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# REMEMBRANCE AND SOLIDARITY

STUDIES IN 20<sup>TH</sup> CENTURY EUROPEAN HISTORY



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**Photo on the front cover:** Kitchen for the unemployed in Poznan, 1931

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## EDITOR'S PREFACE

**Padraic Kenney**  
Indiana University

We live, undoubtedly, in a world whose public face is framed by memory. All around us, in the museums and monuments filling our cities, on our currency, in our holidays, and in the rhetoric of our politicians, we harken constantly back to the past to frame our present and our future. And though perhaps this has always been so, the last hundred years have left us with a plethora of epochal events that have been experienced by entire societies. Total wars, great revolutions, genocides: by definition, their legacies are inescapable and ubiquitous. They are what we think of when we say that our era is defined by remembrance (and its companions, wilful forgetting and misremembering, of course). Study of the memory of those events has been the focus of this journal so far, as the number of scholars interested in such problems seems only to grow more and more rapidly with each passing year.

Yet as we expand our study of the memory of such events, confident in our ability to map the political and cultural processes that hide, distort, and represent the past, are we not in danger of scholarly complacency? Are the memories that impact modern societies comprised only of wars, atrocities, and revolutions? Might there not be equally significant categories of memory that, because they have not lent themselves as well to the usual tools of memory culture, escape our attention?

In this issue, *Remembrance and Solidarity* gathers together a range of scholarly perspectives on economic crises as a subject of memory. In Central Europe, the focus of these articles, economic crisis has struck every generation in the twentieth and twenty-first centuries. World War I brought dire shortages and rationing to many areas; the immediate postwar years were marked by hyperinflation and other economic shocks. Worldwide depression caused mass unemployment in the 1930s, while the Second World War brought renewed experiences of shortages and hardship for many. The Communist era, though its leaders promised an end to the recurrent crises of capitalism, had its own share of economic shortcomings. If unemployment was less

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common (or at least hidden), shortages recurred with some frequency, especially in Poland. The postcommunist era opened with the painful shocks of economic transition, including the closing of entire industries and dramatic changes in prices. When the editorial board gathered to plan this issue, the so-called Great Recession was in full swing. Now, as some equilibrium has been restored, at least in some countries, historians can begin to consider the memory of that crisis as well. There is, in short, much to do.

It would be quite inaccurate, however, to frame the task ahead as one only for scholars engaged in Memory Studies. Economic History as a discipline has experienced a long decline since its heyday. Since the 1970s, the field has almost entirely disappeared from universities in North America; most history departments and economics departments as well lack scholars in this area. While it has continued to be taught and researched in Europe, economic history is for the most part simply no longer in dialogue with the rest of the discipline. The turn towards cultural history in the last twenty years or so has left a gap between economic history and the rest of the profession. We propose in this issue a new way to close that gap. As historians interested in the cultural phenomenon of memory can turn towards economic crises, so too economic historians can devote attention not just to the mechanics and shape of economic crises themselves, but to their cultural and social afterlives.

The articles that follow have much in common, as they focus on various moments of economic hardship across the last century and the ways they have been framed or remembered. Christian Wevelsiep and Łukasz Mańczyk take radically different approaches – as a political sociologist and a literary theorist, respectively – to the general question of whether and how economic crisis (or any other crisis) can be remembered or can enter popular consciousness. Readers who are drawn to one argument will likely find the other less easy to accept; together, they are a provocation to develop a more comprehensive theoretical approach to the problem.

The rest of the articles address one or more periods of crisis. Izabela Mrzyglód and Krzysztof Kloc examine, in their contributions, the experience of hyperinflation and unemployment in interwar Poland. Ľudovít Hallon takes the same period in Slovakia as a starting point for a long-term comparative exploration of recurrent crises stretching until the post-communist period. Two articles take us into the culture of economic crisis in the Communist era: Zsuzsa Frisnyák examines the dramatic hyperinflation

episode in early postwar Hungary, while Marcin Zaremba and Marta Cobil-Tokarska consider the emotional experience of crisis in 1980s Poland.

Readers will note that for the most part, the authors in this volume consider quite proximate responses to or framing of crisis. This is a necessary first step, to see crises as not simply an economic phenomenon or as a challenge to political leaders, but as events with powerful socio-cultural consequences. This raises the question, though, of how these crises work over longer periods of time, of a generation or more. To begin to open up these questions, the European Network Remembrance and Solidarity convened a forum of historians in Warsaw in October, 2015. Participants had the opportunity to range beyond the already extant scholarship to imagine what themes would be important in the study of crisis memory.

Much is at stake, to judge from that conversation and from the articles collected here. We should gain a more nuanced understanding of the role of memory as we recognize that people do not only carry with them memories of violent traumatic events, but also difficult memories that do not lend themselves as easily to narration. We may find a way to bring together areas of history that are traditionally quite distant from one another. And, finally, we can open up new perspectives on how regimes build legitimacy and how societies process that past. These are all worthwhile goals; the editors hope that this volume of *Remembrance and Solidarity* will point the way toward a new and rewarding approach to the crises of the twentieth century and beyond.





# ARTICLES



# THE EMERGENCE OF THE MODERN CONSCIOUSNESS OF CRISIS

**Dr. Christian Wevelsiep**

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## ABSTRACT

*The reflection in the article revolves around the following thesis: as crisis phenomena of the past can be differentiated and compared, the possibility of such a comparison is linked to a specific consciousness. This consciousness can be referred to as the modern consciousness of crisis. The article will discuss the emergence of the modern consciousness of crisis, its historical conditions as well as its main characteristics. The focus will be on defining this relationship, while keeping a certain distance to historicization by default. Even though historicist comparative analyses seem reasonable, they have to be carried out with specific historical meaning criteria in mind. In all times people probably experienced collective fears and anxieties related to crisis. However, those fears and anxieties were, obviously, anchored in various conceptions of order, which had a spatial, temporal, transcendental or political origin. Therefore, the analysis of the modern consciousness of crisis will comprise the following dimensions: the categories of time and space (1), the replacement or reinforcement of religious, salvation-historical or cosmological worldviews (2) and the dimensions of the political ability to act (3).*

## 1. Introduction

Ever since people began to think, crises have ruled the world. At nearly all times there have been attempts to avert imminent decline, near or distant disaster. Modern and contemporary history is also shaped by diverse crisis experiences and impositions. In 2007, climate change was considered a central topic in the public discourse – until it was replaced by the financial and economic crisis. This brought up old and new questions and doubts about current growth models. Although discussions and critical reflections about current crises may appear to a concerned observer as very topical and therefore urgent, historical references are not as unambiguous as one may think. Economic crises are, just as other forms of crisis, often discussed in their

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historical context. In this way, world economic crises gain their historical 'meaning' when compared to the crises of past times. Let us just think about the beginning of the Wall Street Crash on Black Tuesday in 1929, which triggered the Great Depression within a short period of time. The crisis had very serious consequences: it caused the seemingly deepest structural collapse in the history of Western industrial capitalism – an unprecedented failure, which affected especially Germany and, as we well know, led to a general depression and the rise of nationalist, chauvinist and social Darwinist ideas.

However, a historical comparison that we may try to draw and use to avert current social disasters will not be very effective here. Another question seems more interesting, i.e. we may compare and contrast crisis phenomena of the past, but the very possibility of such comparative analyses is connected with a specific consciousness. This consciousness can be referred to as the modern consciousness of crisis (*das neuzeitliche / moderne Krisenbewusstsein*) and is the focus of this article. Simply put, the text will discuss the emergence of the *modern consciousness of crisis*, its historical conditions and main characteristics. This consciousness of crisis should be understood as part of the modern man's relationship to himself and to the world. In the paper, there will be an attempt to define this relationship, while at the same time keeping a certain distance to, frequently default, historicization. Admittedly, historicist comparative analyses are sensible but they have to be carried out with specific historical meaning criteria and realms of experience in mind. In all times people probably experienced collective fears and anxieties related to crisis. However, those fears and anxieties were, obviously, anchored in various conceptions of order, which had a spatial, temporal, transcendental or political origin. What 'we' understand as 'the modern consciousness of crisis', can be therefore divided into the following dimensions: the categories of time and space in the horizon of the modern age, the replacement or reinforcement of religious, salvation-historical or cosmological worldviews and, not least, the dimensions of the political ability to act.

### 2. Time and space in the modern age

From the point of view of contemporary history, one that includes crises, upheavals and violent events, the notion of modernity is disputable. On the surface, a social and political goal may be formulated. If we understand modernization as an ongoing process that is based on specific basic processes and aimed at economic growth, structural differentiation, value shift, mobilization, participation and the institutionalization of conflicts, such

an approach will probably not be questioned. In this sense, the process of expanding autonomous fields of action as well as the differentiation of 'value spheres' such as law, religion, economy and politics take place on the ground of new institutions, which allow for political communitization. However, what one may describe as a typically modern pattern in a certain period of time in Western Europe does not have to be understood in the same way in other regions or societies. Modernization, seen as a normative project that promotes mass democratic and welfare-oriented developments and too quickly leads to rationalization, economic growth and secularization, is not subject to any unilinear development logic. On the contrary, it has to involve detours. The beginning of the modern age cannot be 'enacted', and there is no master plan in the logic of modernization. In societies experiencing the dynamics of modernization, the old meets the new, traditions mix with innovations, there is a blend, a 'collaboration', a 'creeping mutation' going on.<sup>1</sup> Therefore, while entering the semantic field of modernization, one can also aim at something that is not based on the (Western) European history of rationalization. A 'beginning' or an 'awakening' can be seen as an attempt to bring the history and the present closer together, to accept the past, learn from it and use it to strengthen one's identity.<sup>2</sup> In the following, we will reflect on how such a concept of learning may be relevant to the particular case of the modern consciousness of crisis. Furthermore, we will discuss how the ambivalences and dissonances of the modern are reflected in society.<sup>3</sup> Normatively speaking, bridges into the modern should be built, but at the same time, while thinking about visions of the future and expectations, one should not forget the unpredictability and contradictions of each modernization. The political events of the present show in all urgency how fragile developing societies are and how fast the course of history can be swept away because of people's interests, wishes and hopes. Let me provide you with just one example: the Euromaidan Revolution in Ukraine in 2014. It was not clear whether it actually had the characteristics of a revolution. The euphoria over its supposed victory did not last long, as we know. It died out in the clouds of smoke from incendiary materials and burning cars, among the masked people with cobblestones and stun grenades that shaped Maidan Nezalezhnosti in the recent past. Hope, attached to once revolutionary moods, gave way to disillusionment. After the peaceful revolution, the policy of violence returned. This political reality means that hundreds of people were killed – as protesters in Kiev's Independence Square, soldiers of the Ukrainian army in the war in the East or unknown combatants of 'New Russia'.

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This brief look at the perplexing presence of crisis highlights the importance of the reflections presented below. The pragmatic bridges into the modern, which could be a basis for an 'awakening', are very fragile. From a theoretical point of view, one could contribute with cautious remarks and reflections about the interpenetration of social change and persisting visions of order, the coexistence of democratic hopes for the future and emerging crises. Such remarks should also address the problems of historical and political identity. The goal of the reflections cannot be to formulate a convincing concept but only to point to problems and dissonances of the historical and political construction of meaning.

\*

As a modern observer will soon realize, the categories of time and space play a fundamental role in the context of historical perceptions of crisis. While discussing historical events, precise time and space indications should be provided. For the learning process in historical research, it is crucial and indispensable to situate the events in time and space, but we have to bear in mind that our current understanding of reality and everyday phenomena has been shaped by patterns characteristic of a given time and space.<sup>4</sup> However, the seemingly self-evident approach to space and time has its own historical past, too. In the premodern age, most people had limited possibilities to acquire universal and comprehensive categories of space and time. The knowledge of the world's horizon developed little by little. It is not until the 18<sup>th</sup> century that we can speak of an all-embracing spatiotemporal perspective in the modern European world. The invention of chronological and geographical instruments was an external factor. The internal aspects of the developments may have been more complex, as they included the relationship of our consciousness to things, as well as spatial and temporal relationships between events and the material world. Ascribing cultural meanings to spatial and temporal distances played a special role here. The modern construction of the world cannot be complete without defining empty times and empty spaces<sup>5</sup>. What Lucian Hölscher points out here, applies first and foremost to the (im)possibilities of comprehending the perceptions of space and time in the early and high Middle Ages. The way medieval people thought and felt about space and time will always remain to some extent foreign. Time and space were not homogenous categories. They did not reach into infinity. They were concise and "in a way, they clung to things and processes that they measured." All of that is so difficult to

comprehend today because for the modern man, the human perception of the world with space and time as endless and independent quantities has become self-evident, especially in view of impending crisis scenarios and the idea of a *manageable future*. The process of dismissing premodern ideas of time and space brings autonomy. However, this results in other problems and uncertainties. These include, most importantly, the perception of time, which in a modern sense is no longer seen as the simple postponing of a predefined end of the world. The certainty that it is not the return of Christ that comes at the end of time but ‘only’ an empty futurity can be seen as the burden of modern times. Therefore, it is worth asking here what the typical modern conceptions of the future are and on what unspoken assumptions are they based. Some conceptions of the future are generally considered as determining factors in political decision-making processes. They range from ideas typical of particular social groups to scientific prognostic models and concrete political visions: a broad spectrum, which can only be mentioned here. These predictions rarely come true. However, this does not mean they have no historical relevance. On the contrary, their historiographic value manifests itself in the tensions between conceivable alternatives, expected or probable consequences and mere factuality. This has been exemplified in Marxist visions of the future, which predicted that a social model would come to an end. It can also be seen in various literary future scenarios and bizarre utopias, created in the late 19<sup>th</sup> century.<sup>6</sup>

However, the development of homogenous spatiotemporal dimensions, which was a decisive turning point, draws attention to the crucial relationship between the available knowledge of the future and the possible actions to be taken in it. The modern consciousness of crisis, which is the topic of the article at hand, is directly linked to the realization that the need for reliable social prognoses in society has dramatically increased since the 18<sup>th</sup> century. Slow developments in the earlier and premodern times gave way to today’s immense acceleration and dynamics. Technological, social and political breakthroughs have led in the modern age to an enormous need for action, a need that stimulates political programs. Its historical relevance results from the specific approach taken today to a supposedly manageable future. The typically modern concept of the future, which excludes fateful developments whenever possible, seems to be a “self-evident possession of every modern society.”<sup>7</sup> However, its self-evident nature fades away when one takes a look at specific transcendental, religious and political premises that historical concepts of movement are based on. If we make an attempt

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at comparing a typically premodern with a typically modern consciousness of a particular future time period, we will see considerable differences in the understanding of the concept of 'future' in general. In a virtual conversation with an educated Central European from the 17<sup>th</sup> century, the idea of disregarding divine plans of salvation would be, for instance, just as strange as the thought of a humanly possible, manageable future. The political scope of action that opens up in the modern age points in this respect to a religious and, to some extent, cosmological dimension.

### 3. The religious-cosmological dimension

Crisis scenarios in all social domains of human life reflect historical periods, with different ways of coping and forms of consciousness. How did people in the premodern world deal with precarious living conditions, limited food and supplies, existential insecurity and threats? In this context we often refer to words such as process, development and progress. However, we can also find various religious and salvation-historical frameworks that cannot be reduced merely to those historical concepts of movement. Various examples from various temporal layers (*Zeitschichten*) convey diverse concepts of the future, which can hardly be reduced to the dualism of modernity and premodernity.

A case of the Frankish state ruled by Charlemagne can be cited as the first example.<sup>8</sup> There, a defeat inflicted by Basques on Franks in the Pyrenees was taken advantage of by the Saxon troops, which attacked the other side of the country. The Saxons penetrated to the Rhine. They plundered, devastated and burned estates and settlements, moving southwards to the Moselle. The whole country had to deal with fragility and a threat to security, as we would call it today. The impending famine, depicted in the relevant annals from 778/79, seemed inevitable. Here one may ask the question whether in such a situation some kind of need for political action that would alleviate human misery had already been identified. As Patzold emphasizes, an interesting mixture of quasi-'state' and religious ways of coping did emerge.<sup>9</sup> In March 779 bishops, abbots, counts and other influential men gathered in Hérystal near Liège, invited by Charlemagne to discuss this precarious situation. As a result, two seminal texts were written, which are pivotal to our understanding of future horizons at that time. The first text was devoted to fundamental structural changes and the organization of the state, including the relations between metropolitans and suffragans and the prohibition of guilds. The second text referred more directly to the impending famine. Charlemagne's advisers formulated immediate measures to be taken in the face of crisis.<sup>10</sup>



To what extent can that approach to action and to the future be seen as ‘rational’ from the modern perspective? The difference between long-term, sustainable structural measures and interventions aimed directly at providing protection and limiting people’s suffering is known in contemporary politics, too. However, the analogy supposed here is disputable. We should namely ask what measures were in fact taken in the early Middle Ages. These included ordaining the number of Masses to be celebrated and the number of psalms to be sung, ordering how long the high and mighty should fast and how much alms they should give. Dividing people into the powerful and stronger on one hand and ‘lesser’ ones on the other should not come as a surprise in a hierarchical and stratified society. The text mentions the clergy and counts, divided into a number of classes. “The counts do not have to pray. They must however provide money or pay in kind. The king’s vassals should also provide money, the exact sum depending on the number of their subordinates who have their own land. The laypeople should, just as the clergy, provide for four poor people, as long as they are able to do that, or for fewer people, depending on their capabilities.”<sup>11</sup> Based on these words, we could say that official measures were taken in order to prevent people from suffering. Within the scope of possibilities, they were reasonable, e.g. the possibility of introducing an ‘alms regulation’. However, one thing should not be overlooked here: the structure of the text is actually different from what we would expect today. The text does not start with a description of deficiencies or material needs that indicate a humanitarian catastrophe. It aims neither at assessing demand-related regional differences nor at providing rational estimates of the extent to which people would need food supplies. Instead of discussing a real demand, the text focuses on some form of religious ethics of conviction (*religiöse Gesinnungsethik*): the attitude of the addressed people and the principles of religious honesty. This means that the regulations were not meant to organize a distribution of vital resources according to modern principles. They were not aimed at “the stomachs of starving people”<sup>12</sup> but at ensuring the grace of the almighty God. It is the hope that God would ‘take care’ of the Franks’ fate and would create the conditions needed for good harvest and sufficient food that dominates in the text. These, if you like, ‘political measures’ were rather secondary and can hardly be compared with the criteria of modern state security. For a medievalist, this assessment will come as no surprise. The consciousness of crisis that finds expression here results from people’s particular approach to body and soul. The modern approach to safety and security is aimed primary at ensuring people’s physical integrity, while the

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premodern approach did not necessarily prioritize physical survival and well-being. On the contrary, it put spiritual well-being above anything else.

Let us have a look at another example of the semantic development of a premodern consciousness of crisis. In the early modern age in the 17<sup>th</sup> century, the perception of crisis was, as we well know, also imbued with religious and cosmological ways of coping. The question of people's mental and emotional reaction to the syndromes of violence, starvation and sickness, which had a huge impact on their lives, has been addressed by researchers from many different perspectives.<sup>13</sup> For a long time, the 17<sup>th</sup> century was regarded as an epoch of consolidated confessionality and religiousness, but in our context this conviction still leads to objections. It is here that history, especially in relation to the Thirty Years' War, meets further symptoms of crisis, which in the end come to include also the seemingly strengthened religiousness of the era. If we think of the economic and cultural developments of the early modern period, we will see that the 16<sup>th</sup> century was first a time of cultural prosperity in Central Europe, which was then affected by various crises of the last third of the century. The 'century of crisis', as the 17<sup>th</sup> century is frequently referred to, actually started in the 16<sup>th</sup> century. We must bear in mind that the early modern world was – also before acute crises arose – a world of scarcity. In one decade as many as three harvest failures could happen. If a bad harvest came two years in a row, the rise in prices and food shortage became life-threatening. People knew that bitter reality; it was not anything unusual. Existential threats were, as we well know, presented in expressive semantic forms. The Four Horsemen of the Apocalypse, described in the Book of Revelation, Chapter 6, were called Pestilence, War, Famine and Death. They were coming alone but often in an ominous alliance. The crisis phenomena of those times included spreading diseases and dramatic shortages, but also climatic peculiarities such as the noticeable and scientifically proven cooling in the Little Ice Age. The fundamental subsistence crisis that affected people over longer periods of time led to well-known religious and cultural patterns of interpretation. Climatic phenomena such as unusually long cooling periods, lack of rainfall, thunderstorms and hailstorms, drought or floods were seen as the signs of God, evidence of "the prevalent sins for which people were punished."<sup>14</sup> The economics of sin identified the sinfulness level of individuals or groups of individuals. The devil's activity on Earth was also a popular concept, illustrated in numerous printed works, where gambling, drunkenness, blasphemy and sorcery were presented as various diabolic figures. It was also

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the time of flourishing literature on the intensified witch hunts, black magic and demonology. Simply speaking, the fundamental power that people faced and had to overcome was forced into just as fundamental religious patterns.

To put it simply, the modern consciousness of crisis is related to the supposed overcoming of premodern periods, which were full of fear. But to what extent can we actually speak of 'overcoming'? Obviously, just a few keywords are enough to show that the fear existing in the premodern times is by no means gone. On the contrary, it is present nowadays, in the form of the fear of terror and violence, fear of the future or fear of the foreign and the different. Nevertheless, there have been approaches in the field of the history of mentalities, which took people's changing attitudes as a starting point and assumed that there is a continuous enlightenment and rationalization process. According to these approaches, the premodern man lived in the land of anxiety, which he then overcame on the threshold of the modern age. Since the late 17<sup>th</sup> and the 18<sup>th</sup> century, the prevailing cultural and religious disquiet lessened. In view of the Enlightenment, gloomy fears apparently disappeared, becoming just figments of the imagination. The power of reason supposedly helped to overcome the despondency of the premodern age.<sup>15</sup> However, two substantial aspects prevent from overvaluing this popular picture. Firstly, there is the truism that long-term progress in social culture occurs only at the cost of new grievances but also new semantic developments. The concept of 'overcoming' fear in the sense of the modern enlightenment is debatable, as it seems that the fear that is inherent to a given epoch is passed on to the next one. Therefore, we should not pose questions about the extent to which reason gains the upper hand in view of the Enlightenment but rather about possible ways of coping with practical experiences of powerlessness.

One last example completes our reflections. No matter how we interpret the development of the relationship between the consciousness of crisis and religious views, it is the process of the development of human freedom that has been fundamental to the modern concept of the future since the 19<sup>th</sup> century. Increasing control over the forces of nature creates a malleable, open future. In the early modern age, the concept of the future was still narrow and room for maneuver and the introduction of extensive changes in any spheres of social life was extremely limited. The demand for an open futurity, however, contributed to dynamic developments after the industrial and spiritual revolutions. The supply of food increased, economic exchange

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and the exchange of people intensified, knowledge about the forces of nature led to the emergence of alternative forms of human co-existence. The wishful thinking that could be found in the earlier utopist visions moved to the horizon of imaginable fulfillment, even though particular forms and symptoms of crisis were affecting large parts of industrialized society. However, it was the creation of a new horizon of expectations, which formed a decisive turning point in the relationship of people to the future. If we no longer interpret collective and individual history as the anticipation of the Last Judgment and, consequently, we do not simply equate the future with the arrival of the Savior, then the concept of the future loses its “numinous nature”.<sup>16</sup> The process of opening distant, yet unexplored periods of time is still accompanied by fear and anxiety, the fear of the consequences of technical innovations, the fear of accidents and anonymization, not least the fear of the mass of people. However, a new consciousness of time and crisis comes into play here: the imperfection of human orders and structures is attributed not so much to the metaphysical reign of evil in the world but rather to socio-political decisions. Even though in the 19<sup>th</sup> century the negative consequences of the industrial revolution still overshadowed progress, the typically modern consciousness of the future and crisis was changing. Today, it brings the promise of the endless self-development of humanity but it also leaves some space for “the apocalyptic perspective of the fast and imminent self-destruction” of humanity.<sup>17</sup>

### 4. Political empowerment

Human history is a result of human decisions. As R. Koselleck notes, this is true in two different ways. History is namely shaped not only by those powerful people who influence the course of events but also by historians, determining history through their writing.<sup>18</sup> Obviously, we should keep in mind that ‘history making’ is a modern term. It refers to a change in historiography, where a new self-conception of historians and historical methods replaced the approach that dominated in Western culture over centuries. In those historical times, it was possible to tell diverse (hi)stories (*Geschichten* in German) without creating one history (the singular form; *Geschichte*). This emergence of one, singular history, a history that could be created and shaped, was indicative of the modern experience, connected with a profound semantic change in historical terminology and concepts. History in itself replaced plural histories, which is known to be a result of the lasting theoretical reflection of the Enlightenment. History as a subject of man or even “a subject of itself”.<sup>19</sup> The importance of this change in historical

self-perception probably cannot be overstated in the context of the development of a modern consciousness of crisis. The transition from a multitude of histories to one central concept helped to see the reality as a whole and to develop a stronger link between people and history. The modern action space, filled with past experiences, new areas and uncertain expectations, marked the abandonment of the extra-historical instance. In the meantime, events that used to be interpreted in the light of old history, with no reference to its collective singular concept, converged, influenced by the consciousness of history that occurs within one integrated space.

Here we face one of the biggest challenges: having discussed the emerging concept of history that can be created and shaped, we want to move on to the consolidation of the modern consciousness of crisis. An attempt will be made to roughly compare the modern and the pre-modern consciousness of crisis and, in spite of historical change, to identify the meaning criteria that determine the specific consciousness of crisis nowadays. When earlier crises or conflicts are being discussed today, the modern consciousness is taken as a basis. This modern consciousness has been determined by specific historical conditions. In the above-mentioned situation of threat in the Frankish Empire of the 8<sup>th</sup> century, a pre-modern consciousness of crisis prevailed, one that was based on the ideas characteristic of that time and place, on specific metaphysical concepts and the experience of the imminent danger of suffering and sorrow. Nowadays we would rather speak of endangered systems, humanitarian disasters, tense security situations etc., with no reference to the meaning criteria of space, time or transcendence. It is the modern idea of contingency that is difficult to handle. According to modern historical semantics, the culture surrounding modern people could also be different. Furthermore, the historicity of modern consciousness indicates a specific relationship to the world. Contingency, understood not as fortuitousness but as openness to action describes an area of specific uncertainty, where both action and coincidence happen.<sup>20</sup> With the epochal threshold to the historical modern age, contingency became a kind of a historical transcendental, a legitimate signature for what we need for a convoluted concept of the modern. Contingency, a frequently used, yet vague term, comprises both the manageable and the unmanageable, decisions between exclusive possibilities as well as the awareness that each action is accompanied by specific modern risks.<sup>21</sup> Taking this awareness into account, the modern consciousness of crisis is exposed to an irreducible tension. In the moment of crisis, areas for action that are believed to be areas of open

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possibilities show a discreet uncontrollability. The appearance of crisis exposes the action as unfounded.

Action, as compared to behavior, means a decision or a choice between diverse possibilities, for which legitimation is provided. The criteria of this concept of action go back to the field of human capacity to reason, but at the same time they provide information about specifically modern ‘contingency semantics’.<sup>22</sup> Modern contingency semantics is in contrast to premodern experiences. It does not derive from a consciousness of traditions and possibilities, which clearly differentiated between the human area of influence and all that fell outside human authority and therefore helped to restrict the human power of action. The examples of the medieval order of creation or the antique worldview show that the premodern approach was less loaded in this respect. It differentiated between what can and what cannot be controlled or managed. Consequently, the premodern approach could separate the present sphere of practice from transcendence and contrast the finite practice with infinite divine horizons. Today one would presumably speak of helpful clarity, of some practical relief by means of philosophical orientation. For Aristotle, decisions concerned eternity. In the antique way of thinking, contingency referred to events, and not to event horizons, whereas action was in a sense located in a “finite horizon of possibilities.”<sup>23</sup> It is presumably this assumption that dispersed in the light of growing awareness in the modern age, and has nevertheless left a discreet shortage. From the modern perspective, the idea that the concept of human action could be extended endlessly seems, namely, to be rather a burden. What was once included in an ontological concept of divine authority and therefore could not pose any problems as a subject of human action, belongs in modern times to the consciousness of human ability. This means far-reaching changes: one speaks of a project of the modern (Habermas), of universalist conditions of validity; in the area of science and technology one discovers even the possibility of extensive biological manipulation. It can be speculated how people in antiquity would position themselves in relation to this horizon of possibilities. It should be noted here that this process of expanding human possibilities for action is accompanied by a contradictory political self-relation. When the horizon of possibilities cannot be limited anymore, it is no longer a question of the mere consciousness of improvement but rather one of far-reaching changes in open and malleable futures. The modern consciousness of contingency raises orientation problems but it cannot be satisfied with the shrugging realization of eventful fortuitousness. This can

be seen particularly on the example of the experience of crisis, in which case the genuine areas of capabilities and action overlap with the aspects of fortuitousness. *People suspected that a collapse was inevitable. They may have recognized structural flaws in economic and social systems but they missed the right moment to introduce changes.* The modern observer is familiar with such discursive and media patterns. The quality of the consciousness of contingency is shaped by the consciousness of a contingent reality. Political organization tasks can be, accordingly, easily formulated but still, there is the question what the historical reflection could contribute here. As in many other contexts, once again we can see here a modern experience of hiatus. The process of liberating collective and individual actions from premodern limitations, which took place in the early modern age, was initially regarded as open. With the increasing gap between experiences and expectations, historical thinking was fracturing. Besides the boundless realization of possibilities, there is a discrepancy between reality and possibility, which seems to have become self-evident in the modern political approach. Maybe a completely different 'reason' could be gathered from this new consciousness of contingency: a reason, which in view of discontinuities and breaches in history develops an alternative consciousness of fulfillment, certainly not in the sense of a conceivable comeback to a premodern consciousness of ability, but more simply – as a productive doubt about the criterion of unlimited feasibility. In other words, the empathic side of the modern consciousness of crisis and contingency is yet to be discovered.

Text translated into English: Joanna Maria Spychala

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### ENDNOTES

- 1 Hans Ulrich Wehler, *Modernisierungstheorie und Geschichte* (Göttingen, 1975), pp. 16ff.; Lutz Raphael, "Ordnungsmuster der Hochmoderne? Die Theorie der Moderne und



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die Geschichte der europäischen Gesellschaften im 20. Jahrhundert,” in Ute Schneider and Lutz Raphael (eds), *Dimensionen der Moderne. Festschrift für Christoph Dipper* (Frankfurt a. M./New York, 2008), pp. 73–91, esp. pp. 78ff.

2 Jürgen Kocka, “Historische Sozialwissenschaft heute,” in Manfred Hettling and Paul Nolte (eds.): *Perspektiven der Gesellschaftsgeschichte* (Munich, 2002), pp. 5–24, especially pp. 6ff.

3 Here: Annette Mülberger and Thomas Sturm (eds), *Psychology, a Science in Crisis? A Century of Reflections and Debates* (= Studies in History and Philosophy of Biological and Biomedical Sciences. 43). 2012, pp. 425–52; Margaret Gredler, *Designing and Evaluating Games and Simulations. A Process Approach* (1992); Steven Fink, *Crisis Management. Planning for the Inevitable* (1986).

4 Lucian Hölscher, *Semantik der Leere. Grenzfragen der Geschichtswissenschaft* (Munich: Wallstein, 2009).

5 Ibid., p.14.

6 Blom 2009.

7 Lucian Hölscher, *Weltgericht oder Revolution. Protestantische und sozialistische Zukunftsvorstellungen im deutschen Kaiserreich* (Stuttgart, 1989), p.15.

8 Hereinafter Steffen Patzold, “Human Security, fragile Staatlichkeit und Governance im Frühmittelalter. Zur Fragwürdigkeit der Unterscheidung von Moderne und Vor-moderne,” in Cornel Zwieler (ed.), *Geschichte und Gesellschaft*, Heft 3, (38), 2012, pp. 406–423.

