FROM ECONOMIC NATIONALISM TO THE OPEN MARKET. POLISH TRADE POLICY IN THE 20TH AND 21ST CENTURY

Abstract

For much of the 20th century Polish governments heavily regulated foreign trade, but the degree of this influence differed. When Poland became independent in 1918, the state took almost complete control over the sector. A tentative liberalization was stopped by the customs war with Germany in 1925, and later by the Great Depression. The final years before the Second World War saw an increase in the state’s influence through the exchange control. Regulations became stricter under different conditions in the post-war period, with the state monopolizing foreign trade entirely. After the end of Stalinism in 1956, Poland slowly opened up its economy, but until the 1980s changes were limited in scope. A true breakthrough came with the transition, which started in 1989. Not only did the country open up, but in the coming years, the government ceded some of its powers relating to foreign trade to the European Union. During the interwar period, as well as after 1989, Poland followed worldwide trends. The communist period was an aberration in the sense of producing an ineffective system. Both before the war and under the communist regime, foreign trade was expected to bring mostly static gains. This changed significantly only after 1989.

Keywords: foreign trade, economic policy, the Second Polish Republic, the Polish People’s Republic, the Third Polish Republic

Introduction

The purpose of this article is to conduct a synthetic analysis of the trade policy of contemporary Poland in the context of three subsequent phases in our history: the
Second Polish Republic, the Polish People’s Republic and the Third Polish Republic.

In this study, trade policy is understood as a group of goals and measures applied by the state institutions in relation to foreign trade, connected with the implementation of broadly perceived economic policy. The definition adopted in this work leads to the following questions posed by the author.

Firstly, the author aims to indicate the measures used in the implementation of the trade policy in subsequent periods and the degree of the interference of the state in the above-said exchange. In particular, the author presents two long-term trends: increased control over the period of twenty-five years starting with the Great Depression (in fundamentally different political contexts of the Second Polish Republic and the Polish People’s Republic) and gradual liberalisation of the economy after the Stalinist period (it is important to indicate that a significant change was brought about by the collapse of communism).

Secondly, the author examines the role which foreign trade was expected to play in the trade policy. In order to achieve this objective, the author formulates a question concerning the type of benefits obtained as a result of trade activity, considering the subsequent forms of Polish statehood. Taking a broad perspective, the accessibility of foreign markets may provide two kinds of benefits.¹ As far as static benefits are concerned, such an exchange allows for obtaining the goods which – due to the technological reasons or supply shortages – otherwise would be unavailable in the country. In this context, it is important to note that, owing to the specialisation, it is possible to achieve the overall higher level of consumption. In turn, the dynamic benefits are the effects of foreign trade facilitating the economic development through the transfer of technology, increased pace of capital accumulation as well as access to larger markets, enabling the participating entities to benefit from the economies of scale. Specialization in terms of global trade may also facilitate and support the development of innovative sectors. On the other hand, the same specialization may also perpetuate the unfavourable position in the international division of work (for instance in raw materials sectors), while market opening and competition from foreign manufacturers, instead of facilitating economic growth, may result in the elimination of local production.² In his article, the author shows that for the most part of Polish contemporary history, the tendency to focus on static benefits prevailed.

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From economic nationalism to the open market. Polish trade policy...

even though this trend was more visible in the Polish People’s Republic than in the Second Polish Republic. After communism collapsed, the focus in the trade policy started to shift towards the dynamic benefits resulting from foreign trade.

Due to the synthetic nature of the article, the author’s purpose is not to examine the specific instruments applied by the state, but rather to depict the overall character of the trade policy. Similarly, the author does not engage in an in-depth analysis of the formation process of the above-said policy. However, it is important to indicate that essential changes were taking place in this respect – in the years of the Second and Third Polish Republic Polish authorities maintained a relative degree of freedom with regard to selecting goals, methods and measures in pursuing the policy within the framework of the economic paradigm prevailing at the time. This freedom can be exemplified, for instance, by the diversity of approaches towards the currency exchange rate adopted by different countries in the 1930s. In the period of the Polish People’s Republic, the shape of the system was imposed from outside, and the country’s policy was determined by both the currently prevailing ideology and geopolitical conditionings. Despite the fact that after Stalinism collapsed and greater diversity could be observed in terms of economic policies pursued by countries of the Eastern Bloc, the room for manoeuvre remained limited.

