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Jerzy Osiatyński (1941-2022)

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Abstract:

This obituary describes Jerzy Osiatyński's life and works, recalling his origins and early life, the academic and activity, and the personal and intellectual links with Michał Kalecki.

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Jerzy Osiatyński was born on the 2 November 1941 in Riga, Latvia, where his parents, the economist Leonidas Leonidas Osiatyński and his mother, the poet Zinaida Osiatyńska, had taken refuge following the German invasion of Poland. The family were classicists and named their son Epaminondas Jerzy, after the ancient Greek general and statesman of Thebes. But because of their Jewish origins, the family stayed out the war, hidden in the forests around Białystok, only moving to Warsaw after hostilities.

Jerzy completed his matriculation at Juliusz Słowacki Liceum in Warsaw and went on to study economics in the elite foreign trade faculty of the Main School of Planning and Statistics (*Szkoła Główna Planowania i Statystyki*, SGPiS – now reverted to its pre-War name of the Main School of Commerce *Szkoła Główna Handlowa*). In 1964 he was awarded the title of Magister for a thesis comparing the role of export growth in advanced capitalist countries and in socialist economies ("Porównanie roli ekspansji eksportowej w wysoko rozwiniętej gospodarce kapitalistycznej i w gospodarce socjalistycznej"). The thesis was supervised by Kazimierz Łaski, who then held the chair of Political Economy at SGPiS, and supervised the teaching of,

* I am grateful to Jerzy Osiatyński for many years of friendship and advice on my research, to Grzegorz Konat of SGH and Joseph Halevi for additional information and corrections to an earlier draft, and to the Leverhulme Trust and the Institute for New Economic Thinking for financial assistance with my research on Kalecki.

among others, Michał Kalecki. Osiatyński was brought into the circle of economists around Michał Kalecki, who lectured on the economics of capitalism and convened seminars on economic planning and development economics. Osiatyński went on to study for a doctorate and started teaching. He is remembered as a charismatic teacher who made himself available to students and was willing to explain, instead of just repeating dogmas. His brother Wiktor became a well-known writer. A concert-pianist sister married an Englishman and left Poland to live in London.

In 1963 he joined the ruling Polish United Workers' Party, a natural move for a socialist with ambitions to have a voice in political discussions, if only on the topic of socialist economic and political reform. Kalecki (who never joined any party) was criticising the economic plans being implemented by the government, and the younger generation of Party members, most notably Jacek Kuroń and Karol Modzelewski, were demanding democracy. This would have been a polite discussion were it not for rising discontent in the country at large over shortages of food and other basic articles of consumption, the result of the government's economic mismanagement.

In the wake of the Six-Day War in 1967, the government tried to redirect criticism towards internal enemies who sympathised with the Israeli defeat of Poland's Arab allies. Outraged by this accusation by innuendo from a government that claimed to be of the Left, Osiatyński went to a meeting of his Party cell to demand that the Party leader, Władysław Gomułka state clearly who were those internal enemies who were working for international Zionism, rather than for socialism in Poland. Osiatyński was expelled from the Party.

Worse was to follow. Public institutions started drawing up lists of Jewish staff who were to be sacked and expelled from the country. Most of Poland's pre-war Jewish population had been killed by the Nazis during the war. The poorer sections of the communities that survived left for Israel after the establishment of that state, leaving only the assimilated Jewish people, who no longer considered themselves to be particularly Jewish, in the middle and professional classes. A particular target after March 1968 were student and academic protestors who were accused of abusing their privileges in a workers' state by criticising that state while living off the labour of 'ordinary working people'. Kalecki's circle at SGPiS were a particular target not only because some of them, like Osiatyński, Łaski and Kalecki himself, were of Jewish origin, but also because they associated themselves with Kalecki's criticisms of economic planning in which excessive investment resulted in shortages of food and basic consumer goods.

Osiatyński's doctoral thesis on "Comparative advantage in the analysis of economic growth factors in socialism" ("Korzyści komparatywne w analizie czynników wzrostu gospodarki socjalistycznej"), prepared under the supervision of Kazimierz Łaski, was failed. It eventually passed, under the formal supervision of Henryk Fiszel, in 1973, after the fall of Gomułka.

Very few institutions were able to resist the purge of Jews and 'revisionists' who wanted a more democratic socialism. Among those institutions was the Polish Academy of Sciences, whose staff had no teaching duties and so were unable to corrupt revisionist-minded students. Here Tadeusz Kowalik was leading a research group that was publishing the collected works of Oskar Lange. Following the death of Kalecki in April 1970, a job was created for Osiatyński to edit the collected works of Kalecki. Support came from Kalecki's friends in Cambridge (UK), where Joan Robinson helped to secure visiting fellowships for Osiatyński and Kowalik. In Cambridge, from 1970 to 1972, even before his doctorate had been passed, Osiatyński acquired material for his post-doctoral thesis (*praca habilitacyjna*) on the Cambridge capital

controversies, that was published in Poland in 1978 under the title *Kapitał, podział, wartość: kryzys ekonomii neomarginalistycznej* (*Capital, distribution, value: the crisis of neomarginalist economics*).