9 Ibid. pp. 408ff. Obviously, the concept of ‘state’ invokes an extremely wide-ranging discussion about state-like structures in the premodern age, a discussion that we are not able to continue here. Cf. Wolfgang Reinhard, *Geschichte der Staatsgewalt* (Munich, 1999).

10 Patzold 2012, p. 408.

11 Ibid. p. 418.

12 Ibid. p. 419.

13 Johannes Burkhardt, *Der dreißigjährige Krieg* (Frankfurt a. M., 1991); Hans Medick, “Der dreißigjährige Krieg als Erfahrung und Memoria. Zeitgenössische Wahrnehmungen eines Ereigniszusammenhangs,” in: Peter Claud Hartmann and Florian Schuller (eds), *Der dreißigjährige Krieg. Facetten einer folgenreichen Epoche* (Regensburg, 2010), pp. 158–173; Hans Medick and Benigna Krusenstjern, (eds), *Zwischen Alltag und Katastrophe: der dreißigjährige Krieg aus der Nähe* (Göttingen, 1999).

14 Johannes Arndt, *Der Dreißigjährige Krieg 1618–1648* (Stuttgart, 2009), p. 199.

15 Jean Delumeau, *Angst im Abendland – Die Geschichte kollektiver Ängste im Europa des 14. bis 18. Jahrhunderts* (Rowohlt, Reinbek near Hamburg, 1989).

16 Hölscher 1989, p. 23.

17 Ibid. p. 25.

18 Koselleck 1985, pp. 260ff.

19 Ibid. p. 263.

20 Michael Makropoulos, “Historische Semantik und Positivität der Kontingenz. Modernitätstheoretische Motive bei R. Koselleck,” in Hans Joas and Peter Vogt (eds), *Begriffene Geschichte. Beiträge zum Werk R. Kosellecks* (Frankfurt a. M., 2011), pp. 481–514.



- 21 Niklas Luhmann, *Soziale Systeme. Grundriss einer allgemeinen Theorie* (Frankfurt a. M., 1984), p.152; Ulrich Beck, *Was ist Globalisierung? Irrtümer des Globalismus – Antworten auf die Globalisierung* (Frankfurt a. M., 1997); Id. (ed.), *Perspektiven der Weltgesellschaft* (Frankfurt a. M., 1998).
- 22 Makropoulos 2011, p. 485.
- 23 Ibid. p. 486.

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## HARSH REALITY. LIVING IN WARSAW UNDER HYPERINFLATION IN 1923

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### ABSTRACT

*The paper shows the impact of hyperinflation on the everyday lives of the inhabitants of Warsaw in 1923, focusing specifically on the situation of those population groups who earned their income. It analyses the problem of a drop in the value of real wages and the way households were managed at the time of rapid collapse of the value of money. The article shows the changing life conditions of the inhabitants of Warsaw in the face of economic crisis and attempts to answer the following questions: What were the costs of hyperinflation for the population of Warsaw? What strategies did Varsovians adopt to protect themselves against economic losses? What kind of an impact did financial hardship have on social relations in Warsaw in the early 20<sup>th</sup> century? Hence, the paper follows in the tradition of historical research into everyday life adding a bottom-up perspective to the portrayal of the Polish hyperinflation, a dimension which is rarely present in the relevant publications by economists and economic historians.*

### 1. Polish hyperinflation – Introduction

The Polish inflation of 1919–23 was a legacy of the financial policy pursued by the Central Powers at the time of the First World War. Its post-war development, however, was determined by the specific situation of Poland. The country regained its independence in 1918 and was only just beginning to create its structures and the economic system, and yet had to face the challenge of post-war reconstruction and the need to finance the war it waged against Bolshevik Russia. To cover all these expenses, the state took out loans with the Polish State Loan Bank, which printed Polish marks for that purpose. Although inflation was deepening quickly as a result, it was used after the war to boost the economic situation. In 1923 inflation accelerated dramatically and the weak Polish economy slid into depression. Come autumn, the country found itself “in the abyss of hyperinflation, the very ‘heart of darkness’, destroying all foundation of social and state

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existence,”<sup>1</sup> wrote Andrzej Wierzbicki, director of the largest association of industrialists.

In June 1923, after a short period of stability, the exchange rate of the Polish mark dived in response to the collapse of the German mark.<sup>2</sup> From that moment on, the value of the Polish currency was on a downward spiral until the exchange rate crashed in October. On the last day of May 1923, there were 52,875 Polish marks to a dollar; on 31 December – 6,375,000.<sup>3</sup> In January 1924, the Polish currency hit rock bottom. On 10 January, one dollar could buy 10,250,000 marks.<sup>4</sup> The rate was expected to fall further to 15,000,000 or even 20,000,000 marks per dollar,<sup>5</sup> but the forecast never materialised. The process of the Polish mark losing value is illustrated by Table 1.

**TABLE 1** DROP IN THE VALUE OF THE POLISH MARK

Date	Wholesale price index (January 1914 = 1)	Growth rate (in %)	Dollar exchange rate index (January 1914 = 1)	Growth rate (in %)
31/01/1923	5,391	–	7,804	–
28/02	8,431	+ 56.4	11,494	+ 47.3
31/03	9,784	+ 16.0	10,051	– 13.6
30/04	10,481	+ 7.1	11,700	+ 16.4
31/05	11,130	+ 6.2	12,563	+ 7.4
30/06	18,623	+ 67.4	24,167	+ 92.4
31/07	30,387	+ 63.2	40,000	+ 65.5
31/08	52,408	+ 72.5	59,206	+ 48.0
30/09	72,278	+ 37.9	75,873	+ 28.2
31/10	276,487	+ 282.5	401,224	+ 428.8
30/11	679,437	+ 145.7	872,897	+ 117.6
31/12	1,423,007	+ 109.3	1,502,976	+ 72.2
31/01/1924	2,521,667	+ 77.2	2,267,063	+ 50.8

Source: Edward Taylor, *Inflacja polska* (Poznań, 1926), p. 23.

Rapidly growing prices and a fall in the value of real wages shrunk the internal market. It was not only the purchase power that decreased as people had to radically curb their spending. Seeing its income dwindle, the state, too, was forced to cut down on public procurement. This was because

hyperinflation exacerbated the chaos in public finance. Although the budgetary deficit was contained, the printing of the Polish mark brought fewer and fewer advantages.<sup>6</sup> In addition, at the time of rising inflation, the role of direct taxes was diminished to the benefit of indirect levies. In 1923, only 9.2% of state income from public levies comprised direct taxes and charges.<sup>7</sup> On the other hand, all users of the Polish mark were subject to the so-called inflation tax, which was especially painful to those who lived off their wages.<sup>8</sup>

With fewer customers willing to buy products, companies scaled down their activities, which reduced demand for raw materials and investment goods. As early as March, industrial production started to gradually decline, first in the area of investment goods and then in the consumption sector. The downturn might have been slow at the beginning, but by October production was in ruins.<sup>9</sup> A little before that, in late summer, the so-called inflationary export bounty disappeared together with all its advantages. At the same time, the loan market ground to a halt – the quickly depreciating legal tender made it impossible to obtain easy credit in the currency in circulation while creditors started asking for collateral as a form of protection from inflation-related losses.

With the industry collapsing, managers had to lay people off. The unemployment rate rose sharply in March.<sup>10</sup> Even though it fell in the summer due to seasonal jobs, it picked up its momentum in the autumn. Also rising was partial unemployment (not visible in statistics), which consisted in shortening the working week.<sup>11</sup> Even though we have access to economic indices, it is still difficult to establish a clear timeline for hyperinflation and the beginnings of the economic crisis in Poland. According to the popular definition offered by Phillip Cagan, hyperinflation begins when the monthly rise in prices exceeds 50 percent and continues so for many months to come. Based on calculations by Wojciech Morawski, we could pinpoint the beginning of hyperinflation as June 1923 when the inflation rate amounted to 96.7% and stayed at 89.2% in July.<sup>12</sup> However, even Morawski mentions the spring of 1923 as the starting point of hyperinflation. Other scholars suggested different demarcation lines – Jerzy Tomaszewski wrote about the autumn of the same year whereas Oskar Lange saw the beginnings of the crisis in July.<sup>13</sup> For the purposes of this paper, however, chronological boundaries are marked by political and economic events. My starting date is 30 June 1923, the day when the Treasury Minister in the centre-right government

handed in his resignation after he failed to implement his reforms of the treasury and financial systems. As for the date concluding the period, I have chosen 1 February 1924 when the practice of printing the Polish mark for the needs of the Treasury was stopped. The value of money ceased to fall – from February on, the exchange rate of the dollar stabilised at 9,250,000 Polish marks<sup>14</sup> and the government managed to secure a positive balance of revenue over expenditure.<sup>15</sup> Even though it solved some problems, putting a stop to inflation did not bring about any dramatic improvement in the standard of living. The social consequences of hyperinflation were to be experienced for a long time yet.

### **2. Thematic scope and sources**

The paper shows the impact of hyperinflation on the everyday lives of the inhabitants of Warsaw, focusing specifically on the situation of those population groups who earned their income. It analyses the problem of a drop in the value of real wages and the way households were managed. It poses the following fundamental questions. What were the costs of hyperinflation for the population of Warsaw? What strategies did Varsovians adopt to protect themselves against economic losses? What kind of an impact did financial hardship have on social relations? Hence, the paper follows in the tradition of historical research into everyday life adding a bottom-up perspective to the portrayal of the Polish hyperinflation, a dimension which is rarely present in the relevant publications by economists and economic historians.

The experience of inflation dominated everyday life in 1923. The period of hyperinflation may be called the “unreliable everyday”, to use a phrase by Zygmunt Bauman, which signifies a kind of reality that does not exude “safety, confidence in what is to happen and what cannot happen, what to do and what to avoid. [...] Peace and boredom.”<sup>16</sup> With hyperinflation the opposite is true. Fraught with many unknowns, it mars existence with uncertainty, challenges habits and belies tested strategies. It not only diminishes trust in the currency itself (which is rapidly losing value), but also undermines the authority of the state and disrupts social order.

The paper recreates the structures of everyday life on the basis of various source materials. It draws upon the available statistics, economic and sociological analyses as well as belles-lettres and memoirs. Most importantly, however, it makes use of everyday press articles, which provide much more information about the situation of Varsovians than scarce private records

of hyperinflation and the very limited and imperfect economic and social studies of that time. It reaches back to dailies and weeklies of varying nature, ideology and political standpoint. Left-wing press is represented by *Robotnik* (The Worker), the mouthpiece of the Polish Socialist Party; right-wing press – by *Kurier Warszawski* (The Warsaw Courier), popular in the capital. There is interesting information to be found in sensationalist press such as *Ilustrowany Kurier Codzienny* (The Illustrated Daily) and *Kurier Informacyjny i Telegraficzny* (The Information and Telegraphic Courier). In addition to the dailies, I have also examined two weeklies – *Bluszcz* (The Ivy) for women and the satirical *Mucha* (The Fly) – as well as specialist economic journals – *Kurier Ekonomiczny* (The Economic Courier), *Przemysł i handel* (Industry and Trade) and *Gazeta Bankowa* (The Banking Gazette).

### 3. Warsaw and its inhabitants in the face of hyperinflation

In 1923, Warsaw had a population of 960,381 people.<sup>17</sup> The largest population group in the city was made up of workers employed in different sectors of industry, but the lifestyle and the nature of the Polish capital was mainly influenced by members of the intelligentsia such as white-collar workers, representatives of free professions and public servants. Blue-collar and white-collar workers, that is the people who obtained most of their income from wages and salaries, accounted for 63.2% of the total working population. Self-employed people who did not hire extra labour force (mainly merchants and craftsmen) accounted for 17%,<sup>18</sup> while the share of the group classified as bourgeoisie is estimated at 2.1% of the total.<sup>19</sup> This last small group exerted a major impact on the economic life of the country.

Triggering mechanisms of income and wealth redistribution, inflation was a major force shaping post-war relations. It created a sort of social ladder with different professional groups located lower or higher on its rungs depending on how well they coped with the devaluation of the Polish mark. The key demarcation line divided those who drew profit from the growing inflation from those who suffered losses. Very roughly, the group of “winners” was made up of those who had access to more flexible income and resources which did not depreciate (industrialists, entrepreneurs, bankers, real estate owners). The “losers”, on the other hand, were those who earned more stable wages (public servants as well as blue-collar and white-collar workers).<sup>20</sup> In Poland, a special role in the redistribution of national income was played by the State Treasury responsible for spending budgetary funds. The so-called inflation tax was levied on the entire population, but was

especially painful for the working man (a fact postulated by T. Szturm de Sztrem<sup>21</sup>), whilst the profits went to the state and the economic community benefiting from unadjusted loans.

Rising inflation deepened social inequality and aggravated antagonisms, which often went beyond the simple division into winners and losers. It intensified conflicts between social groups and enhanced different stereotypes such as the dishonest, greedy Jew or the selfish peasant paying no regard to the public good. As inflation turned into hyperinflation, practically everyone started to incur losses (with the exception of a small group of stock market profiteers). Industrialists and bankers suffered because of the slump in the loan market and the disappearance of the so-called inflationary export bounty; entrepreneurs and merchants grappled with the problem of price calculation and the difficulty to purchase goods; white-collar and blue-collar workers were more and more affected by the drop in the real value of wages and job cuts. The Warsaw daily newspapers, however, reflected the shift only slightly and kept depicting the social groups in a way more suited to the reality of inflation than hyperinflation.

#### **4. Everyday hardships – income and the cost of life**

The wage situation in 1923 resulted from a number of factors which had previously left their mark on earnings. The war and the German occupation reduced wages on Polish territory to a very low level indeed – in 1918, the wages of workers and public servants were below 40% of their real value in 1914. The years 1918–1921 saw a marked increase in both the nominal and real value of wages, which approached their pre-war levels in mid 1921. However, ever since that moment, a discrepancy could be observed – the nominal value of wages kept increasing, but their real value was falling and suffered from constant fluctuations as a consequence of accelerating inflation.

In order to adjust wages to the growing cost of living, a sliding wage scale was introduced. Statistical commissions calculated the rate at which the cost of living rose and the indices they published were used to regulate the amount of nominal earnings. Importantly, the adjustment complied with provisions in collective bargaining agreements adopted in different companies, provisions which were sometimes very divergent. Whether such agreements were honoured or not depended to a large extent on the good will of entrepreneurs. White-collar workers were in a worse position,



which was especially true of the large group of civil servants, who were only covered by the sliding scale from February 1923.<sup>22</sup>

Warsaw applied the calculations made by the Commission for the Study of the Cost of Living at the Central Statistical Office, which announced the price growth index once a month. The calculations are shown in Table 2. Nevertheless, the indexation of wages went only so far to protect them from falling. At the time of runaway inflation, the time and frequency of payment played a key role. The most popular way of remuneration was payment in arrears, which was the most disadvantageous for workers.

**TABLE 2** INDICES OF THE GROWTH IN THE COST OF LIVING IN WARSAW

Month	Half-monthly periods	Monthly periods	Month	Half-monthly periods	Monthly periods
June 1923	–	+ 47.99	November	+ 51.06	+ 132.14
July	–	+ 57.42		+ 53.67	
August	+ 32.23	+ 72.09	December	+ 65.89	+ 171.4
	+ 30.12			+ 62.60	
September	+ 24.45	+ 41.83	January 1924	+ 89.62	+ 149.77
	+ 13.97			+ 31.72	
October	+ 83.25	+ 205.86	February	– 1.93	– 2.16
	+ 66.91			– 0.23	

**Source:** list compiled on the basis of information from *Kurier Warszawski* and *Robotnik*.

In 1923, the system of wage indexation developed during inflation ceased to be adequate for the living conditions under hyperinflation. The ever higher amounts of money Varsovians brought home each month could buy less and less. S. Karpiński, president of one of the Warsaw banks in 1923, wrote the following entry in his diary under 2 August: “I paid a million for a pair of shoes and 5.5 million for clothes. The salary I got from the Bank in July was 15 million.”<sup>23</sup> Prices of goods, including necessities, rose each day and the cost-of-living allowances could not offset the losses suffered as a result of inflation. This is why real wages were subject to sharp fluctuations. According to calculations made by T. Szturm de Sztrem, the index of real wages in the industrial sector in the second half of 1923 looked as follows:

**TABLE 3** INDEX OF REAL WAGES IN THE INDUSTRIAL SECTOR IN THE SECOND HALF OF 1923 CALCULATED IN MARKS OF THE PRE-WAR PURCHASING POWER (YEAR 1914 = 100)

June	79.8	October	60.9
July	69.8	November	86.7
August	80.4	December	84.5
September	97.8		

Source: Jerzy Tomaszewski, *Stabilizacja...*, p. 18.

Any attempts to adapt the sliding wage scale to the reality of hyperinflation were doomed, the calculations made by the commission giving rise to more and more controversy. From August on, the Statistical Commission started calculating the growth in the cost of living every two weeks, but this only produced a temporary improvement. The calculations were increasingly imprecise. The figure of 132.14% calculated for November invited the following comment in *The Worker*: “This is of course valid for the most modest, almost starvation budgets. [...] But if you take the price of bread as the index [...] than the ratio will be even more striking: on 15 November, the price for 1 kilogramme of bread was set at 59,000 Polish marks by the commission [...], while on 30 November, the official price of bread was 160,000 Polish marks, which means it rose by almost 200%.”<sup>24</sup>

On 6 December 1923, the Parliament passed an act on taxation adjustment, which was to enter into force on 1 January 1924. The practice of calculating some public levies on the basis of a unit with a fixed value (the reference zloty) triggered the process of adjusting other regulatory liabilities as well.<sup>25</sup> Even though the introduction of a fixed measure of value was welcomed, the calculation of prices was still the biggest cause for concern. The adjustment of taxes, excise duties and railway tariffs led to another price increase while the calculation of product value provided sellers with new opportunities to abuse the system.<sup>26</sup>

Wages were adjusted more slowly, even though the Central Trade Union Commission demanded as early as mid-December that a relevant act be adopted by the Parliament.<sup>27</sup> From January, the requirement to calculate wages on the basis of the fixed measure of value was introduced for different groups and included in collective agreements.<sup>28</sup> Wage adjustment stoked conflicts between workers and entrepreneurs as the latter tried to

use the adjustment to reduce wages and were unwilling to pay cost-of-living allowances to adjusted remuneration. Employers justified the practice by the worsening situation in the industrial sector.<sup>29</sup> In spite of such difficulties, the real value of workers' wages increased in the first half of 1924.<sup>30</sup>

At the time of hyperinflation, Varsovians incurred higher costs not only in terms of the rising cost of living, but also the increased transaction costs related to everyday shopping. The time spent looking for hard-to-find products or visiting various shops to compare prices added to the cost of purchased products and increased their value in the eyes of consumers.

What was especially time-consuming was queuing up for necessity goods. Queues were part and parcel of hyperinflation-stricken Warsaw. Sensationalist press reported in July: "Sugar queues have become so commonplace in the recent weeks that today there is no store in Warsaw before which large crowds of women have not been gathering since the small hours."<sup>31</sup> Errands which involved long waiting were often entrusted to people who had time to spare, that is the old and the unemployed.<sup>32</sup> But in some situations, governmental regulations made purchasing a product conditional on presenting the passport<sup>33</sup> – such was the case of sugar, whose rations had to be collected by Varsovians in person, a provision which caused serious problems for the working population. The additional time and energy put into trade transactions is sometimes called the shoe leather cost.

Inflation also gave rise to calculation problems. S. Karpiński wrote in November: "The constant calculations and additions of the cost-of-living allowance mars our work at the office."<sup>34</sup> Companies and institutions struggled to calculate allowances and recalculate capital. Each Varsovian, regardless of their level of education, had to face the problem of multi-million transactions. Inflation taught the "common cook" as well as a member of the intelligentsia to do their sums.<sup>35</sup> The very figures posed problems – people tried to tell the difference between a billion and a trillion with the press offering helpful tips.<sup>36</sup> Tiresome mathematical operations were a necessity adding time and energy to the costs of hyperinflation.

### **5. Adaptation strategies – household budgets**

Confronted with rising prices and a drop in the real value of wages, Varsovians had to make serious changes in the structure of their household budgets and the way they satisfied their needs. Planning everyday expenses

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posed many difficulties. Z. Kaliciński remembered how his father would collect his wages and then “take a sheet of paper and a pencil, arrange the banknotes in little stacks and then count, write, sum up.”<sup>37</sup>

How extensive the changes had to be depended most of all on the initial situation in a household. A small number of Varsovians did not have to modify their budgets at all – the resources they had gathered allowed them to maintain their previous standard of living. Cuts and reductions could only be made by those families which still earmarked some of their funds to satisfy higher order needs and had a complex structure of consumption. This was not the case of households whose income only sufficed to afford the basics, let alone those where people lived at the minimum subsistence level. At most, they could resort to reducing starvation diets.

Wherever possible, people tried to consume more rationally, a good illustration of which is summer vacations taken by the intelligentsia. In spite of the growing pauperization, the group found it hard to compromise on their ingrained code of social behaviour. Consequently, efforts were made to cut down on costs rather than give up leisure trips altogether. High prices in well-known spas made smaller places more popular and foreign destinations were losing out to domestic ones.<sup>38</sup>

Most often, however, summer vacations were simply taken out of the budget. This was due to the shrinking discretionary fund, that is those resources which were set aside for additional and spontaneous expenses related mainly to tourism and culture. Books and newspapers were among the first items to go in the austerity drive. This raised fears of society becoming barbarised. The Warsaw Courier offered the following comment: “Purchasing anything new becomes a luxury. Black marketeers don’t buy books because they don’t want to – the intelligentsia, because they can’t afford them.”<sup>39</sup> People tried to compensate for the losses and find new ways of satisfying higher order needs. Władysław Berkan, a worker returned from Germany, wrote in his memoir: “I used to subscribe to about fifteen different newspapers, but now have to do with just one. And if the newsagents keep raising prices like that, I will stop at reading the free-of-charge copy of *Przód* (Progress) on the tram.”<sup>40</sup> Yet another way to read gratuitously was to consult newspapers in cafes. Budget cuts sometimes encroached on education, especially when children were forced to go to work to help their parents.

People also gave up all amenities and investment in home furnishings – furniture “one owns has to suffice as long as the new one doesn’t get cheaper.”<sup>41</sup> After the July increase of telephone tariffs, the press reported the common phenomenon of people giving up their phones not only in private flats, but also in offices and pharmacies.<sup>42</sup> In August, it was noticed that many consumers postponed the repair of their gas installations as a way to avoid gas bills.<sup>43</sup> People tried to reduce the cost of buying clothes, too. One way to curb consumption in this area was to use old items kept for a rainy day. And so they would repair and darn damaged articles of clothing and wore down those which have already finished their useful life.<sup>44</sup> If new clothes had to be obtained, they were bought in second-hand street markets offering them at bargain prices.<sup>45</sup> The Fly often included cartoons depicting a member of the intelligentsia or a worker in tatters,<sup>46</sup> visibly unable to afford new shoes or clothes. A lot of Varsovians could not replace the clothes they had had since 1914 so their appearance was not very far from the one shown in the cartoon.

In order to be less reliant on paid services, people either substituted many of them with home work or simply gave them up. In August, for example, after yet another increase in ticket prices, the number of people travelling by tramways dropped significantly.<sup>47</sup> At the time of high prices, W. Berkan cut down on barber services – he would shave at home and have his hair washed by his wife.<sup>48</sup> However, the savings thus generated entailed opportunity costs in the form of the time and energy necessary to perform the necessary activities.

By cutting spending on higher order needs it was possible to rebalance household budgets. The share of basic goods and services, especially food, increased as a sign of society getting poorer. Yet, economies had to be made even in this category. The Ivy, whose target readership was made up of well-to-do women, offered recipes for cheap ginger bread and biscuits.<sup>49</sup> Still, the recipes suggested in the periodical were beyond the reach of many Varsovians. One of the readers of a sensationalist daily wrote: “With prices at such exorbitant levels, I have very modest expenses: breakfast for 5.000 marks, lunch for 10.000 marks and supper for 5.000 marks, which makes up 20.000 marks per day or 600.000 marks per month.” The person earned 575,190 marks at the time. The low cost of food, which he could not afford anyway, was due to the fact that he dined at his relatives’.<sup>50</sup> The pauperized white-collar workers were also saved by collective catering establishments

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run by social welfare organisations, which used post-war supplies from American food aid campaigns.<sup>51</sup>

The need to slash household budgets radically combined with the difficulty in satisfying basic needs made people focus on the material aspects of everyday life and their own problems. Care for the public good was pushed to the background. A journalist writing for The Warsaw Courier deplored the fact that there are no people willing to help the Women's Work Club, a charity organisation.<sup>52</sup> Concluding the description of the economies he had made, W. Berkan said: "What do I care for others! At a time like that, everyone tries to save himself as best he can. [...] Those [...] who have to limit themselves and draw on their old juices are the most numerous."<sup>53</sup>

Members of those households which operated at the subsistence level put all their time and energy into satisfying the needs from the lowest section of Maslow's pyramid and reducing deficiencies. This is aptly put by The Fly in its Ode to the Stomach: „*Żołądku mój jedyny. Przy tym Nowym Roku / Życzę ci, bym cię zgubił na ulicy w tłoku, / Bo powiedz, kiedy marka nasza całkiem kona, / Kiedy dolar przeklęty sześć i pół miliona, / Kiedy mąka miliony, pustki w mojej chacie, / Powiedz drogi żołądku, czym napelnić ja cię?*” (O my dear stomach. It is my New Year's wish / That you should get lost somewhere in the crowd / As the mark is on its death bed / And there are six and a half million to the cursed dollar / As flour is worth millions and the pantry is empty / Tell me, my dear stomach, how should I fill you?).<sup>54</sup> The poem was published on 28 December 1923 – trade was already in the doldrums due to reduced shopping activity and Warsaw, suffering from high prices, was additionally hit by winter problems with food supply.

### 6. Adaptation strategies – extra sources of income

The drop in the value of real wages forced Varsovians not only to curb their household spending, but also to look for new sources of income. A one-off inflow of cash could be ensured by the sale of an unnecessary object such as the tailcoat sold by the hero of the novel *Przedwiosnie* (The Coming Spring).<sup>55</sup> The extensive classified advertisements section of The Warsaw Courier, where typical ads by shop, company and workshop owners prevailed, also featured adverts by private persons. As the indicated time when a potential transaction could take place were most often in the afternoon, we may assume that such ads were published by working people. A lot of the ads were about the sale of furniture and clothes. For example, the

following offer was made at the beginning of August: “For sale: double bed, sturdy with nickel bars, net and mattresses. 16/2 Kopernika Street; from 5–7 p.m.”.<sup>56</sup> In addition to the sale of chattel, extra income could be obtained by pawning objects, which gave the owner a chance to buy them back once the financial situation in the household got better. However, the options to sell or pawn things were limited, especially in a society which had come out of a war and had struggled with economic problems for a number of years.

Another way to improve the household budget was to look for additional earnings and find work for every family member. Many public servants looked for a second job, a tendency described by Stefan Kozłowski in his study on bank employees.<sup>57</sup> Wives and children were also forced to undertake paid work. The share of women in the total working population in 1918–1923 was the highest in the entire interwar period.<sup>58</sup> Even though the professional activity of Warsaw women increased in the second half of the 19<sup>th</sup> century<sup>59</sup> and was often a necessity at the time of war, undertaking paid work by women who had children was a limited phenomenon – the traditional family model was dominant among the working class.<sup>60</sup> This is why, at the time of hyperinflation, wages earned by women and children were perceived as a sad necessity and a sign of pauperization.<sup>61</sup>

In the intellectual milieu, women’s work was more common, especially in the creative and progressive circles, but even there earning money by wives and mothers was often seen as an economic necessity. Newspapers describing the story of Leon Brześciński, who was made redundant, mention the fact that his wife found employment only when her husband had been laid off, but her earnings were not enough to support a family of three.<sup>62</sup> The reason is that work performed by women did not bring as much profit as men’s work, women’s pay being lower than men’s in most sectors of the economy.<sup>63</sup>

Inflation forced people to rationalise their household budgets and create new forms of saving wherever it was possible. The rapidly depreciating Polish mark could not hold value effectively, which explains the disappearance of the traditional form of saving through putting aside part of the income. In their flight from the mark, people looked for alternative means of hoarding such as non-depreciable goods, foreign currencies and corporate stocks.<sup>64</sup> Playing the stock market could be a very lucrative activity at the time, the boundary between saving and getting profit from speculating in stock being blurred. The records and memories of the period often mention the “stock

market rush” among Varsovians. Józef Świdrowski recounts: “At the time of advanced inflation, stock market speculation was rife. [...] Joint-stock companies mushroomed and people bought stock without asking about the value of the companies or their line of business. One day, I skipped school and went to Warsaw [...] to buy stocks.”<sup>65</sup> This caused concern as currency depreciation made its impact on the way people treated work – it made them believe that it was possible to achieve success quickly and without much effort. As was noticed by E. Taylor, new models of wealth emerged: „It made the unscrupulous profiteer successful. Thus was the most bitter fruit of inflation born – the ‘moral inflation’, which permeated the entire social structure and cast its shadow on the post-inflation period.”<sup>66</sup>

Press reports of crimes related to inflation and social pauperization other than profiteering are equally numerous. The unprecedented scale of money circulation and the common avoidance of the mark created conditions for various forgeries. People forged banknotes, shares in stock market companies and cut diamonds,<sup>67</sup> which were popular as a way of hoarding value. Once prices of tobacco increased, counterfeit cigarettes hit the market.<sup>68</sup>

As it was impossible to obtain resources to satisfy basic needs and access to many goods was limited, some people resorted to stealing. The especially popular form of theft took place at railway sidings where loaded freight cars were parked. At the beginning of September, The Warsaw Courier reported that there were organised groups robbing trains in the area of Warsaw.<sup>69</sup> Theft supplied households in the necessary goods whilst the sale of stolen products offered an additional source of income. We could venture a thesis that stealing basic necessities from trains at the time of the general frustration caused by reports of illegal exports may be interpreted as an act of social justice. On the other hand, the lack of response from the authorities may suggest that there was more tolerance for such offences. Moral qualms related to the breach of social norms and breaking the law had to give way in the face of harsh reality.

### 7. Conclusion

The experiences of Varsovians with the hyperinflation were to a great extent typical for the whole of Polish society. Nevertheless, it should be noted that in some respects the economic situation varied depending on the region of the country. The process of economic integration was progressing very slowly, despite the fact that in Autumn 1923 the Polish mark came into



effect on the whole territory of the Republic of Poland (after its adoption in Upper Silesia on 1 November). Prices varied from city to city and Warsaw was seen as the most expensive one. On 9 November 1923 the magazine *Robotnik* (The Worker) informed that: “Warsaw, which is the seat of the main commissioner for combating high prices, Mr Bajda, and a ‘dynamic’ section for combating high prices [...], is the most expensive city in Poland, as one might easily conclude by comparing the prices in the following cities: Warsaw, Łódź and Włocławek.

**Potatoes cost:**

in Włocławek	600,000	measured in bushels <sup>70</sup>
in Łódź	1,000,000	„ „
in Warsaw	1,400,000	„ „ [...]

**Butter:**

in Włocławek	250,000	measured in bushels
in Łódź	300–400,000	„ „
in Warsaw	400,000	„ „ [...]

**Milk:**

in Włocławek	35,000	measured in litres
in Łódź	35,000	„ „
in Warsaw	65,000	„ „ <sup>71</sup>

This disproportion grew because of the wage indexation practice. For example, in Cracow the calculations of the Central Statistical Office (GUS) for Warsaw were used as a reference point until April. It was only in June that the local commission calculated the rates for May on the basis of locally collected data. The two-week calculation periods, which were introduced in Warsaw in August, were fully applied in Cracow only in December.<sup>72</sup> The situation of the population living in urban and rural areas differed greatly, with the latter having better life conditions.

