

Anna Jurczuk

University of Białystok, Poland
Faculty of History and Sociology
e-mail: aniagrabka@interia.pl
phone +48 85 745 74 43

The competitive order of Poland's economy during the system transformation process – price controls

Abstract. *The paper aims to assess the extent to which Poland's transiting economy has embraced a flexible price system as a central principle of competitive order. To do so, the author investigates selected elements of constructed and spontaneous economic order that, in line with Walter Eucken's proposition of free price movement as a key rule underpinning a healthy competitive regime, could have had a major effect on price controls and price flexibility in Poland's economy throughout the transformation period.*

The trends of changes in specific constructed and spontaneous elements, and hence their influence on price flexibility, are varied. In the context of free price movements, objections could be raised about elements of constructed order, notably government intervention in the labor and agricultural markets that are known to disturb the market equilibrium. Other inhibitors include the number of government-controlled and administered prices alongside the considerable tax burden and the subsidies that continue to be provided to specific economic actors. Positive changes are observed in spontaneous elements and include the gradually decreasing number of price agreements and a preference given on the supply side to micro- and small-scale business undertakings.

Keywords: *competitive economic order, price flexibility, ordoliberalism, economic system transformation*

Introduction

A trend stemming from the ongoing financial downturn and the need to proceed with reforms initiated as part of Poland's economic system transformation is to analyze economies in terms of economic order. The factors that triggered the 2007-2008

crunch seem to indicate that it did not originate in a typical business cycle [Kołodko 2010; Mączyńska 2011: 43-44; Blanchard 2009; Bogle 2009; Bootle 2009; Stiglitz 2010] but that it is inherent to the prevalent economic order. Consequently, priority should be given not so much to social policy aimed at mitigating the downsides of market-driven allocation, notably to unemployment and poverty [Sadowski 2006: 51], through income redistribution but, in the first place, to policy measures targeted at the formation of an economic order that could reconcile the economic rationality of market economy with individual freedom and social justice.

Economic order is an issue that is particularly relevant to economies undergoing a system transformation. The system reforms that had been geared for application to Poland's economy involved creating a scaffolding for a new economic order incorporating an effective market mechanism. This new economic order was supposed to provide favorable conditions for free business activity, being consistent with the definition of a competitive environment.

Scientific debate, as well as its journalistic offspring, on the theory of economic order has been largely influenced by the works of August F. von Hayek and Walter Eucken [cf. Grabska et al. 2014]. Both von Hayek and Eucken see a point in attempting to mold an economic order, which corresponds to determining the rules for business activity or influencing the way they are made. What they differ about is where these rules come from. While Eucken contends that they are propagated top-down – hence the order is constructed – von Hayek insists that they are shaped bottom-up – hence the order is spontaneous. Research indicates that, in fact, a real economic order is usually constituted by a combination of constructed and spontaneous rules [cf. Grabska et al. 2014].

Further research on constructed vs. spontaneous economic order can significantly contribute to the evolution of economic thought. Once these theories are seen as complementary, it becomes possible to overcome many of the weaknesses of neoliberal economic theory [Moszyński 2012: 127], of which the greatest is the alienation of economic models from the realities of existing economic environments. Eucken's approach to competitive regime theory is centered on a free market mechanism that provides a framework for analyzing the economic playing field in which economic processes take place; processes that are regulated by transparent economic rules serving as indicators of scarcity – of goods as well as of factors of production – thus ensuring optimal allocation of goods and inputs. A wide gamut of tools for analyzing the extent to which a specific economic order is compatible with the preconditions of a competitive environment is offered by new institutional economics whose best known proponents are O.E. Williamson, R.H. Coase, D. North, and S. Pejovich.

Real economic order is a function of constructed and spontaneous rules, as well as of the interactions between them, and may therefore be more or less aligned with the target model, the latter being, in Eucken's and von Hayek's opinion,

identified with a competitive regime based on free market mechanisms. Aligning a specific economic order more closely with the prerequisites of a healthy competitive regime entails such a blend of constructed and spontaneous rules that results in maximum price flexibility. There is nothing that could replace free movement of prices as a measure of scarcity of goods and inputs and hence ensure their optimum allocation. Price flexibility is, in turn, governed by constructed and spontaneous rules and the interactions between them. The paper seeks, therefore, to assess the extent to which Poland's transforming economy has supported price flexibility as the principal characteristic of a competitive environment. In an effort to do this, the author has investigated some of the constructed and spontaneous rules impacting directly or indirectly on price flexibility.

1. Price flexibility

Research on constructed (Eucken) versus spontaneous (von Hayek) order is focused on the underlying competition mechanism. Free competition is what we observe when suppliers as well as customers compete with one another and develop their business plans accordingly, and when prices are derived not from market strategies but from market determinations. Another characteristic of free competition is the absence of cartel agreements constraining either customers or suppliers [Eucken 2005: 289-291]. The properties of a competitive environment named by Eucken include:

- an assurance that the economic calculus returns correct values. Prices in a competitive environment are indicative of the scarcity of specific products, making it possible to optimally manage economic processes based on price information,
- freedom to develop private enterprise under a competitive regime that provides for healthy rivalry in terms of performance and efficiency while at the same time preventing unfair competition,
- the absence of dysfunctions that are typical of “free” economies pervaded by power relations or of centralized economic systems, allowing transposition of sound competitive rules onto the international level,
- an equilibrium between freedom and regulation that provides a protection for personal freedom and minimizes opportunities for constraining the freedom of others by creating excessively powerful business entities [Eucken 2010: 35-36].

For an economic system driven by competition to be put in place and maintained, we need to identify and apply rules that effectively constitute and govern a competitive regime. One group of rules accounts for the stability of an economic order founded on competition, and the other makes sure that it can function in circumstances where the orientation of economic policy on implementing such rules does not in itself provide for economically efficient and socially acceptable economic outcomes.

The primary constituent rule of a competitive regime is that of prices determined by healthy competition. A price system that flexibly performs the role of an indicator of the scarcity of goods and factors of production is a precondition of their effective allocation. It is solely flexible prices that can adequately reflect their scarcity. And the only way prices can be established is through the interactions of supply and demand. This ensures that prices perform an allocative function toward buyers and suppliers, informing them of the scarcity of goods and services in the market, and hence bearing on their market behavior. The key importance of a flexible price regime for an economy was highlighted by L. Erhard, who claimed that there can be no free market economy without free movement of prices, and that free prices can only be determined through competition. Positive influence that a price system based on free competition has on an economy was also emphasized by A. Müller-Armack and W. Röpke [cf. Mączyńska, Pysz (eds.) 2003].

