade unions can reduce profits in favor of wages is a backward-looking utopia. In a passage that earned her the enmity of the trade union leadership, she concluded: "The trade union struggle, owing

to the objective circumstances of capitalist society, is like the labor of Sisyphus."

Seven years later in her analysis of the 1905 Russian revolution entitled *Mass Strikes, Parties, and Trade Unions*, Luxemburg argued that spontaneous self-organization of workers during mass strikes could be the key element in revolutionary transformation of capitalist society.⁷ For Luxemburg the most compelling lesson of 1905 was that higher wages were no longer the only possible motivation for, or outcome of, mass strikes. Indeed, strikes had the potential to unleash mutually reinforcing economic and political struggles. The events of 1905 revealed that strikes could indeed precipitate revolution and, in turn, inspire the striking workers to develop new organizational forms of struggle—soviets. This analysis gave rise to one of her most creative and controversial theories: that organization does not precede action, but on the contrary arises in the course of struggle.

Her analysis infuriated the trade union leaders, who bitterly attacked her throughout the years 1905-1906.⁸ According to them, the labor movement needed "more and better organization and peace and quiet in which to build it."⁹ This was anathema to Luxemburg's revolutionary vision. By the end of 1906 she went on the offensive and for the first time began to attack not only the leadership but the trade unions themselves, calling them institutional defenders of the status quo.¹⁰ In 1919, when the German working class was confronted by a revolutionary situation and confounded by its trade union leadership, her position became even more explicit. "We must replace the unions," she argued, "with another system that has a new foundation."¹¹

Antonio Gramsci, in a series of articles written in 1919-1920, ultimately provided the most profound theoretical exposition of the foundations of Luxemburg's system.¹² He acknowledged that the emergence of trade unionism represented a great historical victory for workers. In signing contract agreements, trade unions oblige factory owners to accept the legality of their relations with the working class—a state

of affairs which Gramsci termed "industrial legality." Such legality is conditioned on the faith of the employer in the union's continuity and its capacity to secure the workers' respect for contractual obligations. This dualism commits unions to assume responsibilities to both workers and management. They must secure for their workers a decent standard of living, but they must also guarantee to management the continuity of labor. Industrial legality normally enables unions to discharge their bargaining functions more effectively. Consequently, unions actually develop a stake in the system of industrial legality, because it helps them accomplish their goals and assures their continued existence. Unions regard industrial legality as a permanent state of affairs and defend it from the same perspective as the proprietor does. In the process they universalize and perpetuate the institutions and economic relationships upon which industrial legality is based.

When the system of industrial legality was in crisis during the workers' uprising in Turin in 1919, Gramsci observed how the labor movement was forced to express itself in new organizational forms—factory councils—to advance its interests. For Gramsci, the factory council was the organizational vehicle for superseding industrial legality and transforming the production relations of capitalist society. It is therefore the organizational model for a workers' state. Workers' power can only be embodied in an organization that is specific to their activity as producers, not wage-earners. When industrial legality begins to break down, Gramsci observed, the trade union movement, owing to its stake in the system of industrial legality, becomes a defender of the status quo, reluctant to disrupt the system. Gramsci thus concluded that when workers begin to form new types of organizations specific to their activity as producers, clashes between the new institutions and existing trade unionism are inevitable.

This program of worker empowerment and self-organization developed by two of Marxism's most towering figures bears a prophetic resemblance to the unfolding of

events leading to the formation of Solidarity. The strikes during the summer of 1980, initially over economic grievances, quickly escalated into mass strikes all over the nation, producing what might aptly be described as a revolutionary situation. Through the Inter-factory Strike Committees, the mass strike developed a totally new workers' institution, Solidarity. The union was at once challenged by existing authorities, including the leadership of the branch trade unions, which did everything it could to defeat the fledgling movement.

Despite its birth from the same matrix of activity that earlier produced soviets and workers' councils, Solidarity provided no immediate clues as to where it was headed in a programmatic sense. Seemingly inspired more by Church teachings than by classical Marxism, the workers groped instinctively for a way to end the economic, social, and political decay of their country. Catholic ideology, though it provided a broad ethical vision, had little to say about self-organization of workers and offered little guidance about how to reconstruct Poland.

Regrettably, the organizational ideas that might have guided the movement had undergone an Orwellian inversion; for 35 years the PUWP had intoned the words of Gramsci and Luxemburg while suppressing the Polish workers. Understandably, many workers in the movement were loath to couch a different program in the language of this tradition. Under such circumstances, it would have been remarkable for Solidarity to proclaim itself socialist, even though it had assumed characteristics closely identifiable with socialist tradition. The Polish workers found a solution to this dilemma—a solution that came from their own backyard.