As we take a closer look at the economic strategies adopted by Warsaw consumers and entrepreneurs, we can clearly see that, faced with everyday hardship, they pushed their individual interests to the fore focusing on the overriding objective of obtaining hard-to-find products and offsetting losses caused by the quick drop in the value of money. Moral and social considerations were usually given less importance. The practices described above

also created conflicts and made society very polarised, which is why the state tried to influence the worker-employer and consumer-seller relations by putting in place various regulations (cost-of-living index, wage indexation, price control, anti-speculation laws). Such steps, however, could not fully cope with the quickly changing reality of hyperinflation.

Together with the rise of prices and the decrease of real wage value, frustration and discontentment grew. As the economic situation was deteriorating, the inept actions undertaken by the authorities undermined the trust of society towards the young Polish state. In an introduction to one of his leaflets, the socialist activist Tadeusz Hołowko remarked: “Life was better under the Moscow rule! – this kind of curse may still cross the lips of women who watch the rising price of bread and the basic necessities with despair and who can buy only a half of what they used to buy with their husbands’ earnings before the war.” In this very publication he tried to explain “what the Polish worker has gained from independence” and emphasized the significance of political and national freedom as well as the achievements in the scope of law on social policy.<sup>73</sup> Five years after November 1918, economic difficulties were dampening the joy of the newly regained independence.

The government itself, hardly able to contain the worsening economic situation and embroiled in political in-fighting, only exacerbated social tensions. The economically motivated conflict between the government and the people reached its turning point on 6 November in Cracow when striking workers were attacked by the army. 32 people died. The events showed the frustration of the general public caused by the difficult material situation and the resistance to the ineffectual policies of the centre-right government. They reverberated across Poland and in Warsaw where they compounded the feelings of anxiety and threat. They also added fuel to the criticism levelled by the opposition against the government, contributing to its fall in December 1923.

The difficult experiences of the year 1923 affected the attitudes of the society in the years to come. In 1925, when in view of economic difficulties the value of the zloty started to drop and the so called specie inflation occurred, the fear of hyperinflation revealed itself with full force. Even though the level of currency depreciation was far from the one in 1923, people panicked and started to exchange the zloty into foreign currencies. Also, at the time of the Great Depression, the fear of inflation influenced the decisions taken by the Polish government to consistently pursue a policy of deflation.

Inflation-related problems were also an important factor shaping the negative opinion of the parliamentary rule. In his memoir Czesław Bobrowski wrote: "In the years to follow even someone as politically inactive as me would have bitter thoughts about the functioning of the parliament and government on the political as well as economic level (the inability to control inflation)."<sup>74</sup> Longing for order and strong authority manifested itself in 1926. The aversion towards the centre-right government of Wincenty Witos and the unpleasant memories of the events of autumn 1923, paved the way towards power for Józef Piłsudski. In 1926 the socialist activist Jan Kwapiński noted: "After Skrzyński's resignation, the creation of Witos's government had to give rise to turmoil in the masses of the society, especially on the left, as it was a challenge mounted to the whole nation. The members of the Polish Socialist Party and Trade Unions were not wrong to say that the working class had to expect the deterioration of their situation. [...] It was assumed that the new government might unleash an even greater storm than that of 1923. All the more so because the economic situation of the country was much worse, unemployment had risen sharply, and following the news about the formation of Witos's government, the benefits of Grabski's currency reform were weakened. The dollar cost 11 zloty instead of 6 or 8 as before."<sup>75</sup> It was probably this kind of prevailing mood on the left and the fear of the return of hyperinflation that contributed highly to the social consent for radical solutions and created a favourable climate for the coup d'état attempted by Piłsudski on 12 May 1926, which resulted in the introduction of an authoritarian regime in Poland.

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- 64 "Oszczędności prywatne," *Bluszcz*, 33–34, 1923, pp. 286–287.
- 65 Józef Świdrowski, *Moja droga w świat. Wspomnienia 1906–1939* (Warsaw, 1980), p. 108.
- 66 Edward Taylor, "Waluta," in Stefan L. Zaleski (ed.) *Bilans gospodarczy dziesięciolecia Polski Odrodzonej* (Poznań, 1929), vol. 2. p. 243. See also: Edward Taylor, *Inflacja...*, p. 272–286.
- 67 *Kurier Informacyjny i Telegraficzny*, 31 July 1923, p. 1; *Kurier Warszawski*, 15 November 1923, morning supplement, p. 6;
- 68 *Kurier Warszawski*, 12 July 1923, morning supplement, p. 4; 31 July 1923, p. 8.
- 69 *Ibidem*, 2 September 1923, p. 9.
- 70 The Polish bushel (*korzec*) is an old measure of dry capacity equal to 128 litres.
- 71 *Robotnik*, 9 November 1923, p. 4.
- 72 On life conditions in Cracow: Jerzy Gołębiowski, "Podłoże ekonomiczne wystąpień strajkowych warstw pracujących Krakowa w 1923 roku," in Józef Buszko (ed.) *Rok 1923 w Krakowie* (Cracow, 1978), pp. 90–91.
- 73 Tadeusz Hołówko, *Co robotnik polski zdobył przez niepodległość* (Warsaw, 1923), at: <http://lewicowo.pl/co-robotnik-polski-zdobyl-przez-niepodleglosc/> (1/10/2015).
- 74 Czesław Bobrowski, *Wspomnienia ze stulecia* (Lublin, 1985), p. 43.
- 75 Jan Kwapiński, *Moje wspomnienia 1904–1939* (Paris, 1965), p. 224.

## UNEMPLOYMENT IN INTER-WAR CRACOW AND THE GREAT ECONOMIC CRISIS: CONDITIONS, CONSEQUENCES AND COUNTERACTION

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### ABSTRACT

*Unemployment in Cracow was a socio-economic problem which the city was facing throughout the Second Republic. The great crisis, whose consequences began to be felt in Cracow in the early 1930s, only made the phenomenon more acute and visible. This article offers a broad analysis of the issue in the context of the great crisis and the inter-war period. The discussion covers factors conditioning unemployment in Cracow, its social consequences and attempts at counteracting them made by both the city authorities and Church-based organisations.*

The well-known French historian René Sédillot once wrote that those who claimed that it was “blind fate that directs the world’s events proclaim a great absurdity as there are many general or moral or physical causes that shake monarchies, lift them or lead them to perdition. If a single battle – he concluded – can decide about a state’s fall, there is a general reason for that state to disappear as a result of a single battle.”<sup>1</sup> The question arises what revolutions, battles and falls of countries have to do with the global crisis which in the early 1930s also reached Cracow, then a provincial town? The general context matters here since focusing on the direct reasons for and consequences of the crisis in Cracow, one just cannot ignore the economic and social conditions in the city present long before the global and Polish economies collapsed. And so in this text I shall focus primarily on the consequences of the crisis in the context of the collapsing labour market and its repercussions, attempts at counteracting them as well as ways of managing them practised by the city authorities, Church-based organisations and society itself against a broad background of earlier socio-economic problems with which Cracow

had wrestled since the very first days of its regained independence. I will also briefly discuss the reasons why the crisis did not have a special place in the memory of local residents. These are the objectives of the article.

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Researchers claim increasingly often that poverty is not a state but a process,<sup>2</sup> and each process, as we learn from history books, is subject to changes in time and space. The challenge then arises to correctly capture the factors responsible for initiating those changes and transformations. This is a very difficult task which sometimes requires advanced study covering remote times e.g. in the context of studying inherited poverty. One of the factors, certainly very tangible, is unemployment, a structural social problem which at the time of Poland's Second Republic was treated by many as the fundamental reason for the gradual impoverishment of society.<sup>3</sup>

According to the 1931 census held at the time of the great crisis, Cracow had 219,286 inhabitants (including 45,800, or nearly 21%, of Jews), including 111,538, or over 50% (44% of women) of those professionally active. 22.9% of the residents were "independents", i.e. they either employed others or performed their work with the help of their family. Over 63% of working Cracovians belonged to the "hired", a group divided into physical labour force (workers and outworkers), who represented 44.7% (including 18.6% of domestic servants), and white-collar workers (18.4%). Elżbieta Adamczyk claimed that Cracow still remained a city of intelligentsia and her percentage estimate for that group was over 20% of the total population. Nearly 14% were described as having a "non-defined social status". The biggest employer was industry – clothing, food, steelmaking and construction – accounting for 30.3% of those professionally active. Commerce and insurance employed 21,459 persons (19.3%), most of whom were active in commodity trade, followed by space rental, insurance and brokerage. The passenger and cargo transport sector employed 5,941 Cracovians (5.3%), schooling, education and culture – 5,116 persons (4.6%), and medical care 5,589 persons (5%). Public service, the Church and religious organisations represented 8,398 persons (7.5%). Old-age pensioners and persons with disabilities were supported by the state, as were prisoners and residents of social care homes.<sup>4</sup>

As regards unemployment, the first task is to attempt to estimate the number of jobless in inter-war Cracow. However, it is near impossible to give



a precise number for at least two reasons. Above all, it must be stressed that there is no complete source material concerning the registration of the unemployed in the Cracow branch of the State Job Agency (Państwowy Urząd Pośrednictwa Pracy; hereinafter, PUPP), where – which must be remembered – non-Cracovians registered as well. Secondly, the data from the PUPP often failed to reflect reality. In actual fact, the problem concerned the entire country. “The statistics of employment agencies of the time,” – as noted by Paweł Grata – “recorded [...] just numbers reflecting the total number of jobless persons registered there, and things varied as regards people’s decisions to be registered at the agency in the context of the existing labour law provisions and possible benefits stemming from them.”<sup>5</sup> And so for various reasons not all unemployed persons came to the Agency. In October 1925, the Cracovian Inter-Union Committee of White-Collar Workers estimated the number of jobless among them to be 1,000, while the PUPP statistics recorded just one such person.<sup>6</sup> Consequently, as put by Zbigniew Landau and Jerzy Tomaszewski, “the statistical data did not reflect [...] the actual scale of unemployment and in some periods side factors were present which had an impact on the changing numbers of those registered.”<sup>7</sup> For example, such factors should definitely include the Act on unemployment benefits, which came into force in late August of 1924 and made such financial support available to registered persons only.<sup>8</sup> Perfectly understandably, this led to a statistical increase of the number of unemployed. In reality, however, it just showed more precisely, while still not fully realistically, the scale of Polish unemployment of the time.

In Cracow, the number of jobless did not stay the same throughout the inter-war period and was obviously influenced by a number of various factors. Among them was the state of the Polish economy, a factor of key importance, but also one apparently trivial: the importance of the seasons of the year, due to which employment in certain sectors like construction was seasonal.

At the moment when the above-mentioned Act came into force in the summer of 1924, there were 2,750 persons registered as unemployed in Cracow.<sup>9</sup> At the end of 1925, that number was already 3,801, then in early 1926 it dropped to 2,500 to jump again to 3,000 persons in February.<sup>10</sup> In December 1926, the number of registered persons without employment stood at 1,602, and at the end of 1927 at 2,920.<sup>11</sup> The unemployment rate in Cracow saw a steep increase during the economic crisis of the early 1930s.

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In March 1930, there were 7,051 jobless persons; a year later, according to the census data, that number grew to as many as 9,810.<sup>12</sup> In December 1933, the number of registered was almost half of that figure – 4,788,<sup>13</sup> and in the preceding month even 3,118.<sup>14</sup> At the end of 1934, there were 3,590 jobless persons in Cracow, almost as many as a year later (3,600).<sup>15</sup> In 1936, the average number of those registered at the PUPP was 3,210 persons, with the Cracow County Office estimating the actual number of unemployed to be around 4,500. A year later that average was 5,156, while the estimates from the County Office stood at around 8,500<sup>16</sup>. In February 1938, there were 6,702 registered persons according to the PUPP data, while the County Office gave the figure of 9,000.<sup>17</sup> In September, the number of unemployed according to the PUPP dropped to 1,955 persons.<sup>18</sup> At the beginning of 1939, the number of those without employment was 5,585 persons.<sup>19</sup>

All those figures should be treated as approximations only, also given the increase in the number of Cracow residents from 178,588 in 1918 to around 259,000 in 1939, that is through the inter-war period.<sup>20</sup> The conclusion is that the Cracow labour market was able to absorb a significant number of those coming to the city from the outside, particularly in the 1930s, and, importantly, both during the crisis and later when the economy picked up. According to the 1931 census, out of 17,760 persons working as domestic servants (98% were women), as many as 16,056 lived on the employer's premises, which I understand as meaning that such employment was almost entirely dominated by non-Cracovians, mainly young girls coming to the city from locations in its vicinity.<sup>21</sup>

The biggest employers were industry and commerce, employing 33,795 and 21,489 persons, respectively; in percentage terms, according to the 1931 census, that was nearly half of those professionally active outside agriculture.<sup>22</sup> Those employment sectors, however, were hit hardest by the biggest crisis in the first years of the second decade of the interwar period. The unemployment rate in industry and commerce was as high as over 80% of the total number of jobless registered at the Cracow branch of the PUPP.<sup>23</sup> Particularly affected were construction workers, as more than 44% of them lost jobs (1,650 persons). The following sectors shed more than 20 per cent of the workforce: timber (399 persons), steelmaking (1,083), clothing (1,217) and food (554). Also 2,175 white-collar workers were jobless.<sup>24</sup>

Researchers point out that Cracow's unemployment rate was relatively low as compared with other large Polish cities since the great crisis hit mostly industry, which was not one of Cracow's strengths.<sup>25</sup> Leaving purely economic aspects aside, let us focus on the social dimension of unemployment. The quoted numbers let us develop a general idea of the scale of the phenomenon. Its essence, however, boiled down to economic aspects which would sometimes relatively quickly affect the lives of the unemployed to such an extent that their daily existence turned out to be a major challenge and piled a whole range of difficult problems before them.

Creeping poverty entering the homes of the jobless, which needed to be kept and paid for somehow, and the lives of their families, which had to be fed, at times triggered such behaviours as stealing or begging. Due to acute poverty, the subsistence of families would sometimes depend on young girls opting to sell their own bodies in the streets of Cracow or pushed out to the street by the parents or siblings against their own will. Most frequently, however, the jobless did what they could to weather the crisis with dignity, counting on assistance from the city and state authorities. Such aid was also provided by Church-based organisations, various charity and care institutions, or a legion of good-willed people who were not indifferent to the fate of those without employment.

It was truly a catastrophe for Cracovians given the fact that according to the estimates of the Bishop's Emergency Committee, at the beginning of 1924 the city had around 30,000 people in need, excluding the Jewish community.<sup>26</sup> That figure represented more than 21 % of all Christian residents of Cracow. We do not know the situation in the Jewish community of over 46,000 back then.<sup>27</sup> Most probably it was not positive, either, if in the mid-1930s out of around 60,000 of Cracow's Jews<sup>28</sup> sometimes even as many as 16,000 persons (over 26 %), used the assistance offered mainly by the Jewish Community.<sup>29</sup> During the great crisis in 1932, Jews from Cracow established an association called Zedaka Laanijim located in Paulińska Street. That institution, whose name meant "alms for the poor," dealt with beggary among Cracow's Jews. The poorest could rely on monthly financial benefits. For example, already when the economy picked up in 1937 such assistance was received by 400 Jewish beggars.<sup>30</sup> It is worth mentioning that the Jewish Assistance Committee cooperated closely with Bishop Sapieha's committee.<sup>31</sup>

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Cracow's Jews lived mainly in the quarter of Kazimierz, where – as recalled by a Pole residing there – “there was a specific smell of sweat, stuffy flats, unaired bed-sheets, spicy condiments, a sour smell of poverty.”<sup>32</sup> Even if the optimistic scenario was assumed that the percentage of Jews in need was the same as that of the other Cracow inhabitants, one must conclude that at least every fifth local resident was living in poverty, many of them unemployed with families. One should be under no illusion, however, that the other Cracow residents lived comfortably and in luxury. However, as is written in an article on high prices published in the *Goniec* daily, “for now, society is bending under this burden, clenching the teeth and, determined, believes that times will change soon.”<sup>33</sup>

On 18 July 1924, the aforementioned Act was adopted on social assurance in the case of unemployment. Those entitled to benefit included persons who had lost a job and registered the fact at the PUPP within a month, and had worked for at least 20 weeks in the year preceding the job loss. The Act also provided for setting up Unemployment Funds to manage the monies to be paid out as benefits.<sup>34</sup> The Act was supposed to enter into force by 31 August, yet for not entirely clear reasons Cracow experienced a delay of almost a month and the registration of the unemployed began as late as in early October.<sup>35</sup> Still, a relatively large group of the jobless failed to meet any registration conditions anyway. For example, out of around 3,000 unemployed persons registered at the PUPP at the end of 1926, the benefits were paid out to just half and they were a mere drop in the ocean of the needs of the unemployed.<sup>36</sup>

Worse still, the Act completely ignored white-collar workers, which they received with an angry uproar.<sup>37</sup> In February 1926, Cracow's regional management of the Unemployment Fund wrote a letter to the Ministry of Labour and Social Care where it demanded “in the face of the ever-growing poverty of unemployed white-collar workers, [...] the adoption of an amending act [...]” in order to include them in the Act in question<sup>38</sup>. A month later desperate jobless white collars staged a demonstration.<sup>39</sup> They continued to complain about their living conditions in the years to come.

The living conditions of the unemployed receiving benefits improved as compared with those who failed to meet the registration requirements. The situation of the latter – both blue – and white-collar workers – was not to be envied although they were taken care of by the Union of Parish Committees

(Związek Komitetów Parafialnych; hereinafter, ZKP) headed by Bishop (and later Archbishop) Adam Sapieha, of which more later.

The hardship of the jobless was exploited by many Cracovian crooks, particularly at the time of the great crisis of the 1930s. For example, preying on other people's misfortune, a group of men set up a fake job agency in 1931. Job seekers were supposed to pay 2.85 zloty and then to find employment in less than 20 days. It was not long before it became obvious that the whole project was a sham created and managed by professional tricksters, but the Cracow police soon managed to apprehend them<sup>40</sup>.

In the period discussed here, extensive charity work – which started even before the outbreak of the First World War under the supervision of Bishop and from 1926 onwards Archbishop Adam Sapieha – was done by the Catholic Church.

Soon after the end of the war Bishop Sapieha set up the Duke and Bishop's Committee for Assisting the Affected by the War Calamity,<sup>41</sup> later renamed as the (already mentioned) ZKP, whose tasks included job agency.<sup>42</sup> Roughly at that time, Committees for Combating Unemployment were being set up across the country, yet they failed to operate extensively or effectively,<sup>43</sup> unlike the ZKP, which had 7,000 families under its wings in the 1920s. The Union collected and distributed cash benefits, food, clothes, medicines, etc. It also organised summer camps for poor children and took care of old and ill persons as well as orphans. "In short," – as Bronisław Panek wrote – "the Union managed almost the entire social care provided in Cracow."<sup>44</sup>

From 1926 onwards, the Archbishop's Emergency Committee (Arcybiskupi Komitet Ratunkowy; hereinafter, AKR) another body set up by the Cracow archbishop, also operated efficiently. The Committee focused, above all, on helping orphans, yet it did not neglect unemployment-related problems. For instance, the AKR tried to organise as many free-of-charge and cheap canteens for the unemployed as possible. Incidentally, canteens and kitchens were the basic form of assistance offered to the jobless by both Church-based organisations and the city authorities. In 1920 alone, the kitchen run by Ladies of Charity of St Vincent de Paul gave out 169,313 meals to poor adults and 108,500 to children.<sup>45</sup> The Catholic Union of Polish Women managed a canteen for the poor in the quarter of Kazimierz based in Bożego Ciała Street, and one for unemployed and poor white-collar workers in Franciszkańska Street and św. Tomasza Street.<sup>46</sup>

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In November 1923, the city, too, launched two budget canteens for white-collar workers which gave out 1,300 lunches daily.<sup>47</sup> In Warszawska Street, there operated a kitchen under the auspices of the AKR.<sup>48</sup> The Committee had its canteens in such locations as the quarter of Prądnik Czerwony and Smoleńsk Street.<sup>49</sup>

The need to offer cheap or free meals was also addressed by the Municipal Committee for Combating the Consequences of Unemployment (Miejski Komitet do Walki ze Skutkami Bezrobocia; hereinafter, MKB), established in 1931 as a response of the Cracow city authorities to the crisis and its local consequences. Lunches were given out in kitchens in Franciszkańska Street, Bożego Ciała Street, Warszawska Street, Krakowska Street, św. Tomasza Street, and Nadwiślańska Street.<sup>50</sup> The lunch cost 0.25 zloty and included a piece of meat, vegetables and bread.<sup>51</sup> The Jewish community also had its own canteen for the poorest located in Gertrudy Street.<sup>52</sup>

Another could also be found at the registration office for the unemployed in Krótka Street. Reports have survived concerning that facility which give us an idea of how humiliating it must have sometimes been for the jobless to use the “services” of such canteens. “The provisions are poor [...]” – we read in a police document – “the potatoes and cabbage are rotten, meat of the lowest quality.”<sup>53</sup> To make things worse, canteen staff treated the unemployed very badly. They behaved with disdain, sometimes just brutally “[...] pushing or even kicking women and elderly people.”<sup>54</sup> One of the cooks “[...] was hitting [...] the unemployed with a ladle as they cried for equal and better meals.”<sup>55</sup> Such stories intensified the sense of bitterness, low self-esteem and despair, or even personal meltdown experienced by the jobless. Humiliated and discouraged from accepting such a form of assistance by unpleasant experiences, the unemployed occasionally turned to theft and robbery as a means to provide for themselves and their families.

The MKB’s support was to target those who were registered at the PUPP but lost their right to receive benefits.<sup>56</sup> The MKB opened several sections in charge of such areas as promotion, economic and financial affairs, food provision for children, clothes and labour, as well as commissions for medical and legal aid, and an audit commission. Between September 1931 and June 1932, the MKB collected over 482,000 zloty sourced from various contributions, collections and the tram ticket tax. Interestingly, it was as early as 1926 that the Townhall started to interfere in ticket or electricity prices in order

to collect more funding for combating unemployment.<sup>57</sup> A sum of 40,000 zloty was fed into the city coffers monthly, which according to the Townhall was enough to employ 600 jobless people to perform public works<sup>58</sup>.

At the same time, Cracow's cafes and restaurants also supported the MKB's charity work by raising their tea and coffee prices by 0.05 zloty, with the extra sum going to the Committee. As many as 6,825 unemployed people approached the MKB for assistance and they were subject to special verification so as to ensure that the support would go to those who needed it most. As a result 1,694 single persons received assistance as well as 3,045 families, i.e. 13,320 in total. The results of the Committee's campaign were truly impressive. More than 267,000 lunches were given out, food vouchers worth 244,286 zloty were offered to unemployed persons, around 250–270 were employed on various public works, also children of unemployed parents were taken care of.<sup>59</sup>

It seems that all this could not have happened without the generous approach of fellow Cracovians. Appeals to support the MKB and Church-based organisations reverberated throughout the city. Help came from industrialists,<sup>60</sup> office workers,<sup>61</sup> labourers,<sup>62</sup> artisans,<sup>63</sup> tradesmen,<sup>64</sup> physicians,<sup>65</sup> tram drivers,<sup>66</sup> and scouts.<sup>67</sup> The selflessness of Cracow residents which went down in the history of the city was impressive to all. The MKB report read that "Cracow has excellently passed [...] a test of dedication to public good, and in terms of generosity it [...] overtook Poland's largest towns by several counts [...]."<sup>68</sup>

The MKB collaborated with Archbishop Sapieha's Committee. Although there had been some squabbles and misunderstandings between the Townhall and the archbishop in the past, now, in the face of the progressive economic downturn and raging unemployment, it was clear that all hands were needed to work for the improvement of the living conditions of the poor and unemployed. The MKB provided Church-run canteens with certain quantities of meat free of charge and supported the archbishop's Committee with small sums of money. The Church, in turn, was doing some things for the City as regards helping the needy. In the face of the great crisis, Archbishop Sapieha established in 1931 the Committee for Assisting the Hungry (Komitet Pomocy Głodnym; hereinafter, KPG), which served free meals for the jobless in four kitchens.<sup>69</sup> Throughout the inter-war period, several dozen Sisters of Charity worked at St Lazarus Hospital in Kopernika Street, and



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a dozen or so at St Ludovic Hospital in Strzelecka Street.<sup>70</sup> Yet that was not the only contribution of the Church to medical assistance for the poorest. In Trynitarska Street, there operated a hospital of the Order of Brothers Hospitallers of Saint John of God, popularly known as the Fatebenefratelli.<sup>71</sup>

Still, poor residents of Cracow liked best the hospital operating under the auspices of the aforementioned Ladies of Charity of St Vincent de Paul in Lea Street. It is often thought that such establishments offer poor conditions. Was this really the case? Looking at the hospital's weekly menu which has partially survived (albeit without the menus for Tuesday, Wednesday and Saturday) one can conclude that many patients hospitalised today would eagerly swap places with the patients of Ladies of Charity:

“Sunday: breakfast – sandwiches, borsch or tea; lunch – chicken broth with fine pasta, chicken, cauliflower, potatoes; dessert – punch cake and stewed pear beverage; dinner – roasted veal in mayonnaise with vegetable salad or fish in vegetables and potatoes;

Monday: breakfast – ham, borsch or tea; lunch – Naples soup, roasted veal in batter with potatoes and cabbage with tomatoes; dessert – cream puffs with sour cream; dinner – rice ragout or French dumplings and apple soufflé;

Thursday: breakfast – ham, borsch or tea; lunch – chicken broth with dough, roasted veal with cream, potatoes and beetroots; dessert – fruit cake – stewed apple beverage; dinner – schnitzel, cucumbers, potatoes or apple pie, cauliflower;

Friday: breakfast – cheese, borsch or tea; lunch – mushroom soup and fried fish, red cabbage, potatoes; dessert – sweet sponge-cake dish with sweet cream sauce, stewed apple beverage; dinner – dumplings with plum filling with sour whipped cream.”<sup>72</sup>

No comment seems necessary; let us just remember that the menu is not from a restaurant but a kitchen in a hospital for the poor.

While the MKB was doing its charity work, the voivodeship authorities began to combat unemployment too, and in numerous letters sent to the institutions they controlled called on officials to pay voluntary taxes to benefit the Committees fighting the consequences of unemployment, both at the county and municipal levels.<sup>73</sup> The county governors – as imagined by the



voivode – were kindly asked to “present to the clerks who reported to them the need for and importance of the action aiming to alleviate the unemployment calamity and call on the clerks to pay voluntary taxes to benefit the campaign.”<sup>74</sup> The tax was supposed to be at a rate of 1–2% of the gross salary for clerks earning in excess of 500 zloty who supported their own families, and for single clerks earning more than 400 zloty. Those earning less could choose to be taxed or not,<sup>75</sup> although – as was said at one of the meetings devoted to the matter – “only in exceptional circumstances will a petty contribution from a clerk be justified.”<sup>76</sup> In practice, it seems, the “voluntary” nature of the initiative was illusory and superiors exerted much pressure on the subordinates to support the action benefitting jobless Cracovians.

The scenario was similar in the case of special stamps that officials offered to their clients who wanted to attend to some administrative business at a given institution. The proceeds from the stamp sale were also supposed to support the Committees. To what a degree such gifts were to be voluntary can be inferred from the words of the voivode, who instructed the clerks bluntly that “a given person’s refusal to buy the stamp [...] may not be a reason for a negative outcome of their case.”<sup>77</sup> However, regardless of the motivation informing the people who paid for the stamps, the results of the voivode’s initiative was satisfactory. By April 1932, that is when the collection ended, the MKB coffers received 4,447 zloty.<sup>78</sup> By the end of the year, the stamp sale brought 7,565 zloty.<sup>79</sup>

Another type of assistance for the unemployed different from cash contributions were in-kind donations offered by both the city authorities and Church-based organisations. Most typically, the donations included such products as bread, lard, groats, rice, flour, fat, beans, soap, clothes, underwear, fuel, etc.<sup>80</sup> Regrettably, sometimes those were products – as we read in one of the reports – “of inferior quality.”<sup>81</sup> “One week,” – another document reads – “while the donations were given out to the jobless, they received zinc white instead of flour. When they voiced their concern, a notice was put up in the canteen saying that the zinc white received might be exchanged for flour.”<sup>82</sup> The very distribution of the in-kind donations, the unemployed said, was slow; and those in charge of the process often expressed unwillingness and disdain towards the beneficiaries.<sup>83</sup>

Nonetheless, the donations had a significant impact on the material standing of the needy and, which I find of particular importance, their morale.<sup>84</sup>

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Only by the end of January 1932, the MKB gave out over 10,000 in-kind donations, whereby beneficiaries, including the unemployed, were offered the content of 54 train cars of coal and 6 of potatoes.<sup>85</sup> In 1933, Ladies of Charity of St Vincent de Paul gave out to the poor 191 kg of sugar, 234.5 kg of lard, 66 kg of apples, 49 coffee packets, 71.5 kg of soap, 112,000 kg of coal, 453 items of underwear, 614 of clothes as well as 138 sets of bedlinen and 79 pairs of shoes.<sup>86</sup>

For its part, the AKR distributed not just in-kind donations. For example, in late 1931 Christian residents of Cracow were offered vouchers worth 0.05 zloty each which could be exchanged for a piece of bread, a glass of tea, or used as a lunch subsidy for the poorest, something the buyers were particularly encouraged to do.<sup>87</sup> After all the campaign was launched by the aforementioned KPG of Archbishop Sapieha, which began its operation in early 1931. The Committee was set up to help all those who “suffer hunger due to lack of work and insufficient income or illness.”<sup>88</sup> Lunches served in the Committee’s kitchens cost 0.25 zloty, but the needy paid just 5 groszy. Usually, however, people could not afford even that little, which I think speaks volumes of the situation of Cracow’s poor back in the day. If that was the case, they received a hot meal free of charge. In total, over the nine weeks when the kitchen operated, more than 2,600 persons ate there. As many as 113,171 lunches were given out, including 65,924 free of charge.<sup>89</sup>

As much as they could, the local authorities also made efforts to offer jobs to the unemployed. There was pressure exerted on entrepreneurs to take on new staff, if only on a part-time basis. Unfortunately, the jobless often did not enjoy their posts for long as some companies were forced to cut jobs just a few months after employing new staff.<sup>90</sup> Sometimes people were holding on to their jobs for dear life or vehemently defended at least part of their income. When in November 1928 the Townhall decided to transfer six cabman posts from the city centre to the suburbs, the owners of horse-drawn cabs threatened to do all they could to change the decision of the authorities, “even if 6 November were to repeat itself and if blood were to flow.”<sup>91</sup>

The jobless could also count on various training programmes helping them improve their qualifications or acquire new ones. Consequently, the labour market prospects became much better for those people, as with additional skills they were more attractive for employers. Such courses were delivered,

for instance, by the Committee for Winter Assistance to the Unemployed, which in early 1937 prepared such training schemes for blue-collar workers (courses on central heating maintenance, on reinforced concrete, on roads and sewage systems, and on technical drawing), white-collar workers (such as instructors, accountants and shorthand writers/typists), and jobless women (cutting and sewing, manual and machine knitting, embroidery, leather haberdashery or corset-making).<sup>92</sup>

Above all, however, the unemployed were posted to public works, a popular practice throughout the inter-war period. Thanks to such opportunities, 1923 saw the start of the construction of the Cracow-Ojców road, modernisation of levees on the Vistula river from Niepolomice in the direction of Oświęcim, and in the city of Cracow itself efforts to regulate the Rudawa river and the construction of a bridge on the Vistula where Krakowska Street ended.<sup>93</sup> The Townhall offered the jobless some other work too, like cleaning trunk sewers and their tributaries in newly connected districts, and in early 1926 around 1,400 persons found employment in that sector.<sup>94</sup> In 1934, as many as 741 jobless persons were employed, including 277 in road construction and repair and 298 in sewer building; also 200 persons doing the earthwork on the Mound of Krakus.<sup>95</sup> In winter, the city authorities engaged the jobless in snow removal.<sup>96</sup> Such work was principally managed by a body established in the late 1930s called the Municipal Committee for Winter Assistance to the Unemployed (Miejski Komitet Pomocy Zimowej Bezrobotnym; hereinafter. MKPZB). As late as in early 1939, the MKPZB employed around 250 jobless persons and, weather permitting, their number rose, including women, who were usually employed to do the gardening in the Krakowski Park, Henryk Jordan Park, or along Mickiewicz Avenue.<sup>97</sup>

At the same time the Townhall, sometimes in conjunction with the voivodship authorities, called on the Polish government to provide considerable funding for that purpose<sup>98</sup> or to offer appropriate loans.<sup>99</sup> The costs of such project were high after all. Just in 1926 alone, the expenditure for public works amounted to 668,299.14 zloty. Thanks to the charges collected on top of the electricity bills and tram tickets, a sum of 476,278.77 zloty was collected, which means that over 190,000 zloty was still missing.<sup>100</sup> In total, those monies allowed for the employment, chiefly for earthworks, of 878 persons who received a daily pay of 3.50 zloty, later increased to 3.80 zloty.<sup>101</sup> That seems a sound amount. Analysing the prices back then, one can see that for such a daily sum, a worker could buy, for instance, a loaf of wheat

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bread (0.90 zloty), 1 kg of rice (1.53 zloty), a few kilograms of potatoes (0.14 zloty), a few eggs (0.16 zloty per egg) and a litre of milk (around 0.30 zloty).<sup>102</sup> In the monthly perspective, shopping prospects were of course much better.