What luminaries of ordoliberalism believe in is that the conditions that a market mechanism supporting a flexible price system requires to be able to work effectively cannot arise and persist of their own, spontaneously. It is the state, or the government, that bears responsibility for creating favorable economic conditions for the sustenance of flexible prices by pursuing a policy of sound competition. In an effort to form a competitive regime, economic policy should aim to lay down a framework of constitutive and regulative rules that align economic activity with the objective of maintaining flexible prices. In establishing a level playing field for market players and their mutual interactions, and by enforcing the observance of fair competition rules, the state positions itself as the neutral referee that does not get involved in the interplay of contradictory interests between economic actors [Eucken 2005: 297-296]. The state's impartial position with regard to economic interests makes it easier for the government to encourage or, if necessary, coerce business organizations to follow the rules set out by its decisions [Pysz 2005: 83]. As a result, the state directs its policies toward the building of an economic system that leads to the attainment of individual as well as societal goals [Eucken 2005: 396-408]. In other words, economic policy seeks to introduce rules under which the "invisible hand of the market" can operate freely, benefitting the good of individuals and the society at large [Eucken 2005: 397-401].

A competitive regime, hence flexible prices, entails the role of the state as an authority that makes and enforces laws embodying the constitutive and regulative rules and ensuring an adequate degree of their practical implementation. One group of rules accounts for the installation of a competition-based order, and the other ought to make sure that it can continue to function in the face of problems that cannot be resolved by competition alone. Among the constitutive rules, Eucken gave special attention to, besides flexible prices, stable value of money, market openness, private property, freedom of contract, and accountability and continuity of economic policy. When applied in conjunction, these constitutive rules make

it possible to shape an economic order based on genuine competition. An indispensable element of a competitive regime is the incorporation and enforcement of regulative rules that address problems mandating government intervention into economic activity. Eucken names a number of regulative rules addressing the following areas: the existence of monopolies, socially unacceptable disproportions in income distribution, and incidents involving externalities or anomalies on the demand or the supply side [Eucken 2005: 331-344].

Both constitutive and regulative rules are not rationalist constructs originating in scholarly work. They have not been deductively derived from adopted axioms but revealed by thorough analysis of historical data on the evolution and functioning of specific forms of economic order [Pysz 2008: 58]. Eucken investigated a number of historical forms of economic order and compared them to two ideal types – a perfectly competitive one (*Verkehrswirtschaft*) and a centrally managed one (*Zentralverwaltungswirtschaft*) – to arrive at those forms of economic systems that most closely matched the “natural order” of a competitive regime. That the fundamental principles of competitive regime are to emerge from historical analysis is a consequence of the assumption made by the German historical school of economics that market economy is not an entirely autonomous subsystem that could be seen as largely or wholly independent of other component subsystems of the society. Conversely, Eucken's concept of competitive regime treats economy as an integral, albeit autonomous, element of the economic society.

By erecting his conception of competitive regime on market prices and a free competition mechanism, Eucken drew directly on the tenets of classical and neo-classical economics. Classical and neoclassical economics rely on an assumption that a perfectly flexible price system allows an economy to maintain a long-term market equilibrium. The traditional approach to prices, advocated by classical economics, holds that the value and price of a product depends primarily on a subjective judgment of its utility by consumers and on whether a specific good is relatively scarce or abundant. The market price is determined by demand and supply, provided that the positions of buyer and seller are symmetrical. As long as neither buyer nor seller has an advantage over the other, they will both accept the market price as a given that they cannot manipulate. The market price may be higher or lower than, or equal to, the natural price corresponding to the market equilibrium price to which all prices of all goods tend to converge. Occasionally, however, in exceptional conditions, due to natural causes or specific legislation, the market prices of many goods may be distorted, remaining above or below the natural price even for a long time [Smith 1954: 72-78].

To be able to understand the concept of price system found in mainstream neoclassical economics, one should dwell on two assumptions that make it less useful today. One is that of the rationality of behaviors of all actors, whether on the supply or the demand side. Advocates of neoclassical economics and rational

choice theory insist on the rationality of economic behaviors, which they believe contributes to optimizing the exchange process. Regretfully, psychology of decision making provides a very different picture of human behavior from that which prevails in mainstream economics. While economists tend to assume that actors are well informed, their preferences are clear and unchanging, and their behaviors are controlled, selfish and premeditated, psychological studies demonstrate that people's opinions are nonobjective, and their preferences are pliable and volatile. To make things worse, people are hot-headed, prone to act and think short-term, trustful and vindictive, often having mistaken intuitions about their own actions, and happen to produce outcomes that they themselves perceive as negative [Wojtyna 2008: 19-20]. The other assumption that compromises the usefulness of mainstream economics is its tendency to examine market processes using mathematical models that are hardly capable of capturing economic reality. "In taking recourse to abstraction and using logical-mathematical formalization, the neoclassical strand in economics has isolated certain institutions, such as the self-regulating market, from the complex of economic realities, thus significantly reducing the scope of its analyses" [Chmielewski 2011: 56]. "As a consequence of this approach to the practice of political economics, the science ceases to be an empirical one, oriented on the study of real phenomena, instead becoming a formalized 'logic of making choices' that, much like logic or mathematics, only verifies the truth of its theorems by testing them for conformity with some adopted axioms" [Lange 1959: 208]. The "technological escape" of economic science has barred it away from the real world [Galbraith 2011: 262] and rendered mainstream economics unable to properly fulfill its positive and normative functions.

In response to the departure of mainstream economics from real economic activity, scholars have developed new perspectives on economics, such as institutional economics, along with the recent theoretical insights of new institutional economics (NIE). Having adopted most of the methodological apparatus of neoclassical economics, including in particular its methodological individualism, its system of categories and its analytical instruments developed on the underpinning of such theories as the transaction cost theory, the property rights theory, and the agency theory (the agent-principal problem), NIE is concerned with building a neoclassical theory of institutions, thus filling a vital gap in neoclassical orthodoxy [Fiedor 2014: 101-102]. As a result, markets are no longer considered abstract arenas where all actors are driven by the same motivations. At the same time, economic actors' rationality is not only channeled, but also constrained by formal and informal institutions.