Workers' Councils and the "Open Letter"

In July 1965, Warsaw was the scene of an extraordinary political trial. The defendants were two university youths who had been expelled from the PUWP in the aftermath of a police

search which brought to light a manuscript outlining general problems of the implementation of socialism in Poland. Although critical of the party, the document did not reveal anything new about the defendants, since they had stated their positions publicly in numerous party meetings. Shortly after their expulsion the students published the contents of the manuscript in what they called "An Open Letter to Members of the University of Warsaw Sections of the Polish United Workers Party and the Union of Young Socialists."¹³ The two were arrested and sentenced to three years in prison. They were Jacek Kuron and Karol Modzelewski, who would play a fundamental role in the Solidarity movement.

This letter remains the most profound critique of the so-called socialist system in Poland written from a Marxist position. The authors analyze why the system in Poland, contrary to official ideology, was not run by or in the interests of the workers, and what was necessary for a transition to a genuine workers' state. As Kuron and Modzelewski stated, their intention in this document was "to answer the question of how workers must organize themselves for state power in order to realize their fundamental interest: control over their own labor and the product of labor." (pp. 86-87)

The relations of production tell the real story of a society. The authors contend that the relations of production in Poland, contrary to the propaganda of the rulers, resemble those of capitalist society. The bureaucracy of the PUWP, "A single centralized national capital," controlled the state-owned means of production and appropriated the surplus, as if it were a capitalist class.¹⁴ The authors described in detail how the surplus was produced and appropriated, and how contradictions in the system led to perpetual crises. The "Open Letter," took its methodological point of departure from classical Marxian political economy, and ended with the prediction "Revolution is inevitable." (p. 69)

Kuron and Modzelewski were fundamentally influenced by the labor uprising in Poznan in 1956. They described it as the first anti-bureaucratic revolution against the system of

rule in Eastern Europe. In June of that year workers in Poznan led by militants from the huge Cegielski Metal and Engineering Combine initiated a revolt in an attempt to bridge the gap between official ideology and their daily reality. These workers organized themselves into factory committees and workers' councils which spread throughout the city. According to Kuron and Modzelewski, the most class conscious workers differed from other tendencies essentially in how they regarded the Workers' Councils. They saw in the Workers' Councils "a base for new relations of production and the framework for a new political regime." (p. 59)

The new leadership of Wladyslaw Gomulka that was swept into power by the Poznan uprising at first tolerated the Workers' Councils but later opposed their development. By the spring of 1957, the leadership of the PUWP openly condemned the idea of expanding the Workers' Councils and called the idea of a National Congress of Workers Councils an anarchist utopia. The following year, the councils, now increasingly timid owing to continual harassment from party authorities, were brought under party control.

Despite this failure, Kuron and Modzelewski continued to regard Workers' Councils as the basis for a program to transform Polish society into a genuine workers' state. Their program built on the ideas of Luxemburg and Gramsci despite the fact that their forebears were criticizing capitalism while the Open Letter took aim at a society that claimed to be run in the interest of workers. But Kuron and Modzelewski showed that the system in postwar Poland, based as it was on state property, had not fundamentally altered the relations of power existing under private property.

Self-Organization, Self-Management, and Solidarity's Program

By March 1981, the Solidarity workers at some of the nation's largest enterprises sensed that the time had come to take affairs into their own hands. Until then, the union had

been preoccupied with defending itself against continuous government attack. Union leaders initially outlined an extremely limited set of objectives for the fledgling organization. But the inability of the PUWP to deal with the country's ever worsening economic problems, coupled with the provocative use of force against Bydgoszcz Solidarity activists, motivated a significant layer of the most militant workers to take direct action. Committees for workers' self-management emerged in the largest industrial establishments, seeking to change the structure of control over the nation's productive wealth. By implication this movement would further shift the relations of power between the government and the working class.

In April these committees, in a manner similar to the Inter-factory Strike Committees during the birth of Solidarity, began meeting on a formal basis. Their goal was to coordinate a national movement for economic reform and workers' self management. At the conclusion of the April meeting, the founding committees, at the behest of activists from the Lenin Steelworks in Krakow and the WSK Aviation Equipment Combine in Rzeszow, formed an official committee within Solidarity. This internal committee, called the "Network," was composed of self-management representatives from seventeen of the largest enterprises.