With time, particularly in the 1930s when due to the crisis the number of unemployed was growing, less was paid for their public work. In 1933, blue-collar workers received 2.75 zloty daily and a half of the amount in kind.<sup>103</sup> By way of comparison, those who drew the unemployment benefit received around 12–16 zloty biweekly, i.e. still less than those involved in public works.<sup>104</sup> No wonder then that public works were massively popular with the jobless and some did all they could to get their share, which sometimes led to regrettable cases of rabid rivalry between job seekers. In June 1935, the decision was made to employ them during the preparatory work for railway track replacement on the Cracow – Cracow Płaszów – Skawina line. As many as 400 came on the opening day although only a half was needed. A selection had to be made, ending in a bitter dispute between the chosen and rejected ones.<sup>105</sup>

Sometimes, however, it would turn out that despite their hardship the jobless were not that desperate to take any given post. More precisely: they were not ready to work far from home. Still in the 1920s, workers would keenly travel to Upper Silesia to work in mines and steelworks or to France to do some seasonal work. With time, however, some of the unemployed preferred to work in the city of Cracow or as close to it as possible. Such an attitude was not appreciated by the authorities. In May 1938, workers were sought to construct the Zakopane-Cracow road and regulate the Vistula river near Sandomierz. Around 700 persons were needed in total. Those with families were to be paid 2.70 zloty and the others 2.50 zloty. Still, no-one reported for work.<sup>106</sup> It was only after the authorities threatened to stop the payment of benefits and allowances to the jobless that around 350 persons decided to go, and bachelors received an increase of the original rate up to the standard 2.70 zloty.<sup>107</sup> At the same time, around 150 unemployed persons left Cracow to work on road construction near Szaflary.<sup>108</sup>

To summarise briefly the considerations presented above, one must say that – contrary to what is sometimes thought – the unemployed residents of Cracow usually were not left to their own devices unaided, and that throughout the inter-war period. As I have shown, the great crisis that hit

the city in the early 1930s did not mark any breakthrough in the policies pursued by the local authorities and Church-based organisations as regards support offered to the jobless and the poorest. One could even risk saying that with their rich – as I intended to show in this text – experience in mobilising such support they were still ready to do more, as it was necessary in the face of an economic downturn induced by the crisis. Consequently, the range of assistance offered by the Townhall, the Catholic Church, and Jewish associations was relatively impressive, although, given the realities of Cracow back then, far insufficient. After all, not all unemployed residents were able to cope not just with the conditions in which they had to subsist, sometimes from one day to the next, but also with their own weaknesses which in times of hardship tend to haunt one with doubled force.

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Literature on the great economic crisis – its root causes, course and consequences both in the field of economy and society – is very rich. However, not much attention is paid to the issue of remembering the crisis. This is not surprising: after all the matter at hand is highly complicated. The same is true for Cracow itself. I consider that the main problem is the nature of the crisis itself and its characteristics against a backdrop of the city's socioeconomic situation over the course of the entire inter-war period. In the case of Cracow, as I have shown in my considerations presented above, the crisis did not leave a wasteland in its wake as was the case in some other parts of Poland, partly due to the fact that the city was poorly industrialised. Coupled with the fact that Cracow had known unemployment, poverty and social exclusion – permanently, although more or less acutely felt – since the end of the Great War, this helps to understand why the crisis of the late 1920s and the early 1930s was seen as just another economic slump. It was not a collapse to mark a divide between the times of prosperity and a great recession. Additionally, the intensified efforts on the part of the city authorities and Church-based organisations described here reduced those negative consequences.

Yet another aspect is the perspective of Cracow residents on what was happening around them. It must be remembered that in the first years of the inter-war period Cracovians compared their situation not with the global conflict that had just ended but with the pre-war times, which in their recollections were much better than their contemporary realities. That first

post-war period, a time of high prices and shortage of provisions, was some sort of a benchmark and a reference point in the successive years leading to the crisis. While describing the mood of the local public in June 1924, the Cracow police stated that “the current sentiments of the public are predominantly influenced by the reform action of the Government. Although an economic crisis is just at the doorstep,” so went the analysis by the police, “society, which for a long time felt the acute consequences of the recent inflation-driven economy, appreciates the benefits related to the stable currency. Fresh in the public memory are the impoverishment of broad strata of society, the atrophy of savings and healthy credit, and, in terms of ethics, the decline of morality. [...]” However, as concluded by the police, “the general public usually approaches the actions of the Government trustfully and favourably, despite the economic crisis and growing unemployment [...].”<sup>109</sup>

Because of all this, the memory, and today – since there are very few left who have direct experience of those times – just the post-memory (the memory of the memory) of the great crisis did or does not arouse much emotion. It has become part of the general reflection on the weakness of the Polish economy in 1918–1939 and its consequences: unemployment and poverty. The obvious focus here is on Cracow. The end of the crisis, or its actual delineation, is still a difficult notion as chronologically it was close to the outbreak of the Second World War. The war, in turn, and then its repercussions, forced a completely different perspective on how Cracow residents and others see the Second Polish Republic and its economic and social problems. The great crisis became part of the background.

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## ENDNOTES

- 1 After Władysław Zajewski, *Czy historycy piszą prawdę* (Cracow, 2015), p. 9.
- 2 Elżbieta Tarkowska, "Bieda, historia i kultura," in Elżbieta Tarkowska (ed.), *Zrozumieć biednego. O dawnej i obecnej biedzie w Polsce* (Warsaw, 2000), p. 15.
- 3 Łukasz Linowski, "Enklawy biedy w miastach Wielkiego Pomorza w dwudziestoleciu międzywojennym i ich miejsce w polityce lokalnych władz," in Mateusz Rodak (ed.), *Marginies społeczny Drugiej Rzeczypospolitej*, Warsaw 2013, p. 313.
- 4 "Drugi powszechny spis ludności z dn. 9 XII 1931 r. Mieszkania i gospodarstwa domowe. Ludność. Stosunki zawodowe. Miasto Kraków," *Statystyka Polski*, series C, issue 64; Elżbieta Adamczyk, "Społeczność Krakowa i jej życie," in Janina Bieniarzówna, Jan M. Małecki (eds), *Dzieje Krakowa*, vol. IV: *Kraków w latach 1918–1939* (Cracow, 1997), pp. 29–30.
- 5 Paweł Grata, *Polityka społeczna Drugiej Rzeczypospolitej. Uwarunkowania – instytucje – działania* (Rzeszów, 2013), p. 190.
- 6 The National Archive in Cracow (Archiwum Narodowe w Krakowie; hereinafter, ANKr), the Cracow County Office (Starostwo Grodzkie Krakowskie; hereinafter, StGrKr), ref. 111, p. 7.
- 7 Zbigniew Landau, Jerzy Tomaszewski, *Gospodarka Polski międzywojennej*, vol. II: *Od Grabskiego do Piłsudskiego: okres kryzysu proinflacyjnego i ożywienia koniunktury 1924–1929* (Warsaw, 1971), pp. 89–90.
- 8 Ibidem, p. 89.
- 9 Andrzej Pilch, *Dzieje ruchu robotniczego w Krakowskiem* (Cracow, 1987), part I, p. 314, table 20.
- 10 Ibidem; "Bezrobocie na terenie województwa krak., " *Goniec Krakowski* (hereinafter GK) 1924, issue 29, p. 5; ibidem, no 33, p. 5.
- 11 Andrzej Pilch, op. cit., Part I, p. 314, table 20.
- 12 Ibidem, part II, pp. 76–77, table 26; "Drugi powszechny spis ludności z dn. 9 XII 1931 r. Mieszkania i gospodarstwa domowe. Ludność. Stosunki zawodowe. Miasto Kraków," *Statystyka Polski*, series C, issue 64, p. 79, table 30.
- 13 Andrzej Pilch, op. cit., Part II, pp. 76–77, table 26.
- 14 ANKr, StGrKr, ref. 155, p. 131.
- 15 Andrzej Pilch, op. cit., Part II, pp. 228–229, table 30.
- 16 ANKr, StGrKr, ref. 155, p. 279.
- 17 Ibidem.
- 18 Andrzej Pilch, op. cit., Part II, pp. 228–229, table 30.
- 19 Ibidem.
- 20 The population of Cracow in the inter-war period: 1918 – 178,588; 1921 – 183,706; 1924 – 185,843; 1925 – 187,283; 1926 – 188,734; 1927 – 190,196; 1928 – 206, 829; 1929 – 210,632; 1930 – 214,504; 1931 – 219,286; 1932 – 224,384; 1933 – 228,684;



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1934 – 233,066; 1935 – 237,532; 1936 – 242,084; 1937 – 246,723; 1939 – 259,000 (an estimate), “Drugi powszechny spis ludności z dn. 9.XII 1931 r. Mieszkania i gospodarstwa domowe. Ludność. Polska,” *Statystyka Polski*, series C, issue 94a, p. 1; *Miesięczne sprawozdania statystyczne: miasto Kraków, 1924–1937; Skorowidz miejscowości Rzeczypospolitej Polskiej*, vol. XII, *Województwo krakowskie. Śląsk cieszyński* (Warsaw, 1925).

21 Elżbieta Adamczyk, op. cit., p. 30, table 4.

22 Ibidem.

23 Ibidem, s. 37, table 5.

24 Ibidem, p. 36.

25 On industry in interwar Cracow, see Jan Szpak, “Gospodarka. Przemysł,” in *Dzieje Krakowa*, vol. IV: *Kraków w latach 1918–1939...*, op. cit., pp. 191–202.

26 Czesław Brzoza, *Kraków między wojnami. Kalendarium 28 X 1918 – 6 IX 1939*, Cracow 1997 (hereinafter *Kalendarium...*), 18 Jan 1924, p. 122.

27 Cracow’s population was 184,415 then, including 138,218 of those classified as Christians and 46,197 Jews, *Miesięczne sprawozdania statystyczne: Miasto Kraków, 1924, January*, p. 1.

28 Ibidem, 1935, April, p. 2.

29 ANKr, StGrKr, ref. 155, p. 226.

30 Stanisław Piech, “Życie religijne,” in *Dzieje Krakowa*, vol. IV: *Kraków w latach 1918–1939...*, op. cit., p. 291.

31 ANKr, StGrKr, sygn. 155, pp. 23–24.

32 Andrzej Chwalba, *Dzieje Krakowa*, vol. V: *Kraków w latach 1939–1945* (Cracow, 2002), p. 97; B. Panek in turn, wrote that “Kazimierz, Cracow’s southern quarter, was commonly known for two reasons: abject sanitary conditions and the ethnic dominance of Jews, often very rich and so ‘ruling the roost’ in the area, largely inhabited by the blue-collar poor,” B. Panek, *Krakowskie organizacje charytatywne w latach 1918–1939*, Cracow 1986, p. 54.

33 “Obłędny taniec drożyzny,” GK 1926, issue 4, p. 1.

34 *Ustawa o zabezpieczeniu na wypadek bezrobocia z dnia 18 lipca 1924 r.*, Dz.U. 1924, no. 67, item 650.

35 GK 1924, issues 228–229, p. 6.

36 Elżbieta Adamczyk, op. cit., p. 38; during the payment of the benefits often chaos reigned supreme, difficult to contain for the officials. In the late 1930s, money was paid out in alphabetical order: for instance, on Monday to the unemployed persons whose family names started with letters A–J, on Tuesday – K–P, and on Wednesday to all the rest. On specific days those in need also received benefits in alphabetical order, *Głos Narodu* 1939, issue 22, p. 9.

37 ANKr, StGrKr, ref. 111, tables 5–7.

38 “Skrajna nędza bezrobotnych pracowników umysłowych,” GK 1926, issue 34, p. 5.

39 “Demonstracja bezrobotnych pracowników umysłowych w Krakowie,” ibidem, issue 70, p. 5.

40 “Żerowanie niebieskich ptaków,” *Ostatnie Wiadomości Krakowskie* (hereinafter, OWK) 1931, issue 117, p. 6.

41 Bronisław Panek, op. cit., p. 18.



- 42 Ibidem, p. 33.
- 43 Zbigniew Landau, Jerzy Tomaszewski, op. cit., vol. I, p. 123.
- 44 Bronisław Panek, op. cit., p. 37.
- 45 Ibidem, p. 40.
- 46 S. Piech, op. cit., pp. 264–265.
- 47 Czesław Brzoza, *Kalendarium...*, 15 Nov 1923, p. 122.
- 48 Stanisław Piech, op. cit., p. 268.
- 49 Ibidem, p. 270.
- 50 ANKr, StGrKr, ref. 155, p. 19.
- 51 Ibidem.
- 52 S. Piech, op. cit., p. 291.
- 53 ANKr, StGrKr, ref. 155, p. 163.
- 54 Ibidem, p. 165.
- 55 Ibidem, p. 163.
- 56 “Miejski Komitet do walki z bezrobociem,” OWK 1931, issue 97, p. 6.
- 57 *Dziennik Rozporządzeń stoł. król. miasta Krakowa* 1926, Year XLVII, issue 1, p. 16.
- 58 Ibidem, p. 158.
- 59 ANKr, StGrKr, ref. 155, pp. 13–24.
- 60 “Przemysłowcy krakowscy na rzecz bezrobotnych,” OWK 1931, issue 99, p. 6.
- 61 “Ofiarność Krakowa dla bezrobotnych,” ibidem, issue 171, p. 6.
- 62 “Robotnicy dla bezrobotnych,” ibidem, issue 129, p. 6.
- 63 “Rękodzielnicy dla bezrobotnych,” ibidem, issue 119, p. 6.
- 64 “Kupiectwo krakowskie dla bezrobotnych,” ibidem, issue 126, p. 6.
- 65 For instance, the Board of the Association of Physicians of the Health-insurance Fund in Cracow passed a resolution on medical advice for the unemployed holding an attestation from the MKB, “Bezpłatna ordynacja lek. dla bezrobotnych,” ibidem, issue 137, p. 6.
- 66 On the initiative of City Mayor Władysław Belina-Prażmowski and the tram service director Tadeusz Polaczek-Kornecki, a special kitchen was launched for children of jobless parents, which gave out 130 lunches a day. “In the kitchen” – the press reported – “meals are cooked by women from the tramway service, as well as a conductor who used to be a cook. The children are serviced by a few girl guides free of charge,” “*Kuchnia dla ubogich dzieci w Tramwaju Krak.*,” ibidem, issue 134, p. 6.
- 67 “Krakowscy harcerze dla bezrobotnych,” ibidem, issue 115, s. 6.
- 68 ANKr, StGrKr, ref. 155, p. 17.
- 69 *Dziennik Rozporządzeń stoł. król. miasta Krakowa* 1931, Year LII, issue 6, pp. 244–245.
- 70 Stanisław Piech, op. cit., p. 271.
- 71 Ibidem.
- 72 ANKr, StGrKr, ref. 566, pp. 869–871.
- 73 ANKr, StGrKr, ref. 93, p. 67; ANKr, StGrKr, ref. 155, p. 3.
- 74 ANKr, StGrKr, ref. 93, pp. 77–78.

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- 75 Ibidem.
- 76 *Dziennik Rozporządzeń stoł. król. miasta Krakowa* 1931, Year LII, issue 9, p. 321.
- 77 ANKr, StGrKr, ref. 93, p. 70.
- 78 Ibidem, pp. 153–154.
- 79 Ibidem, pp. 165–166.
- 80 ANKr, StGrKr, ref. 155, p. 168; OWK 1933, issue 4, p. 6.
- 81 ANKr, StGrKr, ref. 155, p. 168.
- 82 Ibidem, p. 163.
- 83 Ibidem, p. 155.
- 84 Ibidem.
- 85 Czesław Brzoza, *Kalendarium...*, 31 Jan 1932, p. 254.
- 86 Bronisław Panek, op. cit., p. 43.
- 87 Czesław Brzoza, *Kalendarium...*, 30 Dec 1931, p. 251.
- 88 *Dziennik Rozporządzeń stoł. król. miasta Krakowa* 1931, Year LII, issue 6, p. 244.
- 89 Ibidem.
- 90 ANKr, StGrKr, ref. 155, pp. 213, 235.
- 91 ANKr, StGrKr, ref. 111, pp. 623–625; On 6 November 1923 in Cracow, workers on strike staged violent protests, sometimes even called a revolt, inspired by the Polish Socialist Party and directed against the policy of the then conservative government headed by the leader of the Polish Peasants' Party "Piast" (Polskie Stronnictwo Ludowe "Piast") Wincenty Witos. The protest soon developed into violent clashes of the workers with the police and armed forces, and were brutally suppressed, with 3 officers, 11 privates, 18 workers and civilians dead, and a total of nearly 150 persons injured.
- 92 "Czego mogą się nauczyć bezrobotni?," *Głos Narodu* 1937, issue 22, p. 7.
- 93 Jerzy Gołębiowski, "Podłoże ekonomiczne wystąpień strajkowych warstw pracujących Krakowa w 1923 roku," in Józef Buszko (ed.), *Rok 1923 w Krakowie. Rozprawy i studia* (Cracow, 1978), p. 58.
- 94 "Jeszcze jeden doraźny podatek na rzecz bezrobocia w Krakowie," GK 1926, issue 24, p. 5.
- 95 ANKr, StGrKr, ref. 155, p. 193.
- 96 "500 bezrobotnych zatrudniono przy usuwaniu śniegu w Krakowie," *Głos Narodu* 1937, issue 31, p. 9.
- 97 "Akcja zatrudniania bezrobotnych," ibidem, 1939, issue 68, p. 9.
- 98 "A pan Wojewoda i Magistrat krakowski w sprawie bezrobotnych tylko radzą, radzą, radzą...", GK 1926, issue 6, p. 5.
- 99 *Dziennik Rozporządzeń stoł. król. miasta Krakowa* 1927, Year XLVIII, issue 3, p. 106.
- 100 Ibidem, issue 1, p. 29.
- 101 Ibidem.
- 102 *Miesięczne sprawozdania statystyczne: miasto Kraków*, 1926, June, p. 8.
- 103 ANKr, StGrKr, ref. 155, p. 145.
- 104 Ibidem, p. 221.

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- 105**    Ibidem, pp. 239–240.
- 106**    Ibidem, p. 285.
- 107**    Ibidem, p. 289.
- 108**    ANKr, Cracow Regional Office, ref. 128, p. 1021.
- 109**    ANKr, StGrKr, ref. 107, pp. 79–86.



## PARALLELS IN THE ECONOMIC BUSINESS CYCLES IN SLOVAKIA IN THE PERIOD BETWEEN WWI AND WWII, AND AFTER 1989

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### ABSTRACT

*This study looks at how crises affected the economies and business cycles in Slovakia and other Central European states. It compares both the economic and non-economic causes, as well as the various effects following the collapse of the Habsburg Monarchy in 1918 with the problems that emerged after the disintegration of the Soviet Bloc in 1989. A careful analysis shows that substantial changes extended to the legal system as well as the entire political and socio-economic system. At the same time, quite different processes were also occurring in both eras. The extent of their impact depended upon the specific conditions in the post-1918 successor states or the particular post-communist countries. Mainly, the initial economic conditions and subsequent economic and political developments after 1918 and 1989 would determine the repercussions of the crises.*

The development of economic cycles in Slovakia after 1918 and after 1989 reveals many striking parallels. Countries which came into existence after the demise of the Habsburg Monarchy, such as Slovakia, were in a similar situation after 1918 as the post-communist countries after 1989. Economic development in the 1920s and 1990s of the 20<sup>th</sup> century in Slovakia and in neighboring countries naturally also show particularities and differences.

The shared characteristic was the partial or entire change of the social, economic, and political system, as well as legislative changes, accompanied by a collapse of long-term markets and a loss of trade outlets. A fundamental change of market orientation occurred, and mainly in the direction of the

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developed Western countries. However, the countries which came into existence in the 1920s strengthened the role of new trade barriers, and in the 1930s aimed to achieve autarky, whereas the post-communist countries of central and south-eastern Europe rejected the barriers to economic integration through the process of joining the EU. Another important parallel occurred in the realm of ownership. In the successor countries, complex capital transfers happened; in Czechoslovakia, for instance, it involved land reform and other property changes. Post-communist countries carried out a complex privatization process. However, after the demise of the Monarchy, the continuity of a market economy and private ownership persisted, whereas privatization after 1989 brought about a complete change in the character of ownership when the recent transition from central control to a market economy occurred.

Economic and political changes in the 1920s and 1990s put to the test the viability of individual companies, economic sectors, and the whole economic structure. As a result, profound structural change took place in the economy of particular countries. The aforementioned processes shared similar concomitant circumstances and measures, such as currency reforms, the exchange of money, inflation, and a significant social impact. The collapse of the Habsburg Monarchy and the Soviet bloc resulted in processes which led to a renewed cycle of global recovery, and further complicated the economic and structural changes in the particular countries.

The previously noted factors appeared in certain countries, depending on specific conditions; these mainly concerned the achieved level of social and economic development, the character and structure of the economy, the character of the political system and the strategy of politics on economic issues. It can be stated that in the case of Slovakia, those basic conditions were unfavorable. In the context of the new economic situation, Slovakia had an inappropriate economic structure after the fall of the Habsburg Monarchy and the Soviet Union.

Before 1918, the present-day area of Slovakia belonged to the most industrially developed regions of Hungary. It remained a mainly agrarian country; the development of industry occurred in Hungary based on a political program which aimed to industrialize, but focused only on certain parts of Hungary and only on certain sectors (mining, the iron industry, textiles, the pulp and paper industry, the leather industry).

In addition, production depended entirely on consumption in other parts of Hungary and on government orders. That is why the structure of the economy showed some serious disproportions hidden by closed markets and a whole system of economic preferences made by the government in the area of taxes, loans, shipping discounts and direct financial grants (Faltus 1983, 544–558; Kováč 2004; Horváth, Valach 1975; Vadkertyová 1975, 417–440).

Economically, the fall of Austria-Hungary brought about the disintegration of the united market of the monarchy, and disrupted the infrastructure and the complicated process of forming economic areas for new central-European countries. The area of Slovakia created a new economic space along with Czech regions, which had assumed the biggest share of industrial production made in the more developed Austrian part of the Monarchy. Slovakia's share in the industrial potential of the new country based on the statistics from 1910 can be estimated to be about 8%. The capital share of Slovak financial institutions created approximately 6% of the value of the banking industry in Czechoslovakia. Slovakia played a more important role only in agriculture, where it accounted for approximately one third of the crop production and animal husbandry. The borders of the successor countries cut Slovakia's business sphere off from the main trade outlets in former Hungary. The large centralized factories, which produced iron, chemicals, textiles, and other products, depended on markets outside Slovakia; they were hit head on by the competition of more mature industries from the Czech regions, which also had to solve the problem connected with the loss of trading outlets in a smaller marketplace. After the demise of the Kingdom of Hungary, Slovak companies lost tax, tariff, borrowing, and other advantages provided by the authorities, as well as lucrative government orders. The breakdown of infrastructure turned out to be one of the greatest problems, mainly the disruption of the railway network, which appeared to be the one more developed segment of the transport system in Slovakia. It became necessary to rebuild the whole network in a westward direction toward the Czech regions and Western markets. The underdeveloped road infrastructure faced a similar situation. The banking industry lost its ties with central banks in Budapest, which caused a reduction or even a cessation of capital flow. Key companies were left without capital backing (Faltus, Průcha 1969, 15–27; Průcha 2004, 41–48).

The influence of an entire set of negative factors was initially muffled by a short post-war boom in 1920–1921, due to conditions of gross shortages

and high demand. In Slovakia, there were relatively successful outcomes, as 129 new joint-stock companies started up and the banking industry increased national Slovak capital. However, the boom was restricted by a state regulated economy. Prices increased and inflation grew, even if it was more benign in comparison with surrounding states. Another phenomenon of the boom was the expansion of concerns and banks from Czech regions, connected to profitable Western capital, to the entrepreneurial sphere and banking industry of Slovakia with help from the economic legislation of the new state (the Nostrification Act of 1919). In the Slovak space, the banks and corporations of the Czech regions took on the functions of Budapest's great banks and the Austrian-Hungarian companies from the preceding era. At the global level, a post-war economic crisis had already appeared in 1920 and it had to balance the disparities of a war economy, post-war reconstruction and hyperinflation (Andrýs 1922, 267–273; Skorkovský 1923).<sup>1</sup>

In Czechoslovakia, a crisis broke out in the second half of 1921 and continued until 1923. Unprofitable companies ceased to exist, production declined, and prices fell. In Slovakia, the recession crisis saw a 30 % decline in industrial production, which was far more than average on the international scale. In the successor countries of Austria-Hungary, the crisis manifested even more serious signs of far reaching significance. It also revealed the negative aspects of the breakdown of a common market and showed its impact on a large scale. Important factories, which lost their trade outlets in the crisis situation after 1918, found themselves in an untenable situation, and dozens of them simply disappeared. In the less developed economy of Slovakia, the disappearance of one big company had a long-term impact on the social and economic development of an entire region. The corporate sector was handicapped by a significant deterioration of productive conditions, most of all in railway transport. The demise of the Monarchy and negative conditions of production caused an outflow of capital from Slovakia and a disruption of capital expansion from the Czech lands. That is why other companies were left without capital assets and they ceased to exist. The tendencies mentioned above handicapped most industrial branches. The worst situation was in the relatively developed iron industry, in which Hungarian capital concerns lost their interest and they agreed to their liquidation in exchange for compensation. Most of the ironworks disappeared (Krompachy, Zvolen, Hnúšť'a) or changed their production plan (Trnava). Because of that, the Slovak economy lost a fundamental part of a sector, which, until the formation of Czechoslovakia, had constituted



the core of its industrial potential. Other handicapped sectors included the chemical industry (Dynamit Nobel Bratislava), the textile and glass industry, the food industry and the stagnating mechanical engineering industry. In 1922–1924, the crisis in Czechoslovakia carried from the areas of production to the lending sphere. The deflation of currency had a great influence on these developments, especially during the pivotal year of 1922. Deflation safeguarded the long-term and stable development of the currency, but it undermined export industries and merged them with banking. The losses of the banking industry in Slovakia reached the high figure of 643 million Kčs (Czechoslovak crowns). The banking system of Czechoslovakia was saved from certain collapse by a reorganization of the country on the foundation of legislation during 1924 (Faltus 1966; Strhan 1960).

In years 1924–1929, the economy of Czechoslovakia experienced a relatively successful boom within the context of a worldwide economic expansion. It resulted in about a 40% increase in industrial production (Průcha 2004, 148–164). This, in fact, applied only to the Czech lands. The enterprise sector of Slovakia went through a complicated process of structural changes. Production increases only occurred in sector branches which found new outlets in the changed conditions of the domestic and international market, as well as the capital hinterlands (the pulp and paper industry, the wood industry, the cement industry, the rubber industry, the magnesium industry, the electric industry, the petrochemical industry and the printing industry, some segments of the food sector), or ones which received support from the economic policy of Czechoslovakia (the electricity supply industry). Others managed only to reconstruct pre-war capacities and production potential (mining, the textile industry, the food industry as a whole) and some of them remained below the pre-war level of production (the iron industry, the chemical industry, the glass industry). That is why until the end of the 1920s, the entire capacity of industrial production merely reached or just exceeded the level of the crisis year of 1913. The resulting effect was a stagnation of industrialization. Very slow progress in infrastructure reconstruction contributed to that, such as the revival of the railways and road network, as well as a slow elimination of other unprofitable production conditions in Slovakia (Hallon 1995, 68–87; Hallon 2004, 309–324).

One can visually document the changes in the industrial structure as a consequence of the disintegration of the united Monarchy's market and post-war economic attitudes by looking at the increase in the number of active

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working people in particular economic sectors during years 1910 – 1930. It is based on a sum of enterprises and factories in statistics for the given years. The comparison of production amounts or its value in the given period could be even more objective and visual. Unfortunately, we do not have access to sufficient statistical data.

**TABLE 1** CHANGES OF THE INDUSTRIAL STRUCTURE IN SLOVAKIA IN YEARS 1910–1930 ACCORDING TO NUMBER OF ACTIVE EMPLOYEES.

Branch	Employment on December 31, 1910	Employment on May 27, 1930
Mining	9600	11037
Iron and steel industry	9434	3082
Metal working	5881	5233
Engineering and electro-technical industry	2621	5821
Building materials industry	5986	12877
Glass industry	3429	2684
Chemical industry	2344	3230
Pulp and paper industry	4291	5412
Textile industry	11231	11945
Leather industry	1267	1277
Wood industry	9678	13192
Food industry	12091	11147
Printing industry	248	978
Electrical industry	533	1386
Building industry	4618	14353
total	83375	104600

**Source:** Table 1 is compared according to the statistics of number of factories and employees on December 31, 1910 and May 27, 1930, which were compiled by (Faltus, Průcha 1969, 287; Faltus 1987, 73–84).

If we compare the development of industry in Slovakia after 1918 with other successor countries of the interwar period – Hungary, Poland and Austria – it is clear that they manifest very similar trends of development. Similar to Slovakia, other successor countries underwent structural changes of industry depending on initial economic relations after the decline of the Monarchy and due to decline of a unified market in Austria-Hungary. Crucial

branches of industry experienced the greatest decline or stagnation because they were most dependent on market outlets in the economic realm of the former Monarchy during the 1920s. In Slovakia, this applied mainly to the building materials industry, in Hungary the engineering industry and food industry, in Austria the building materials industry, the iron and steel industry, the engineering industry, and in Poland, for example, brown coal mining and petroleum and non-ferrous metals production. Development occurred in branches which found new market possibilities in the changed conditions; for instance, in Hungary the textile industry got rid of Czech and Slovak competition. Until the end of the 1920s in all the above countries, the overall amount of industrial production barely exceeded the pre-war level, or did not even reach it, as was the case in Austria and Poland. The only exception in the central European region was the Czech lands; because of a more favorable starting point after the decline of Monarchy and a wealthier industry, they managed to overcome losses or stagnation in some economic sectors (textiles, coal mining) and replaced them with growing sectors (the engineering and electro-technical industries, the footwear industry), resulting in a large increase in the amount of industrial production. In order to illustrate the comparative development of industrial production during the interwar period in Slovakia, the Czech lands, and three other successor countries, here is a table presenting the level of success achieved in industrial development.

**TABLE 2** INDEX OF INDUSTRIAL PRODUCTION IN CZECH LANDS, HUNGARY, POLAND, AND AUSTRIA IN 1929 AND 1938 IN COMPARISON TO 1913 (1913 EQUALS 100 %).

year	Czech lands	Hungary	Slovakia	Poland	Austria
1929	142	112	108	91	98
1938	140	128	123	93	77

**Nota bene:** Presented data is based on different statistical surveys (the number of employed workers, the amount of production, the value of production), and that is why the table is an example.

