

Economics at the Warsaw University

For many years economics was present at universities in the form of a special curriculum, seminar or chair located in a non-economics department. Very often – as in the case of the Warsaw University – this was a law department. From the very beginning of the University there was an economics chair. Fryderyk Skarbek (1792-1866), a brilliant scholar and a great man (on top of that, the godfather of Fryderyk Chopin), was appointed as the second chair as soon as he obtained a Ph.D. in economics from the Jagiellonian University in Cracow in 1818. By the way, the best-known Warsaw University graduate who got the Nobel prize in economics, professor Leonid Hurwicz, received his diploma (in 1938) from the Law Department.

Professor Skarbek taught in Polish, but he carried out a good portion of his scientific work in French. During his studies in France he was confronted with theories of the so-called physiocrats and mercantilists. Nevertheless he was much closer to the liberal approach of the founding father of economics, Adam Smith from Scotland. Without any doubt, Skarbek's *oeuvre majeure* is *Théorie des richesses sociales* published in Paris in 1829, a book whose message resonated in France and other places in Europe. Almost from the outset, until 1831, the Warsaw University students had an opportunity to learn economics from a person who was at the centre of academic disputes of their time.

The next generations were less fortunate. For almost a century, economics (always attached to the Law Department) was taught by professors of a lesser calibre. Antoni Kostanecki (1866-1941) was perhaps the only professor of economics active at the Warsaw University prior to the World War II (teaching from 1915 to 1935) who was widely recognised in Europe. Graduated from Berlin, he worked at the University of Freiburg (1901-1910), and then at the University of Lvov (1910-1915). Much of his academic work was published in German and belonged to the so-called historical school in economics. Even though other Warsaw University professors of economics were not known in international arena, some of them were excellent scholars and teachers. For many years, Tadeusz Brzeski (1884-1958) and Roman Rybarski (1887-1942) taught economics and made numerous contributions to public life in Poland.

Oskar Lange (1904-1965) is considered the most prominent of the Warsaw University economists after the World War II. Like Skarbek, he obtained his Ph.D. from the Jagiellonian University in Cracow. In economic theory he is remembered for his 1936 paper on non-market allocation of resources. He also earned reputation as a professor of economics at the University of Chicago (1938-1945) as well as a member of the Econometric Society and the editor of *Econometrica*, one of the best known economic journals. Back in Poland he taught first at the Warsaw School of Economics, and then at the Warsaw University (1956-1965). He used to be one of the most influential Marxist economists of his time. His impact on the development of economics in Poland and other centrally planned economies is profound. He was also politically active serving in the Polish government and working on economic reforms of the central planning system. Unfortunately his academic work has had little impact on the development of modern economics. His books – translated into many languages and used as texts in virtually all centrally planned economies – are now almost forgotten. Lange was well trained in mathematics, and he put a lot of effort into the development of a rigorous and ideology-free approach to economic analysis. Nevertheless, from the point of view of mainstream economics, his contribution is not substantial.

The fate of Oskar Lange is somewhat typical for economics and economists at the Warsaw University at that time. Economic curricula and chairs were separated from the Law Department (the Department of Political Economy was formally established in 1953). However, the emergence of a separate unit came at a price. Everywhere the communist parties saw economics as the core of their ideology and they absolutely did not permit any independent scientific endeavour. Poland was no exception to this rule. Market economy was

claimed to be backward, inefficient and unfair, and economists were expected to confirm this view with their scholarly work. Of course, empirical research was unwelcome and studying modern *bourgeois* economics was banned. Economic curricula were filled with Marxist theories supplemented with apologetic reviews of the Soviet miracle. Luckily the communist party in Poland was not entirely successful in its ideological effort. The newly established Department of Political Economy proved to be a difficult case for it. Both the students and their teachers raised hard questions and demanded reforms. Seen from the 21st century perspective, these activities may seem naive, but they required civil courage and intellectual independence. Especially after 1956, a number of economists (led by Professor Lange) tried to lay down foundations for an "improved" central planning system. Seminars held at the Warsaw University and the resulting publications attracted economists from many countries of the Soviet bloc. The disputes proved to be of little relevance for the development of economic theory worldwide, but they were meaningful for the scholars themselves, as well as for the future of the central planning system. Very few economists – Professor Witold Kula, an economic historian, is a rare example of that sort – were recognised by their peers outside the Soviet bloc.

In 1968 the communist party lost its patience and decided to punish stubborn units of the Warsaw University. After a series of student riots, the Department of Political Economy was dissolved. Even though economics students were bravely defended by their Dean, Czesław Bobrowski, they were relegated and several faculty members were fired. The remaining economists were merged with sociologists, philosophers, journalists and others to form the Department of Social Sciences. Some of the fired professors – like e.g. Włodzimierz Brus – found employment at Western European or American universities where they strengthened emerging institutes of "Soviet and East European Studies". Some – like Edward Lipiński – stayed in Poland and served as mentors to generations of independently thinking young economists. It is worth noting that young Włodzimierz Siwiński – later on the Rector – thanks to his athletic posture, served as a bodyguard to Professor Bobrowski during the riots.

In 1977 the Warsaw University economists were allowed to secede and the Department of Economic Sciences was established. The political oversight was less strict than it used to be in the 1950s and the 1960s, but the curricula were still very far from Western European and American standards. A number of "dissident" activities took place. Some seminars – like the one on COMECON economies, led by Professor Wojciech Maciejewski – offered a forum for a fairly free debate on current economic issues. Maciejewski's seminar attracted graduate students and young faculty members, as well as economists from other institutes who worked on a post-communist economic system even though the existing system seemed to be impossible to reform.

The opportunity for a transformation came sooner than many expected. In 1989 the first non-communist government in the Soviet bloc was formed in Poland. Many ministerial and lower level administrative positions were filled by economists from the Warsaw University. Professor Marek Okólski formed the *Polish Policy Research Group* (PPRG) serving as a think-tank for policy reforms. The Department of Economic Sciences embarked on an ambitious path to bring the curricula to modern academic standards. Quite a few faculty members proved ready to take up new roles and to offer new courses, mainly as a result of their previous exposure to modern economics at Western academic institutions. Their efforts were supported by some world-class economists who served as mentors and/or lecturers. As early as in October 1989, Professor Leonid Hurwicz gave a seminar; later on, he offered regular lectures in the Department. A particularly valuable assistance was provided by Professor Stanisław Wellisz from the Columbia University who joined the faculty for the period of 1992-2000, formed the Chair of Microeconomics, and launched the first master's course fully compatible with American standards. In 2005 the Department was strengthened by employing another world-class economist, Professor Oded Stark, whose seminars on international labour market, migrations, and household behaviour allow the young scholars to sense the frontiers of economic research.