Under institutional economics, prices in an economy are viewed as a potential trigger of institutional changes. Under the NIE approach, changes in the relative prices of resources, or factors of production, and in the relations between transaction costs are the primary driver of institutional changes. D.C. North contends that this means that continual changes in price relations are translated into institutional changes. In

response to changes in price relations, specific economic actors will modify institutions toward the fulfillment of their goals. In different countries, the same changes in relative prices may have radically different effects on institutions. Any change in relative prices will alter the motivations of individuals in interpersonal interactions, stemming solely from underlying changes in their preferences [North 1990: 83-84].

A number of studies on the impact of institutions on economic growth conducted under institutional economics¹ encourage rephrasing the original research question “Do institutions have an impact?” to “Which institutions have the greatest impact and how should they be built?”. To answer the second question one needs to, in line with the ordoliberal postulate on the central role of flexible prices, identify all institutions having a positive impact on the flexibility of prices as well as those that restrain it. This will help delineate policies aimed at establishing an economic order that will reinforce the former and eliminate the latter ones. As far as institutions adversely affecting the flexibility of prices are concerned, focus should be placed on those that can, directly or indirectly, act toward fixing prices at a given level or that can control transaction costs. These can be both formal and informal institutions, some of which will enable the state to engage directly in determining prices, while others will have a sway over the extent of monopolization on the demand or supply side of an economic system.

Eucken, who analyzed the 19th and 20th century economic history of the United States and Germany, claims that it is a natural tendency for market players to attempt to gain a competitive edge over other players and turn competitive markets into monopolistic and oligopolistic ones. However, once either the demand or the supply side of an economy is monopolized, prices no longer fully reflect the scarcity of good and resources, and hence cannot perform their proper role in optimizing their allocation [Eucken 2005: 211-217]. The state's preference for discretionary policy also has a negative effect on price flexibility. Eucken clearly articulates his objection to an approach whereby it is possible to pursue policies that are solely oriented on single forms or areas of economic activity, e.g. trade policy, patent policy, or agricultural policy, and never go beyond reacting or merely doing what seems desirable at a given moment [Eucken 2004: 251]. In its attempts at fixing prices, the government encounters the information barrier investigated by Friedrich August von Hayek. The barrier makes it difficult or just impossible to conceptualize and pursue a rational economic policy in regard of determining prices. Despite the barrier, political bodies tend to presume knowledge on the economy that is in fact inaccessible to them; it is only available to microeconomic actors and individuals that are directly involved in economic activity (decentralized knowledge). A state that becomes oblivious of the information barrier and

¹ More about the approaches to, and the findings of, research on the impact of institutions on the outcomes of economic activity can be found in: Acemoglu et al. 2001; Rodrik et al. 2002; Williamson 2009; Hall, Jones 1999.

nevertheless endeavors to design and implement economic policies cannot respond *ex ante* to problems arising in an economy [Pysz 2008: 58-59].

Von Hayek represents a price system as a mechanism for conveying information, where the price of a good or service reflects the aggregate information on the conditions, environment and decisions relating to the making and delivery of that product or service [von Hayek 1945: 519-530]. In a free market economy, prices are what guides the unplanned coordination of the actions of thousands of individuals. They signal the ways in which economic actors can adapt to yet unknown developments and requirements. A government that strives to determine prices is bound to fail and undermine the foundations of free market economy. Von Hayek asserts that prices are intrinsically changeable because they are contingent on a number of ever fluctuating factors. Their natural tendency do adjust to one another will thwart any top-to-bottom attempts by an authority to fix them at a level that would ensure optimal allocation in the long term. On the other hand, any such attempt will result in price levels being not the same for all suppliers, effectively encumbering market mechanisms. Further, it will disturb the market equilibrium, entailing the need to decide who is and who is not allowed to buy or sell. The criteria by which individuals would be so discriminated would have to be arbitrary, granting the government the right to choose what should be produced, by whom and for whom [von Hayek 2007: 228]. Therefore, such instruments as price controls or quota should not be available to governments. Von Hayek argues that prices, being a medium that conveys information guiding people's actions, should never be tweaked by state intervention. The only thing that can be safely done is look for new methods of deploying information to the market.

By way of summary, it should be pointed out that all the theories discussed in the chapter, including that of constructed (Eucken) and spontaneous (Hayek) order, and the theories of mainstream as well as of institutional economics, acknowledge the central role of prices in an economy. Differences are to be sought in factors affecting the flexibility of prices. Under Eucken's constructed order theory, the flexibility of prices depends on rules constructed by the state, whereas under Hayek's – on rules that are developed spontaneously and bottom-up. The contribution of institutional economics implies that Eucken's and Hayek's theories may be complementary, to the effect that the flexibility of prices arises from both constructed and spontaneous rules as well as from their interactions.

2. The research model

Flexible prices account for optimal allocation of goods and resources. A relatively high degree of price flexibility is what drives the allocation of goods and resources toward Pareto efficiency. Since such allocation would be equivalent to

the attainment of a primary material objective of an economy, it is most desirable to direct competitive regime policy toward increasing price flexibility. It is particularly important to foster competitiveness and flexible prices in countries undergoing an economic system transformation whereby they are moving away from a centrally regulated price regime toward free prices determined by a market mechanism. The empirical aim of the paper is therefore to identify and assess the impact of selected factors on price flexibility in Poland's economy during the transformation period.

The research model assumes the level of price flexibility in Poland's transitioning economy as the dependent variable, while changes in those constructed and spontaneous elements of an economic system that directly or indirectly impact on price flexibility are taken as explanatory variables.

Price flexibility has been addressed by a good deal of international research, whose common characteristic is the simultaneous use of outcome- and ratio-based measures, with specific measures and methodologies varying from study to study and depending on its objectives. Assessments of price flexibility have been attempted in e.g. OECD's *Indicators of Product Market Regulation* and in *Economic Freedom of the World* reports by Fraser Institute. In this paper it is presupposed that free, flexible price changes occur when the government, being a major economic actor having control over elements of constructed order, refrains from actions targeted at directly or indirectly influencing market prices. Further, price flexibility requires the presence of spontaneous elements that confine the bargaining power of actors on both the demand and the supply side.

The multi-faceted nature of any real economic system, involving a complex variety of direct and indirect relations, interactions, and feedback loops, makes it difficult to identify and investigate all factors impacting on price flexibility. Therefore, this paper assumes that price flexibility is defined by a limited set of constructed and spontaneous rules that are listed in Table 1.