The Network movement aimed to transform the relations of production by bringing the reality of the workplace into line with the official doctrine that the working class owned the means of production. Network activists stressed that state ownership had not resulted in social ownership, and it advocated transforming state property controlled by the PUWP into social property governed by worker self-management committees. These were to be unified on a national level through the Network and through a Chamber of Self-Management that would be a part of the Polish *Sejm* (parliament). The concept had an immediate appeal to a working class reared on the notion that it was the master of the factories. During the spring and summer of 1981, the Network project grew in strength as the economic crisis deepened. By the time of the

Solidarity Congress, workers' self-management had become the pivotal component in the union's draft program and the most urgent point of business taken up at the congress itself.¹⁵

The arguments of Kuron and Modzelewski's *Open Letter* clearly resurfaced in Solidarity's program sixteen years later. In opening their call to action, Kuron and Modzelewski emphasized that workers can be masters of the factories only if they control production. They impressed on the workers the need to organize themselves by forming councils "to manage the factories," linked with one another through a coordinating body to which the individual councils would send delegates. Within this structure "the working class would set the goals of social production, would make the necessary decisions, and would supervise carrying out the plan at every step." (p. 76)

Solidarity incorporated this vision into its own program. At the congress, it characterized its program in the following terms:

The thread running through the whole draft [program] is the self-organization of the Polish people—at the level of the factory (workers' self-management), at the level of the locality (local self-governing bodies), . . . and at the level of the country as a whole (a Chamber of Self-Management in the *Sejm*).¹⁶

This program rejected the main foundations of Soviet-style rule in Poland—the subordination of workers' organizations to the state and the control over economic decision-making by the party hierarchy—and effectively put the workers on a collision course with the party and state.

By the time of the congress in September 1981, the PUWP was already contemplating how it might annihilate the workers movement. Solidarity was also aware of an impending struggle. During the Congress, Solidarity press secretary Janusz Onyszkiewicz painted this prophetic scenario:¹⁷ "The real object of the conflict [between Solidarity and the Government] which has been growing for the past few weeks are the actions undertaken by Solidarity in the face of progressing

ruin of the economy. Involved is the demand for social control of production, and for reform of the system based on self-management."

Less than two months later, General Wojciech Jaruzelski declared a state of war against the Polish workers. Virtually the entire leadership of Solidarity was interned. Military units fanned out across the country to take control of worksites, transport, and communications. Many workers resisted. Some fighting occurred and workers were killed. In general, however, the crackdown was accomplished with a level of efficiency that had eluded the government and the PUWP in all their other endeavors. Solidarity was effectively neutralized, its legal status suspended.

Martial Law and the Transformation of Solidarity

From a hiding place where he had successfully evaded arrest since martial law began, Zbigniew Bujak, president of Solidarity in Warsaw and the highest ranking union leader to escape the military authorities, reflected on the causes of the confrontation and the choices open to the union during the final months of 1981. "There were two roads open to Solidarity," said Bujak.¹⁸

Solidarity could have thought only of its own survival, which would have meant selling out the interests of the workers, . . . Or it could have tried, as it did, to realize the program adopted at its National Congress to democratize the country and to institute reforms to lead it out of crisis.

He goes on to imply that while two roads might have been open, the first was one it could not take.¹⁹ For Bujak, survival, collaboration, and sell-out were inextricably linked. Rejecting them led to dire consequences for the union.

Martial law brought survival back to the fore. Yet in searching for a formula for survival, Solidarity's underground leaders faced the vexing issue of the causes underlying the union's near-destruction. The congress program emerged as an increasingly attractive scapegoat for Solidarity's bleak posi-

tion. Radical collectivism and defeat thus became synonymous. This linkage led inexorably to a change in the dominant outlook within Solidarity.

When Solidarity was crushed in December 1981, it was obvious who had dealt the union its defeat. But how could an organization with 10 million members, embodying the interests of the clear majority of society that in numbers alone seemed invincible, be decapitated with such relative ease? Was there something in Solidarity's organizational structure that made it vulnerable? Were there elements in the union's program that had to be changed before the movement could ever hope to realize its goal of transforming society? These were some of the questions that haunted the movement and its leaders, both interned and in hiding, in the period of martial law. The search to understand *why* the movement was defeated led to asking *how* such a defeat was inflicted.

Bujak offers insights as to the way the union, under conditions of martial law, began to seek answers to these questions.²⁰ On December 2, 1981, the Polish government staged a small-scale, but highly risky rehearsal of martial law by using force to break a strike at the Firefighters Academy in Warsaw. The government was undoubtedly interested in seeing how the union would respond, and assessing how its own forces of repression would perform. At the next day's National Committee meeting in Radom, Bujak insisted that Solidarity appoint a "Social Council on the Economy" to create a provisional government and mobilize worker guards to take over factories and communications.²¹ It is difficult to imagine a position more in conflict with the government.