**Source:** (Landau, Tomaszewski 1971, 59, 289–290; Fischer 1987, 543, 796; Faltus, Průcha 1969, 14, 25, 43, 287; Lacina 1996, 286–287).

Overall, agriculture in Slovakia enjoyed a more advantageous position during the 1920s. After the demise of the Kingdom of Hungary and creation of new borders with Hungary, Slovakia acquired the market outlets of Hungarian producers in Czech regions. It was also protected by customs barriers which the governing circles of Czechoslovakia, dominated by the

agrarian party, had passed. Those favorable factors were reflected mainly in crop production. Land reform in Czechoslovakia removed the greatest inequalities in the structure of agricultural enterprises, mainly because of the decline of aristocratic and clerical estates. The modernization of production and the development of progressive middle-sized farms achieved only a little progress (Faltus, Průcha 1969, 133–134, 157, 206).<sup>2</sup>

The Great Depression economic crisis of 1929–1933 interrupted the gradual consolidation of Slovak economy by the end of the 1920s. However, the industrial recession was less sharp than in the Czech lands because Slovakia had experienced a weaker economic boom in the previous years. According to contemporary analyses, the level of employment decreased by 25 % during years 1930 – 1932 and the number of worked hours decreased by 29 % in industry. The most important problem in agrarian Slovakia was agriculture, which still employed approximately 60 % of active working people. An agricultural crisis in Slovakia and all of Czechoslovakia broke out in 1929 and farming production was affected mainly by the collapse of prices for products in 1928–1932 by about 42 % (Hallon 2004, 324–327; Lacina 1974, 38–44, 49–51).<sup>3</sup> At that time, the crisis stimulated the ruling powers towards investments in infrastructure, with the interest of creating new job positions, and this in turn accelerated the development of railways, roads, and the energy sector. Ruling circles moved towards a new philosophy of state-monopolistic interventions in economy. In the second half of the 1930s, investments in the armaments industry emerged as a new phenomena because of the military threat to the country. The main objective of those investments was to prepare Slovakia as a potential hinterland against Nazi Germany. However, building an infrastructure more quickly and with a lower-paid workforce motivated investment in non-military areas of production. Companies from Czech regions such as Škoda, Zbrojovka Brno, Bat'a and others rejuvenated the process of industrialization in the second half of the 1930s in Slovakia. In this period of time, the economic and political concept of solving the economic problems of Slovakia began to form. The economic revival influenced mainly the western and north-west parts of Slovakia, which were situated closer to the markets of western Europe and possessed a better developed infrastructure, while most other regions of Slovakia continued to lag behind (Hallon 1995, 147–161; Ferenčuhová, Zemko 2012, 366–372).

The heavy armaments industry, which started to form in the 1930s, lasted throughout the Slovak Republic from 1939 until 1945. Then after 1948, it

continued during the socialist era of industrialization and the depths of the Cold War and formed the basic framework of the Slovak economy. The industrialization of Slovakia was definitively completed in the system of the centrally planned economy. The fast pace of industrialization was evidenced by the fact that in 1948–1989, the industrial potential of Slovakia increased approximately 29 times; on the other hand, the industrial potential of the whole country increased only tenfold. In the 1980s, the long-term plan of balancing the industrial level of Czech regions and Slovakia was nearly attained. In fact, production reached parity in both regions. Apart from the heavy armaments industry, the structure of the Slovak industry was dominated by raw material processing and the production of semi-finished products for final production in the Czech regions. This kind of heritage from the socialist economy was extremely disadvantageous for a market economy after 1989 (Turčan 1960; Ferianc 1987, 190; Londák 2012).

The common denominator of economic development in post-communist countries after 1989 was the decline of economic ties, the switch from centrally planned economies towards a market economy, privatization, and a radical transformation of the entire economic structure. In the case of Czechoslovakia, the former Yugoslavia, and the Soviet Union, additional factors consisted of national and regulatory changes and the formation of economic areas in new countries. Other phenomena included monetary reforms, inflation, the disappearance of entire segments of the economy, and severe social repercussions.

The fluency, speed, and the depth of economic transformation were closely connected with the development of the economic politics of individual countries. Many expert analyses agree with the view that the transformation in Slovakia, as far as the influence of globalization and structural changes are concerned, took place in a few phases, which were closely connected with the actions of individual governments since 1990. In the first period of 1990–1992, under the conditions of the federal state, basic assumptions developed with the onset of monitored processes, in particular, the historical change of the social system, which followed the economic changes. The opening of the Slovak economy to the world made possible actions of a revolutionary character, such as the decentralization of economic governance, foreign trade and price liberalization, the achievement of the domestic convertibility of currency, and the creation and implementation of the first phase of privatization. After 1992, the further introduction of

those changes was carried out. A similar scenario of economic reforms in the observed period also occurred in 14 other post-communist countries, mainly in the small central European countries, which later belonged to the Visegrad 4 and CEFTA (The Central European Free Trade Agreement).

The economic reforms in the period of 1990–1992 were followed by the immediate unravelling of post-communist economic ties and a change of orientation towards countries with a market economy, mainly with EU states. Unlike what happened in 1989, a deep economic recession ensued in 1991–1993, reaching the industries of 5 CEFTA countries, which saw declines of between 29% and 39%. The amount of mutual trade between Hungary, Poland and Czechoslovakia decreased in years 1988–1992 by 42% of the GDP (gross domestic product). In 9 countries of the former Eastern Bloc, the GDP declined by about 23% in years 1989–1991. Unemployment increased on average from 0 to 9% (Borovský 2001, 448–451; Godfrey 1995, 6–8). During the change of external economic relationships, the problem for Slovakia was a disadvantageous commodity market in foreign trade. In 1991, a nearly 67% share of Slovakia's exports came from industrial branches, mostly the iron and steel industry and heavy industry, which had provided the bulk of production to markets of other [former] satellites of the Soviet Union. Above all, this affected the heavy armaments industry. The former regime had been preparing the conversion of the heavy armaments industry, chiefly due to reduction of international tensions. After the collapse of eastern markets and change of the whole philosophy of economic politics in Czechoslovakia, the production of so-called special technologies decreased at a significantly faster pace. The following table no. 3 illustrates the development of orientation of Czechoslovakia's foreign markets and that of other post-communist countries, in comparison to mature Western countries in the short period of time between 1989 and 1992.

The position of Slovakia and other post-communist countries in foreign trade relations became largely influenced by developments in the monetary and financial areas. A common characteristic was high inflation, caused mainly by the liberalization of prices. In Czechoslovakia, the inflation before 1989 officially reached about 1%, and according to real estimates about 2.5% per year. However, in 1991 inflation rose 65%, according to the price index (Švejnar 1993, 29–33). In 1992, the price level declined and inflation stabilized. At the beginning of the 1990s, historical changes affected nearly all European countries with centrally planned economies and resulted in

a proposal for a program of complex privatization and its subsequent execution. This process opened the door to foreign capital. After a heated controversy about several concepts in Czechoslovakia, the voucher method of privatization won out, therefore, the gratuitous distribution of state property to the widest strata of citizens took place based on coupons representing a share of the capital. According to the plan, the privatization would be implemented in several waves. The first one started with a ratification by Czechoslovakia's government in August 1991 and was to be completed in March 1993. For a complete or partial denationalization in the first wave, 678 big companies enrolled, worth 169 billion Kčs (Czechoslovak crowns). Of these, 48% were privatized by the coupon method and only 7% were resold to investors. Another 28% of the enterprises came under the management of National Property Fund.<sup>4</sup>

**TABLE 3** THE CHANGE OF ORIENTATION OF FOREIGN MARKETS OF CZECHOSLOVAKIA AND SELECTED POST-COMMUNIST COUNTRIES, IN COMPARISON TO MATURE WESTERN COUNTRIES IN PERIOD OF 1989 – 1992 IN % OF SALES VALUE.

	CZECHOSLOVAKIA		HUNGARY		POLAND		ROMANIA
	Western countries	Other	Western countries	Other	Western countries	Other	Western countries
1989	37,6	47,2	46,2	40,1	44,9	39,4	32,5
1992	63,2	25,4	68,9	21,3	72,1	15,9	51,8

Source: "Zmeny strategickej orientácie obchodu postkomunistických krajín" (1993), *Trend* 45, p. 4.

The first wave of privatization in Czechoslovakia attracted great interest because it provided the opportunity for immediate profit from the right to resell acquired shares to a company or to investment funds, which the citizen could take part in. The participation of 2.6 out of the 5 million citizens of Slovakia did not suffice to overcome the negative social impacts of economic reform. The most noticeable was a rise of unemployment. In 1991, it had reached 2.6% in the Czech lands, and 10.4% in Slovakia. Among the main reasons causing those problems was the structure of the Slovak economy (Godfrey 1995, 6–8). Its foundation continued to be the energy-intensive processing of imported raw materials and semi-finished goods for final processing in the Czech lands. Economic reform and initial restructuring had far more serious consequences in Slovakia. Economic

problems contributed to the popularity of new movements on the Slovak political scene, requiring fundamental change in the constitutional arrangement. In June 1992, the Movement for a Democratic Slovakia (*Hnutie za demokratické Slovensko*) led by Vladimír Mečiar won the elections. In Czech lands, the right wing party and its leader Václav Klaus took power, aspiring to hasten all the reforms. The new national governments did not manage to agree on two basic questions, which were the constitutional arrangement of the country and the concept of economic reform. For this reason, the presidents of national governments, V. Klaus and Vladimír Mečiar, personally decided to divide up the state.

In the first period of existence as a separate country, until the end of 1995, favorable trends predominated in the Slovak economy, which were a consequence of the government's actions to defend the new currency and the independent economy of the new country, as well as the boom in Western markets. There was a significant rise in foreign trade, increasing the share of trade exchanged with developed capitalistic countries. In October 1995, it resulted in the full liberalization of the foreign currency exchange and full convertibility of the credit account balance. For major world currencies, a fixed exchange rate was introduced, determined first by a basket of seven currencies, and then by the two major currencies (DM, USD). Initially, this arrangement had a positive influence. The government supported mainly exports with special measures such as a 10% devaluation of the Slovak crown (*Slovenská koruna*) in July 1993 and a 10% import surcharge (Beblavý 2000, 97, 109–111). Semi-finished products predominated among exports, which at that time were in demand on the Western market, mainly because of lower prices; that helped to preserve the traditional basis of Slovak industry. A balanced proportion of imports and exports was possible to sustain only until 1995. After that, imports predominated, because of a passive foreign trade balance (Jakoby 2000, 145–146).<sup>5</sup>

The decisive factors for further economic development and a change from an unprofitable economic structure resembled that of other transitional countries – an influx of foreign investments and the engagement of a country in the globalization process. Joining multinational economic structures depended mostly on the nature of privatization. In fact, for the privatization process, the first Mečiar government rejected the coupon method and was looking for its own alternative plan for privatization. In 1994, diverse views on privatization in Slovak ruling circles led to the dismissal of Mečiar's first



government and enabled the short intermezzo of Jozef Moravčík's government. As one of its main tasks, Moravčík's government delineated a new plan for coupon privatization. The second Mečiar government, which followed in October 1994, trashed all those ideas and presented a completely new alternative method based on bonds. In reality, the main form of privatization became a direct sale of companies to domestic investors in long-term installments, with the goal of strengthening the Slovak entrepreneurial class. This process, designated as a management privatization, had a very vague background and reduced the influence of foreign investors even more than the former state. In the years 1993 to 1995, 11 companies participated in the sale, which were priced at 4.5 billion Slovak crowns (Sk), and their share in the purchase price of the companies decreased within those years from 24% to 11%. In the following period, the inflow of foreign capital grew very slowly and lagged behind other CEFTA countries in that direction (Marcinčin 2000, 291–296).<sup>6</sup> Government and economic arrangements started to affect the relationships with foreign markets in a negative way, mostly through the stable exchange rate, which led to an overvaluation of the currency, a decrease of competitiveness, and an increase of foreign deficit to a value of 81 billion Sk (Jakoby and Krautmannová 1998, 75–81).

**TABLE 4** INFLOW OF FOREIGN INVESTMENTS TO CEFTA COUNTRIES IN 1993–2000 PER CITIZEN IN USD.

year	Czech	Hungary	Poland	Slovakia	Slovenia
1993	331	543	60	–	479
1995	771	1162	203	236	887
1997	896	1587	377	376	1232
2000	1752	1900	828	686	1507

Source: (Hošková 2001, 7–10).

A fundamental change toward the globalization of the Slovak economy took place with the formation of the reform-minded first government of Mikuláš Dzurinda in October 1998. It replaced the stable currency exchange with a so-called floating one and voided the act concerning strategic companies, which had inhibited the privatization of genuine monopolies and other crucial enterprises. A law passed introducing industrial parks and investment stimuli, which allowed for a 10 year tax reduction period, as well as benefits

for requalification. The signing of an association agreement with EU in 1999 and admission to the OECD in 2000 were strong motivating factors. The stated trend deepened and expanded in other directions during Dzurinda's second right-wing government in 2003–2006; it did so mainly by applying a consistent income tax and a value added tax of 19%, which was a part of the tax reform from 2003, in addition to being an element of joining the EU in 2004 and preparing to join the Eurozone. A part of the government's plan aimed to complete the privatization of strategic companies and the input of foreign capital was also calculated as part of the retirement and health system (Marcinčin 1997, 9–12; Okáli, Gabrielová, Hlavatý, Morvay, Outrata 2001, 195–197; Juričková, Vokoun, Kačírková 2005, 57–61). In the analyzed period, Slovakia joined international economic structures. In 1990–1999, investments worth 2.3 billion USD reached Slovakia, while in 2000–2005 it amounted to 18 billion USD. In the gains in capital per citizen, Slovakia outstripped Poland and reached the level of Slovenia. Foreign investments played a crucial role in the historical change of the structure of industry, as well as in the change of ownership in other spheres of economy.

Above all, based on foreign investors' activities, the automotive and electro-technical industries have become the most significant sectors. Today they constitute the core of Slovakia's economic potential (Okáli, Frank, Gabrielová, Kormanová, Morvay, Outrata 2005, 452–457; Ferienčíková, Vážan 2005, 523–524).<sup>7</sup> The structure of investments from the point of view of their direction was not perfect. The share of direct foreign investments in the overall value of invested capital gradually rose from 40% to 60%, but the remaining investments accrued to the purchase of strategic companies in the form of a public tender auction. The sale of even more companies occurred below their real value and was accompanied by corruption.

In terms of regional placement, the investments were directed mainly to the southwest and northwest Slovakia, similarly to the 1930s of the previous century, while in other regions investments appeared only as small islands on the map of all investments. The inflow of investments also depended on the development of employment in individual regions, as documented by data from Table 6. It follows that investment activity in addition to the structure of the economy also affected the regional socio-economic development and became part of the deep discrepancies between different parts of Slovakia. Mainly the central, south and northwest areas of Slovakia were economically underdeveloped and, as a consequence, chronic social

problems appeared, as well as political extremism. Negative factors also accompanied the hectic boom of some regions apart from southwest Slovakia, where the development of the transport infrastructure was extremely underdeveloped in comparison to economic growth (Juríčková, Vokoun, Kačírková 2005, 57–61; Dudáš 2012, 371).

**TABLE 5** OVERALL VALUE OF DIRECT FOREIGN INVESTMENTS IN THE SLOVAK REPUBLIC IN 2003–2008 AT YEAR'S END.

Year	2003	2004	2005	2006	2007	2008
FDI in billions of USD overall	14540	20035	20989	28832	34197	37759
FDI in USD per citizen	2690	3710	3890	5340	6330	6990
Exchange rate USD/SKK	32,920	28,496	31,948	26,246	22,870	21,385

Source: *Štatistická ročenka Slovenskej republiky* (2008), p. 314; *Štatistická ročenka Slovenskej republiky* (2009), p. 315; (Ferienčíková, Pappová 2010, pp. 459–473).

**TABLE 6** INFLOW OF DIRECT FOREIGN INVESTMENTS AT THE LEVEL OF SELF-GOVERNING REGIONS OF SLOVAKIA IN 1997–2008 IN COMPARISON TO THE LEVEL OF UNEMPLOYMENT IN 2012.

Self-governing region	Level of unemployment in 2012 in %	Cumulative inflow of FDI until the end of 2008 in thousands EUR
Bratislava region	5,6	19 820 110
Trnava region	11,4	2 144 839
Trenčín region	9,0	1 282 443
Nitra region	13,3	960 159
Žilina region	14,3	2 018 619
Banská Bystrica region	18,0	749 386
Prešov region	18,3	233 584
Košice region	19,7	2 331 879

Source: (Dudáš 2012, p. 371).

Foreign corporations played a crucial role also in the privatization of banking, which was preceded by the reform of banks covered from public resources. Those corporations were important as well in the privatization of insurance investments and enterprising infrastructure, such as in the natural gas

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industry, the electrical industry, telecommunications, and partially in transportation. The entrance of international business chains utterly changed the character and structure of the market. The integration of the Slovak economy into multinational economic structures and the activity of foreign capital, particularly in certain segments of economy and non-productive sectors such as natural monopolies and strategic companies, health service, as well as in trade, are more controversial issues. That is why they triggers critique, both on the political scene and in society. The main point of the critique has become the outflow of profits to foreign countries, the danger of a reallocation of investments and production to other countries, as well as the sharp decrease of domestic agricultural and food products on the market. Another of the many problems concerns the still predominant proportion of final, or rather 'montage' production in companies of foreign capital, which uses cheap labor, and the low share of the domestic development of new technologies. The accompanying phenomenon of economic restructuring since the late 1990s included the decline of agriculture and the acceleration of the demise of many enterprises in traditional areas of production, such as the food, textile and chemical industries.

The incumbent leftist government led by Robert Fico from 2006–2010 halted the privatization of strategic companies and prevented the outflow of profits of private health insurance companies, which also involved foreign capital. However, most of the economic arrangements to promote foreign investments remained in force and its approach towards foreign investors did not change in comparison to the previous period. The inflow of direct foreign investments continued in 2006–2008 and amounted to approximately 17 billion USD.<sup>8</sup> Economic and political conditions changed markedly after the onset of Fico's second government in 2012, mainly due to the so-called flat tax and an overall increase of taxes, which contributed to a worsening business environment. Development since 2008 was affected by the onset of the global economic crisis, which substantially limited investment activity on a global scale. The economic crisis in Europe associated with the financial and budgetary crisis in the Eurozone, also influenced the orientation of world markets and Slovakia's foreign trade. Slovakia remains a main partner of the EU, and especially Germany, but China has quickly raised its share of Slovak foreign trade exchange, and has already moved up to second place (Morvay 2011). It has proven difficult to find an alternative to economic development based on foreign capital and supranational economic structures, within the space of Europe, particularly in the EU and Eurozone.

Fundamental changes would have to occur at the global level, for example, in regard to the withdrawal of global corporations' profits. Currently, it is in fact more a crisis of the global socio-economic system than the fluctuations in the economic cycle. Therefore, addressing global economic challenges will require long-term and far-reaching changes in global social systems.

A comparison of the business cycle in Slovakia and other central European countries after the collapse of the Habsburg monarchy in 1918 and the Soviet bloc in 1989 shows that the economies of the given countries, in which crises occurred, happened for economic as well as broader non-economic reasons. They were both very similar in many ways after 1918 and after 1989. They consisted of different constitutional changes as well as changes in the overall political and socio-economic system. At the same time, they logically manifested different characteristics. The extent of their influence depended on the specific conditions of individual successor states, or post-communist countries. It depended particularly on the internal structure of the economy and the level of overall economic development achieved. Initial economic conditions and other economic and political developments after 1918 and 1989 determined the depth of crisis phenomena. In countries with unfavorable initial conditions, which also included Slovakia, the national economic and political changes influenced the comparative economic cycles more substantially than the effects of global economic fluctuations, whether it was the world economic crisis of the interwar period, or the global economic crisis in 2008–2009.

A common feature of development after the dissolution of the Habsburg Monarchy and the Soviet bloc in the successor states, and later the post-communist countries, was the disruption of long-term economic relationships and the loss of traditional market outlets. A reorientation of markets followed and thereby changed the structure of the economy, leading to infrastructure problems and economic losses. In Slovakia, the mentioned factors were compounded by an unprofitable economic structure, due to economic development after 1918 and 1989. While Slovakia in 1918 joined the new Czechoslovak Republic at the beginning of the industrialization process, at the end of the 1980s, it found itself in its final phase. The unprofitable structure of the economy, focused on semi-finished goods and armaments, was the result of the economic politics of the previous socio-economic system and its state of crisis. At the same time, however, it depended on specifics of the economic strategy of Czechoslovakia before 1989 relative to the western and eastern part of the state. In interwar Czechoslovakia,

the economic development of Slovak industry was realized in a common economic space with the Czech lands, where a poorly developed Slovak industry and some other segments of economy encountered competition from Czech regions. In the 1990s, that phenomenon only played a more crucial role until the dissolution of common state in 1993. The Slovak economy was still developing within the economic space of an independent country. Subsequent change occurred with Slovakia's admission into the EU in 2004 and its integration into global economic structures.

With the establishment of Czechoslovakia, Slovakia, in addition to losing traditional market outlets, also lost the support of industrialization policies of the former Kingdom of Hungary, and the corporate sector had to face serious infrastructural problems, which reduced its competitiveness. Partial changes of ownership relations appeared with processes of nostrification and land reforms. However, the continuity of a market economy remained intact. The impact of the Monarchy's demise and formation of a new economic space in Czechoslovakia accelerated the post-war economic and deflationary crisis. The loss of production, especially in industry, was the consequence of the changing economy and also the long-term stagnation of industrialization during the business cycle of the 1920s. Stagnation was related to the slow elimination of unprofitable production conditions in Slovakia, especially in transport. The change of philosophy of the country's economic strategy, paradoxically, stimulated the consequences of the Great Depression. An interest in creating new jobs in the 1930s accelerated the rebuilding of infrastructure and external threats led the state to investments in the armaments industry in Slovakia. A cheap labor force and the consolidation of production conditions also attracted investments in non-military production. A new wave of industrialisation had begun.

The changes in the economic structure and ownership in Slovakia in the 1990s after the collapse of the Soviet bloc assumed considerably greater dimensions than in the 1920s, and were accompanied by more extensive economic losses. During the last years of Czechoslovakia's existence, Slovakia's economy transformed from a centrally planned economy to a market economy and began the process of privatization. The influx of foreign capital depended on the character and pace of this process, as well as on the remodeling of an unprofitable economic structure created in the former regime. After becoming an independent state, the nature of privatization in Slovakia took a new direction from the political group under V. Mečiar, which

slowed down the influx of foreign capital, which preserved the old structure of economy. The economic strategy of political incumbents since the end of the 1990s brought about an increase in foreign investments. That enabled the admission of Slovakia to the EU and, as a consequence, also to the Eurozone.

The composition of key economic sectors has completely changed. Integration into international economic structures, however, has also brought some negative effects. Dozens of viable enterprises disappeared, foreign competition undermined agriculture, new disproportions in the economic development of regions appeared, and profits from new sectors escaped abroad. Slovakia's integration into the global economic system exposed it to global crisis occurrences, as was the case during the economic crisis in 2008–2009. The crisis phenomena, however, can only be addressed effectively at the global level.

Text translated into English: Katarzyna Kaczmarek and Michael Kopanic

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## ANOMIE AND THE PUBLIC TRANSPORTATION OF BUDAPEST. THE EFFECTS OF HYPERINFLATION, 1945–1946

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### ABSTRACT

*This paper describes and analyzes the everyday effect of hyperinflation through the example of public transportation. In everyday life in Budapest, trams were traditionally the most important means of mass public transportation. The stressful atmosphere of tram journeys is revealed through the complaints written by passengers. In January 1946 the state extended the administration of instant punishment to the employees of the transportation company as well. The employees did not leave their job, because the company provided them with food. Hyperinflation loosened the ties within society, the traditional cooperation mechanisms of society became weaker, yet anomie did not lead to anarchy.*

This story is about the micro impacts of the macro scale processes that baffled Eastern European Countries in the Soviet sphere of influence following World War II. What kind of macro scale processes are we talking about? The Eastern European extension of the Soviet Union's economic and political influence behaved differently in countries that emerged from the war victorious from those that lost the war. The funding for the recovery of the Soviet economy was taken from Eastern European countries. In victorious countries like Czechoslovakia, Poland and Yugoslavia the economic and political transformation to conform to the reality of the new power structure progressed faster. These states had already carried out monetary reforms and nationalization in 1945, what's more, they had introduced the framework for a planned economy earlier. In the years following 1945, reconstruction's growing need for money caused financing by inflation in these countries as well.<sup>1</sup>

Nationalization and the introduction of a planned economy – i.e. the buildup of a new economic and political framework – progressed somewhat more slowly in those countries that lost the war. As far as these countries were concerned, the Soviet Union was interested in exploiting their economic resources as intensively as possible. In the years following 1945 the losers had to fulfill reparation payments, provide dismantled factories as war trophies, and sign economic contracts that were only beneficial for the Soviet Union. These liabilities forced the defeated countries to export capital in a situation in which restoration was also vital. And so inflation was much higher in these defeated countries compared to those that emerged victorious. In Hungary's case, reparation payment amounted to 600 million dollars, in contrast to the 200 million dollar contractual obligation, according to calculations by László Borhi.<sup>2</sup>

Historical literature discusses Hungarian hyperinflation of 1945–1946 as a unique phenomenon.<sup>3</sup> The reasons for its occurrence were explained by the financing of Hungary's war reparation payments (issuance of unsecured banknotes) as well as by expenditure related to the support of Soviet troops stationed in the country (between 500,000 and 700,000 people). The increasing inflation of the wartime Hungarian currency, the pengő, lasted from July 1945 until the end of July 1946. In the summer of 1946 people could purchase hardly anything in the shops in exchange for their pengős, practically the only available options were barter and the illegal black market. All this meant that masses of people living on fixed incomes were sinking deeper and deeper into poverty and had to exhaust their pre-war savings to make ends meet. Finally, on August 1, 1946, the introduction of the new currency – the forint (Ft) – put an end to hyperinflation.

This study aims to present the everyday effects of hyperinflation through the example of the public transportation of Budapest. Archive material in itself is not able to shed light on every detail of this story. The most precious part of the documentation – the minutes of the Directors Board Meeting of the Budapest Székesfővárosi Közlekedési Rt. (Budapest Transportation Company Ltd., hereinafter BESZKÁRT) – mainly reflect events from the point of view of the management struggling to keep the company going. Only partial archival data remained on several questions considered to be sensitive issues at the time (e.g. food supply of the employees of the company, discipline at work). Besides the written complaints of passengers, visual resources (photos, tram posters and drawings expressing the point of view

of passengers) bear witness to the signs of social anomie and the everyday trials people were facing during the months of hyperinflation.

In everyday life in Budapest, trams were traditionally the most important means of mass public transportation.<sup>4</sup> As a result of the war, BESZKÁRT suffered mainly from the loss of its rolling stock. During the siege of the capital city, 80% of the tram cars were damaged, but the tram tracks remained in relatively good condition. By August 1945, of the 1860 damaged tram-cars the employees of the company put 1114 back into operation, which took an enormous effort. However, as a result of the provisional repair works, the number of functional tram-cars began to decrease as soon as the beginning of 1946. In January-February, 1946 only 830–920 tram-cars operated on a daily basis.<sup>5</sup> By April 1946 the tram system could only be sustained at the expense of eroding the rolling stock: trams were taken apart and their parts were used to mend broken vehicles.<sup>6</sup> By July 1946 some 400 trams, which had been repaired in the course of the previous year, were unserviceable. The transportation overload of vehicles further accelerated their amortization. The tram track network did not suffer similar damage during the war. By the end of 1945, 90% of the 191 km long electric street car system was in a serviceable condition. The quality decline of this network started in 1946 since the maintenance works of the previous year had failed to take place. In January 1946 the company had 18,000 employees. In 1945 the trams carried only some 208 million passengers. Performance boomed and in 1946 the trams covered as much as 80 million kilometers with as many as 410 million passengers.<sup>7</sup> Nevertheless, this was still about 44% less than the transport capacity registered in 1943.

The new board of directors of BESZKÁRT, which was owned by the capital city, started its operation at the beginning of August 1945, just before the local government elections held in the fall of that year. Political parties, the state and the leaders of the capital city all appointed their representatives to the board. Naturally, the company management and the representatives of the employees shared the workload of this body. The weekly board meetings were headed with great skill by Sándor Millok, a social democratic politician who managed to avoid the sharpening of political counter interests among the parties. During the period 1945–1946 board meetings were not characterized by heated debates. The board, in which the delegates of the parties were especially active, quite often failed to support the proposals of the operative leaders of the company. The majority of the board's time

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was spent on discussing the current tariff increase. In 1945 alone, fares were increased eight times. During the period January 7, 1946 – July 9, 1946 tariffs were upped on 20 occasions. I present the increasing trend in travel fares by using one ticket type – the cheapest one available – as an example, the so-called through ticket. (Figure 1.) In 1944 the price of the ticket was 0.4 pengős. The data below were taken from a collection documenting the tram transportation of 1946 by compiling the passenger information posters, which were placed inside trams.

**TABLE 1** THE PRICE OF THE TRAM THROUGH TICKET IN PENGŐS IN 1946<sup>8</sup>

7 January	500	27 June	3 000 000 000 000
28 January	3 000	28 June	10 000 000 000 000
23 February	20 000	29 June	30 000 000 000 000
20 March	50 000	2 July	200 000 000 000 000
1 April	100 000	3 July	500 000 000 000 000
25 April	1 600 000	4 July	2 000 000 000 000 000
2 May	3 200 000	5 July	5 000 000 000 000 000
10 May	5 000 000	6 July	50 000 000 000 000 000
23 May	50 000 000	7 July	200 000 000 000 000 000
14 June	5 000 000 000	9 July	500 000 000 000 000 000

From July 9 the travel fares were not calculated in pengős anymore but in a new currency, the so-called Tax Pengő.<sup>9</sup> From this point forward it is impossible to follow the up-to-date price increase in the archived documents. The reason for this is that information for the public about tram fares was not printed out each time it were changed, instead the company stuck the new rates on top of the old ones. (Figure 2.) The last known fare is from the period preceding the introduction of the forint on August 1. On July 25 one through ticket cost 500,000 Tax Pengős.

Theoretically BESZKÁRT had to maintain its operations from the revenues collected from travel fares.<sup>10</sup> This, however, proved to be impossible, they even had to take out loans to be able to pay employees' wages on time. The rate of tariff increase – due to political considerations – followed the rate of increase in wages but with a delay. The prices of raw materials and consumer goods demonstrated an even greater rate of increase. Lacking financial

resources, BESZKÁRT was unable to purchase even the most necessary goods (gas and motor oil) during the winter of 1945–1946. In addition, in Hungary, due to the general lack of coal, the use of electric energy had to be limited as well. All this had an effect on mass transportation: during the bitterly cold winter months the trams did not run in the mornings in Budapest. The inhabitants of the capital city were cold, hungry and forced to take long walks on a daily basis.<sup>11</sup>

  
**BUDAPEST SZÉKESFŐVÁROSI KÖZLEKEDÉSI RT.**

## Viteldíjak a villamoson és az autobuszon

Érvényes: 1946 július 2.-tól

<b>Gyermekjegy</b> . . . . .	200 billió
<b>Átszállójegy</b> . . . . .	400 „
<b>Hetibérletjegy</b> . . . . .	4.000 „
<b>Dolgozók hetijegye*)</b> . . . . .	2.400 „
<b>Tanuló-tanonchetijegy</b> . . . . .	1.200 „
<b>Útvonalbérlet</b> . . . . .	16.000 „
<b>Arcképes havi bérlet</b> . . . . .	32.000 „
<b>Arcképnélküli havi bérlet</b> . . . . .	48.000 „
<b>Pótdíj</b> . . . . .	2.000 „
<b>Autobusz menetjegy</b> . . . . .	2.000 „
<b>Autobusz operai járat</b> . . . . .	4.000 „

**Kutyák után teljesárú átszállójegy váltandó.**  
Csomagok után (háton vitt vagy perrónra helyezett megrakott hátizsák, zsák, bőrönd, gyermekkosci stb.), melyek a padok alatt az utasok háborítása nélkül el nem helyezhetők, ölben vagy félkézzel nem tarthatók, **csomagszállítási díjként teljesárú átszállójegy váltandó.**

\*) „Dolgozók igazolványá”-nak felmutatása mellett érvényes.  
A rövidített hirdetési határidőt a közlekedésügyi miniszter úr rövid úton engedélyezte.