Table 1. The set of potential diagnostic variables

Constructed rules impacting on price flexibility	Spontaneous rules impacting on price flexibility
Government grants, transfers and subsidies	Incidence of price fixing
Fiscal burden (taxation) bearing on prices	Degree of fragmentation on the supply side of an economy
Number (proportion) of government-regulated prices	Level of corruption
Government's involvement in determining prices in agricultural market	
Government's involvement in determining prices in job market	

Source: own.

It is easy to see that a vast majority of these diagnostic variables are inhibitors. The degree of fragmentation on the supply side is clearly a price flexibility booster – the more fragmented the supply side of an economy is, the less likely monopolistic practice are, which is a condition permitting flexible changes in prices. Data on the relevant elements of constructed and spontaneous order have been sourced from OECD, the Central Statistical Office of Poland (GUS), Transparency International, Fraser Institute, and the Ministry of Finance. The study covers the period of 1990-2014, while indicators of price controls (flexibility) are given for 1990, 1995, 2000, 2004, 2008, 2010, 2012, and 2014. This rather lengthy time frame is justified by the inclusion of spontaneous elements, as capturing changes in these necessarily involves a long-term perspective. While elements of constructed order, matching the definition of formal institutions, can be changed overnight, any change in elements of spontaneous order – i.e. of informal institutions – must take time and occur incrementally [North 1994: 366]. However, the longer the time frame, the more difficulties are encountered in accessing relevant empirical data. As a result, varying time frames have had to be adopted for specific indicators.

3. Price controls and price flexibility

The amount of government grants, transfers and subsidies is the first to be examined among constructed elements of economic order impacting on the freedom of prices in an economy. As the amount of funding transferred directly from the state budget to individual economic actors increases, prices become less adjustable to the fluctuations of supply and demand, no longer reflecting the scarcity of specific goods.

Throughout Poland economy's transformation period, the value of government transfers and subsidies, expressed as a percentage of GDP, fluctuated considerably but generally followed a declining trend over long term. The initial years were marked by sizeable government transfers and subsidies, which represented a historical heritage of the centrally planned economy as well as a consequence of the special responsibilities that had to be borne by the state at the outset of the system transformation.²

Given the poor condition of Poland's economy in the late 1980s, a substantial reduction in government transfers was virtually impossible. As a result of the stabilization program launched soon after the political upheaval of 1989 and the collapse of the communist state, the country's economy experienced phenomena that had been unthinkable under the former regime, including unemployment, pauperization, growing social inequalities, and shrinking production capacity. In the early 1990s, social assistance was, on the one hand, no longer something obvious

² To find out more about the government's role during the system transformation period, see e.g.: Bałtowski, Miszewski 2006: 78-79.

Table 2. Amount and assessment of the scale of financial transfers and subsidies in 1990-2014 in Poland

Category	1990	1995	2000	2004	2008	2010	2012	2014
Transfers and subsidies as percentage of GDP	27.4	24.4	20.7	19.0	18.0	18.7	16.8	16.80
Assessment of the scale of transfers and subsidies*	2.7	3.5	4.5	4.9	5.2	5.0	5.6	5.55

* Indices used to assess financial transfers and subsidies take values from 0 (no freedom and no positive impact whatsoever on price flexibility) to 10 (complete freedom and maximum positive impact on price flexibility).

Source: Gwartney et al. 2015.

and accessible to anyone but was instead targeted at specific individuals. On the other hand, new types of transfers were introduced, such as e.g. an unemployment benefit. Throughout the system transformation process, changes in the amount of transfers and subsidies followed roughly the rate of economic growth (Table 2). Thus the economic slump of the early 1990s was accompanied by a relatively high level of social transfers. The economic upturn that began around 1992 and accelerated in 1995-1997 facilitated a cut in government transfers, while the slowdown that started in 1998 and troughed in 2001 resulted in a rise in government transfers vis-à-vis GDP that was observed at the beginning of the 21st century. In the following years, as economic growth recovered, the ratio of government transfers to GDP grew steadily. This trend continued until 2008 and was not reversed until the 2007-08 financial crunch again inflated the role of government transfers. Overall, throughout the system transformation period, the alignment of government policy with the principles of mainstream economics has allowed a consistent reduction of transfers and subsidies, which seems indicative of a positive influence that changes in this element of constructed economic order have had on price flexibility in Poland's economy. Positive trends in government transfers are further attested by increasingly high ratings awarded to Poland on that aspect of economic freedom.

In the initial years of the economic system transformation, direct government intervention in the market through relatively large subsidies provided to enterprises was an important element of constructed order impacting adversely on price flexibility. Over the period of 1989-1991, the proportion of government subsidies in corporate revenues was brought down from 8.5% in 1989 to 5.0% in 1990 and 2.9% in 1991 [IRiSS 1992: 8]. In the following years, government budget laws continued to earmark funds for open- and closed-end grants, thus influencing the financial condition of businesses in receipt of public aid as well as the prices of products and services delivered to the market (Table 3).

Table 3. Subsidies and grants-in-aid: open-end and close-end (in PLN [Polish zloty] millions)

Specification	1996	1998	2000	2004	2008	2010	2012	2014
Open-end grants	—	—	2338.2	14481.5	13930.0	17344.3	18615.9	19480.8
Industry restructuring subsidies*	730.0	895.8	1751.6	24.0	573.0	1431.0	2629.1	3090.7
Subsidies addressed to coal mining industry**	378.8	757.8	1575.0	1134.0	368.0	411.9	529.8	510.8
Closed-end grants	—	—	558.5	603.5	532.1	559.3	555.8	656.2

* From 2006 to 2008, open-end grants earmarked in “Economy/Industry” section; from 2010 to 2014, classified as subsidies for entities outside the public sector.

** In 2008, subsidies for coal mining industry undertakings; from 2010 to 2014, subsidy for “coal and mining industry”.

S o u r c e: based on state budget legislation from 1996-2014, Retrieved from: isip.sejm.gov.pl [15.04.2015].

Special attention should be given to the substantial government assistance granted to the mining industry. An NIK [Supreme Audit Office] audit concerning government spending and the use of public funds in specific years revealed a number of irregularities and misuses.³ Further, despite the sizeable subsidies, the price of coal in the domestic market remained relatively high, making exports hardly profitable. Eventually, in 2014, the average price of coal was at PLN [Polish zloty] 278.74 per ton while the cost to produce it was PLN 309.40. At the same time, a year-by-year comparison of the average prices of coal used by the power generation sector against relevant international market data demonstrates that in some years (1998, 1999, 2002, 2009) the domestic prices were higher than the cost of fuel imported from western Europe [Lorenz 2010: 63], incurring net imports of coal.