At the time, Bujak's perspective was not unique. Others in Solidarity, generally referred to as radicals but clearly representing a much broader layer of activists, held positions similar to his. Seweryn Jaworski, for example, insisted that Solidarity had no reason to fear a confrontation with the government since the army and police would refuse to fight the union. To the chagrin of those such as Lech Walesa, now counseling moderation, the so-called radicals had apparently

gained control of the union and were seemingly prepared to lead Solidarity to a showdown with the government. When that showdown finally occurred and the Solidarity leadership was either interned or driven into hiding, activists radical or otherwise had ample time to reflect on the prudence of positions taken by such leaders as Bujak.

After Bujak assumed the leadership of the Solidarity Underground by virtue of being the highest ranking leader to escape detention, his outlook changed rapidly. By the time of his interview with the *New York Times* in January 1982, he was already speculating on the reasons that survival and collaboration had to guide the work of the Solidarity Underground. Whereas a survivalist strategy might have constituted a sell-out prior to martial law, it was now the only viable path. As Bujak wrote, referring to the Long March, the path to survival "is not the path of fast and spectacular successes but of long and strenuous work."²²

For Bujak and for many others in Solidarity, the outcome of martial law demonstrated that workers could not win in a confrontation.²³ Circumstances were never more favorable for the workers to get the best in a battle with the government, yet they were soundly beaten. After defeat, confrontation inevitably assumed new meaning, and militancy generally receded. Bujak, who earlier called on workers to seize factories and Solidarity to form a provisional government, became the primary figure in the Solidarity Underground pushing what remained of the union in a nonconfrontational direction. The goal of this orientation was to reach an accord with the Jaruzelski government. This accord, however, could never be reached with the government on the basis of a program calling for workers' power. The notion of an "accord" based on collaboration with the government thus replaced the failed strategy of confrontation.

As early as 1982, Bujak's nonconfrontational approach to survival had apparently triumphed within the Solidarity Underground and the authorities may have chosen not arrest to Bujak (despite knowing where he was hiding) to help the

pro-accord tendency remain dominant.²⁴ An eventual accord with the government therefore emerged as the key to the survival of the Union.

By 1983, Solidarity underground publications such as *Niepodleglosc* (Independence) and *Polityka Polska* (Polish Politics) began to charge that Solidarity had been too "socialist," too tied to faith in the power of masses.²⁵ Two opposition writers in particular gave impetus to this critique of Solidarity, Andrzej Walicki and Pitor Wierzbicki. In a 1984 article entitled "Thoughts on the Political and Moral-Psychological Situation in Poland," Walicki traced the weaknesses of Solidarity to its character as a mass movement, asserting that the union was far too connected to the socialist tradition to be an effective oppositional force. He urged future oppositionists to reject this model for Poland. Wierzbicki in his critique, was in some ways more powerful. In his underground best-seller, *Thoughts of an Old-Fashioned Pole* (1985), Wierzbicki attributed the defeats of the postwar opposition in Poland to the ideological hegemony of the left, from the workers' councils movement of 1956 through Solidarity and the movement for self-management. His conclusion was definitive. Solidarity was precisely the type of organization the workers should avoid.

Under conditions of martial law, defense of the left positions that had seemingly brought ruin on Solidarity and the workers' movement was exceedingly difficult. Manifestations of the new outlook began to appear more and more frequently among individuals formerly identified with left tendencies in Solidarity. Jerzy Strzelecki, an adviser to Solidarity on self-management issues in 1981, who had been denounced as a left anarcho-syndicalist by the PUWP, became in 1984 a leading exponent of private property rights. And Jerzy Milewski, who in 1981 described his work as one of the architects of the Network Project as "socialist to the bone," had by the latter part of the decade extolled the virtues of "initiating the transformation of a centrally planned economy into a market economy."²⁶ The culmination of this shift oc-

curred in April 1987, when the Provisional Coordinating Committee of Solidarity, which represented the leadership of the Underground, issued a document calling for extensive privatization of the economy. So market-oriented was this document that Ryszard Bugaj, an economist identified with the union's moderate left wing, commented that Solidarity's new program would be unrecognizable as a trade union program were it not for the union masthead at the top.²⁷

Solidarity had clearly traversed a great deal of ideological territory since 1981. The political transformation of Solidarity established the basis for an accord with the government. Yet the accord required more than one partner. The PUWP had to disengage itself from the system of state-owned productive property so that its interests would converge with those of the new Solidarity. Two related factors proved crucial in this process of convergence. The first was a series of market-oriented austerity measures responding to economic deterioration that began in the mid-1970s. Such measures had been used before in cyclical crises. In and of themselves, they could not have led the party to embrace the market system. Another much more powerful stimulus came from the Soviet Union when Mikhail Gorbachev came to power.