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**Figure 1.**  
Passenger  
information poster  
placed inside trams.  
Fares of July 2 1946.

**Source:**  
Collection called  
“Hirdetmények  
1946.” Private  
ownership



**Figure 2.**  
Passenger  
information poster  
put up inside trams.  
The current fares  
of the day were  
stuck over the  
previous ones. At  
the very top the  
status of July 25  
1946 is shown.

**Source:**  
Collection called  
"Hirdetmények  
1946."

65.

1946 július 25-től

**BUDAPEST SZÉKESFŐVÁROSI KÖZLEKEDÉSI VÁLLALAT**

## Viteldíjak a villamosok és az autobuszek

Érvényes:

<b>Gyermekjegy</b> . . . . .	24.000.000	"
<b>Átszállójegy</b> . . . . .	60.000	"
<b>Hetibérletjegy</b> . . . . .	800.000	"
<b>Dolgozók hetijegye*)</b> . . . . .	1.600.000	"
<b>Tanuló-tanonchetijegy</b> . . . . .	2.400.000	"
<b>Útvonalbérlet</b> . . . . .	100.000	"
<b>Arcképes havi bérlet</b> . . . . .	100.000	"
<b>Arckép nélküli havi bérlet</b> . . . . .	200.000	"
<b>Pótdíj</b> . . . . .	40	"
<b>Autobusz menetjegy</b> . . . . .		
<b>Autobusz operai járat</b> . . . . .		

**Kutyák után teljesárú átszállójegy**

Csomagok után (háton vitt vagy perrónra helyezett megrakott hátizsák, zsák, bőrönd, gyermekkosci stb.), melyek a padok alatt az utasok háborítása nélkül el nem helyezhetők, ölben vagy félkézzel nem tarthatók, **csomagszállítási díjként teljesárú átszállójegy váltandó.**

\*) „Dolgozók igazolványá”-nak felmutatása mellett érvényes.

A rövidített hirdetési határidőt a közlekedésügyi miniszter úr rövid úton engedélyezte.

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The operation of BESZKÁRT reached its worst stage in July 1946. At that point travel fares were 8% of the price rate of 1938. The travel fares were insufficient for the maintenance of service operation even on the very day of their introduction. This was when the company management suggested – as a stopgap solution – to suspend traffic temporarily on a 41 kilometer network section. Given the incident-prone network of tracks, the missing street-cars and the limited number of ticket conductors, it was impossible to keep to



the timetable. The board of directors did not agree to the suspension of operation because this plan was politically unacceptable. They decided to “maintain transportation at all costs even if it meant severe damage to the running stock”.<sup>12</sup> Nevertheless, the limitation of public transport by tram had long been in existence. Following the forced outages of 1946 to save on electricity, the company operated a significantly lower number of trams (921 instead of 1027) than the number identified on the timetable. The month of July 1946 was made even more difficult due to the higher than average absence rate of employees: many of them returned to their homeland to give their families a hand in harvesting the crops.

### **Traveling conditions**

On tram vehicles most often consisting of one car – apart from the driver – one conductor was on duty. The conductor basically had two tasks. Theoretically s/he had to get off at every stop and then – after making sure that the passengers were safely boarded – s/he was to blow a whistle for the driver to start the tram. During the time between the stops, the conductor walked through the car and sold tickets to passengers not having a season ticket. This work schedule worked well during the pre-war times when the trams were not overloaded yet. However, after the war the guards did not get off at every stop anymore because there were no guarantees that they had room when they wanted to get back on the tram. Instead, they leaned out of a window to start the tram. To reduce the crowdedness and to create more standing room, from February 1946 the company started to remove the middle row seats.

BESZKÁRT tried to have the police prevent passengers from traveling on the steps of the trams which was extremely dangerous.<sup>13</sup> From time to time the management turned to the mayor to have the police deal with those traveling on the steps by heavily penalizing them. In August 1945 during a five-day action conducted by the police, masses of people traveling on the steps had their identity cards checked. But the police were also short of staff, they did not have the energy to focus on such insignificant matters. However, there were cases when the customers did not only occupy the steps in the direction of travel but also the opposite ones, moreover, they also climbed up on the roof.

Unfortunately the accident statistics of 1945–1946 cannot be compiled due to lack of data. The incomplete monthly reports which remained show an extreme and ever decreasing standard. Between November 21 – December 20, 1945 a total of 145 accidents of bodily harm occurred, of which

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10 were fatal while 97 were severe. During the first three months of 1946 tram transportation was the cause of 502 accidents involving bodily injuries. Fifty died and 254 were severely injured. During this period of time, trams collided with other vehicles in 498 cases, the number of derailment cases was 131. Surprisingly, neither the managers of the company, nor the board of directors paid attention to the extreme injury indicators. No measures were taken to reduce the number of incidents.

The atmosphere on the trams was extremely tense. The stressful atmosphere and discomfort of tram travel are revealed by the complaints written by passengers. Interestingly enough it was not the circumstances of traveling (trams running rarely and overcrowded, service outages, accidents) that tested the tolerance level of passengers but the behaviour of conductors. Week in, week out, letters were sent to the company headquarters by upset passengers. The core message of these letters is the following: traveling by tram is not an enjoyable experience, why do conductors make it even more unpleasant? Don't we have enough problems of our own, must we endure their rudeness as well? The passengers were convinced that the behavior of the conductors had changed over the previous years because they no longer wore individual identification numbers on their uniforms. Before the war there was a number on the hats of conductors. However, in 1945 one of the trade unions managed to get these identification numbers removed.<sup>14</sup> Passengers frequently found themselves in a situation where they did not know who to complain about.

The conflicts between a conductor and a passenger almost always followed the same pattern: the conductor, irritated by the stressful work conditions swore and/or raised his hand against a passenger and the passenger found his behavior unacceptable. The second part of the conflict was spent on who was who and that the conductor should provide proof of identity immediately. The increasingly rude tone used towards the end was also infused with political swearing and threats which had nothing to do with the original conflict. The written complaints mailed to BESZKÁRT are examples of verbal or, in certain cases, even of physical aggression. From the specific case descriptions here are some rather typical ones. Not one but two witnesses signed the complaint according to which the conductor tried to push off a passenger who was traveling on the tram steps while the tram was moving at high speed. In another case the conductor deliberately pushed off the hat from the head of a passenger thus forcing him to jump off the tram while the vehicle was in motion to save his hat for "a hat is priceless these days".<sup>15</sup>

At another time, because the conductor was being rude, the passengers joined efforts and prevented the tram from leaving the stop. According to less extreme case descriptions the conductors gave the start signal to the driver while not every passenger who wanted to get on was able to board the tram. The company investigated the cases here and there but not too intensively. There was a general text according to which the conductor at fault was punished, reprimanded and was instructed to behave politely again.

There was one, albeit unusual, letter of praise as well addressed to BESZKÁRT requesting that a conductor should be rewarded for her outstanding behavior. The conductor lady was very polite – wrote the passenger – which was a rare experience to have on trams: “people from the countryside got on the tram with a big baggage and she treated them in the most polite manner possible and made sure that when these people were getting off, the whistle blower (the person whose job was to start the tram with a signal) did not start the vehicle, lest these people should fall off the tram, etc. This lady was behaving so nicely that several passengers noticed her and acknowledged appreciatively that such conductors also existed. I would have really liked to have all passengers traveling on that tram sign a sheet of appreciation.”<sup>16</sup> An amusing incident related to this matter is that BESZKÁRT did not consider the rewarding of this conductor to be reasonable. The conductor lady only acted as we instructed her to behave, therefore she is not entitled to any special praise – reads the response of the company.

**“the payment ethics of our passenger base are notoriously quite loose”<sup>17</sup>**

As much as the passengers blamed the conductors, BESZKÁRT accused the passengers. The company incurred losses not only because the number of passengers traveling free of charge was high<sup>18</sup> but also because of the characteristics of the tariff system. The response people gave to hyperinflation was reasonable, the number of pre-purchased tickets and one-week passes was showing a strong increase while the value of these items was declining. This was not cheating on their behalf, travelers simply took advantage of the opportunity. By May 1946 some 50% of paying passengers traveled with a weekly pass.<sup>19</sup> However, with the dynamic spread of weekly tickets the losses incurred by the company increased. In order to curb losses, the company limited the use of weekly passes, according to the new regulations weekly tickets could only be used for traveling to work and only those were entitled to purchase a weekly ticket who could show a proof of entitlement from their employer. Not surprisingly, the stricter rules imposed

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on people did not deliver any result. Employers also went along with the evasion of the regulations and issued their proof of entitlement enabling ticket purchasing to anyone without consideration. “The mass of requests placed for weekly tickets is ‘unprecedented and beyond all expectations’, ‘major companies, factories and even institutions in the capital city are issuing proofs by neglecting the rules.’” – states the record taken at the Board meeting held on June 18, 1946.<sup>20</sup>

The conductors also took advantage of the rapid tariff increase of tickets, while the management of BESZKÁRT was considering different actions to fend off the latest forms of fraud. This was a cat-mouse game in which it was always the company who was put at a disadvantage (was forced to take action). The fraudulent game conductors played was that on the day before a tariff increase they would purchase all of the tickets from their own budget and sell them to the passengers the next day at the new, higher rate. The counter action of the company: the conductors were only allowed to sell those tickets marked with a serial number, which they were given at the beginning of their shift each day. The conductors’ reaction to this measure was that they asked all passengers getting off the tram to return their tickets, which were then resold to the new passengers. This trick had a tradition at BESZKÁRT which can be traced back all the way to the 19<sup>th</sup> century. And the story went on and on.

The point of the passengers’ frauds was aimed at ways to avoid payment. Given the passenger overload on trams, the tricks were not too subtle. Since in a crowded tram car the conductor had difficulty moving around, s/he was not able to reach many passengers to check their tickets. Those traveling without a ticket – if caught red-handed – defended themselves by saying that they wanted to purchase a ticket but the conductor did not come to them. The response of the company was that they sent conductors to work in civilian clothing.<sup>21</sup> The conductors monitored passengers on both ends of the tram in order to spot those who deliberately wanted to avoid ticket purchasing. They were relying on the movements of travelers to determine fare evaders. Not surprisingly, this way of ticket control did not deliver major results: in February 1946 only some 380 penalties were imposed. Naturally, travelers could also evade purchasing a ticket if they did not even try to get into the middle of the tram but they remained on the outer steps, or – which was extremely dangerous – they grabbed the rear bumper and sat on it. Considering the overcrowded tram cars, traveling on

the outer steps did not automatically mean that those traveling there were all trying to avoid payment. The guards had a vested financial interest in the reduction of the free rider base because their salaries also depended on the number of tickets sold. According to an estimate by the board, the number of free riders was 15% of the total traveler base. This was based on the data showing the rate of increase in the volume of tickets sold on one tram if two conductors were in service instead of one. However, the free rider counts carried out in March 1946 were not followed by the introduction of a second conductor. The company also lacked staff.

### **A crack in the wall of work culture**

At the beginning, the company attempted to prevent the decline in work ethics and discipline by influencing the conscience of employees. (Figure 3) How is it possible that in 1944, while the war was still ongoing, the company was able to achieve a higher transportation performance with a lower staff than now in 1945–1946? Why were employees more disciplined back then and why aren't they now? These were questions to which there was no simple response. "You worked more and better for those who had driven the country to ruin! This is the sad truth." – reads a poster with a touch of reproach.<sup>22</sup> These softer forms of pressure were not effective. In October 1945 BESZKÁRT had an – albeit failed – attempt to stop renunciations due to lack of labor by a bureaucratic ban. Referring to their public interest activity, the management was actively lobbying for the government to prohibit denunciation of their employees. However, their efforts failed. Nevertheless, as a result of declining social conditions, in January 1946 the state extended the administration of instant punishment to the employees of BESZKÁRT as well.<sup>23</sup> From that point forward every employee who was caught stealing company property immediately faced instant punishment and the threat of the death penalty. No documents report on whether there were actual cases of this.

A very telling proof of the decline in the discipline at work is that the company introduced a separate bonus for all those who turned up at their workplaces on each workday. The relativity of the obligation to show up at work was triggered by the lack of food on a national level. In February 1946 one of the members of the board suggested that each employee should be given several days off every month in order to procure food. Naturally, such a regulation could not have been made. Absence from work could not have been legalized, nor could they have been penalized. The company

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management tacitly acknowledged this situation. In February 1946, they introduced a bonus which was 12,5% of the monthly salary. The conditions of receiving the bonus were not strict. Theoretically only those who worked every workday were eligible for the bonus. Practically it was given to everyone.<sup>24</sup> From the benefits encouraging employees to work those were the valuable ones, which were given in kind not in money. In 1945, as a Christmas gift, the employees were given a can of food, two eggs and some apples. In the spring of 1946 the company launched a work competition with the following prizes: 200–500 kilograms of coal, 200–500 kilograms of firewood and 10–20 liters of petroleum.

**Figure 3.**  
BESZKÁRT  
propaganda  
poster to improve  
discipline at work,  
1946. The text says:  
"Tram Conductor  
Colleagues!  
We were able  
to perform the  
checking and  
handling of the  
tickets of (...) one  
million passengers  
by putting (...) conductors into  
service per day.  
(...) however for  
the same task we  
had to employ (...) people per day. Any  
further decline in  
the performance  
may result in  
a breakdown  
of service!"

**Source:**  
Collection called  
"Hirdetmények  
1946." Private  
ownership





Therefore, due to the fact that wages lost their purchase power, the importance of having a job was not so significant. Wages barely covered the cost of a basic standard of living. Despite all this, employees did not leave their jobs in high numbers. The reasons for this were multifold. During the months of inflation, the small communities of BESZKÁRT employees attempted to get through the difficult times also by supporting and relying on one another. Instead of the depreciating value of wages, the fringe benefits of the employment became truly important.

BESZKÁRT provided food supplies – although at a low standard – to their employees. In the shops of the company the employees were able to receive their food rations. They were able to purchase a bread ration of 20 decagrams, or flour, lard, coffee substitute, etc. In addition to the food distribution shops, even more important were the canteens of the company. BESZKÁRT operated 12 company canteens where each employee and their family members received a hot plate of food for lunch. The extensiveness of canteen services is reflected in the fact that in December 1945, 48,000 portions of meals were consumed per day. This was enough to stay alive yet, quite naturally, it was not enough to trigger a sense of well-being.

But where was BESZKÁRT able to acquire food from? Theoretically the company – in possession of food purchase permits issued by the government – had to be served by the producers and vendors from the countryside. However, farmers were reluctant to sell their produce at a significantly lower price than the black market rates, therefore they denied having any stock. BESZKÁRT, however, had a great advantage: it owned transportation vehicles. The products located by the company's procurement staff were transported to Budapest on company trucks. Buses, trucks, even trains pulled by BESZKÁRT's own diesel engine ran back and forth several times a week between Budapest and target stations in the countryside. The company concluded barter agreements with the producers. From these affairs, only one of them survived in written form. The contract is not about food but firewood. The company transported the logged firewood to the capital city, in exchange the owner was to sell a part of the firewood cargo to BESZKÁRT at a lower rate than its black market price.

In order to eliminate the tension surrounding food supply, in the fall of 1945 BESZKÁRT gave permission to its employees to travel to the countryside

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on the food transporting trains.<sup>25</sup> Employees had plenty of room in the empty cars running from Budapest to the countryside. However, problems occurred on the way back. The company procurement staff and the employees carrying increasingly large food packages cooperated in the distribution of storage space. All this resulted in the fact that less and less room remained for the transportation of products required for the public supply of employees. Due to transgressions, BESZKÁRT was imposing stricter controls over the use of the vehicles transporting the goods for travel purposes. They defined a top limit for the number of persons allowed on board, the weight of luggage allowed to be carried and finally, from April 1946 they refused to transport people altogether.

To sum up the content of the previous pages, in addition to impoverishment, the lack of goods and the decline of work culture, hyperinflation also had another consequence impacting the deeper levels of social structure. The rules of social cooperation – both written and unwritten – fell apart. All the players participated in the creative interpretation or avoidance of these rules, including private individuals, companies and, moreover, the state itself. Nevertheless, the methods and the tools were different depending on the possibilities and the power of the players. For instance, the method of the state power was that it kept moving the goalposts all the time adjusting them to the situation of the given moment. For example, the rule was that BESZKÁRT had to sustain its operations from its revenues. However, since this rule was impossible to adhere to, the state was continuously subsidizing the company. BESZKÁRT and Hungarian State Railways had a mutually accepted rule that – in possession of travel permits – the employees of the companies were able to travel from their home to their workplace by using each other's services free of charge. In reality this meant that every railway or BESZKÁRT employee wearing a uniform travelled for free. This was all public knowledge, even the management of the transportation companies were aware of this rule breaking practice. What did the people do? They kept track of the changing rules and found ways to avoid them. When BESZKÁRT introduced the provision of a bonus in the case of employees who were not absent from work, the employees realized what this rule actually meant. It was not obligatory to go to work every day.

The traditional cooperation mechanisms of society became weaker, hyperinflation loosened the ties of society, yet anomie did not lead to anarchy.



Many still remembered the similarly extreme inflation rates which evolved after the first world war. People had experience on how to survive such a situation. On the other hand, the people of Hungary had a very strong hope that after August 1, 1946, with the introduction of the new currency, their lives would get better. And indeed, as the new currency made its debut, shops were reopened, even though the world of food coupons did not come to an end for a very long time after that.

Several people voiced the experiences of BESZKÁRT regarding hyperinflation at a board meeting held on November 19, 1946. The company management is not only to ensure the prosperity of the company – stated one of the delegates – but should also maintain the peace of mind of its employees. Someone else talked about the fact that at the time of inflation the monthly wage of people had been equal to the price of half a kilogram of potatoes and that the time had come for people to live a decent life.<sup>26</sup> In that situation demanding a decent life only meant: the shops are selling lard right now, the company should pay the year-end bonuses now. But this all leads us to another story.

What is this story actually about? In everyday life, hyperinflation was a temporary situation. Its outcome could be foreseen: the introduction of the new currency. It was extremely important, as it meant hope for everyone. The devaluation of money relativized the traditional cooperation mechanisms of society. Travel was stressful and hostile, moreover there were many serious and fatal accidents. The employees of BESZKART worked for food and a hot daily lunch instead of their wages. Discipline at work got weaker. Both the conductors and the passengers participated in swindles concerning tickets. The rules of public transportation were flouted regularly.

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### ENDNOTES

- 1 According to data by Tamás Réti, the amount of money in Czechoslovakia in 1948 was nine times larger than ten years earlier. In Poland inflation was even higher. The soviet state claimed the German assets that were invested in Czechoslovakia and Poland during the war. Tamás Réti, *A gazdasági rendszerváltás és a korlátozott szuverenitás Kelet-Európában 1945–1948 között*.
- 2 László Borhi, *Hungary in the Cold War 1945–1956*, pp. 141–153
- 3 János Honvári (ed.), *Magyarország gazdaságtörténete*, pp. 447–451. Iván Pető and Sándor Szakács, *A hazai gazdaság*, pp. 58–60. William A. Bomberger and Gail E. Makinen, *The Hungarian Hyperinflation*, pp. 803–804, 806–807. William A. Bomberger and Gail E. Makinen, *Indexation, Inflationary Finance*.
- 4 This study does not focus on bus travel which was marginal at the time, being limited on only one or two operating lines. Similarly, it fails to include the discussion of the metro line because the performance of these two means of mass transportation cannot be compared to that of the tram. Nevertheless, the crisis situation outlined in this study was also relevant and observable in the case of these two public transport modes in the city.
- 5 Minutes of the BESZKÁRT Board of Directors Meeting taken on February 12, 1946. BFL. XI. 1919. c.145. doboz.
- 6 Minutes of the BESZKÁRT Board of Directors Meeting taken on April 12, 1946. and Economic audit of the BESZKÁRT BFL. XI. 1919. c. 15. doboz.
- 7 István Káposztás, “A fővárosi közlekedés,” p. 286.
- 8 Source of data: Collection called “Hirdetmények 1946.” (Public advertisements 1946) Private ownership.
- 9 Beatrix Paal, “Measuring the Inflation of Parallel Currencies,” p. 4.
- 10 Minutes of the BESZKÁRT Board of Directors Meeting taken on Januar 8, 1946. BFL. XI. 1919. c. 15. doboz.
- 11 Passengers understood the reason for the limitations in traffic but not its method. Why didn’t they stop the tram service in the evening hours? During the day we must go about collecting food and „long distance walking impacts people who are particularly suffering with run down shoes or having no shoes at all.” Letter of Mrs. József Kismarosi to BESZKÁRT on December 13, 1945. BFL. XI. 1519.h. 145. doboz, 010108/1945.
- 12 Minutes of the BESZKÁRT Board of Directors Meeting taken on July 2, 1946. BFL. XI. 1919. c. 16. doboz.
- 13 The letter of BESZKÁRT to the Mayor of Budapest, 3 Januar 1946. 1289/1946. BFL XI. 1919. h. 146. doboz.
- 14 The company explained the disappearance of ID numbers by claiming that they received a high number of groundless complaints. In reality, the objective was to make it difficult for passangers to file a complaint.
- 15 Complaint of passengers to the Directorate of BESZKÁRT, December 10, 1945. BFL. XI. 1519.h. 145. doboz 010541/1945.
- 16 Irén Gerecze to the management of BESZKÁRT, December 6, 1945. BFL. XI. 1519.h. 145. doboz 010194/1945.
- 17 The letter of BESZKÁRT to the Mayor of Budapest, May 22, 1946. XI. 1519.h. 147. doboz, 003800/1946.

- 18** Approximately 19% of the passengers did not buy a ticket. Minutes of the BESZKÁRT Board of Directors Meeting taken on February 12, 1946. BFL. XI. 1919. c. 15. doboz.
- 19** Minutes of the BESZKÁRT Board of Directors Meeting taken on May 22, 1946. BFL. XI. 1519.c.16. doboz.
- 20** Minutes of the BESZKÁRT Board of Directors Meeting taken on June 18, 1946. BFL. XI. 1519.c.15. doboz.
- 21** Memo about checking of passengers, October 31, 1948. BFL. XI. 1519. n. 3. doboz.
- 22** Past and present. The dark side of reconstruction. BESZKÁRT poster, 1945. Collection called "Hirdetmények 1946."
- 23** Announcing instant punishment. Proposals. January 4, 1946. BFL. XI. 1919. h. 146. doboz.
- 24** Decree No. 3213/1946 on the Provision of bonuses and the regulation of fringe benefits. BFL. XI. 1519.h. 147. doboz.
- 25** Decree, December 29, 1945. 000110/1946. BFL. XI. 1919. h. 146. doboz.
- 26** Minutes of the BESZKÁRT Board of Directors Meeting taken on November 19, 1946. BFL. XI. 1619.c.17. doboz

### LIST OF FIGURES

**Figure 1.** Passenger information poster placed inside trams. Fares of July 2, 1946.

Source: Collection called "Hirdetmények 1946." Private ownership.

**Figure 2.** Passenger information poster put up inside trams. The current fares of the day were stuck over the previous ones. At the very top the status of July 25, 1946 is shown.

Source: Collection called "Hirdetmények 1946."

**Figure 3.** BESZKÁRT propaganda poster to improve discipline at work, 1946. The text says: "Tram Conductor Colleagues! We were able to perform the checking and handling of the tickets of (...) one million passengers by putting (...) conductors into service per day. (...) however for the same task we had to employ (...) people per day. Any further decline in the performance may result in a breakdown of service!"

Source: Collection called "Hirdetmények 1946." Private ownership.

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## THE EMOTIONAL CLIMATE IN POLAND IN THE 80S: A NEW PERSPECTIVE ON THE SOCIAL HISTORY OF THE POLISH PEOPLE'S REPUBLIC

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### ABSTRACT

*In this article we address a research problem bordering on sociology and history – the emotional climate in Poland in the 80s in the light of personal documents. We will describe the most important problems connected with the chosen perspective – we intend to apply the achievements of the history of emotions and the sociology of emotions. We will then present the theory of emotional climate by Joseph de Rivera and an untypical source that we are going to use: letters intercepted by censors. Finally we will present a sample of what can be understood from those letters about the emotional climate.*

### Sociology of Emotions, History of Emotions

“When Catherine Lutz and Geoffrey M. White published an article entitled *The Anthropology of Emotions* in 1986 summing up the last decade of anthropological studies of emotions, the cited works, including mostly by American anthropologists, amounted to 194. Meanwhile, in 1970 the anthropology of emotions was still ‘virtually unknown’ (Reddy in Levy 2001: 34). Nowadays studying emotions, feelings, passions and mental states is conducted by interdisciplinary research facilities such as ‘The Center for the History of Emotions’ in The Max Planck Institute for Human Development (Berlin) or so called *research cluster* ‘Languages of Emotions’ in Freie Universität Berlin, employing, among others, cultural and social anthropologists. Since 2009, in cooperation with The International Society for Research on Emotion,

established in 1984, an interdisciplinary quarterly magazine *Emotion Review* has been published. (Straczuk, Rajter 2011: 7–8).”

The words above were written by the author of the Polish issue of an anthology of the most important Western texts on social studies of emotions. Their monumental *Emotions in culture* [*Emocje w kulturze*], along with other books and magazines present on the Polish market (Czerner, Nieroba 2011; Binder, Palska, Pawlik 2009, *Kultura i Społeczeństwo* [*Culture and Society*] 1–2/2006, *Societas/Communitas* 2/2012 et al.) allow Polish researchers to professionally approach the plane of social emotions, as they are provided with inspiring theories and valuable research tools.

Reflection on the social character of emotions is present in the works of the classical sociological authors: Leon Petrażycki, Georg Simmel, Norbert Elias, Max Weber, Emil Durkheim, Erving Goffman, Harold Garfinkel, Florian Znaniecki, Stanisław Ossowski, but does not constitute a systematic main subject. Since the 1970s there has been a development of the sociology of emotions: a subdiscipline considering emotions to be a key component of social life. Works of authors such as Arlie Hochschild (1983) are a breakthrough leading to the development of a new way of talking about emotions and liberating the subject from the dominance of psychology.

What are the assumptions of the sociology of emotions? First of all the fact that emotions constitute the central element of human experience. Social institutions such as family, church and authority gain power thanks to the emotional engagement of people. Emotions have the power to create bonds and structures. They are social by nature and are evoked by stimuli of a symbolical character. The interactive course of emotions is also a social event. Emotions have structural conditioning, they are connected with the learning process, they can be passed on in a society, differ based on gender, age, education, social class or layer, affiliation with subcultures. They are connected with fulfilling social roles: the actor is expected to show emotions adequate to the models of his or her role.

Social and cultural factors can be found in emotion-triggering elements, the motivational function of emotions, the expression of emotions. The apparent spontaneity of our emotions is usually the cultural form of what was imprinted in us during the process of socialization and what was practiced by us numerous times. The phenomenon of social control can refer to the

emotional plane, as emotions can be a tool of inclusion and exclusion, also in the relations between groups.

The culture of emotions is composed of “a set of concepts of what people are supposed to feel in different situations. Components of this culture are the emotional ideologies concerning the adequate attitudes, feelings and emotional reactions in the basic areas of activity” (Turner, Stets 2009: 51). Therefore, the culture encourages us to “manage the emotions” and to do emotion work (Hochschild 1983) to fit its requirements. The emotion work is most visible when the rules of a culture go against our personal beliefs, which is perfectly fitting to researching life in non-democratic systems.

Facilitating the perspective of the sociology of emotions leads to a conflict between the vision of the emotional and the rational human being. The sociology of emotions should not be perceived as an approach competitive to the theories dominating up to now in sociology, such as the theories of rational choice, interest, functional theory, exchange theory... (Pawlik 2012) Human activity can rarely be explained in just one way, it is often surprising, irrational, violent, it can defy reason – therefore the sociology of emotions can explain what is otherwise unexplainable. It can also describe “typical” behaviors showing aspects that are not visible from other perspectives.

Studying emotions can go back to the past, as changes in the content of emotional experiences have a historical character and are a reflection of broader social, cultural and economical changes. The history of emotions develops on a larger scale similarly to the sociology of emotions – from the 1970s. Historians look for emotions in the past to capture the emotional styles characteristic for a given epoch, as seen in the documents. Peter and Carol Stearns (1985), among others, postulate that historians use the theories and notions worked out in this field by social scientists. The area of study for historians can be both individual and collective emotional experiences, as well as the aforementioned culture of emotions. The works of Jean Delumeau or Carlo Ginzburg inspire not only monographs of various aspects of emotional life of the previous centuries, but also interesting theoretical proposals (Reddy 1997, 1999; Rosenwein 2010). The history of emotions is beginning to enter Polish science as well.<sup>1</sup> It is worth mentioning that despite the difficulties resulting from temporal distance, historians of emotions focus more on the periods of time more distant than the second half of the 20<sup>th</sup> century, even though it would seem that a contemporary researcher

would be more able to understand the emotions of people living in the 1980s than in The Middle Ages.<sup>2</sup> Yet it is hard to present the historiographic output in the scope of social studies of emotions in The Polish People's Republic.<sup>3</sup>

Meanwhile, the 1980s in Poland are a very interesting period for a historian and a sociologist of emotions. People experienced unusually strong emotions in the face of important political events and a dynamic situation. At the same time the discourse concerning these emotions was almost absent in the public space. For instance, there was no advertisement market using emotions as the basic element of communication and persuasion; formalized (and censored) state media did not operate like the contemporary tabloids or gossip websites which use emotions for profit. Nowadays every message is "dripping" with emotions, but earlier their expression was regulated by different norms and was permitted mostly in the private space. Moreover, the specificity of social life did not encourage untamed honesty.<sup>4</sup> This is why the search for traces of emotions of Poles in the 1980s leads to a specific source: personal documents. However, let us first examine the theory of Joseph de Rivera, which is critical for our research.

### **Emotional Climate**

The as yet unwritten emotional history of People's Poland would show how political events influence human emotions. Poles were on an emotional rollercoaster after World War II; periods of social optimism and hope were intertwined with weeks of mass depression, the nose-diving of moods. The events of Polish October in 1956 contributed to publicly manifested enthusiasm. Ten years later the feeling of discouragement and dissatisfaction got the better of everybody.

The existing social order generates a specific system of experiences for individuals living within its scope. This system may be called the emotional climate.<sup>5</sup> This specific type of emotional habits and reflexes influences human behavior, actions and social interactions; it is in turn influenced by the content of culture and the character of the political and economic regime. A socialist government and an inadequate economy created a specific climate. Narojek determined its most important features to be as follows: the importance of private strategies, informal actions, creating "warm" relations between people and "cold" on the line citizen-state.<sup>6</sup> Joseph de Rivera defines emotional climate in a similar manner. It is a category helpful in describing the state of a society, exceeding the individual plane of people's experiences



and showing deeper and more permanent social processes, as it is not possible to check the climate of short outbursts of collective emotions.<sup>7</sup>

De Rivera distinguished a few types of climate. *The Climate of Fear* was described in reference to the dictatorships of South America: Argentina, Chile and El Salvador, where the recurring waves of violence were used to obtain and retain power by the military. Fear causes the bonds to weaken, it fosters atomization, increases distrust. People avoid voicing their opinions in a climate of fear. A long-lasting lack of the sense of security may interfere with the moral compass, lead to gradual acceptance of the world-view imposed by the regime, submission, decrease of a tendency for nonconformist behaviors. Its opposition is the *Climate of Security* which makes people trust each other and eagerly engage in social activities.