The only monograph presenting Polish foreign exchange in the 20th century was published by Leszek Jerzy Jasiński.3 There were, however, more publications covering the three periods examined in this paper, in particular the inter-war era. Apart from ideologically influenced Kryniki’s work (which covers the first years of the PRL’s existence),4 the issue of trade was widely discussed by Zbigniew Landau and Jerzy Tomaszewski; apart from these publications, there are many in-depth analyses dealing with the subject matter.5 The best comprehensive work presenting the era of the PRL is the abovementioned publication by Jasiński, which is supplemented with the studies from the period,6 among others, those concerning the functioning

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6 An overview of Polish achievements in the work J. Sołdaczuk, Nauka polska o handlu zagranicznym po II wojnie światowej (refleksje historyczne), [in:] idem, Polska Nauka o Handlu Zagranicznym (z doświadczeń SGH), Oficyna Wydawnicza SGH, Warszawa 1994, pp. 11–35.
of the Council for Mutual Economic Assistance. There are many detailed works analysing the Third Polish Republic period, and as far as in-depth analyses are concerned, the works by Elżbieta Czarny and Katarzyna Śledziewska, Ewa Kaliszuk, and more recent publications by Krystyna Gawlikowska-Hueckel and Stanisław Umiński deserve our attention. Other relevant studies dealing with the subsequent periods are indicated in the footnotes.

The article is divided into three parts, which correspond with the subsequent political forms adopted by Poland in the 20th and 21st century.

1. The Second Polish Republic

The Polish government of the inter-war period pursued the policy of deep intervention in foreign trade. Even omitting the period of “war etatism” in the first several months after regaining independence, characterised by full state control over foreign trade, and after the liberalism measures implemented by Władysław Grabski, the influence of the state intensified in three phases.

Initially, these changes were imposed by the customs war with Germany, when it was necessary to find new exports markets to protect the balance of payments and the newly introduced zloty. Thus, it emerges that even in the years of relative freedom of the economy (1926–1930), the authorities significantly regulated imports.

The next phase came with the initial stages of the Great Depression, collapse in world price levels and considerable limitation of international trade. The authorities not only increased imports control, but also tried to influence the restructuring of exports to a higher and higher degree, continuing the trend of its diversification.

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which was started in the previous period. The concern for foreign trade was partly associated with the requirements of the gold exchange standard adopted in 1924.

In the third phase, the collapse of this system and imposing foreign trade restrictions in 1936 meant that international exchange would be subject to an even stricter control, which was accompanied by the intensification of the state industrial policy. This period was characterised by limiting and shaping of Polish imports through foreign trade control and the inclusion of the growing part of the exchange into the framework of clearing agreements.

Against the background of other European countries, Poland remained relatively closed (low value of foreign trade per capita), but also strongly protectionist, in line with the model which was typical for Central and Eastern Europe at the time. Table no. 1 presents the level of customs duties in this period. However, especially right after regaining independence and in the 1930s, customs duties were not the most important policy measure – in this respect, quotas played a crucial role. The above-said regulation covered the absolute majority of Polish imports. This means that the domestic market was even more closed than the high tariffs would suggest. During the Great Depression, export subsidies were also widely used. One of the characteristics of the inter-war period was the abandonment of the use of the exchange rate in trade policy (with the exception of the benefits resulting from the inflation premium in the early 1920s) – the overvalued zloty had an adverse effect on Polish trade, especially during the Great Depression.

One of the main characteristics of the inter-war trade policy was the volatility resulting from a relatively passive adaptation to the external situation and the random selection of the applied tools. This factor makes it difficult to create a coherent account which would cover the entire inter-war period. However, the concept of economic nationalism allows for conducting such an in-depth analysis.