The mining problem has been exacerbated by inflexible wages. According to the think-tank Adam Smith Center [Centrum im. Adama Smitha], fixed payments (allowances and allotments, including in-kind allowances, subsidies, etc.) represent as much as 30% of the pay in the coal mining industry and are not at all associated with performance or efficiency. Such allowances and additional payments constitute a significant burden on the industry’s earnings, estimated at 30-35% per year [Centrum im. Adama Smitha 2012: 3]. As a result, in 2014 the industry incurred a net loss of PLN 1 342 700 000.

Although coal plays a strategic role in Poland’s economy as the primary energy carrier, it is not economically viable to further tolerate the sector’s inefficiency. While it may have been plausible to support the efforts at its restructuring in the pioneering years of the transition period, in the long run sectoral subsidies are to be seen as those elements of constructed order that impede improvements in competitiveness and price flexibility in the sector, hence preventing free movement,

³ A broader discussion of the subject can be found e.g. in: NIK 1999; NIK 2004.

whether toward stabilization or lowering, of the prices of goods that are largely influenced by the price of energy, notably of coal as the key energy carrier.

Another important element of constructed order and a factor affecting price flexibility in Poland's economy is the number, or proportion, of government-regulated prices. The government's commitment to influencing the market prices of goods and services can be measured by the proportion of state-controlled and state-administered prices in the consumer price index (CPI). The difference between state-controlled and state-administered prices stems from the methodology adopted for the underlying calculations.⁴ Namely, what is included in state-controlled prices and is not in state-administered prices are those prices that are regulated indirectly through excise tax rates.

Under the centrally planned economy, from the publication of an official price list comprising 18 000 products in May 1949 onwards, the government would strongly, be it directly or indirectly, interfere with the price-setting mechanisms. Prices were increasingly set loose, commencing at the end of 1988, by the government led by communist party's liberal wing politician Mieczysław Rakowski. In 1992-2010, although the number of state-controlled prices was much smaller, their relative weight in the CPI gradually increased (Table 4).

Table 4. Number of government-regulated prices and their impact on consumer price index (CPI) in Poland in 1992-2010

Year	Weight of state-controlled prices in CPI	Consumer prices index**	Consumer price index excluding state-controlled prices	Difference in percentage points
1992	18.95	144.3	141.8	2.5
1995	25.30	121.6	122.3	-0.7
2000	25.05	108.5	108.2	0.3
2004	27.30	104.4	104.6	-0.2
2008	26.50	103.3	103.3	0.0
2010	12.8*	103.1	102.9	0.3
2012	14.0*	102.4	101.9	0.5
2014	14.8*	99.0	98.7	0.3

* Administered prices are construed in line with the definition provided by the European Central Bank.

** December of preceding year = 100.

Source: based on GUS and NBP [National Bank of Poland] data.

⁴ More on the difference between administered and controlled prices in: European Central Bank, *Experimental HICP-based estimates of administered prices in the euro area*, www.ecb.int/stats/pdf/hicp_ap.pdf?c5dbfa1f90c14d2778d481d70f3cbded [25.11.2012].

Between 1992 and 2008, the share of government-controlled prices in the CPI increased from 19% to above 26%, and the proportion of administered prices rose from 12.8% in 2010 to 14.8% in 2014. However, the changes are attributable for the most part to the application of a new weighting formula for the CPI basket and should not be associated with the extent of regulation in the economy, as the weights are based on the structure of actual spending by households over a particular year. This means that although the number of prices regulated directly by the government decreased over the period, households effectively spent more on goods and services whose prices were controlled by the state, which can be ultimately treated as a factor hampering price flexibility.

In 2014, the basket of goods used to compute the CPI included as many as 12 categories of products whose prices were administered by the government. Nevertheless, the problem was not so much in the number of such products as in the fact that their prices had been growing relatively faster than those of products whose prices were determined by the market.

Table 5. Index of consumer prices of goods and services in 2004-2014

Category	2004	2008	2010	2012	2014	
	previous year = 100				2005 = 100	
Total	103.5	104.2	102.6	103.7	100.0	124.9
Housing and energy carriers	104.1	109.1	103.8	105.8	101.4	155.5
Natural gas	104.6	110.5	102.4	110.2	104.3	178.6
Electricity	101.9	110.7	105.4	105.9	96.6	151.7
Heat	101.9	103.5	105.7	105.8	102.6	148.8
Rail transport	105.0	103.5	108.7	104.9	100.1	141.1
Postal services	100.5	102.6	100.4	100.0	102.0	135.6

Source: GUS, *Ceny w gospodarce narodowej w 2004, 2008, 2010, 2014 roku*, Warszawa, pp. 37-41.

In recent years, the growth dynamics of administered prices have been considerably higher than those of other, non-regulated prices as well as above the average for all prices (Table 5). The contribution of administered prices to the inflation rate was positive throughout the period of 2004-2014. Between 2005 and 2014, the prices of consumer goods and services were up by 24.9% overall, while the government-administered prices of selected categories of products increased much more, respectively: the price of natural gas rose by more than 78%, the price of electricity by nearly 52%, and the cost of housing by more than 55%. The continued and relatively large increases in administered prices are not unique to Poland's economy. Administered prices tend to grow noticeably in most EU member states where energy prices (gas and electricity) are subject to government regulation, but in Poland the pace of growth is above both the EU and the EMU average. This implies that the continued

long-term trend for administered prices to grow relatively faster in Poland's economy does not reflect or respond to changes in supply or demand. Instead, it should be perceived as a consequence of the state's discretionary economic policy that collides with the foundational principles of a truly competitive economic regime.

Another element of constructed order that has a significant effect on the flexibility of prices in an economy is the regulatory involvement of the state in the prices of labor in the job market. Major objections that could be raised regarding the approach taken by Polish governments are supported chiefly by the relatively high and persistent rate of unemployment. Notwithstanding the impact of demand or supply shocks, over long term a flexible price regime should be able to restore equilibrium in the labor market. Regretfully, throughout the economic reforms period, from their launch in the 1990s until 2014, Poland was unable to eliminate the problem of excess unemployment.

In the economic system transformation period, the government engaged in determining the prices of labor through e.g. setting a relatively high minimum wage and through excessive taxation applied to both the demand and the supply side. Looking at the minimum wage rates in Poland's transforming economy, one cannot but conclude that this variable had a significant impact on the value of contracts in the job market. In 1990-2014, the minimum wage increased steadily vis-à-vis the average pay to reach its today's relatively high level. In 1989, the minimum wage stood for 18.4% of the average pay, compared to above 44% in 2014 (Table 6).