Perestroika and the Triumph of the Market System

During the 1970s, Poland and the Soviet Union were both headed toward economic crisis. The two crises were somewhat different and elicited different responses. The Soviets were stagnant throughout the decade while the Poles enjoyed spectacular growth until mid-decade. The Polish expansion was a facade however, supported by massive borrowing from western banks and predicated on exporting goods to the West in a volume that presupposed uninterrupted growth of the western economies. Toward the latter half of the decade Poland's planned economy began to crumble as fast as the Soviet Union's. *The manner in which the Soviets*

responded to their crisis ultimately determined how the crisis would be resolved in Poland.

The 1970s represented a turning point in Soviet economic history. Its command economy for the first time failed to grow during the 1971-1975 Five Year Plan. By the end of the decade diminishing returns on investment, declining supplies of labor, and negative rates of growth made major structural reform inevitable despite the political risks such reforms posed for the Soviet leadership. The crucial question, however, was the character that the reforms would take.

There are two main reasons why market mechanisms became the focus of reform. First, the market-dominated restructuring of the American economy beginning in the late 1970s—the so-called “fourth wave of corporate recapitalization” and the technological and military advantages for the United States that seemed to result from it—catalyzed the Soviets to reform their own stagnant economy or lose more ground to the West. Second, there is a tradition within the Soviet planning establishment dating from the early years of the Revolution that has viewed American management techniques with great admiration and the American corporation as a model for “socialist efficiency.” With the Soviet economy completely in chaos, this line of thinking became ascendant.

The starting point of American management in its latest drive to become more productive was the “downsizing” and cheapening of the American labor force—a task made easier by conditions of the worst recession since the 1930s—and the elimination of unproductive (largely manufacturing) assets such as steel mills, rubber tire factories, shipyards, machine tool plants, a large portion of the consumer electronics industry, etc. The second component of this competitive recovery, however, was more profound. It involved the transition by American firms, still very much in progress, to what has been termed a “post-Fordist regime of accumulation” that would be less labor intensive, more highly-automated, and more technologically advanced. The model for this new regime of accumulation of was in many respects the so-called

Japanese "economic miracle" with its emphasis on flexible production systems, workplace teams, and a relatively docile labor movement. Grafted upon the permanent layoff of millions of workers made possible by the recession, the new regime of accumulation, inspired by the example of Japan, worked a "miracle" of its own in the United States. By 1984-1985, the American economy had emerged from its doldrums much more competitive and technologically-advanced. For the Soviets, the prospect of competing with an economically rejuvenated United States, where the political leadership still regarded it as an "evil empire," was especially daunting. The more far-sighted of the Soviet political elite, who knew that their economy was in trouble and who feared a new arms race inspired by Star Wars, were being driven to embark upon a productivity drive of their own.

The Soviets concluded, however, that the system of centralized planning was incapable of meeting this competitive challenge. It is no secret that Soviet economic managers actually looked admiringly at what American management had accomplished since 1979 in restructuring the U.S. economy, while ignoring the dislocations suffered by American workers and certain regions of the country. Paradoxically, although Japan with its government-coordinated industrial policies represented the model for American restructuring, the process in the U.S. was carried out under the ideological banner of "freeing the market."

Consequently, with central planning discredited, with a tradition of emulating American economic know-how and with admiration for the American example of restructuring running high, and with a congruity between the goals of the Soviet leadership and what the Americans had attained from freeing their market, it is not surprising that the marketplace became an alluring fascination for the reform-minded technocrats in the Soviet leadership. What started in 1985 with Gorbachev's accession to power as an experiment in combining the marketplace with planning has gained a new momentum. The role of the market in the program of *perestroika*

becomes ever more important and the role of planning ever more discredited. In 1990, five years after the original *perestroika* vision of market socialism, the reform appears to be headed in an exclusively market-oriented direction. Gorbachev appears to be the heir not of Lenin and the New Economic Policy (NEP), but of Piotr Stolypin and the last tsarist attempt to modernize Russia by emulating the West.

Perestroika, the Polish Economy, and the Transformation of the PUWP

Events in the Soviet Union since 1985 have fundamentally influenced the transformation of the PUWP, paving the way for an accord with Solidarity, outlawed but still surviving underground. Following the 1970 labor uprising in Gdansk that drove out Gomulka and brought Edward Gierek to power, the PUWP had embarked on an ambitious economic reform program designed to increase consumption, raise living standards, and spur capital formation. In reality the program simply accentuated the systemic contradictions that produced recurrent economic slowdowns and stagnation.