Originally, the economic nationalism emerged in the 19th century in Central and Eastern Europe. The contemporary version of the concept, which may be derived from the thought presented by Friedrich List, is understood as industrialisation, supported

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13 M. Łapa, Reglamentacja handlu..., op.cit., p. 655.
by the state and funded with the profits obtained from exports of agricultural produce and foreign loans, protected by customs duties and other trade policy measures.  

Table 1. Average import tariffs on processed goods, 1925 and 1931  
(non-weighted average, %)

<table>
<thead>
<tr>
<th>Country</th>
<th>1925</th>
<th>1931</th>
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<td>Romania</td>
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<td>Hungary</td>
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<td>43</td>
</tr>
</tbody>
</table>


The nineteenth-century policy could not be repeated during the interwar period due to the deflation tendencies (including the fall in prices of agriculture produce), growing protectionism, expensive loans which were difficult to obtain, and ultimately the collapse in global trade during the Great Depression. Under the circumstances, the “full” form of economic nationalism gradually started to take shape. This specific form of economic nationalism was described as “structurally conditioned response of underdeveloped economies and societies to crises and the situation of low development level”. It is important to indicate that Poland also pursued such a policy.

The economic nationalism in this period consisted in the rejection of free exchange and the basis of the neoclassical theory, the implementation of the industrialisation


programme (in the case of Poland – it was evidenced by the construction of the Central Industrial District (Centralny Okręg Przemysłowy), the recognition of the central role of the state in the economy, and finally, at least partial independence of the government policy from both private interests and the global market. This last element was reflected in the limitation of the freedom of trade, taking the forms of different measures aimed at protecting the internal market or control of capital and investments. In Poland, the occurrence of these phenomena was clearly visible after 1936. Within the framework of the abovesaid system, one of the key components of the trade policy was the protection of the internal market, supported by “financial nationalism”, consisting in the separation of the local currency from the global market. Simultaneously, the economic nationalism was not synonymous with isolationism – access to the global market was still considered crucial for the development and even for the functioning of the national economy. Other countries were regarded as an important source of goods, especially capital goods and foreign currency.  

The latter, however, meant focusing on static benefits resulting from foreign trade.

Thus, a question appears: What was the genesis of the economic nationalism in the interwar period? Henryk Szlajfer wrote that the phenomenon was the synthesis of various defence actions, which were undertaken ad hoc in the face of the imminent threat. As a consequence, the economic nationalism programmes were rarely cohesive, an even less frequent occurrence was the synchronisation of industrialisation programmes with the trade policy. In other words, the formation of economic nationalism may be perceived as a process rather than a single event or issuance of a specific legal act. Thus, the phenomenon may be regarded as a category used to describe the Polish interwar trade policy, which, despite its volatility and the application of ad hoc solutions, in the mid- and late 1930s, impacted the evolution of a broad framework of state intervention in the economy. In the region, Poland was characterised by late departure from the gold standard, which was directly correlated with the costly deflation policy conducted until 1936.

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21 H. Szlajfer, Economic Nationalism of the Peripheries..., op.cit.

22 J. Kofman, How to Define..., op.cit.

2. The Polish People’s Republic (PRL)

If we assume that the disillusionment of economic politicians with regard to consistent effectiveness of the market was a specific feature of “full” economic nationalism in the interwar period, then the period of the communist reign may seem a quantitative and qualitative development of this line of thought, in the scale which exceeded the wildest dreams of economic activists of the 1930s.24

However, the scale of state supervision was not the only difference in this respect. In the interwar period, a relatively strict import control was a consequence of currency problems during the Great Depression, and since 1936, it resulted directly from foreign exchange restrictions. In the times of the Polish People’s Republic it was based on the constitutional principle of the state’s monopoly on foreign trade exchange (Article 7 of the Constitution of 1952). The abovesaid phenomenon was accompanied by an even stronger currency monopoly than the one experienced before the war.

