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## **Letters**

Feb 19th 2004

From The Economist print edition

The Economist, 25 St James's Street, London SW1A 1HG

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### **Poles apart**

SIR – How can you claim that the monetary policy of Poland's central bank and its governor “has been a huge success” (“The Balcerowicz effect”, January 31st)? You point out that inflation in 2003 was only 0.7%. But there is a wide consensus that it will reach 3.0% by the end of this year. On that basis, the disinflation over the past six years will not have been all that impressive.

More striking have been the other effects of Mr Balcerowicz's mistaken policies. During his tenure as minister of finance between 1997 and 2000, and then as the head of the central bank, Poland's growth rate fell from 7.5% in the spring of 1997 to 0.2% by autumn in 2001. Unemployment has jumped from below 10% then to about 20% now. The central bank's reserves have jumped to almost \$33 billion, costing a lot to Polish taxpayers and businesses. Convergence with the euro has been delayed by at least two to three years.

You may praise such a failure as “a huge success” from the perspective of global speculators and hedge funds, which have earned a lot of money from Poland, but definitely not from the viewpoint of the Polish people. Please do not confuse the means of the policy with its ends.

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