Gierek's regime undertook a massive program of capital and consumer goods imports financed by loans from the West. His goals were to make Poland a world leader in heavy industry and to appease the most restive working class in the industrialized world. The scheme was strictly pragmatic. There was no discernible ideological commitment that would differentiate Polish economic development policy from the policies of the Western economies. Poland would borrow to finance new industrial plants and buy consumer goods. The new factories would help finance the debt by exporting a portion of their output to the West. Bankers would be assured of their payments and Poland would accomplish its development objectives.

The strategy proved to be successful at first. Industry expanded and consumption actually increased. From 1970 to 1975, annual growth in per capita gross domestic product averaged nearly 9 percent. The second half of the decade, however, saw the Polish economy sink into the same kind of stagnation that was already afflicting the Soviet economy. Recession in the West undermined markets for Poland's industrial exports and made it impossible to pay for industrial development and consumer goods. The reliance on imports and Western bank loans, which earlier made it possible to reconcile a rising living standard and industrial growth, now ensnared the economy in a cycle of spiralling indebtedness. In the absence of growth, the only way for the regime to service its debt and maintain good relations with Western creditors was to cut back subsidies on basic consumer goods. The results were rising prices and falling living standards—precisely what Poland's rulers had hoped to avoid.

The government's economic dilemma was further complicated by its dependence on the continuation of international political detente and low oil prices. By 1979-1980, with the second oil shock and the Soviet invasion of Afghanistan, both cheap oil and detente became things of the past. In the summer of 1980, a new round of price hikes on foodstuffs reflected how dismally the economic strategy of the PUWP had failed, triggering the strike wave which led to the creation of Solidarity.

After it was forced to sign the Gdansk Accords in September 1980, the government embarked on an economic program intended to wear down the workers' movement.²⁸ From the party's perspective, such a strategy made sense. During 1980-1981, the PUWP did nothing to confront the economic crisis. Economic conditions worsened and daily life grew miserable. Solidarity clamored for the government to make concrete reform proposals to which it could respond, but no serious proposals were forthcoming. The result was a power vacuum which drew forth the first attempts by the Solidarity

Network to take economic reform into its own hands, setting it on a collision course with the government.

Martial law accelerated the deterioration of the economy. When it took power, the Military Council for National Salvation headed by General Jaruzelski was in no position to reform the shattered economy. Instead, the government's main focus was the suppression of the workers' movement and the militarization of key sectors of the economy. Western sanctions imposed on Jaruzelski's government temporarily denied Poland access to the only economic stabilization strategy it understood—Western bank loans. The state was therefore unable to borrow its way to social peace and economic prosperity. The militarization of industry was also a poor motivator for the increased labor productivity needed for economic recovery. All that remained for Jaruzelski's government as an economic development strategy was to squeeze as much surplus out of the working population as it could militarily enforce. This extraction was accomplished through draconian price increases coupled with military-enforced demands for more work. In 1982, the state increased prices of basic goods 500 percent and extended the workweek to 48 hours. The following year price increases amounted to another 25 percent. These moves, however, were inadequate. The country limped along with no relief in sight until Jaruzelski made a dramatic change in policy.

In the middle of 1983, the government lifted martial law, gaining Poland renewed access to the western bank loans. The lifting of martial law also coincided with a renewed attempt by the government to gain membership in the International Monetary Fund (IMF) and the World Bank, continuing an effort originally made in late 1981 but blocked in 1982 by the United States because of the coup.

Desperate for western aid, the Polish government began to experiment with more extensive cuts in subsidies in order to bolster flagging growth. Prices for housing, medical care, heating fuel, and transportation were allowed to rise, reflecting the decision of the state to transfer more of the burden of

economic recovery onto the general population. In effect, government efforts to transfer the costs of economic recovery onto the people were converging more and more with the logic of a market-oriented, austerity-dominated economic reform. These measures accentuated the decline in living standards. By the time Poland was granted formal membership in the World Bank and IMF in 1986, the government was in the process of eliminating many of the remaining subsidies.

Facing economic chaos, Poland was fertile ground for the market-oriented reform program associated with *perestroika* when Gorbachev came to power in the Soviet Union in 1985. The notion that Gorbachev imposed his will upon the Polish regime is not completely accurate. In many respects, the economic program of austerity carried out by Jaruzelski created favorable preconditions for a larger-scale grafting of *perestroika* onto the Polish economy. Polish changes then began to imitate, and even outpace the dramatic transformation taking place in the Soviet economy as a result of Gorbachev's program for *perestroika*. By April 1987, the Polish government had moved beyond piecemeal austerity and had begun to contemplate a more ambitious restructuring program. "The whole leadership of the Polish economy and its management will be replaced," noted the government and "this definitely means stepping out of the system of centrally subsidized planning" ²⁹ The implications of this approach were profound and aptly summarized by one of Poland's economists in the School of Planning: "the dream of an economic system better than capitalism is dead." ³⁰ Coupled with Solidarity's own market reform plan adopted at roughly the same time, the party's new economic policy created the basis for an accord between the former adversaries. The convergence between oppressor and oppressed was now all but an historical fact. All that was needed was the right spark.

