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Summary

Transition to a Market System: Gradualism versus Radicalism?

Years after commencement of the systemic reforms in Central East Europe and the former Soviet Union the main question on the way of conducting reforms remains: gradualism or radicalism?

Unfortunately many countries decided to embark on a radical way of transformation which resulted in a number of cases in decrease of GDP. Transformation, however, in its very meaning is a gradual process. It consists of three main elements: liberalisation and stabilisation; institutional building; and macroeconomic restructuring. Completion of all three processes requires time, in particular as far as institutional building and microeconomic restructuring are concerned. In Poland, the economic systemic reforms here can be divided into four periods: “shock without therapy” (1989-1993), “Strategy for Poland” (1994-1997), overcooling (1998-2001) and from 2002 until now the period of accelerated growth. Results in economic performance are also dependent on the long-term development policy. The Chinese experience proves the importance of it.

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