More importantly, the conditions of the policy in both periods differed. In the interwar years, the decisions on the direction of trade policy, although frequently being responses to the events taking place abroad, were formulated in Warsaw. During the communist regime, the very shape of the system was imposed from outside, and relations with the Soviet Union remained largely asymmetrical. This determined the specifically ineffective nature of trade policy in the period.

After the Second World War, due to the monopoly in foreign trade, the separation from the global economy with the non-convertible currency and the prices determined by the central planner (significantly different from global price ratios), the state did not pursue the trade policy using traditional methods. The basic instrument of influence on trade was its regulation, not the currency exchange or customs policy. In the trade with the socialist countries (the so-called first currency area), bilateral agreements were usually applied on a compensatory basis. The multilateral clearing25 was of smaller importance despite the existence of the Council for Mutual Economic Assistance or the transferable ruble (since 1964). Trade with the rest of

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the world (i.e. the second currency area) was initially carried out through clearing, and subsequently on the free-exchange basis.

Foreign trade was organised in three stages. At the highest level there was the Ministry of Foreign Trade established in 1949, which supervised the exchange with foreign countries. At the lower level there were foreign trade centres with industry specialisations, which were authorised to engage in trade with other countries and received appropriate currency allocations. At the bottom of the hierarchy there were entities manufacturing export goods or those in need of imported products.26

From the perspective of the evolution of trade policy, the history of the Polish People’s Republic is divided into four periods. The first post-war years can be treated as a transitional period, in which the state controlled foreign trade, but it formally was not a monopolist yet (and – for a period of time – allowed very limited private trade). During this period, the supervision and control were mainly executed through bilateral agreements (the solutions imposed by the Soviet Union proved to be particularly unfavourable). Foreign trade was not treated as a necessary evil just yet, and the dynamics of its development exceeded both the plans as well as the GDP growth rate. In other words, exports role consisted in more than simply keeping the imports level which was necessary to maintain the appropriate volume of domestic production.

The change of the situation took place after the conference in Szklarska Poręba in 1947, i.e. with the beginning of the Stalinist period. The characteristic element of the trade policy in the period was the introduction of state monopoly, first de facto and then de iure. The exchange was subordinated to the newly established Ministry of Foreign Trade. This was accompanied by the closure and isolation of the country.27

Due to the fact that the imposition of Soviet solutions on Poland and the associated pursuit of autarky (see the explanation below), Poland started to develop domestic production of the goods whose import was both possible and rational. As a result, the trade policy became a derivative of the economic plan – the country imported the materials which were needed for production, and it exported the goods in sufficient amounts to compensate for imports.

In the subsequent period – lasting until the 1980s – the Polish market was being gradually opened, without changing the general rules. One of the symptoms was, among others, accession to GATT in 1967 (though – due to the insignificant role played by customs in the Polish policy – the introduction of obligations resulting from this arrangement encountered certain problems; the accession was to facilitate entering

the markets of the uniting Europe). The role of trade and specialization within the group of countries of the Council for Mutual Economic Assistance was increasing. It is important to note that the council, although created in the 1940s, started functioning only after Stalin’s death. Eventually, the Planning Committee of the Council for Mutual Economic Assistance was established in 1971. There were also attempts – though of limited efficiency – to reduce adverse consequences of the non-convertible currency and centrally fixed prices through parametrisation. Increased imports, partially financed with the loans taken up by the government led by Edward Gierek in the 1970s, were a specific form of opening up of the economy. It was accompanied by greater openness to foreign trade, especially with the countries of the so-called second currency area, even though the initially assumed essential goal of significant, pro-developmental increase in exports was not reached. Exports remained a derivative of the production plan.