Strikes in the spring of 1988 proved to be the catalyst behind the historic Round Table negotiations between

Solidarity and the government resulting in the re-legalization of the union, free elections that swept Solidarity into power, and the beginning of "capitalist construction." Something was different, however, about this new round of unrest in the factories. The young workers that initiated these strikes were not really part of the old Solidarity organization, although they voiced support for the union. They were largely unaffiliated rank-and-file militants opposed to the market-oriented austerity program that was continually undermining their living standards.

Labor unrest threatened both Solidarity and the government. The strikers posed problems for Solidarity because the union leadership was not certain it could control this movement which threatened to disrupt the underground's plan for an accord with the government. "I am with you," declared Lech Walesa in addressing strikers at the Lenin Shipyard, "but this is not the time to strike." The government was simply fearful, as well it might be, of any labor uprising that might replay the history of previous regimes. Bankrupt and exhausted from the effort of suppressing the Polish nation during the 1980s, pushed by the policies of *glasnost* in the USSR, and now sensing the common ground that united it with its former foe, the Jaruzelski government invited Solidarity to negotiate the drafting of a plan for political, social, and economic reform of the country. The union leadership unhesitatingly accepted a seat at the table. The Polish government and Solidarity had merged as a political force.

The government did not crush Solidarity, but it transformed the union's ideals. In its long struggle to suppress the workers' movement, the PUWP derailed any transition to a society of "freely-associated producers." The election of Lech Walesa as Poland's president in 1990 on a platform of freeing the market signalled how far the dreams of 1980-1981 had receded. Walesa once again successfully read the mind of the nation as he did when he scaled the walls of the Lenin Shipyard ten years earlier. The socialist solution was now part of the past.

Order Built upon Sand?

When Lech Walesa acknowledged in 1981 that "workers have never been in favor of capitalism," he had no way of knowing that history would call on him ten years later to perform a miracle. Based upon the postwar history of the Polish labor movement, there is little reason to believe that Walesa will escape being haunted by his own insights into the past.

Only two months after assuming office, Walesa and his prime minister, Jan Krzysztof Bielecki appear to be following policy prescriptions that, for the past 20 years, led to the downfall of previous regimes by alienating the workers. In late February 1991, Walesa's government reached a tentative accord with the IMF for \$2 billion of renewed aid to rebuild Poland's still-shattered economy. During Solidarity's most recent convention, held at the same time that the pact was being reached, Prime Minister Bielecki bluntly told union delegates gathered in Gdansk that the transition to the market system stood no chance without IMF aid. The prime minister reminded his hosts that such aid would be contingent upon the government imposing austerity measures especially in the state sector of the economy—policies that would make the state, at least from the IMF's perspective, a more worthy credit risk.

Bielecki demanded Solidarity's help in obtaining social peace in a nation that might be upended as a result of an austerity program. He therefore rejected the union's campaign to eliminate the government's newly-implemented wage restraint program at state-run industries, which affected the overwhelming majority of workers because the state, despite its best efforts, has only been able to privatize a small fraction of the nation's roughly 8,000 industrial companies. Bielecki's oratory had an unmistakable resemblance to the rhetoric and program of his ill-fated predecessors, including both Mazowiecki and Jaruzelski.

Such measures are setting the stage for a split in Solidarity and reveal the contradictions between the union as

a governing force and as the representative of workers. The logic of the program chosen by the Walesa government will lead inexorably to what workers have rejected in the past—cuts in their standard of living. Based upon the past, a showdown between the government and the workers is just a matter of time. The situation faced by the new president is best likened to an oft-quoted metaphor used by Rosa Luxemburg, who after the defeat of the revolutionary tide in Central Europe in 1919, described the order reigning in Warsaw as “built upon sand.” Walesa—the worker who would be king—may have moved to the presidential home, but it may be nothing but a sand castle that the historical tides of an irrepressible Polish labor movement will gradually wash back into the sea. During the upcoming decade, as Poland under Lech Walesa strives to complete its still unfinished bourgeois revolution, the Polish workers will continue to possess nothing but their power to work. They still have a world to win, and “nothing to lose but their chains.”