Table 6. Minimum wage vs. average pay in 1989-2014

Year	1989	1990	1996	2000	2005	2010	2012	2014
Minimum wage [PLN]	38 000*	440 000*	370	700	849	1317	1500	1680
Average pre-tax pay in national economy [PLN]	206 758*	1 029 637*	873	1923.8	2380.3	3224.9	3521.67	3783.46
Minimum wage / average pay	18.4	42.7	42.4	36.4	35.7	40.8	42.6	44.4

* Amounts given in Polish zloty prior to its denomination on January 1, 1995.

Source: based on *Przeciętne miesięczne wynagrodzenie w gospodarce narodowej w latach 1950-2014*, GUS, Warszawa 2015; *Wysokość minimalnego wynagrodzenia za pracę od 1 grudnia 1970*, Ministerstwo Pracy i Polityki Społecznej, Warszawa, Retrieved from: www.mpips.gov.pl/prawo-pracy/wynagrodzenia/#4.%20Wysoko%C5%9B%C4%87%20minimalnego%20wynagrodzenia%20za%20prac%C4%99%20od%201%20grudnia%201970%20r [20.11.2015].

Since Polish legislation binds the minimum wage to the average pay in the national economy, wages paid to unqualified workforce grow at the same pace as compensation received by highest-paid specialists.⁵ Further, the high minimum

⁵ The relevant law stipulates that unless the minimum wage exceeds 50% of the average pay it is to be raised annually by no less than the forecast rate of inflation and 2/3 of the real GDP growth.

wage represents a cost that employers have to bear and that undercuts the relationship between compensation and work efficiency, which is felt most acutely in the case of unqualified labor. In addition, any increases in the minimum wage will cause pressure on pay rises among highly qualified workforce [Rzońca 2012: 7]. For these reasons, a relatively high minimum wage should be considered an obstacle to the free movement of prices in the labor market, thus having an indirect adverse effect on the natural flexibility of the market mechanism across all sectors of the economy.

Excessive tax burdens constructed on both the supply and the demand side can be seen as another formal method of putting a curb on the flexibility of prices in Poland's labor market. Tax burden is illustrated by the so called tax wedge: the greater the wedge, the higher the cost of labor for the employer and the smaller the net salary paid out to the employee. A large tax wedge is therefore likely to contribute to diminishing the demand for labor and the supply of available workforce in the market, hence increasing unemployment and enlarging the grey economy.

Table 7. Tax wedge [%]

Year	1996	2000	2004	2008	2010	2012	2014
Tax wedge	43.6	37.0	37.2	33.6	33.4	34.7	34.8

Source: *Tax wedge on labour costs*, Eurostat. Retrieved from: epp.eurostat.ec.europa.eu/portal/page/portal/statistics/search_database [20.11. 2015].

In 1996-2014, Poland's economy was characterized by a relatively large tax wedge (Table 7). However, it should be noted that the wedge decreased consistently, which should have had a positive effect on the job market, allowing it approximate equilibrium. The rather high cost of labor in Poland can be attributed, in the first place, to the retirement insurance contribution that accounts for around 1/3 of gross remuneration.

Most changes in the taxation of pay took place in 1998 and in 2007-2009. In 2000, compared to 1996, the personal income tax rates were reduced from, respectively, 21%, 33% and 45% to 19%, 30% and 40% while at the same time raising the tax brackets. The 1990s were also marked by changes to the social security system that, prior to 1998, operated on a pay-as-you-go basis. Between 1989 and 1998, the social security contribution grew from 38% to 45%, and the increase was accompanied by a pile-up of paperwork on the part of the employer.⁶

The Law of October 10, 2002 on Minimum Compensation for Work, Journal of Laws 2002, No. 200, item 1679.

⁶ It was estimated that one additional person was needed per each 300 employees to handle ZUS paperwork only. See: Hryniewicz 1999: 35.

On January 1, 1999 was launched a mixed system combining a funded model with an unfunded one. At the beginning of 1999, social insurance contributions equaled 46.54% of the assessment basis, compared to 46.38% in 2014⁷.

Recent years have seen a number of moves toward lessening the personal income tax and social security burden on labor costs. Amendments to the social security legislation made on June 15, 2007, lowered the disability insurance contribution by 7 percentage points (from 13% to 6%). Modifications to the personal income tax law made on November 18, 2006 brought back, as from 2007, the revalorization of tax thresholds, tax-exempt income, and tax deductible expenses. Further, in 2009 the former three tax rates (19%, 30%, and 40%) were replaced with just two (18% and 32%). The changes reduced the tax wedge, increasing the average pre-tax salary and lowering the cost of labor for employers. This gives grounds to regard this element of constructed order as having a positive effect on the competitive facet of Poland's economy.

One more vital element of constructed order affecting the level of prices is the state's intervention in the agricultural market. The extent of state's intervention in the agricultural market can be measured using the producer support estimate (PSE) that represents the annual monetary value of gross transfers from consumers and taxpayers to support agricultural producers. In 1991-1993, the PSE averaged 10.92%, relative to 8.72% in 2003 [Czyżewski, Kułyk 2007: 49], which indicates that in each dollar of farmers' receipts 89.08 cents and 91.28 cents, respectively, came from the sales of their produce at world prices. On the kickoff of economic liberalization, financial support addressed to agricultural producers dropped sharply to take negative values in 1990 and 1991. It then grew slightly in 1998 only to again show a moderate downtrend in the following period. A substantial change took place on Poland's EU accession. After 2004 the share of subsidies in farmers' earnings increased significantly – from 9.8% prior to the accession to 48.7% on average in 2004-2013. It is estimated that, as a result, increased product subsidies accounted for 23.7% (equivalent to PLN 3.3bn) of the PLN 13.9 billion worth of growth in agricultural output observed in 2004-2013 [Szuba, Poczta 2014: 30]. Regretfully, the prolonged use of production quota, administered prices and direct intervention into producers' income tend to generate a persistent surplus of agricultural produce. The amount of wasted food is estimated in Poland at 9 million tons annually, which is indicative of an unfavorable impact that this element of constructed order has on price flexibility in Poland's economy.

