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Marshall in Poland

Introduction

In 1918 Poland regained its political and cultural independence after 123 years of being divided among Prussia, Russia and Austria. Before that, only two Polish universities taught economics: Jagiellonian University in Cracow (JU) and Lvov University. The traditions of economic research and education were unusually weak. There was a lack of theoretical research; economic studies were either descriptive or devoted to popularization of basic economic concepts (Kowalik 1992, p. 139). Most economists practiced various, usually unoriginal, versions of historical school approach to economics. However, in the interwar period the situation improved. Economics was taught at the new universities in Lublin, Poznan, Warsaw and Wilno, many higher schools of commerce and technical universities. Theoretical standings of Polish economists became more advanced and pluralistic. The historical school approach had been slowly declining, while the views of Austrian and neoclassical economics became more influential.

The impact of neoclassical economics, and Alfred Marshall's thought in particular, in the interwar period is especially evident in works of the members of the so-called 'Cracow school' and 'Poznan school' of economics (Kowalik 1992, pp. 151-166; 2002)¹. In general, these economists shared pro-market attitude and advocated liberal economic policies. There were not able to produce original theoretical results, engaging rather in presenting Western

¹ There were several other rival groups of Polish economists in this period: agrarians, catholic economists, communists, ex cathedra socialists, historical school supporters, and theoreticians of the cooperative movement.

economic theories, providing case studies and discussing practical economics, which was supposed to give an instant advice to policy-makers.

The only camp that was able to achieve substantial and lasting theoretical results is a socialist one. Oskar Lange (1904-1965) and Michal Kalecki (1899-1970) are both famous for their contributions to various part of economic theory. However, while it is obvious that Lange was influenced by Marshall in several respects – the same can not be said about Kalecki. He was an autodidact, never systematically educated in neoclassical economics. In early 1930s, when he turned to professional economics he became socialist and was inspired mainly by socialist writers.

It is also important to stress that Polish interwar economic literature had a special focus on the methodological aspects of economics, while more demanding theoretical issues were rarely pursued (Zawadzki 1927, p. 183). This was probably caused by the historical conditions of the development of Polish economic thought – economic backwardness of the country, elimination of the sovereign state of Poland for over a century etc. Methodological discussions of Polish economists were to a great extent inspired by Marshall's methodological views.

There is little evidence of Marshall's influence on Polish economics after World War II, but even in the interwar period it was rather limited – only few economists were persuaded or inspired by the author of *Principles of Economics* and not many of them were able to creatively develop his thought outside the field of the methodology of economics.

Translations and reviews

The only Marshall's work translated into Polish is the seventh edition of the *Principles of Economics*, published in two volumes in 1925 and 1928 (Marshall 1925-1928). Original editions of Marshall's work were not reviewed in Polish economic journals. The main reason for this was that the most important journals had started to be issued regularly only in the interwar period. The first volume of Polish edition of the *Principles* was reviewed favourably and with admiration by the main supporter of Marshall's economics in Poland – Edward Taylor (Taylor 1925). Taylor commented that '[beside Marshall] it is not possible to find another author regarding the depth, thoroughness and comprehension of his thought constructions ... Reading his works, and especially this fundamental one ... is a necessity and duty for every economist, who wants to keep up to the standards of contemporary science'

(Taylor 1925, p. 749). He also added that ‘This work, since its first edition in 1890, occupies a superb position in economic literature as a synthesis and an attempt to reconcile the results of classics and modern psychological and mathematical schools’ (ibid., p. 748).

Taylor also hoped that the *Principles* would serve as the most advanced textbook of economics in Polish higher education. Until 1925, Marshall ideas were transmitted only very indirectly in the process of education, because of language barrier and the fact that the dominant textbook (a translation of Charles Gide’s *Principes d’Économie Politique*) was rather propagating the perspective of Austrian school of economics. The ideas, however, were explicit in the lectures and seminars of the early advocates of neoclassical approach such as Adam Krzyzanowski (1873-1963), Edward Taylor (1884-1964) and to the lesser extent Wladyslaw Zawadzki (1885-1939).

Influence on Polish economists

In 1900 Marshall was awarded Honorary Doctorate by the JU (Groenewegen 1995, s. 632). His candidature was proposed by Włodzimierz Czerkowski (1867-1913), professor of political economy and statistics at the JU and the founder of ‘Cracow school’. The impact of Marshall on Polish economists is best manifested in the works of Czerkowski’s students – Adam Krzyzanowski, professor of political economy at the JU and Edward Taylor, professor of economics at the Poznan University and the founder of the ‘Poznan school’. In his *Zalozenia ekonomiki* (*Assumptions of Economics*) Krzyzanowski (1919) presented a outline of a theories of supply, demand, value and price, which are definitely similar to Marshall’s respective theories. He referred implicitly to Marshall also when he offered an account of the nature of ‘economic laws’, claiming that they are not strictly quantitative, but that they are hypothetical tendencies (Krzyzanowski 1919, p. 79). In addition, in other works Krzyzanowski was using Marshall’s concepts of consumer and producer rent. It should be stressed that Krzyzanowski did not attempt to advance Marshall’s ideas, but rather adopted them without questioning.