NOTES

1. “Lech Walesa has a Hard Sell: More Austerity,” *Business Week* (24 December 1990), p. 38.
2. “KOR Dissolves: Professor Edward Lipinski’s Address to Congress,” *Congress Post*, no. 10 (29 September 1981), p. 1. The *Congress Post* was published in English frequently during the congress by Solidarity’s Foreign Information Department and contained summaries of important happenings along with lively investigative and analytical reporting of behind-the-scenes events.
3. “Siec-Network,” *Congress Post*, no. 6-7 (25-26 September 1981), p. 3.
4. All quotations from this paragraph taken from interviews with Lech Walesa, Bronislaw Geremek, and Adam Michnik conducted by Guy Sitbon, “Le Bon Dieu Pour Walesa,” *Nouvel Observateur*, 19 January 1981, pp. 28-30.
5. Daniel Singer, *The Road to Gdansk* (New York: Monthly Review Press, 1980).
6. *Social Reform or Revolution in Rosa Luxemburg, Selected Political Writings* edited by Dick Howard (New York: Monthly Review Press, 1971), pp. 52-134. The passage quoted appears on page 105.
7. *Mass Strikes, Parties, and Trade Unions in Selected Political Writings*, pp. 223-270; see especially pages 242-244.
8. J.P. Nettl, *Rosa Luxemburg* (London: Oxford University Press, 1966), 2 Volumes, Volume I, p. 300.
9. *Ibid.*

10. *Ibid.*, p. 368.
11. Quoted in John Ridell, ed. *The German Revolution and the Debate on Soviet Power* (New York: Anchor/Pathfinder Press, 1986), p. 190. The occasion for this pronouncement of Luxemburg's came during a discussion and debate on trade unions at the founding congress of the German Communist Party.
12. See Antonio Gramsci, *Selections from Political Writings 1910-1920*, edited by Quintin Hoare, translated by John Mathews (New York: International Publishers, 1977), especially pages 265-268 and 100ff.
13. Jacek Kuron and Karol Modzelewski, "An Open Letter to Members of the University of Warsaw Sections of the Polish United Workers Party and the Union of Young Socialists," contained in *Revolutionary Marxist Students in Poland Speak Out*, translated by Gerald Paul (New York: Merit Publishers, 1969), pp. 15-90. References are to page numbers in this edition.
14. "The central political bureaucracy is a ruling class — it has exclusive control over the basic means of production; it buys the labor power of the worker; it takes their surplus product from them by naked force and economic coercion and uses it for purposes alien or hostile to the workers, namely, to reinforce and extend its own control over production and society. In our system this is the dominant form of property relations, the basis of production and social relationships." (p. 28)
15. The *Congress Post* thus reported: "On Tuesday, at 1:00 pm the delegates to the Congress adopted (with one voice against and one abstention) a resolution on workers' self-management, the most vital document in the first round of the Congress." *Congress Post* Number 4 (9 September 1981), p. 1.
16. *Congress Post* Number 11 (1 October 1981), p. 1.
17. See *Congress Post* No. 6-7 (25-26 September 1981), p. 1.
18. John Darnton, "Solidarity Aide, in Hiding, Sees Long Struggle," *New York Times* (16 January 1982), pp. 1, 4.
19. "I know," said Bujak, "that many western politicians believe that if we had been wiser we could have avoided this tragedy. But I also know that what they call wisdom for us meant collaboration with the state and party authorities . . . We would have become another annex of the totalitarian system." *Ibid.* p. 1.
20. For the development of Bujak's views while part of the Polish Underground see Maciej Lopinski, Marcin Moskit, Mariusz Wilk, *Konspira*, translated by Jane Cave (Berkeley: University of California Press, 1990).
21. See David Ost, *Solidarity and the Politics of Anti-Politics* (Philadelphia: Temple University Press, 1990), p. 144.
22. See *Labour Focus on Eastern Europe* (Summer 1982), p. 19.
23. Bujak wrote: "I believe we should adopt the principle of avoiding head-on clashes with the authorities, because the dangers are too great and our chances of success — as I have been trying to show — negligible." *Ibid.*
24. On this point see Ost, *Solidarity*, p. 191.
25. For information in this paragraph, I am indebted to Ost, *Solidarity*, pp. 165-166.
26. See *Solidarnosc News*, 1-15 July 1989, p. 1.
27. Taken from Ost, *Solidarity*, p. 168.
28. See the revelations of Polish Lieutenant Colonel Ryszard Kuklinski who defected to the West in 1987 and claimed that the Polish Government planned martial law as early as August of 1980 in Frederick Kempe, "Defector Details Polish Regime's Perfidy," *Wall Street Journal* (10 April 1987), p. 22.
29. Quoted in Joyce Kolko, *Restructuring the World Economy* (New York: Pantheon Books, 1988), p. 289.
30. *Ibid.*