The 1980s were a time of acute crisis in the PRL’s economy, the overwhelming burden of international debt and attempts to rectify the situation, especially in the face of sanctions imposed as a result of the martial law. The necessity to service the debt forced the authorities to closely monitor the balance of trade, which provided much needed foreign currency – this, in a sense, resembles the situation of the period of the Great Depression, when similar efforts resulted from the need to maintain the zloty’s position. From the institutional position, the number of companies authorised to conduct foreign trade operations increased, the central influence on import decisions was limited and manufacturing enterprises had better access to foreign currency. The greatest achievement of the changes was the partial elimination of the state monopoly in foreign trade in December 1988 and the introduction of a foreign currency auction system, i.e. convertibility of the Polish zloty as part of international trade. The symbolic dimension of these reforms was the transformation of the Ministry of Foreign Trade into the Ministry of Economic Cooperation with Foreign Countries.

The analysis of the reasons for engaging in trade with other countries is of key importance to understanding the role of foreign trade in the PRL period. One of the characteristic features of the Stalinist period was the copying of Soviet solutions, along with their autarkic tendencies. This has largely contributed to the par-

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31. More on the topic in two articles with the co-author Jerzy Łazor, Wojciech Morawski: Gospodarcze konsekwencje Szklarskiej Poręby, [in:] Zwrot polityczny ’48: między polską drogą a projektem uniwersalnym,
allel development of the bloc countries, which invested in the same sectors of heavy industry, often based on the same technologies. Even before the Second World War, the trade between the countries of the future Eastern Bloc was limited, and now the substitutive character of their economies has only deepened. Although after Stalin's death, attempts were made by countries to integrate more closely within the Eastern Block, the relations established between the socialist countries were more bureaucratic than economic.

The pricing policy, non-exchangeability of the Eastern Bloc currencies and economic planning were the underlying issues with regard to the role of foreign trade in the economy at the time. The export prices were largely separate from the costs of producing the goods. In connection with production planning, this meant that the export volume did not depend on the exceptional quality of the goods in a particular country or specific demand for the products but rather the assumed production volume. The planned export was a derivative of the import needs. The domestic production required certain raw materials which should be imported or products which were not manufactured locally. In order to obtain the goods, a certain level of exports had to be planned. In trade, pursuant to bilateral agreements the exchange took place based on barter arrangements; in free-exchange trade – to obtain adequate financial resources. In this way, the purpose of exports was not to achieve profits or benefit from the economies of scale, but rather finance necessary imports. One of the consequences of this secondary role of exports was also the lack of clear export specialisation.\textsuperscript{32}

Trade in the Soviet bloc, where the quality of the goods did not have a significant impact on the volume of trade, since the orders were the consequence of the bureaucratic arrangements, became an “exchange of inefficiencies”.\textsuperscript{33} In other words, there occurred a specific “inverse” specialisation, which the mainstream economics postulates. Since goods imported from the bloc countries were of low quality, and due to their scarcity, they were not always available, the rational step was to develop domestic production rather than rely on imports. Moreover, the drive for autarky also reduced export needs.

Trade with the Western countries was associated with other difficulties. After the Second World War, the socialist countries faced the worsening of the \textit{terms of trade}. 

\textsuperscript{32} L. J. Jasiński, op.cit., p. 307.

\textsuperscript{33} P. Hanson, \textit{The Rise and Fall of the The Soviet Economy: An Economic History of the USSR from 1945}, Routledge, London 2014, p. 120.
This meant that due to the imports, necessary to maintain a high level of investment, the countries were forced to export a growing number of products. The competitiveness of the goods resulted from their low prices, hence the continued threat of using anti-dumping measures against Polish export entities. The specific detachment of sales prices from production costs did not stimulate competitiveness. In turn, planning, especially in the case of imports from the second currency area which was characterised by low efficiency, bureaucratic structure and organisational inertia, impeded the use of imported technologies.

Differences in the functioning of trade with the second and the first payment areas translated into the type of exported products. The processed goods, whose quality frequently deviated from the world standards, were supplied to the CMEA countries. In turn, raw materials and low-processed goods, in which case the quality did not play such an important role, were exported to the second currency area.