The editing of Kalecki's works was a major challenge, in which Osiatyński was assisted by the older (and more familiar with Kalecki) Tadeusz Kowalik, who had also fallen into disgrace and been expelled from the ruling party. Unlike Keynes, Kalecki did not change his fundamental ideas on how economies work, even if he changed the equations that he used to express those ideas, and was never satisfied with his explanation of business investment.¹ Osiatyński and Kowalik resolved this difficulty by organising the volumes thematically and spreading the repetitions about capitalism over two volumes. After presenting Kalecki's theory of the business cycle, they placed in the first volume a section on "The Confrontation with Keynesian Theory" ("Konfrontacja z teorią keynesowską") containing Kalecki's assessment of the *General Theory* and some of the monetary and distributional issues that emerged with Keynes's book. All of this was new to readers familiar with the volumes of selected essays then in print in Poland and abroad. A third volume was to incorporate Kalecki's writings on socialism, a fourth one on developing countries, and his studies of war finance in the Second World War, notes on commodity markets, obituaries and mathematical and statistical papers were all to be combined in a fifth volume ("Przedmowa", "Preface", in Kalecki, 1979). The planned five volumes expanded to six, published between 1979 and 1988, with Osiatyński's expansive editorial notes based on his extensive researches in archives in Poland and at the United Nations.

There were other visits to the Institute for Development Studies at Sussex University and Oxford University. In 1988, his book on Kalecki's economics of socialism *Michał Kalecki on a Socialist Economy* was published by Palgrave, with a foreword by Włodzimierz Brus. Kalecki had disagreed with Brus over market socialism, during the economic reform debates in Poland in 1956. Brus wanted greater scope for the functioning of market and price mechanisms (the "Law of Value") in socialism. Kalecki warned against the consequences that market incentives may have on employment. The determination of enterprise output by market incentives raised the possibility of unemployment, which could not be allowed to occur in a socialist society. Osiatyński outlined this disagreement in his book. But he also pointed out Kalecki's defence of Brus in 1968, when Brus was sacked from his chair at Warsaw University (Osiatyński, 1988, p. 114).

Both Osiatyński and Kowalik became involved in supporting the workers' movement Solidarity that emerged in the 1970s and in the informal study groups that were set up to discuss forbidden literature. When the first semi-free elections were held in 1989, Osiatyński was elected to the Polish Parliament and started a political career. He was appointed Minister of Planning in the first non-Communist Government of Tadeusz Mazowiecki, taking over the premises of the old Planning Commission where Kalecki had worked and criticised. By then the Ministry had been reduced to providing economic forecasts while at the Finance Ministry Leszek Balcerowicz with his adviser Jeffrey Sachs pushed through the shock therapy that devastated the Polish economy for the next two decades. Osiatyński received a report from Kazimierz Łaski forecasting mass unemployment as a result of the fiscal austerity and economic liberalisation that was being implemented, a report that Osiatyński circulated to

¹ "Kalecki has given us three versions of his theory of the business cycle, dating respectively from 1933, [...] from 1943 [...] and from 1968. The difference between these versions almost entirely concerns the investment function – the equation explaining investment or investment decisions" (Steindl, 1981).

other ministries. But they could not break through the conviction that deflation would naturally push the economy into rapid recovery and in any case would bring foreign direct investment and debt forgiveness.

In 1992, Osiatyński had his chance at the Finance Ministry, in the government of Hanna Suchocka. But by then it was too late. He later gave an account of the Polish 'transformation' and his part in it in a fine article that was recently published in the *Economic and Labour Relations Review* (Osiatyński, 2020). The damage to Poland's industrial infrastructure and institutions had been done, and the Finance Ministry reduced to little more than fending off demands for debt repayments. The eventual political consequence was the coming to power of the right-wing populists who rule Poland today, a fine example of Kalecki's belief that the immiseration of the working class brings out the worst as well as the best in all classes.

Political commitments coincided with the publication by Oxford University Press of the English edition of Kalecki collected works, from 1990 to 1997. This edition was now in seven volumes, as the final previous final volume of assorted *Studies in Applied Economics* was split into two volumes, placing Kalecki's pre-War commentaries and articles into a separate volume. The *Confrontation with the Keynesian Theory* was now available to English-reading economists (Kalecki, 1990, pp. 221-343), just as Post-Keynesian economics was synthesizing Keynes with Kalecki. Osiatyński did not engage with this new discussion. Instead he threw himself into consultancy work in Post-Soviet countries, Bulgaria, Macedonia and Rumania on behalf of the International Monetary Fund and other multilateral agencies. But his political career could not survive the fragmentation of the liberal social democratic politics on the fringes of the old ruling party, and the growing popular mood of nationalism and xenophobia. In 2001 he lost his parliamentary seat. However, he retained his position in the Institute of the History of Science at the Polish Academy of Sciences (Instytut Historii Nauk Ekonomicznych Polskiej Akademii Nauk) until 2004, when he moved over to the Economics Institute of the Academy. In 2010 he was appointed economic adviser to the Polish President Bronisław Komorowski. Three years later, he resigned from this position to become a member of the Monetary Policy Committee of the Polish central bank (Narodowy Bank Polski).

Jerzy Osiatyński felt very keenly the exile and eventual passing away of his colleagues who had like him been expelled from SGPiS. This was particularly so in the case of Kazimierz Łaski, who had been exiled to Austria, but who remained Osiatyński's first adviser on economics. Łaski died in 2015. Osiatyński arranged for the publication of Łaski's exposition of Kaleckian macroeconomics, in his *Lectures in Macroeconomics*, and its translation into English, published by Oxford University Press in 2019. In September 2019 he helped to put together a conference at the OECD in Paris, commemorating the 75th anniversary of the Bretton Woods conference. This brought to a wider audience the criticisms made by Kalecki and Raul Prebisch of the Keynes and White Plans, criticisms that have a particular resonance in view of the collapse of the Bretton Woods system. I was working with him on editing the conference volume when he entered hospital in January. He died on the 4 February.

Jerzy Osiatyński was awarded the title of Professor in 1989. In the following year he was given an honorary doctorate by New York University. He leaves a widow, Elżbieta.

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