The impact of Marshall’s economics is also apparent in the works of Krzyzanowski’s students: Adam Heydel (1893-1941), Ferdynand Zweig (1896-1988), and also Oskar Lange. Heydel, following Marshall, was interested, among other things, in the problem of measuring elasticity of demand, while Zweig developed a theories of value and price, which bear a close resemblance to Marshall’s theories. These accomplishments were however neither rigorous nor original. Lange, who became acquainted with Marshall’s ideas through Krzyzanowski and

Heydel, was from the beginning of his career rather a supporter of Walras' general equilibrium theory than Marshall's partial equilibrium framework. However, in one of his early works (Lange 1932), he admitted that Marshall's approach is very useful in studying many economic processes and tried to formulate a synthesis of partial equilibrium method and general equilibrium theory. He introduced a notion of partial elasticity of all pairs of economic variables, which allows for eliminating those variables, which change only relatively slightly in response to a particular change in economic system. Lange concluded, that Marshall's method is fully compatible with general equilibrium theory and presents the only practical way out of the excessive generalizations of the latter.

Edward Taylor, a leading proponent of neoclassical economics in interwar Poland, referred to Marshall's ideas in many of his books and articles. In 1919 Taylor published a book on the static versus dynamic approaches to studying the economy (Taylor 1919). He applauded Marshall for introducing time in the analysis of market equilibrium, but also stated that in fact Marshall's short and long periods of analysis are nothing more than fictions, since both demand and supply are changing independently in time. Marshall's constructions are therefore not dynamic ones, but essentially static, against the intentions of the author. Taylor's main treatise on the methodology and economic theory *Wstęp do ekonomiki (Introduction to Economics)* was first published in two volumes in 1936 and 1938 (Taylor 1947). The book is erudite and systematic presentation of neoclassical economics and Marshall is the third most-cited author in it (after Adam Smith and John Stuart Mill). It offers, for example, a strong defence of partial equilibrium method, which is based partly on the Lange's argumentation mentioned above.

Finally, some traces of Marshall's influence are to be found in the works of the most eminent Polish mathematical economist before Oskar Lange – Władysław Zawadzki. He was professor of University of Wilno from 1919 to 1931, co-founder of the Econometric Society and the member of the Council of the Society from 1930 to 1938. In his first and the most influential book (Zawadzki 1914), which was discussed at length by Francis Y. Edgeworth (1914), he reviewed the achievements of general equilibrium theorists, but also some other applications of mathematical economics, including Marshall's method of deriving demand and supply curves in partial equilibrium framework². Although he explicitly criticized Marshall for relying on inexact analytical constructions, not recognizing the interdependence

² In his review of 'recent contributions to mathematical economics' Edgeworth (1915) touched on several crucial points in Zawadzki's book. He defended Marshall against Polish economist's claim that the former did not appreciate the interdependence and complexity of economic processes.

of economic variables and for not acknowledging the usefulness of mathematics in economics, he nevertheless praised the *Principles* as one of the greatest treatises on economics, which advantages cannot be questioned.

Conclusions

The influence of Marshall in Poland is clearly evident, but limited to the interwar period. Before 1918 Polish economics was underdeveloped and severely restricted in its capabilities. It had been blossoming in the following two decades, but its advance was stopped by the Second World War and the period of intensive Sovietization in 1948-1956. In that time the official position of the state became that ‘bourgeois’ economics is unscientific, while the only acceptable economics is Marxian-Leninist one. Polish advocates on Western economics, and in particular followers of Marshall, were persecuted for adhering to ideologically wrong option. Krzyzanowski and Taylor were forced to move to emeritus status (they were reinstated in 1957 and 1956, respectively). Even after political liberalization of 1956 it is very difficult to find any significant evidence of Marshall’s influence on Polish economics. His economics was taught in history of economic thought courses, but at least until 1980s the ruling textbooks criticized him from Marxian stance for methodological individualism and supposedly being ‘apologetic’ with regard to beneficial effects of free competition. In 1958 Lange, at the time the most prominent Polish economist and a deputy chairman of the Council of the Polish People’s Republic, suggested in a letter to a leading state-owned publishing house that it would be valuable to republish Marshall’s *Principles*, but it has never happened. Lange himself gave a fairly accurate account of Marshall’s thought in his opus magnum *Political Economy* (Lange 1959), where he tried to provide a synthesis of Marxian political economy and neoclassical economics³. He criticized founders of neoclassical economists for providing inadequate theory of political economy (treated as a theory of historical development of ‘social laws of production’), but admitted that some methodological postulates of neoclassical economists, such as maximization of utility assumption, can be very useful in synthesized political economy.

After the collapse of state socialism in 1989, the attention of Polish economists turned to more recent developments as they quickly started to learn formalized tools of modern

³ This work was planned for three volumes, but Lange managed to publish only the first volume. Unfinished parts of volume two were published in Polish in 1966.

economics. Marshall's ideas are analyzed, often superficially, in history of thought textbooks or monographs devoted to particular economic ideas, which also trace the evolution of the views of eminent past economists on those topics. In 2007 the first Polish book devoted solely to Marshall was published. Joanna Dzionek-Kozłowska (2007) produced an extensive historical analysis that aims at assessing consistency of Marshall's methodological postulates and his recommendations in matters of economic policy and advising.

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