The flexibility of prices, allowing them to fluctuate freely with changes in the market, also depends, to a large extent, on fiscal policy. Relatively high rates of indirect taxes will inflate the final prices of consumer goods, constraining suppliers'

⁷ Zakład Ubezpieczeń Społecznych [The Polish Social Insurance Institution – ZUS]. Retrieved from: zus.pox.pl/zus_skladki_historyczne.htm [20.11.2015].

ability to adjust to market conditions. Excessive indirect taxation thus effectively makes the government a major market actor and price-setter.

Across the EU, indirect tax rates, including primarily excise duty, are aligned with the minimum rates set out by European legislation. The fact that the same rates apply to all member states, regardless of income differentials and the availability of merchandise smuggled from outside the EU, is particularly disadvantageous for Poland.

Between 1993 and 2014, the share of indirect taxes in government revenues grew continually – from 38.7% in 1993 to 66.0% in 2014 (Table 8).

Table 8. Share of indirect taxes in government revenues [%]

Category	1991	1992	1993	1995	2000	2005	2010	2014
Indirect taxes	–	–	38.7	43.3	58.7	64.3	66.6	66.0
Sales* / game tax	29.0	33.0	20.5	–	0.5	0.4	6.5	0.1
VAT	–	–	11.2	24.7	38.1	41.9	43.1	43.8
Excise	–	–	6.8	14.5	20.1	22.0	22.2	21.7

* Sales tax was only in effect until 1994.

Source: based on state budget performance reports for 1991-2014. Retrieved from: www.mf.gov.pl [15.04.2014] and www.nik.gov.pl [15.04.2014].

The increasing burden of indirect taxation challenges the free movement of prices of key products and services and spurs the expansion of informal economy. A report by a major employer association (Pracodawcy Rzeczypospolitej Polskiej) asserts that the grey market for excise goods continues to increase steadily. For example, the grey market for tobacco products was worth PLN 1.6bn in 2007 and PLN 6.1bn in 2014. The worth of the informal market for alcoholic drinks is estimated at around PLN 2bn, decreasing potential government revenues by PLN 1-1.5bn each year. The illegal sales of motor fuels is estimated at some PLN 2-3bn, resulting in a potential loss in government revenues of around PLN 1.4bn annually [Gembicki 2011: 11-30]. These amounts clearly show that, as a consequence of excessive tax rates, the prices in the formal market fail to reflect the interplay of actual demand and production capacity.

The flexibility of prices is to a large extent determined by another element of constructed economic order, viz. the use of monopolistic practices by producers. Any practices aimed at hindering free competition, such as anti-competitive agreements or abuses of a dominant market position, will interfere with market mechanisms. From the perspective of consumers, such behaviors lead to increases in prices and deterioration in the availability and quality of goods and services. From the producer point of view, on the other hand, they result

in higher market entry barriers and pose difficulties in effectively distributing products or services.

Prior to 1989, Poland's business sector was for the most part composed of large state enterprises that had a monopoly on the production and delivery of nearly all goods and services. The degree to which the country's economy was monopolized in the late 1980s is best illustrated by the fact that more than 70% of all products offered by government-run companies were made by 25% of operational enterprises.⁸ At the moment, Poland's economy is dominated by small and medium-sized, privately-held businesses whose limited market power and scope of activity significantly reduces the risk of monopolistic practices. However, an UOKiK (Office of Competition and Consumer Protection) report reveals that between 1990 and 2014 Polish businesses did undertake initiatives that could interfere with free competition in a number of markets.

Between 1990 and 2014, the number of spontaneous anti-competition behaviors by economic actors, measured by the number of anti-trust investigations, went down from 1800 to 64 (Table 9). At the same time, the number of proven monopolistic practices dropped from 346 to 63, indicating an effective lessening in the intensity of spontaneous moves by actors on the supply side aimed at capturing control, including price control, of the Polish market.

Table 9. Number of anti-trust proceedings instituted by UOKiK in 1990-2014

Specification	1990	1995	2000	2005	2008	2010	2012	2014
Number of anti-trust investigations	1800	602	374	320	196	143	112	64
Proven cases of monopolistic practices	346	78	178	47	54	68	86	63

Source: based on UOKiK, *Sprawozdanie z działalności UOKiK*, 1990, 1995, 2000, 2005, 2008, 2010, 2014. Retrieved from: uokik.gov.pl/sprawozdania_z_dzialalnosci_urzedu.php [15.04.2015].

Changes in the structure of national economy represent an element of spontaneous order that too affects the ability to embrace the ideal of competitiveness and flexible prices. Arguably, a diversified structure made up of businesses of different magnitude and activity type, characterized by a relatively large proportion of small and medium-sized enterprises, is conducive to free competition and makes an economy invulnerable to monopolistic practices, hence supporting the free movement of prices.

Under the so called real socialism, large and very large enterprises prevailed in the national economy, preventing the free movement of prices and restraining

⁸ UOKiK, *Sprawozdanie z działalności UOKiK – rok 1990*, http://uokik.gov.pl/sprawozdania_z_dzialalnosci_urzedu.php [15.04.2015].

the competition mechanism. In 1989, small and medium-sized companies employed nearly 20% of the working population, generating 7.2% of the value of products sold and 7.6% of gross value added [Glikman 2000: 330]. In 1990-1997, a trend started to be easily observed for the supply side of Poland's economy to become increasingly fragmented.

In 1990-1997, the fastest growing group of business entities were those employing from 5 to 20 persons, whose number increased 5.7 times. At the same time, the number of businesses with a 21-to-100-strong workforce increased threefold, while the number of enterprises employing up to 500 staff fell by nearly 15%, and the number of largest companies with an above-500 workforce dropped by more than 50%. The decrease in the number of relatively large companies was mainly due to the restructuring and privatization of state enterprises that in many cases involved demergers and redundancies or even, occasionally, liquidation [Chmiel 1999: 35].

Today, most Polish businesses are small or medium-sized. In 2013, there were 1.77 million actively trading businesses in Poland, of which SMEs represented a vast majority (99.8%). Further, the SME sector is dominated by micro-businesses to a much larger degree than across the EU, as their share in the total number of business entities approximates 96%, much above the European average of 91.8% [Polska Agencja Rozwoju Przedsiębiorczości 2015: 16]. On the other hand, Eurostat data show that, compared to other EU countries, Polish micro- and small businesses contribute significantly less to the generation of gross value added. Whereas in Poland micro-businesses generate 16.5% of the gross added value, their contribution in the EU-27 averages 21.4% (a 4.9% pp differential). Small businesses nearly parallel that characteristic, with a 4.5 pp differential (13.5% against 18.0%, respectively). Understandably, Polish medium-sized and large enterprises contribute substantially more toward gross value added than the EU-27 average [Polska Agencja Rozwoju Przedsiębiorczości 2015: 16].