Summing up the PRL period, the role of foreign trade, subordinated to the implementation of the national production plans, shaped the trade policy which was based on the closing of the economy and strict control of the exchange. This resulted in limited possibilities of foreign trade as regards influencing economic growth. The substitution of imports meant, in turn, inefficient use of resources. Low efficiency of Polish trade and other issues described above, prompted Zbigniew Landau to describe it as “one of the weakest links in the economic system of the Polish People’s Poland (PRL)”.

According to Leszek Jerzy Jasiński, the separation from global markets enabled “isolating from the external negative impulses, in particular those resulting from the unfavourable economic situation; however, as it later turned out not from all the negative triggers. However, as far as the isolation policy was concerned, its most important aspect was the country’s separation from the positive phenomena occurring abroad”.

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38 L.J. Jasiński, op.cit., p. 332.
3. The Third Polish Republic

The years after 1989 were the period of significant changes in the Polish approach to foreign trade. They can be described by means of two parallel processes: transformation, in which the economic system has been converted from the centrally planned to free market economy and integration – mainly with the European communities as well as other international institutions. The first process, especially in 1989–1991,\(^{39}\) meant liberalisation of foreign trade, the second translated into its regulations being submitted to external restrictions. The combination of these factors resulted in the fact that the trade policy was based on the opening of the economy. The impact of the exports was to exceed the static benefits, i.e. export was regarded as an important factor in generating development.

Notwithstanding the abovementioned changes taking place in the 80s, the moment of transformation in foreign trade should be associated with the years 1989 and 1990.\(^{40}\) In this period the far-reaching liberalisation was implemented, the remains of the state monopoly and most of the concession system were liquidated. All these changes allowed both legal and natural persons to be engaged in foreign trade activities. The state budget ceased to be the source of financing of the exchange with foreign countries. This was accompanied by the introduction of a convertible zloty (internally at first) as well as a number of changes in the institutional environment of the trade – in the banking and insurance sectors and in marketing.\(^{41}\)

The changes led to the reappraisal of the roles of particular instruments of the trade policy – customs (with new tariffs imposed in 1990, 1991 and 1993) and the exchange rate policy have become crucial in this respect.\(^{42}\) In the initial stages of the transformation, the undervalued zloty played a major role in the protection of the internal market.\(^{43}\) The price increase in 1990 eliminated this factor, causing tariffs to be raised by the authorities in the following year.\(^{44}\) In the subsequent period, the

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\(^{39}\) M. Bałtowski, M. Miszewski, op.cit., p. 78.


state also benefited (temporarily) from import, tax, imposing quota and anti-dumping procedures. Ultimately, the support of exports adopted a rather restricted form.\textsuperscript{45}

According to critics, opening of the Polish market, shaped by the specific requirements of the planned economy and non-market trading under the CMEA, occurred too quickly, which resulted in the “destruction of a significant part of the economic potential in state-owned enterprises”,\textsuperscript{46} in turn, too low tariffs meant getting rid of the arguments in GATT/WTO negotiations, and from the long-term perspective also with the European Union. However, the real value of the customs duty in Poland was larger than in other countries undergoing a transformation.\textsuperscript{47}

The process of economic integration was of considerable significance in the transformation of the Polish trade policy. In 1993, the Central European Free Trade Agreement (CEFTA) was founded by Poland, the Czech Republic, Slovakia and Hungary, and another agreement on the gradual abolition of trade restrictions with the countries of the European Free Trade Association (EFTA) also came into force at the time. In 1995, the provisions of the GATT Uruguay Round were ratified, consolidating the arrangements related to the freedom of foreign trade and openness of the market.\textsuperscript{48}

The process of gradual liberalisation of trade with the European communities continued. Initially, it was asymmetrical – there was a wider opening of the European market for Polish products (the smallest in terms of agricultural produce) than in the case of the Polish market for the EU goods.\textsuperscript{49} Already in 1996, a significant part of Polish exports had free access to the community market and the liberalisation of imports from the EU area occurred two years later.\textsuperscript{50}