*The Climate of Insecurity* can be observed when people cannot predict what will happen in the immediate future: political or economic. They do not know if their money will retain its value, if there will be products in the shops and therefore which strategies they should adopt.

*The Climate of Trust* (or optimism) and its antonym: distrust, a dominating sense of pessimism, are treated by the contemporary economy as an important economic indicator. The economy thrives in a climate of trust, conflicts between groups lose significance, optimism among individuals increases along with the tendency to show individual initiative (also towards shopping).

*The Climate of Dissatisfaction* is created on the basis of relative deprivation: people see the discrepancies between the level of their aspirations and the level of their actual realization and at the same time feel that they have a right to possess what they want. Some level of deprivation is socially acceptable. However, in some situations the differences between the “aspiration curve” and the “needs satisfaction curve” is perceived as unfair. It provokes a feeling of frustration that is reflected by collective defiance and aggressive behaviors. *The Climate of Hostility* can be defined as another level of the climate of dissatisfaction, when a strong sense of frustration is aimed towards other groups, often ethnic.

The last two types of climate: *The Climate of Solidarity* and *The Climate of Hope*. The former is mentioned when “people feel as being a part of something bigger than themselves”. In such a situation they are able to sacrifice

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themselves for the common good and feel proud of the sacrifice made in its name. Upholding such a climate for more than a few years may require unity in face of a threat, usually external. *The Climate of Hope* is characterized by a high level of expectations for the future.

The typology presented above is not exclusive. We should rather discuss mixed climates with a given dominant. Differentiation of contemporary societies presents a problem to the research: some groups may feel satisfaction while other are frustrated. These distinct features may stem from local specificity (regions at risk of unemployment). We should also consider the cultural boundaries of a given country and historical experiences of its inhabitants. De Rivera points to emotional culture being superior to the category of climate.

### Source Materials

The Centre for Public Opinion Research has monitored the level of optimism in Poland since the 1960s. However, the quantitative research is not able to precisely describe collective emotions. This is why we have to refer to other types of sources to recreate the emotional history of the People's Republic of Poland. One of those sources are the reports of the Bureau "W" [Biuro "W"] based on the monitoring of the private correspondence of Poles.

Private letters had been read since the end of 1944, when the Military Department of Censorship within the Department of Public Safety was created. In April 1955 the Committee for Public Safety created Bureau "W" which was in twenty years transformed through administrative reform into "W" Departments in 38 voivodships. Under martial law, Bureau "W" was transformed into the Main Office of Censorship. Besides being used for typical operational objectives, the letters were used to analyze public mood. Those deemed interesting by the censors were cited and later gathered in special reports. It is hard to recognize this as a representative source, even considering the considerable amount of correspondence processed in this manner. Those are, however, private letters written without awareness of the interference of censorship, so we can assume them to be a more authentic sample of human emotions than, e.g. letters sent to the press or to the radio.

Most of the information of Bureau "W" was destroyed. It was possible to find only reports from the voivodship Offices of Censorship from Biala

Podlaska and Walbrzych. From the second half of the 1980s the whole collection of information with extracts from the letters attached therein has survived. The first reports are from January 1987 and the last – from April 1989.<sup>8</sup>

### **Climates of the 1980s – a chronological review**

Political fear became a base of the system of power in the People's Republic of Poland. It influenced people's behavior, encouraged passive acceptance and non-participation in public life. "Government by fear" weakened medium level bonds as the importance of family and friends grew. Having a group of friends increased the sense of security in both the psychological and very "practical" aspects of life.<sup>9</sup> People trusted their family and friends, relations with others were burdened by distrust. The authorities were especially untrustworthy; they could, at any given moment and without public consultation: change the currency, introduce price rises, impose new regulations making people's lives harder. It was also easy to lose access to scarce goods, and a secure position in the hierarchy. This is why the importance of "deals" and "buddy system" grew, as they gave a sense of security and control over reality.<sup>10</sup>

However, not every aspect of life in People's Republic of Poland should be perceived through the prism of fear. It was heavily noticeable in 1944–1947 and it peaked during the Stalinist times. It softened during the Polish thaw to remain mostly only in the memory of society after October 1956. The fear redoubled during the first months of martial law.<sup>11</sup> 13<sup>th</sup> December 1981 came as a shock. The tanks, fears and a vision of the leaders of "Solidarity" either murdered or exiled to Russia made people terrified. When the news of the first victims, miners from the "Wujek" mine became known to the public, fear and terror reached their peak levels. The highest level of fear lingered until the end of December. When it turned out that the people warming themselves around braziers were "ours", and not Russians dressed in Polish uniforms, and when the repression turned out to be relatively moderate, both appeasement and anger appeared.

The opinions of people sympathizing with "Solidarity" were expressed in a more blatant manner. Martial law deepened the gap between the supporters of the regime and its opponents, it created a wall which seemed insuperable. The pronoun "them" became a common way of addressing the authorities. A letter from Ząbkowice Śląskie (21.12):

[...] pigs, scumbags, scoundrels, thugs, murderers, Gestapo officers or even worse, but I have no other words – how can a Pole kill a Pole in their own motherland? But those are the reds, and they can cook up all the worst things a mind can create.<sup>12</sup>

The general mood was heated at that moment and the memory of the underground army's actions in the cities of Spain, Germany and Italy was still fresh. Ideas of terrorist actions against the regime united small groups of youths in Wrocław and Warsaw. A writer from Police, a town in Pomerania, sent a recipe for a bomb to his friend:

In Belfast they plant bombs, for example. Just in case, here is a recipe: sulfur 30 % – sublimated sulfur, carbon 30 % – gastric afflictions /in a pharmacy/, nitrate 40 % – or “Condy’s crystals”. That is all from me from now. In the next letter, if you wish, I can give you a detailed description of the technological process of making home-made moonshine. The equipment has to be lifted from a school.<sup>13</sup>

“War fear” significantly weakened the inclination to non-conformist behavior which arose in 1980–1981. This is why the Solidarity underground did not manage to carry out an all-out Poland-wide strike. After the brutal pacification of demonstrations by the militia on 3<sup>rd</sup> May and 31<sup>st</sup> August 1982, people grew less eager to manifest their views in the streets. Parents wrote to their daughter:

Malgosia, we heard that there was unrest in Lublin again. Remember, don't get involved in anything, don't let anybody talk you into anything, use your own judgment. Our and your aim is for you to finish your studies. Let this goal be imperative in your every action.<sup>14</sup>

On the other hand, the sense of danger led to accepting the vision of conflict imposed by the regime. The first Poland-wide opinion poll on martial law conducted by The Centre of Public Opinion Research in February 1982 showed that 69 % of the interviewees recognized the decision to introduce martial law to be justified and 20 % – to be unjustified.<sup>15</sup> In subsequent polls, as pointed out by the sociologist Antoni Sulek, there was a rapid decline in the amount of people admitting former affiliation with Solidarity.<sup>16</sup>

To some Poles the introduction of martial law was a relief as it ended the period of uncertainty connected with the strikes and the tormenting question: “Will they come or not?” Some presented authoritarian views: respect for the authority, idealization of order, hostility towards any “troublemakers”. According to Seymour Martin Lipset, one of the factors predestining lower classes to authoritarian rules is a relative lack of economic and psychological security.<sup>17</sup>

Jan from Terespol wrote:

I am full of appreciation for WRON and the leader general.  
He introduced long awaited peace and order. This is the end  
for anarchists and the enemies of socialism.<sup>18</sup>

The beginning of 1982 came with the rapid impoverishment of Poles. 1<sup>st</sup> February brought the highest single increase of prices in the history of the Polish People’s Republic: food prices rose by 241 %, heating and power prices by 171 %. Ration cards for meat were introduced on 28<sup>th</sup> February. Immediate repression (fear, job loss) affected a relatively small part of society during the period of martial law, but everybody felt the burden of price rises.

A letter by a retiree from Wałbrzych:

I think our government has gone mad, because prices for anything available were increased by 250 – 400 % or even more. And our pension remained at 4800 PLN for two sick people. What can we buy in this situation? I am supposed to like and support our government which simply makes me die of starvation and poverty.

In spring 1982 the supply slightly improved, people were able to buy cheese, butter and eggs.<sup>19</sup> But there still was not enough of some things – domestic appliances, furniture, curtains, toilet paper, household chemicals, clothes. Uncertainty connected with the supply, “will they make it available it or not”, whetted the atmosphere of panic, one of the most important symptoms of the emotional climate of that time.

The climate of uncertainty made people employ various strategies. They mostly stored things. They stockpiled of soap, toilet paper, flour and sugar in cupboards and basements. Cautious homemakers made jam and preserves;

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they pickled cucumbers, paprika, mushrooms. Big Soviet freezers became popular, as they could store meat. People hoarded gold and foreign currency “for a rainy day”. To get scarce goods and also secure “equitable” care in hospitals and “buddy systems”, networks and contacts were strengthened.

People depended on their families above all. Their members were sent as scouts to scour the area or to stand in line and get scarce goods. Retreat to the family realm also stemmed from the fact that the outside world after the 13<sup>th</sup> December became, if not hostile, at least uncongenial. At the beginning of martial law military commissioners appeared in workplaces and imposed often absurd norms of work discipline. Workplaces were reorganized, there were staff reshufflings, Solidarity activists were laid off. Increases in prices meant that work ceased to have material benefits, and its other benefits faded in an atmosphere of suspicion and no prospects.

After a few years, the fear gradually decreased. The communist government did not use the most drastic methods, those so eagerly practiced by military regimes in South America: they did not go as far as mass genocide, did not kidnap children or employ torture. Poland also did not experience intervention by the USSR. After martial law was introduced, there was no mass emigration of the elites, as was previously the case in Hungary and Czechoslovakia. Poles did not feel abandoned like their neighbors did in 1956 and 1968 – they had their Pope. Moreover, a new generation of youth entered public life in the 1980s and had their own ways of rebelling<sup>20</sup>. People were gradually coming to terms with the situation. The authorities became ridiculous. The fear was defused by laughter. A sense of grotesque paranoia appeared. Simultaneously, the authorities gradually stopped using force in situations that would be previously resolved with violence. A man from Głogów wrote in August 1988:

On Sunday 31.07 we went to Holy Mass, after which a group of 30 people was formed and marched from one church to another through the streets of Głogów. During the march people sang “Boże coś Polskę...” [translator’s note: a religious and nationalist song], “Ojczyzno Ma” [tn: a patriotic song] and, while passing the barracks of the Polish Army, “Legiony” [tn: “We Are the First Brigade” – a soldiers’ song]. On one of the streets the march was photographed by a tourist from West Germany and the participants of the march raised their hands

showing victory signs. We were all surprised that the Citizens' Militia did not intervene. People were interested in the march, they stopped in the streets and watched it from their windows.<sup>21</sup>

From the mid-1980s the sense of fear was replaced by a pervasive sense of absurdity.<sup>22</sup> A similar state was observed in Poland by the end of Gomułka's term of office. However, by the end of Jaruzelski's term of office the sense of absurdity spread, and had a much wider scope, causing the whole system to be treated as unnatural and absurd. It can be said that a new climate was born: a mixture of boredom, absurdity and despair.

This climate was shaped as an effect of everyday experience. First of all: boredom and a feeling of no sense in doing one's job. Correspondents pointed to bad work organization and hidden unemployment, i.e. hiring anybody. The letters cited below were written in January 1987.

Wałbrzych:

I started a new job on the 1<sup>st</sup>. Now I sit in an office and I'm an inspector of trade. I know nothing about it. For now I'm just sitting around and getting bored.

Rzeszów:

I have perfect conditions to think about pleasant things and write a letter at work. My ladies are not here because either they or their children are sick. I already had time to gossip, put on make-up and, most importantly, take out papers to keep up appearances.<sup>23</sup>

The authors of the letters have a "better", specialized office job and higher job qualifications (secondary or higher education). "Those were the qualities which, on one hand, fostered a higher level of aspirations and on the other – expanded the scope of entanglement and dependence on the state-controlled system of institutions, combining the individuals' beginning of independent life with the period of the deepest crisis. (...) A disproportion between aspirations involving a vision of normal life with the possibilities of realizing their aspirations as offered by the system was especially noticeable for this category of people".<sup>24</sup>

Aside from the already well described hardships of the economy of scarcity (queues, shortage of essential supplies),<sup>25</sup> inflation proved to be onerous.

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Constantly rising prices crushed dreams of financial stability, a fair standard of living, a happy retirement. It made work lose its previous meaning. Especially when comparing one's income with the earnings of workers in the private sector or those who worked in capitalist countries even for a short time. Hundreds of letters describe how Poles were fed up with inflation and how they lost hope for an improvement in the situation. An example from June 1988 (Zielona Góra):

When will we be able to finally live like normal people in other countries? We only get rising prices, the worst of which are the unofficial ones nobody talks about. Since February some products have gotten more expensive a few times already. There is no chance for a better living situation.<sup>26</sup>

This devouring sense of absurdity stemmed from the omnipresent People's Republic of Poland's coarseness as well. The clash of civilization collapse with the western world's information technology revolution was painful. This feeling was perfectly conveyed by the author of one of the letters (Kędzierzyn-Koźle, mid-January 1987):

I am heartbroken and I see no point in doing anything. Our firm is making financial losses and the facility I work at is in a deplorable technical state. People generally do not do their job, there are incidents like theft, drinking at work. This is the way our socialist reality looks. To recap, we can say that the situation in our kolkhoz is a miniature image of what is happening in our country. One gets a sense that everything goes on because of some momentum with no control.<sup>27</sup>

An atmosphere of discontent had been mounting in Poland since the end of 1987, which was later manifested in strikes beginning in the middle of the next year. However, from Autumn 1988 the letters started to show the first signs of optimism. An improvement in the emotional climate was caused by information from the Soviet Union about *perestroika*. Some hopes were connected with the new government of Mieczysław F. Rakowski and the fact that the authorities gave permission for a television debate between Lech Wałęsa and Alfred Miodowicz, the chairman of the regime's trade unions OPZZ [All-Poland Alliance of Trade Unions].



Evolution towards a more optimistic climate caused people to organize themselves on political, educational and cultural fronts. Therefore the genesis of the Big Change in 1989 resulted from the change in people's feelings and mind-sets: decline of social fear, anger and rage caused by the prolonged crisis and hope that change was possible.

### Conclusion

Researching emotions in a historical perspective is subject to high risk. It is so primarily because of the specificity of the research – on one hand, emotions are something intangible that cannot always be recorded. On the other hand, they more strictly require proper recognition of the context in which they should be interpreted than “cold facts”. There are numerous difficulties: because of the fact that this subject was for many years exclusive to psychology and social psychology, historians find themselves having trouble with terminology and naming the object of the study. There is still a shortage of proper tools, even when considering the most recent history. When we facilitate the method of biographical interviews, oral history, emotions from the old days are recreated in retrospect and therefore they may not be well remembered, or distorted, hidden from the researcher and rationalized, especially when it comes to sensitive subjects.

Studying the existing materials, including personal documents such as letters written by authors not suspecting that anybody other than the addressee would read them, seems to be a safer choice. However, those letters are not a simple “stream of consciousness”. They are an act of communication, contact with another human being, to whom the sender may also not wish to reveal all their emotions. A social contract is important as well: standards for writing letters, describing experiences, an accepted level of unveiling of oneself, as well as the self-awareness of the writer – all these factors condition the effect of studying emotions on the basis of letters. One has to read them carefully, as the subject of emotions often appears in passing and is not necessarily an autonomous subject. An ability to transfer an individual perspective into the collective one and to generalize without simplifying is important as well.

It is worth making this effort not only to understand an earlier era. We often forget that emotions make for a very important component of collective memory (Kaźmierska 2011), and even if their actual causes have been long gone they – in a transformed shape – still influence our collective life.

The aforementioned fear, discontent, boredom, sense of absurdity and the emptiness in the public sphere did not disappear from the collective consciousness in 1989. We still observe it in the fact that a great number of Poles retreated from the public life into private, family life. Currently diagnosed problems of Polish society: a low level of social trust, reluctance to build civil society, inclination to aggression and “hate speech” present mostly in Internet discourse, and even low turnout at the elections are deeply rooted in emotions. Some researchers have already use the tools of psychoanalysis to decipher hidden patterns of passing down traumas and psychological scripts (Leder 2014). The authors of this article believe that by understanding the emotions of Poles from the 1980s, we will be able to better understand contemporary Poland.

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### ENDNOTES

1 e.g. The Polish Academy of Sciences and University of Warsaw support a series of conferences entitled *Uczucia i emocje w refleksji nauk historycznych* [Feelings and emotions in reflection of historical science] (<http://uczucia.wordpress.com/>)

2 See also e.g.: Andrzej Wyrobisz, “Wielki strach w Wenecji i we Florencji w XV wieku i jego możliwe przyczyny,” *Przegląd Historyczny* 4 (2004), pp. 457–466; Zbigniew M. Osiński, *Lęk w kulturze społeczeństwa polskiego w XVI–XVII wieku* (Warsaw: Wydawnictwo DiG, 2009); Michał Tymowski, “Strach i odwaga w czasie pierwszych europejskich do Afryki

w XV w.," *Przegląd Historyczny* 3 (2006), pp. 333–346; Artur Markowski, "Lęki i dylematy rodziny żydowskiej w strefie osiedlenia w połowie XIX w. – przykład Nowogródka," *Przegląd Historyczny* 4 (2012), pp. 775–798.

3 Anna Giza-Poleszczuk, "Trywialność ludzkich niedoli w socjalistycznym *welfare state*," in Winicjusz Narojek (ed.), *Jednostka wobec sytemu. Antropologia trwania i zmiany* (Warsaw: IFiS PAN, 1996), p. 149.

4 See Janine Wedel, *Prywatna Polska* (Warsaw: Trio, 2007).

5 Winicjusz Narojek, "Klimat stosunków międzyludzkich (Analiza antropologiczna)," *Studia Socjologiczne* 3 (1977), pp. 179–196.

6 Winicjusz Narojek, *Socjalistyczne "welfare state"* (Warsaw: PWN, 1991).

7 Joseph de Rivera, "Emotional Climate: Social Structure and Emotional Dynamics," *International Review of Studies on Emotion* 2 (1992), pp. 197–218.

8 Finding an incorrectly catalogued file in the archives of Institute of National Remembrance verges on the impossible. It was found by Professor Andrzej Paczkowski, for which I would like to thank him sincerely.

9 Stefan Nowak, "System wartości społeczeństwa polskiego," *Studia Socjologiczne* 4 (1979), p. 158.

10 Ibid., p. 159.

11 For more information see: Andrzej Paczkowski, *Wojna polsko-jaruzelska. Stan wojenny w Polsce 13 XII 1981 – 22 VII 1983* (Warsaw: Prószyński, 2006); Ireneusz Krzemiński, "Mniejsze zło czy zamordowanie polskich nadziei? Społeczne skutki wprowadzenia stanu wojennego," in Paweł Piotrowski (ed.), *Wokół "mniejszego zła". Stan wojenny w Polsce* (Wrocław: IPN, 2010).

12 Archiwum Instytutu Pamięci Narodowej Wr 052/28, k. 49, 28 XII 1981 r.

13 AIPN Wr 052/27, k. 101, Informacja nr 12/82, Wałbrzych, 29 III 1982 r.

14 AIPN Lu 0179/275 t. 10, k. 73, 17 V 1982 r., a descriptive information including the whole of information connected with the functioning of Voivodship's Office of Censorship in Biała Podlaska.

15 Antoni Sułek, *Ogród metodologii socjologicznej* (Warsaw: Wydawnictwo Naukowe Scholar, 2002), p. 69.

16 Antoni Sułek, *Sondaż polski* (Warsaw: Wydawnictwo IFiS PAN, 2001) pp. 128–131.

17 Seymour Martin Lipset, *Homo politicus. Społeczne podstawy polityki* (Warsaw: PWN, 1995), p. 119.

18 A document catalogued /AIPN Lu 0179/275 t. 10, k. 41, 25 I 1982/, a problematic piece of information including all the information connected with the functioning of the Voivodship Office of Censorship in Biała Podlaska.

19 On everyday life under martial law: Wojciech Markiewicz, "Kartki, oporniki, bimber," *Polityka* December 22/29, 2001.

20 More on the subject: Marek Wierzbicki, *Ostatni bunt. Młodzieżowa opozycja polityczna u schyłku PRL 1980–1990. Fakty, konteksty, interpretacje*, IPN (Lublin-Warsaw: ISP PAN, 2013).

21 A document catalogued /AIPN 0449/54 t. 4, k. 86, 18 VIII 1988/, a collection of interesting commentaries and opinions, an attachment to information on attitudes and moods created on the basis of documents of "W".

- 22 Miroslawa Marody, *Długi finał* (Warsaw: WSiP, 1995), p. 54; Miroslawa Marody, *Jednostka w systemie...*, (Warsaw: WSiP, 1995), pp. 221–226.
- 23 AIPN 0449/54 t. 4, k. 360–363/, a collection of characteristic statements noted down during monitoring of “W” from 2<sup>nd</sup> to 17<sup>th</sup> January 1987, an addendum to information on social attitudes and moods.
- 24 Miroslawa Marody, *Długi finał*, p. 55.
- 25 See also: Małgorzata Mazurek, *Spółeczeństwo kolejki. O doświadczeniach niedoboru 1945–1989* (Warsaw: Trio, 2010); Jacek Kurczewski (ed.), *Umowa o kartki*, (Warsaw: Trio, 2004).
- 26 A document catalogued /AIPN 0449/54 t. 4, k. 97./, a collection of interesting commentaries and opinions, an attachment to information on attitudes and moods created on the basis of documents of “W”.
- 27 AIPN 0449/54 t. 4, k. 345/, a collection of characteristic statements noted down during monitoring of “W” from 19<sup>th</sup> to 31<sup>st</sup> January 1987, an addendum to information on social attitudes and moods.

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## THE POSSIBILITY OF REMEMBERING ECONOMIC CRISIS

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### ABSTRACT

*The present paper draws on the opinion that reality is only a construct. The relativistic theory of truth displaces the classical (Aristotelian) one. It notes the undepictability (of the world) and (actual) inexpressibility.*

*On the basis of two relatively progressive works (Dorota Maślowska's book "Wojna polsko-ruska pod flagą biało-czerwoną" [literal translation of the title: The Polish-Russian War Under the White-and-Red Flag; edited as "White and Red" in the UK and "Snow White and Russian Red" in the US], and Xawery Żuławski's film "Wojna Polsko-Ruska/Polish-Russian War"), this paper confirms the traps of (artificial) limits of both thematization and division into academic disciplines and shows how contemporary art, writing about art included, tries to deal with them.*

*Instead of problematization – simultaneity and multi-layered structure, which try to be a counterpart, a representative but not an exponent (cf. the category of inexpressibility). A turn – of sonoristic provenance – from the civilizationally formed discourses towards the analysis of the tool itself (language and film language) as possibly the most non-abstract object of study.*

*The current paper takes as its starting point the question – already present in literary studies – about the purpose of the history of literature as an oppressive attempt to build, under the cover of objectivism, a dominating narration and hierarchy. The paper has been implemented for a monographic issue of a historical magazine; an issue devoted to economic crises. It poses also a preliminary question about the ontological possibility of isolating types of crises and remembering them in an agreed (objective) and subjective way; and also about the possibility of reflecting them in contemporary art, in comparison with works from earlier turning points in history.*

**I (Assumptions, methodology)**

**1**

Memory may not exist.<sup>1</sup>

**2**

There is no history either (meaning that history is always “an untruth”, an interpretation. Always proclaimed in the interest of someone, either designedly or undesignedly. My history, your history, constitutively unobjective).<sup>2</sup>

**3**

And “category of truth”? Maybe such as was mentioned by Józef Tischner, professor of philosophy.<sup>3</sup>

**4**

Instead there “is” indeterminability, changeability, fluidity, continuous reinterpretation, a process.<sup>4</sup>

**5**

So what might history, which does not (objectively) exist, be like? A story, a narrative. The latter notion appears most often in the context of objects of ART. A narrative is ARTIFICIAL. It is a point of view. An attempt to impose one's own vision or one's own mirage on the other participants who have decided to enter “the same” (or “an identical”) discourse. An attempt to impose one's own language, to subordinate others to oneself, according to the folk wisdom expressed in the saying “bring down to your own level and wipe out with the force of your own argumentation”. It is oppression.

There is no unified history, there is only a struggle of multiple histories, a fight of narratives. And a fight of historical policies, which have even less in common with the unattainable ideal of objectivism.

A permanent inability to agree, a battlefield. A battle in which individuals and collectivities take part.<sup>5</sup>

**6**

These are auxiliary categories, ones that make our existence easier: this is it and there's nothing more to it.



**7**

This paper is a mirror, an individual act of reflection on a few intellectual currents, rather than an original contribution.<sup>6</sup>

**8**

Unfortunately – as we see nowadays – some try to find a remedy for the crisis, or at least to conceal its causes, by sparking a war.<sup>7</sup>

**9**

Waiting for a narration of the turning point was crowned by success, but this success took an unexpected form. Its identification took place too late and is still rejected by many.

**10**

After the political turning point of 1989, which was partly evoked by and partly caused an economic crisis, there rose an expectation of an overview, a vast literary panorama. An expectation that art would offer a reflection of what was taking place in real life. A reflection or a distortion, if you will (e.g. through the category of grotesque like *Trans-Atlantyk* by Witold Gombrowicz<sup>8</sup>).

But in the meantime a complete change of circumstances (*rebus sic stantibus*) took place in Poland (in the world it began at least in the 1970s), and because of it the object of the expectations was inapplicable to what could be accepted as a proper answer.

Belatedly (later than it was expected) “narratives” (stories) appeared which were moderately consistent with the object of the expectations, but not meeting the expectations.

The object of these expectations, referring to the past and not to the future, is the longing for a great novel about a turning point, like *War and Peace* by Leo Tolstoy or *The Doll* by Boleslaw Prus (although it was written despite and beyond the expectations of its times and offered a new approach to the topic).

The expectations were quite high: to relate and to provide a diagnosis: somewhat predictable but surprising at the same time.

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There appeared – too late – works of the same type (content) but not as great as *The Doll*, however they did not evoke such resonance. I will not mention them here because this paper is not a polemic (within literary studies as such – it does not aim to analyse and change the hierarchies, nor to study what constitutes a masterpiece etc.).

It seems that a desired narrative about a turning point in history should also be a turning point in the way of thinking.

Thus expectation should be an open formula, and not a written content. The work which is to “meet the expectations” of the times, must also be a surprise.

### 11

According to some of those who had expected it, such a work appeared after a lengthy period of time, and it took even longer before it was recognized and qualified.

Whereas those to whom it seemed (a good word) to be addressed, did not have such an expectation at all.

### 12

Here we come to the first turning point in this presentation. On its account one must assume that

- a) memory about economic crises (as well as narratives about them e.g. in historical research or in reportage) or reflection of economic crises (in art, partly also in reportage as a subjective choice, personal description and interpretation of facts) are possible;
- b) memory about crises and reflection of crises were materialized;
- c) in some aspects *Snow White and Russian Red* may be accepted as such a materialization (footnote later, it will be justified).

### 13

It is pointless to bandy around the aesthetics of novelty if a book is over ten years old. It was indeed a novelty as far as Polish literature is concerned. Its determinants were and still are widely available (not to say dominant) in world literature. Let us name and enumerate them:

- a) escape from thematization;
- b) pretextuality of the plot, polemics with its essence, essentiality and validity;

c) escape from ideology – everything happens in the language, through the language and for the language. A novel about the language which is self-reflexive, and non-referential. Reality (if it exists at all) cannot be described. One may also mention the related category of inexpressibility.

Only words are “objectively” available from start to finish; if anything is certain at all, it is words. But not their meaning.

#### 14

The book *Snow White and Russian Red* may be discussed also in relation to the category of experience. The turn to experience is allegedly another hastily announced turning point in the humanities.<sup>9</sup>

However, in my personal opinion, it seems to be stable (or perhaps more stable) and this opinion is based on strong foundations which are material at last (and not abstract – non-existent).

Experience understood as a bundle of experiences of a changeable subject, a bundle which is variable in time, is something that is most real, objective from the comparative point of view. In the shape and sound of words.

While ideologies, narratives and plots are abstract tools created by rulers and their servants (“court poets”) to serve their aims. They forced others to believe and immediately defeated them with this “weapon” (or in “fact”: instrument of aggression). They are a derivative of oppression, or a way to gain, keep and spread power.

#### 15

The book and its film adaptation should be discussed separately.<sup>10</sup>

Both these works may be deemed outstanding, taking into consideration their proximity and – for the sake of the present paper – accepting the possibility of restoration of hierarchies in art and of so-called “restoration of the center”.<sup>11</sup>

Furthermore, abuse of another kind is possible. In their building material, both works contradict the possibility of thematization, they do not want to have “significance” at any cost. But to distinguish them from each other,

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the prose work (but not a novel) of this title might be referred to as a work about language while the film (a feature film?) – a work about imagination.

### 16

I had to express the above mentioned reservations in order to write clearly, taking into consideration current knowledge (or its changeable content<sup>12</sup>) and doubts.

### 17

Now I should only refer to what I understand as an economic crisis and as the economic crisis of 1989.

I understand crisis intuitively as a turning point, a time of verification or perfection of a previous system, or one of the ways of bringing another system into existence. At the root of the 1989 turning point there was – among other factors – an economic crisis: the failure of the previous model based on central planning, full employment and primacy of public ownership, which was co-dependent and simultaneous with limited independence and a shortage of democracy. The Round Table, the most obvious result of which was the election, referred to as contract election, brought about a much more important change: an economic transformation, the result of which (or perhaps its tool, cf. “shock therapy”) was another economic crisis.

In 2014 we celebrated a “round” anniversary of those events, which might have been an opportunity for re-evaluations or a time to explode myths and paradigms (of the free market, restrictive fiscal policy etc.). However, so far this has not contributed to achieving any consensus about what “really” happened nor about its results. What did the process of changing ownership relations and shaping or re-shaping the elite look like? What are their advantages and disadvantages? And this is where the aforementioned war of narrations takes place, one of many instances of the “Polish-Polish war.” Reminiscent perhaps (and perhaps not) of Gombrowicz’s “duel of face-making.”

Both works, the book and the film, are of implicit character – they do not participate in the dispute at a high level of literality. They suggest another perspective, one that is minimally “comparable”<sup>13</sup> to what the Orange Alternative proposed at the end of 1980s, beyond the unjustified loftiness of the authorities, the opposition, and religion.

It is not the aim of the preceding paragraph to deny the importance of this dispute.

The relationship between awareness and economy, partly complying with what Marx said, may be both symmetrical and asymmetrical.

Let me return to the inadequate but incidentally useful abuse related to thematization. The domain of the “language war” in Masłowska’s book, and of the “imagination war” in Żulawski’s film is awareness, its status and transformations. Economy and its crises may either be its catalyst, its result, whether minimal or decisive, or may be happening beside it.

However, in order to meet the theme of the monographic issue, I will emphasize them, presenting both their interaction and independence, decorativeness.

## II.

### 1. The book

While one group of readers waited for a novel dealing with the turning point in history, it seems (and this is a good word) to have been written for another group of readers (who appeared and will appear after it had been written but also were created as a result of its having been written).

And it was a different book than expected, which became the reason for its artistic success.

Its “theme” (Heidegger’s quotation mark<sup>14</sup> is an appropriate tool) is language. But in the end it also becomes its victim. And as a result, all that the language tries to convey, “represent,” becomes its victim: ideologies, values, patriotism, customs, construction of an individual with their priorities, subjective line of life, ways of coping with the crisis, both individual and economic. Both a proposition and its opposition.

As Ferdinand de Saussure already observed, language is self-reflexive and refers to itself.<sup>15</sup> Thus an honest analysis of “history,” history of economic crises included, may begin with an analysis of how the language used for narrating these crises is described. The language itself should be deconstructed, and expose its inherent contradictions and hidden ideological presumptions.<sup>16</sup>

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Instead of analyzing what is openly expressed with language, one should analyze what is happening on the hidden plane.