In spite of the relatively smaller contribution of Polish SMEs to the value of industrial output than in other EU countries, it remains unquestionable that the prevalent trend of changes in the size structure of Polish businesses was in 1990-2014 toward increasing fragmentation on the economy's supply side. Therefore, the size and number of business enterprises can be regarded as an element of spontaneous order having a favorable effect on price flexibility.

Substantial influence that it has on the transaction costs in an economy makes corruption another element of spontaneous order that affects price flexibility. The relationship between corruption and price flexibility is an inverse one: the greater the indicators of corruption, the larger the group of privileged companies and the more likely it is that the prices will get fixed at a level that is only accepted by the privileged groups.

Table 10. Corruption perceptions

Category	1996	2000	2004	2008	2010	2012	2014
Transparency International corruption perceptions index*	56	41	35	46	53	58	61

* The index takes values from 0 to 100, where the greater the value, the more a country is perceived by the business community as corruption-free, and the greater the odds that prices will be flexible enough to respond to the fluctuations of demand and supply.

Source: Transparency International, *The Corruption Perceptions Index*. Retrieved on May 10, 2015.

Throughout the period of 1996-2014, corruption perceptions fluctuated significantly, albeit with a continued trend to see Poland among the most corruption-ridden countries in the EU (Table 10). Overall, the relevant Transparency International index showed a slight improvement over the period – up from 56 in 1996 to 61 in 2014. This could still be, however, indicative of persistent corruption, deficient law enforcement and penalization, and the inefficiency of public institutions that should be responsive to social expectations in that respect. As a result, some parties to contracts may be privileged through bribery and, hence, be able to manipulate prices.

Summary and conclusions

An overall evaluation of the changes in product market regulation and price controls in Poland's transforming economy can be found e.g. in OECD reports. OECD experts appreciate the fact that price controls were lifted consistently in favor of a flexible price regime (Table 11). Over the years covered by the study, state control over prices was the strongest in 2003. The more recent rate of 1.81 suggests that the government exercised less power over prices in the economy in general, although price controls remained rather strong in comparison to other countries, implying the continued presence of relatively many direct and indirect controls.

Table 11. Summary evaluation of price controls in Poland

Category	1998	2003	2008	2013
OECD index of price controls*	2.52	3.59	2.38	1.81

* The index takes values from the range of 0 to 6. The greater the value, the stronger the price controls in an economy and the lesser the extent to which price flexibility is embraced as a foundational principle of the economy's competitive environment.

Source: Koske et al. 2015.

Free movement of prices is conditional on elements of both constructed and spontaneous order. The trends of changes in specific constructed and spontaneous elements, and hence their influence on price flexibility, are varied. In the context of free price movements, objections could be raised about elements of constructed order, notably government intervention in the labor and agricultural markets that are known to disturb the market equilibrium. Other inhibitors include the number of government-controlled and administered prices alongside the considerable tax burden and the subsidies that continue to be provided to specific economic actors. Positive changes are observed in spontaneous elements and include the gradually decreasing number of price agreements and a preference given on the supply side to micro- and small-scale business undertakings. On the other hand, market-based price-setting mechanisms may be hampered by spontaneous moves stemming from a fairly common inclination toward corrupt behaviors. This overview clearly shows that it is in the area of constructed order where Poland's competition policy leaves the most to be desired. This is a rather disconcerting conclusion, since changes to constructed order can be introduced almost instantly, unlike changes to spontaneous order that require a long-term perspective.

The picture that emerges from this discussion of the transformations that took place in Poland's economic system during the period is far from unequivocally positive or negative. Radical reforms launched at the early stage of the transition process were followed by a stabilization phase and, in some areas, certain departures from the rules of healthy competition. Changes to the real economic order initiated by the shock therapy referred to as the Balcerowicz plan were successful to the extent that some elements of constructed or spontaneous order brought the country's economy a lot closer to a free competition regime. As a result, at the early stages of the economic transformation process Poland's overall ratings on price controls and flexibility were relatively good. Regretfully, in the following years government policies would put checks on the free movement of prices, which, in terms of economic order theory, raises objections as to the trend of changes in elements of constructed order. These objections cannot be refuted merely on account of the generally desirable growth in the gross national product (GDP) that, between 1990 and 2004, placed Poland in the position of leader among Europe's transiting economies. The concurrence of weaknesses in competitive regime creation policy with an impressive GDP growth rate supports the notion that Poland has been essentially pursuing a process policy focused on using its extensive reserves to stimulate the growth of production. Preference given in the long term to process policy over competitive regime creation throws doubts on the government's ability to attain the goal of sustaining a relatively high pace of economic and social development.

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Ład konkurencyjny w procesie transformacji polskiej gospodarki – elastyczność cen

Streszczenie. *Celem opracowania jest ocena stopnia realizacji głównej zasady ładu konkurencyjnego w postaci elastycznego systemu cen w polskiej gospodarce okresu transformacji. W ramach realizacji celu głównego poddano analizie wybrane elementy realnego ładu stanowionego i spontanicznego, które zgodnie z interpretacją elastyczności cen jako jednej z zasad ładu konkurencyjnego autorstwa Waltera Euckena mogą decydować o zakresie elastyczności cen w polskiej gospodarce okresu transformacji. Kierunek zmian poszczególnych elementów stanowionych i spontanicznych, a tym samym ich wpływ na elastyczność cen jest zróżnicowany. Z punktu widzenia możliwości swobodnego kształtowania poziomu cen zastrzeżenia mogą budzić elementy stanowionego ładu, w tym zakres interwencji państwa na rynku pracy i rolnym, które przyczyniają się do powstawania nierównowagi rynkowej. Destymulantą jest również relatywnie wysoki zakres cen kontrolowanych przez państwo, a także znaczna skala obciążeń podatkami o charakterze cenotwórczym i utrzymywane dotacje dla poszczególnych uczestników procesu gospodarowania. Pozytywne zmiany mają miejsce w obszarze elementów spontanicznych, w tym trend do ograniczania skali zmów cenowych, a także tendencja do preferowania mikro i małej skali działania przez podażową stronę gospodarki.*

Słowa kluczowe: konkurencyjny ład gospodarczy, elastyczność cen, ordoliberalizm, transformacja