The second process related to the collaboration with the European Union was institutional integration which was initiated with the submission of an application for the EU membership in 1994 and ended with the admission to the EU in 2004. As a consequence, Poland not only joined the Single European Market but also adopted the common tariff, solutions in the field of trade protection and liberalised the trade exchange with a number of third parties – in other words, an important part of the Polish trade policy was based on the European community solutions. Generally, this

\textsuperscript{45} L.J. Jasiński, op.cit., pp. 349–354.
\textsuperscript{46} M. Bałtowski, M. Miszewski, op.cit., p. 194.
\textsuperscript{50} K. Żukrowska, Liberalizacja wymiany..., op.cit., pp. 408–409.
meant the adoption of one of the most liberal customs systems in the world as regards
industrial products and highly protective solutions in the agricultural market. At
the same time, however, due to non-accession to the eurozone, also after joining
the European Union the zloty exchange rate constituted an element of trade policy.

**Table 2. Average import tariffs on processed goods, 1990 and 2000**
(non-weighted average, %)

<table>
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<tr>
<th>Country</th>
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<th>2000</th>
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<tr>
<td>Belgium</td>
<td>8.4</td>
<td>4.3</td>
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<tr>
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<tr>
<td>Czechoslovakia*</td>
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<td>France</td>
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<tr>
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<tr>
<td>Hungary</td>
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<td>7.1</td>
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</tbody>
</table>

* Czechoslovakia was kept anachronistically to facilitate comparisons with Table 1.
Source: see Table 1.

Table 2 presents the comparison of the customs duties imposed on processed
goods from different European countries. The situation, however, appears to be dif-
erent if we consider the weighted averages: in 1990, this average value in Poland was
higher and it amounted to 18.3%, and before the accession to the European Union,
the average applied customs duty was reduced to reach the value of 1.1%. This indi-
cates the degree of the liberalisation of Polish trade resulting from the transforma-
tion. In 2010, the non-weighted average for the EU Member States was estimated
at 1.78%, and in 2015 – at 1.98%. The respective values for agricultural produce
were markedly larger.

In total, unlike the two previous periods, the years of the Third Polish Republic
witnessed much greater opening of the borders and assigning greater importance
to foreign trade in the Polish economy. The latter resulted from an informed political

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choice in the initial stages of transformation. The opening of the borders brought about noticeable benefits – the dynamic expansion of exports, in particular in the territory of the European Union, has become a factor in supporting the GDP growth. A key element making it possible for the mechanisms to occur was the exchange rate policy, including the maintenance of the Polish currency and its floating exchange rate. Its depreciation in the period of the economic downturn had a positive impact on Polish exports.  

Conclusion

Over the last century Poland has been periodically increasing and decreasing the degree of the openness of its economy. Looking at the account of the Polish trade policy from the perspective of global trends presented above, the differentiating factor in the Polish economy was the isolation from the world imposed by the Soviet Union in the Stalinist period and limited access to foreign markets of the Polish People’s Republic period. The abovesaid factors significantly impeded the use and benefits resulting from the favourable international economic situation in the post-war period. Both, in the inter-war period and in the PRL era, the role of foreign trade in the economic policy was mainly reduced to the desire to obtain static benefits from the international exchange. The difference in the approach of the governments of this period lies in the reasons behind the trade policy pursued at that time: in the period of the Second Polish Republic, especially after the initial stages of the Great Depression, focusing on protecting the balance of payments resulted primarily from unfavourable international economic circumstances, the requirements of the principles applied in international finance and very limited foreign expansion opportunities. The specific detachment from market rationality (such as the dumping sales of coal) did not result from the ideology itself or the intentions of decision-makers. It is important to indicate that the situation in the post-war years was very different, i.e. the isolation from the global market was brought about by the ideology and the adopted economic framework rather than the global economic situation. From this perspective, the period of the Third Polish Republic may be perceived as a qualitative change in the way the trade policy is conducted, even if we take into account the

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fact that economic decisions always tend to contain both an ideological and political component.

Bibliography