The language of the Polish People's Republic and the language of the Third Republic of Poland are characterized by inadequacy, an incompetent attempt to fill in the gaps. Any social system is rickety: it is enough to analyze, say, its linguistic foundations.

Dorota Masłowska uses surprising juxtapositions which are far from what one is used to, in order to expose their conventionality, falsehood, instrumentality.

According to the dominant narrative, the year 1989 in Poland is perceived as a great victory in which not a single shot was fired, a model to be imitated by other nations, the beginning of the Autumn of Nations.

The author does not argue with this view, nor does she claim the opposite. She proves implicitly that neither of these theses is absolute, both are simplifications, misrepresentations.<sup>17</sup> She presents people who are lost, whose speech is a conglomeration of the old and the new: relics of the People's Republic of Poland, pop culture, primitive early advertisements of the cheapest of products, like candy bars or washing powder, because they simply cannot afford true capitalist luxuries (like a new car or a detached house in a new, rich housing estate).

Masłowska's protagonists are full of contradictions (i.e. are attractive from the point of view of dramaturgy). On the one hand, they beef about the "Russkis" (the word used in the book), are afraid of them, blame them for all the evil (kidnappings, disappearances, poverty), and on the other hand, they complain about the "No Russkis Day" when it is not possible to buy addictive substances, cigarettes, alcohol and drugs, which they compensated for by inhaling instant borsch.<sup>18</sup>

They wage the eponymous Polish-Russki war under the white-and-red flag, which means precisely that under the same banner they wage a war with themselves and with one another<sup>19,20</sup> their past and their habits. They are ambivalent: attraction is at the same time repulsion. What they try to repress, what they are ashamed of, is the "constitutive" part of their personality and partakes in providing pleasure, satisfaction, and a sense of being rooted.

## 2 The film

Nails' loneliness, otherness or conflicts can be seen in a different light thanks to the art of film making. He lives in a detached house which was built in the age of Gierek<sup>21</sup> and which is surrounded (besieged) by blocks of flats of prefabricated concrete.<sup>22</sup> He has a different home than the others, a different starting point. His mother runs a small business in the form of a „horrendous solarium”.

His loneliness is also visible in the largest crowd scene, during a fair. Humbled by being dumped by Magda, he tries to introduce his own order, seize power (over everybody) in order to win his girlfriend back. He fights against the other participants of the fair who approve of the hierarchy headed by Robert Sztorm, the sponsor of the beauty contest which Magda is expected to win. Nails, probably the son of small business owners who began to grow rich in the 1980s, loses to a model of a businessman which appeared a decade later.

The interior decor reminds one about the shift from the old to the new. Wood paneling, unit furniture used as a wall to divide a room, a synthetic blanket with a pattern made to resemble the coat colour of a tiger (a substitute of tiger skin, the aesthetics of a fake), clothes, particularly those of older people. An old Polar washing machine struggling to wash off the new, unexpected “capitalist” dirt. The Polish Fiat 126. The chav subculture of that time. The aesthetics of the black BMW. The 1990s Polish rock music playing in the background and the obligatory discopolo<sup>23</sup> at the fest. And finally, after Nails dies in the film, there's the deserved “paradise”. Not a metaphysical one as someone might expect. A housing estate of detached houses built by a developer, with a very dense neighborhood of equally luxurious, identical houses. In other words, a goal pursued by many Poles in the first decade of the 21<sup>st</sup> century and nowadays.

An intriguing element is the motif of siding, an external decoration, an overlay, a mask, popular in the 1990s and used to cover the façade of a house at least two decades older. In the apocalyptic vision of Magda it appears to be of “Russki” origin, thus faulty; and during the celebration of family barbecue it begins to come off the walls, causing the death of all the members of Nails' family, and in the end his own.<sup>24</sup>

Deconstruction takes place, the certainty is unmasked as something extremely conventional, but also oppressive to the individual and only beneficial to the system.

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In the book: this deconstruction is achieved by means of language, which has been discussed. In the film by means of imagination: let us take for example the “meaningful” scene when Nails is being interrogated by a policewoman played, not without consequences, by the author of the book. In the wake of a war the author gets nervous and says: “there’s nothing. In these circumstances I have to write everything in this machine.”<sup>25</sup> The walls of the police station turn out to be made of cardboard, to be conventional. Everything that Nails lived by, that fuelled his sense of drama, proves to be artificial: “Styrofoam, glass wool and cardboard. Is this what this city is built of? I am a trained dog.”

The following may be meaningful: the place that seemed to be a police station proves to be the backroom of a school (coalescence of the place where norms are passed and the first normative socialization occurs with the place where obedience to these norms is controlled).

Both the old world and the current one, its epigone, have gone bankrupt.

Everything is a matter of convention. Instead of a “decent interrogation,” there is a “mental electroshock therapy.” And only this proves to be real torture. Nails is too weak for that (Nails – in Polish *Silny* “strong” – here we observe an oxymoronic relationship between the name into which a declaration is inscribed and the reality). He decides to kill himself. Or he assumes that the wall which he about to hit with his head is fictitious, just like the police station in which he was held. But this second confrontation proves to be fatal. He lands in the props department of a film set, where various clothes are hanging (they may be perceived as clothes, as disguises, as social roles one must assume for this or that occasion). In the background he can hear slogans which construct the deconstructed awareness: Gierek’s “Will you help?”, the announcement of Karol Wojtyła as the new Pope (“*Habemus papam*”), Lech Wałęsa’s voice from the Gdańsk Shipyard in August 1980.<sup>26</sup>

The problem of narratives and their self-interested nature is emphasized in the film too. In the talk-show Nails answers the demand of both the host and the society: “so I tell you right of the bat what I have learned from cartoons and religion lessons at school.” Nails (or his author, who tells him what to say) appears in almost every scene of the film, and at the end addresses the spectator in a paraphrase of Hamlet’s monologue: “Do I live or not? If not, tough luck! It will hurt...”. It may be a question about the state of awareness, autonomy of an individual and objective existence of “the



world” perceived by others in the same way; something entirely different that does not come to my mind at present, and also, in accordance with “the assumptions” of the work, none of these.

### 3

The main problem of the protagonists of the *Wojna polsko-ruska* (besides looking for the mirage of “love,” mutuality, community) is poverty: economic and “spiritual” and always relative. Difficult to bear because of their aspirations, both great and one-sided, which result from the sudden coming of capitalism, a world of advertisements, which creates (artificial) desires and replaces (natural) needs. An irrational hunger which cannot be quenched, fueled by the information presented by the media, and later also fueled by the people who have accepted it as their own.

It seems that there is also a real insufficiency. The breaking of the former social bonds, which have not been replaced with new ones based on new rules. This results from unemployment, economic recession (due to a change in the markets as well as the geopolitics of trade and modes of exchange) and inadequacy of educational curricula for the new requirements.<sup>27</sup>

The decline of the center understood as a shared set of values and the center of administration (i.e. a departure from central planning, from a state which declares the intention to guarantee social justice, from full employment and a welfare state variously understood).

The insufficiency is planned in the new system, too. The political and economic enslavement is replaced by another kind enslavement, with the “help” of economics. Shortage of goods and poor organization of work are replaced by shortage of free time, theft of time, an imperative to pursue a career, and the will to have full control of the employee. And in spite of such work, it is still impossible to satisfy the desires created by the system. Those who “cannot afford that,” are the addressees of the excluding “advertising” slogan of one the hypermarkets: “Not for idiots.” The new identity is determined by the brands with which people surround themselves (a BMW but also poor substitutes of luxury in the form of junk food at a fest or from a local fast-food).

Just like before, the system serves itself and the individual is persecuted. The individual is trying to climb the social ladder, take a higher place, but

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by acting according to the methods of the system (the imperative to acquire more wealth by hook or by crook) and within its logic (money as the most important value) they simply justify the system. The individual may be its last or at best its “first servant.”

What changes is only the type of hierarchy. Earlier it was apparently built on values, the Decalogue, the family, patriotism, the sense of community, whereas the current criteria, equally illusive, include money, fame, self-promotion, gadgets, media publicity, popularity, clothes, car, furniture and accessories in one's apartment or detached-house.

### 4

By applying an already outdated methodology, one might try to compare the book to the film.<sup>28</sup> However it would be contradictory to the world views on the basis of which they developed and an attempt to create universal, comparable essences, which they do not exhibit.

Even the earlier (“mapping,”<sup>29</sup> didactic) statement that the book about a “war” is a story about language whereas its film adaptation is a story about imagination may be investigated as an untruth, graded from simplification, to misuse, to falsification.

It is impossible to make a thorough comparison of the two. The idiomacy within conventional genres aside, they also represent genres which are absolutely dissimilar.

Both works are built on the escape from thematization. The crisis which was mentioned above is a background in each of them, its secondary status emphasized continuously. Comparison e.g. of the ways in which the crisis is presented would be a violation of their “meaning.” To give examples one after another would only result, more and more harmfully, in passing over of their natures in silence. The less about it, the better.

The concept of adaptation does not provide a connection between them either.<sup>30</sup> It is only a commercial trick (a best-selling book as the starting point for the promotion of a film).

Maslowska's book is a sort of a hip-hop poem,<sup>31</sup> a digressive one, referring perhaps to the romantic „model.” Written in prose, in which ironic rhymes

appear every now and then. Speckled with references which dominate the original content and begin to modify it. Built on linguistic and cultural calques, which are often distorted (by the plot, the chronology, the cause-and-effect relations; the structure – e.g. by anastrophe). Also drawing from Gombrowicz, whose work in turn was founded on Sienkiewicz's *Trilogy* and struggle against stereotypes about the Polish nature.

Both the book and the film are built from loosely shuffled cards of scenes. Reconstruction according to chronology is possible, but it would have an unfavorable impact on the whole (the pretextual plot is purposefully weak, though it contains a few mysteries).

Due to its substance, the film is closer to a “mass audience” (this is another out-of-date category). The main character was played by Borys Szyc who at that time had reached the height of his fame. He appears in every scene, which makes the film more consistent. It seems that the female characters are more distinct in the film than in the book. Screenplays are usually written in a less subtle way. Screenwriters were also looking for stereotypes which were hidden in the nuanced book to build the visible plot on. And beneath it there is a frantic interplay of meanings.. Perhaps it was the desire to find support in a convention, the need for a clear conclusion, that gave the film its ending (not present in the book), i.e. a housing estate of detached houses built by a developer. And a whole array of “national themes.” A film moves the spectator back in time using pictures and sounds, it achieves regression in a different way. Short snapshots are more meaningful, like in a music video.

The promotion campaign is another matter: it attempted to present *Wojna polsko-ruska* as a film for everyone, which deals with seemingly simple issues. One would have to exhibit maximum incompetence to interpret it in this way. However, while the early readers of the book were young, they belonged to the elite.

Further search for such comparisons would be a tautology. They do not lead to any new conclusions. These are to be sought elsewhere.

### III

Economy does not turn out to be the main driving force behind the protagonists' actions in the book or the film.

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One may of course give more examples in the field of economics, but this will not change the general view, i.e. my interpretation. This also would be tautological.

The economic crisis is one of the components of the general crisis, unintentionally “expressed” in both works. If, as such, it may be considered the “theme” of the book and the film at all, as they ontologically strongly object to thematization.

But the protagonists – and this is also important – are not aware of it. Their dramatic situation consists also in the fact that they are like flies whose jars of artificial honey have been changed over: the “communist” for the “capitalist” one. They vacillate, they are unhappy, but it is difficult for them to find the real psychological, social, and economic causes of their state.

Their subjective crisis is a result of the fact that they mainly see the economic crisis. And they reduce their actions to money. In this way coming out of the real crisis becomes impossible for them. This crisis may be termed the base one. Perhaps this statement refers also to all the crises, erroneously defined as economic ones, including the current one.

Except that one should be careful in drawing such a general conclusion, because (as a generalization) it goes against the two works discussed.

However, let us come back to the characters in *Wojna polsko-ruska*. Their actions are harmless and inefficient, and despite their polemic nature, they only serve to confirm the order of things. One example is the attempt to wangle money from Robert Sztorm, the producer of amusement parks, king of sand.<sup>32</sup> They organize their lives around money and its lack, and thus they confirm its primary value. Greediness amounts to desire for money (the ability to “buy the fest”: fries, coca-cola, or a new house in a new housing estate). Whereas one of the more “real” reasons of the defeat is the inability to communicate or to reach a compromise, which causes loneliness. Or the ability to stand at the side (oversight).

Nails is a sexaholic who functions in the rhythm dictated by the erections of his penis, which he refers to as George (“George governs Nails”) <sup>33</sup>; he dangles visions of patriotism; during “the lecture” on the beach he conjures up a utopian economic model founded on sand, and not on gold or oil.

His girlfriend Magda, not mature enough for a relationship, would prefer someone more influential who could help her build her modeling career (the union of power and *libido* which was mentioned before). Thus Nails must find a substitute. George's loneliness is one of the driving forces behind the story. Nails meets Angela, an artist-satanist, who wants to pursue a career (this time a poetic one) at any cost, Nata (Natalia Blokus, a representative of the species *Homo Blokus*), a chavette who loves to sniff instant soups and who is more "masculine" than he is, and Ala, from a Catholic youth movement, who appears to be the biggest playgirl of them all.

Nails's only potentially possible and promising relationship is the one he has with Magda. However there is an obstacle, described as Magda's "gangrene" (of her leg); here it is an obscure metaphor of unwanted pregnancy and motherhood, which causes disability (the motive of walking on crutches), the sense of being inadequate, and excluded. This also seems to be a sign of the times. A world in crisis has turned upside down. Starting a family is has gone out of fashion. What counts more is autonomous sex which is alienated from family life. Not to mention the economic and social impediments which await a young married couple. From here it will be twenty years before pro-family policy is declared and a minimal system of benefits such as the "large family card" (which entitles one to discounts and additional services), tax reliefs, or a newborn allowance is introduced.

As I keep emphasizing the economic aspect, I realize more and more how difficult it is to speak about the economic crisis alone and leave out the social crisis or the crisis of world perception; and how difficult it is to delimit when a crisis ceases to be economical in nature. And which crisis was caused by which. Perhaps it is easier to make such a distinction in a historical paper, but not in an anthropological one.

It is becoming more and more obvious that a division of the world into disciplines is arbitrary and that holism is the alternative and that the cognitive apparatus is constructed on an ad hoc basis for the sake of a single statement.

It seems that in the narratives written following the decline of realism,<sup>34</sup> it is not the economic aspect that is assigned the decisive role. Psychology, the need for participation, the problem of responsibility are more important. The organization of social and economic life is only one of the aspects, or it is left out.<sup>35</sup>

In the background there is the question – one which is recurrent in the public debate – about the actual primacy of economy over other spheres of life or life in general, and the question about the paradigm of growth in economics itself. The differentiation between wealth and welfare.

It seems to be more adequate to speak about a crisis in general, economy being only one of its aspects. A crisis that affects us, to which sometimes war becomes a response.<sup>36</sup>

Text translated into English: Agata Jankowiak

**ŁUKASZ MAŃCZYK**

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### ENDNOTES

1 The category of memory in the objective sense or in relation to a community (e.g. memory of a nation or of a generation) is questioned. It is contrasted with subjective memory, which is close to interpretation, a carrier of meaning but only individual meaning. It might change in time (through re-interpretation of events and change of importance ascribed to them). I recommend e.g. Tomasz Maruszewski, *Pamięć autobiograficzna* [Autobiographic Memory] (Gdańsk: GWP, 2005).

And particularly: Andrzej Falkowski, “Pamięć i wiedza w kontekście rozwoju poznania naukowego” [Memory and knowledge in the context of the development of scientific cognition], *Nauka* 2004, nr 2, p.105–124. In this paper the author takes as a starting point the (classic) definition of epistemic truth by Thomas Aquinas and in the course of reasoning contrasts it with successive constructivist definitions. His paper has a practical bent. The author uses real-life examples to prove that truth is a construct, and memory not so much refers to the past as is subject to transformations for the benefit of the present and the future, in order to guarantee that the new actuality agrees with the interpretation of the past.

And thus the author gives an example of a product tester whose memory changes, so that it is more consistent with the information gained later from a commercial (the memory of an unsavory juice changes into a memory of a savory juice under the influence of an attractive commercial broadcast some time after he had drunk the juice).

Using the well known drawing “duck or rabbit,” the author confirms, following his precursors, that the interpretation of reality depends on the observer’s information resources and his analysis of these resources. This is why “the same” situation will be completely different for different persons.

The author speaks about the paradox of the development of science, which does not expand our knowledge of reality, but only produces a new image of reality, again and again (p. 108).

Surprising conclusions may be drawn from the examination of the opposite, i.e. the process of forgetting. The author contrasts curves of forgetting, the gestalt theory of forgetting (the hypothesis of memory trace), and interferential concepts of forgetting (replacement of material by one of similar kind) with possibilities not so much of forgetting (repressing) as a gradual, partial or complete loss of access to the remembered data. Retrieval cues offer a possibility to re-gain access, if an appropriate stimulus of appropriate intensity is created.

Falkowski speaks about memory as a totally personal domain in which once this, once that information takes the most important place (cf. the notion of architecture of memory – J.R. Anderson, *The architecture of cognition* [Cambridge: Harvard University Press, 1983]).

He disagrees with the idea of repressing information, and substitutes it with the hypothesis of a gradable loss of access. There exists a possibility of restoring access if an appropriate stimulus with an appropriate intensity is created.

He points to phenomena, familiar to Western intellectual thought, such as the imagination inflation and backward framing, i.e. readjusting memory to information and not vice versa (cf. also the notion of editing memory).

This paper may lead to the conclusion that perception and interpretation will always be instrumental in nature. Reality (including book reality and the reality pictured in reading) is a point of reference, a state to which the individual refers in a dynamic manner and never an “attitude.”

**2** It is not about “the end of history” in the sense of reaching the apex (the end) of social evolution which Fukuyama proclaimed (see e.g. Francis Fukuyama, *The End of History and the Last Man* [reissue edition Free Press, 2006]).

But, just as with memory, it is about the question concerning the treatment of history as an objective sequence and a set of facts. History is a narrative. It has a narrator, so it is not objective, but it serves the interests of this narrator.

Besides, “the story [...] tells you something about the person, what they feel and how they evaluate and experience the world” (Graham Gibbs, *Analyzing Qualitative Data* [London: SAGE Publications Ltd., 2008]).

The monopoly of professional historians, authority figures, and also authoritative publications and the catalog of the preferred forms have been weakened. Cf.: “Each individual gains a possibility to express oneself freely, regardless of their narrative predispositions” (Maria Antonina Łukowska, “Badania nad opowieścią wspomnieniową” [Studies on reminiscence narrative], *Łódzkie Studia Etnograficzne* vol. 30, p. 53, [Łódź: Polskie Towarzystwo Ludoznawcze, 1991]).

And “what an anthropologist should be most interested in does not have to pertain to reaching the sources of knowledge about the respondent’s past reality, but just to the knowledge about his ordering of the past” (Joanna Rembowska, “Narracje pamięci” [Narratives of memory] in: <http://www.etnologia.pl/multi-kulti/teksty/narracje-pamieci.php>, access: 2015/1/25).

And more about the subjectivism, which constitutes memory and is constitutive for memory: “memory which invariably constructs the meaning of the past, constantly depends on the moral system of the individual who remembers, on their hierarchy of values, their beliefs and tradition” (Joanna Rembowska, op. cit.).

**3** Let me remind the reader about the following opposition: cognitive optimism, which assumes the possibility of knowing and checking the results, vs. cognitive pessimism (skepticism, criticism): the impossibility of reaching the truth (the impossibility of deciding

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about its content or absence of this “truth”). I recommend a systematizing paper with rich literature:

Witold Marciszewski, “Racjonalistyczny optymizm poznawczy w Gödłowskiej wizji dynamiki wiedzy” [Rationalistic cognitive optimism in Gödel’s dynamics of knowledge], <http://www.calculemus.org/CA/epist/marc-optymizm.html>, access 2015/1/31.

The current paper is written in accordance with the latter concept.

The opposition cognitive optimism vs. cognitive pessimism is reflected in the concepts of truth, in doctrine (e.g. in literary studies) and also in practice. For example, in law there functions the concept of material truth and also the concept of legal truth, based on the presumptions of law, legal fiction and unanimous statement of the parties.

See. e.g.

Filip Przybylski-Lewandowski, “Domniemanie prawne” [Legal Presumption], in Jerzy Zajadło (ed.), *Leksykon współczesnej teorii i filozofii prawa* [Lexicon of Contemporary Theory and Philosophy of Law] (Warszawa: C.H. Beck, 2007), p. 55.

Andrzej M. Świątkowski, “Fikcje prawne w instytucji rozwiązania stosunku pracy” [Legal Fiction in the Termination of a Job Contract], *Państwo i Prawo* [State and Law] 7/2010, pr. 18.

Legal truth (not necessarily consistent with the material truth) may also become the basis for a legal statement.

Example of a legal presumption: Polish *Law on Road Traffic*, Article 130a par. 10: “A vehicle taken into custody under par. 1 or par. 2 and not reclaimed by an authorized person within 6 months from the day it is taken into custody shall be deemed abandoned with the intention of disposal”. (*Dziennik Ustaw* [Journal of Laws] 2005, No 108, item 908).

Example of legal fiction: substitutive delivery which consists in declaring a letter delivered if the addressee is absent at the moment of delivery or refuses to receive the mail (e.g. *Kodeks postępowania administracyjnego* [Code of administrative proceedings] Art. 43, *Dziennik Ustaw* [Journal of Laws] 2013, No 0, item 267).

The current paper is not free from similar fictions and presumptions either, although they pertain to the field of literary studies and anthropology.

Cf. also:

- the coherence theory of truth: true is what is inherently coherent. This theory assumes that what is true in one system may be at the same time not true in another. Formal criteria (e.g. logic) and not substantive ones are decisive. See the works of the author of this theory, e.g. Francis Herbert Bradley, *Essays on Truth and Reality* (Oxford: Clarendon Press, 1914).

- the consensual theory of truth: true is what a given group of people deem true. Here one finds a great scope of literature, from e.g. Thomas Hobbes, *Leviathan*, Create Space Publishing Platform, 2011, (a social contract which establishes authorities, as a result of shared conviction);

to Juergen Habermas on establishing (consensual) truth in a so-called ideal speech situation; see e.g. Craig Calhoun et al. (eds), *Contemporary sociological theory* (Oxford: Blackwell, 2002), pp. 352–353;

finally to Karl Otto Apel and his theory of apriority of social communication and communication ethics.

- the constructivist theory of truth: truth is constructed. It may also be the result and tool of class struggle. I recommend the paper: Andrzej Falkowski, “Pamięć



i wiedza w kontekście rozwoju poznania naukowego” [Memory and knowledge in the context of the development of scientific cognition], *Nauka* 2004, 2, pp. 105–124.  
 – the minimalist (deflationary) theories of truth: truth is a sequence of expressions, whose occurrence may be ascertained (established) but it is not subject to further analysis (“verification”): e.g. the existence of a certain, e.g. literary, statement, is ascertained but its relation to its subject (or reason) is not examined. Cf. e.g. Cezary Cieśliński, *Deflacyjna koncepcja prawdy. Wybrane zagadnienia logiczne*, [Deflationary conception of truth. Selected logical issues] (Warszawa: Semper, 2009).

In reporting this issue I used also the synthetic presentation by Krzysztof Mądel, “Teorie prawdy” [Theories of Truth], a multimedia presentation for the seminar “Prawda w medycynie” [Truth in Medicine], Collegium Medicum UJ, Cracow, November 9, 2006 (madel.jezuici.pl/files/slide/teorie\_prawdy.pps, access: 2015/1/31).

Krzysztof Mądel presented the following taxonomy of theories of truth: I – substantial theories (correspondence theory, coherence theory, constructivist theory, consensual theory, pragmatic theory); II – minimalist theories (performative theory, redundancy theory, semantic theory); III – classic theories (Thomas Aquinas, Kant, Hegel, Kirkegaard, Nietzsche, Heidegger and even Foulcault and Baudrillard); IV – category of truth in context (in relation to academic disciplines, e.g. sciences and religion e.g. the infallibility of the Bible).

It is not my aim to relate Krzysztof Mądel’s views in detail, nor to engage in potential polemics. The reason behind this footnote is the desire to justify the methodology of my article which is close to the theories deemed minimalist (especially the correspondence, coherence, constructivist, consensual, redundancy and semantic theories), and the so-called truth in context (in relation to humanities).

**4** The key notions of contemporary humanities are referred to so often and in so many different ways that it is difficult to determine their consistent interpretation (semantic range). Examples of source literature:

- indeterminability: see the footnote about the conception of cognition and theory of truth.
- fluidity: see Zygmunt Bauman, *Liquid Modernity* (Cambridge: Polity Press, 2000).
- continuous interpretation and (re)interpretation: “culture [...] understood as a never ending process of semiosis (creating and interpreting signs)” (Anna Burzyńska, “VIII. Semiotyka” [8. Semiotics], p. 258, in Anna Burzyńska, Michał Paweł Markowski, *Teorie literatury XX wieku* [Theories of Literature in the 20<sup>th</sup> Century] (Kraków: Znak, 2009).

**5** What strengthens (explains) the essayistic thesis here is again a purely scientific enunciation:

“choosing a narrative as a source of knowledge, one must always remember that it cannot be explicitly defined or classified into particular structures established by the researcher. A narrative thus becomes an irreplaceable piece of evidence of certain aspects of the respondent’s biography. The narrative ‘gives the respondent a chance to speak for themselves’” (Gibbs, op. cit., p. 109).

In the same way one may describe the relationship between facts (including the economic crisis in which we are interested) and Masłowska’s novel and Żułowski’s adaptation.

Whereas Joanna Rembertowska, who provides the above quotation, sums up: “Thus he [the author] gets an opportunity to create and maintain the image of his own identity. By means of the narrative he also shows the way in which he perceives the world and, what is more, the way in which he perceives himself.” (Joanna Rembertowska, “Narracje pamięci” [Narratives of Memory], op. cit.).

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And she continues: "An anthropologist 'focuses not just on what people said and the things and events they describe but on how they said it' (Gibbs, op. cit.)".

One may relate this statement directly to the examples of artistic expression in which the form is of primary importance.

"Being both the narrator and the protagonist of our past we are the ones who attribute meanings to it" (Katarzyna Kaniowska, "'Memoria' i 'postpamięć' a antropologiczne badanie wspólnoty" ['Memoria and 'Post-memory' and anthropological study of community], *Łódzkie Studia Etnograficzne* [Łódź Ethnographic Studies] vol.13, p. 62).

**6** See the footnote about the indeterminability, fluidity, and continuous interpretation and (re)interpretation.

**7** This one and many remarks to follow are of essayistic and polemic character. Seemingly they are out of place in a research paper and outside the working problematization of this paper. However, this will be settled in favor of this paper in the last footnote.

Justification: discussing both these works in the way they have been discussed would lead to conclusions which have already been reached. Yet these works discuss issues which are rather new and do it in a new way, additionally trying to negate some ways of thinking, and the existence and rank of some social phenomena. Although only non-verbally or implicitly, they propose new theses, which were vague in the language used before. Or (in the extensive version) they engage in polemics with many former ones. Thus it seems justified to use more adequate methods, including ones constructed in the course of discussion. Ones that refer to straightforwardness and oppose the tendency to classify. Hence the essayistic mode, leaving out linearity and straightforwardness.

Because of the brevity of the present study, this method must partly explain itself (using examples) in the course of implementation.

**8** Among many others, the following key to *Trans-Atlantyk* may be formulated: the economic and political crisis and the identity crisis co-exist and create each other. Just like in the works of Maślowska and Żuławski, and also in the context of war, understood not conventionally, hallucinatorily, oneirically, but literarily.

**9** In the wide spectrum of social sciences, particularly in sociology, e.g. Anna Wyka, *Badacz społeczny wobec doświadczenia* [Social Researcher and Experience] (Warszawa: Instytut Filozofii i Socjologii PAN, 1993).

In academic disciplines known as humanities, particularly in anthropology, e.g. Ewa Domańska "Doświadczenie jako kategoria badawcza i polityczna we współczesnej anglo-amerykańskiej refleksji o przeszłości" [Experience as a research and political category in contemporary Anglo-American reflection on the future], in Anna Zeidler-Janiszewska and Ryszard Nycz (eds), *Nowoczesność jako doświadczenie: dyscypliny – paradygmaty – dyskursy* [Modernity as experience: disciplines – paradigms – discourses] (Warszawa: Academica, 2008), pp. 131–142.

**10** Dorota Maślowska, *Wojna polsko-ruska pod flagą białą czerwoną* (Warszawa: Lampka Iskra Boża, 2002);

*Wojna polsko-ruska*, written and directed by Xawery Żuławski, 2009. All the quotations from these works were translated for the sake of this paper by Agata Jankowiak.

**11** Detailed explanation is beyond the scope of the current article, but the status of masterpiece is related to the belief that all works of art may be hierarchized on the basis of one unitary key. This view was criticized a long time ago by Janusz Sławiński in a paper published on 5 March, 1994, "Zanik centrali" [Decline of the Center], *Kresy*, 1994/2: 14–16.

**12** It is recognized as one of the causes for the crisis of humanities. In the Polish context this issue was discussed in the monographic edition of the monthly *Znak* with the subtitle “Bankructwo humanistyki” [Bankruptcy of Humanities]. See *Znak* 2009/10 (663).

**13** Thus I am inclined to agree with the (dominant) opinion that comparative studies are not possible because there are no common comparative criteria for independent entities, symptoms, activities. Idiomaticity excludes the scientific dimension of comparison but not the educational one.

Besides, “Jonathan Culler expresses the opinion that the so-called crisis of comparative studies is first of all the crisis of ‘comparability’, which is connected with the impossibility of taking a neutral stand, a neutral research position” (Andrzej Hejmej, “Niestabilność komparatystyki” [Instability of Comparative Studies], in *Wielogłos* 2010/1–2 [7–8] [Kraków: Wydział Polonistyki UJ, 2010]).

This paper refers to: Jonathan Culler, “Comparability,” *World Literature Today*, Vol. 69, No. 2, Comparative Literature: States of the Art (Spring, 1995), pp. 268–270.

**14** More on this topic, see e.g. Daniel R. Sobota, *Źródła i inspiracje heideggerowskiego pytania o bycie* [Sources and Inspirations of Martin Heidegger’s Question of Being], vol 2: *Filozofia życia, filozofia religii i filozofia egzystencji* [Philosophy of Life, Philosophy of Religion and Philosophy of Existence] (Bydgoszcz: Fundacja Kultury Yakiza, 2013), pp. 509–513.

**15** The main thesis of the researcher was that the subject of linguistics is language considered in itself.

See Ferdinand de Saussure, *Course in General Linguistics* (New York: McGraw-Hill 1966).

See also: Ferdinand de Saussure, *Writings in General Linguistics*, trans. Carl Sanders (Oxford University Press, 2006).

**16** An example crossing the fields of linguistic customs, modern history and politics: the uncritically accepted saying “black is black, white is white” used as a slogan by a Polish presidential candidate, the former leader of a social movement aimed at introducing freedom and democracy, may be, contrary to the user’s intentions, a reflection of the post-colonial way of thinking and the heritage of the theory of white race superiority over the black race. Similarly the word “asshole” may be a hidden criticism of anal or gay sex, which is not procreative.

**17** Cf. also the *bon-mot* “The truth? There is no such thing” in *The Dark House*, written and directed by Wojciech Smarzowski, 2009.

**18** Perhaps the aim here is to find a metaphor for a general prohibition of trading on Sunday, which was the subject of public debate when Masłowska was writing her book.

It is (perhaps) that what is inhaled is red borsch, red being the color of the October Revolution. Instead of the western “white way” offered white powder (the genuine drug), there is the eastern “red way,” a substitute.

**19** Cf. Sonet IV by Mikołaj Sęp-Szarzyński “On the War We Wage With Satan, The World and The Flesh” translated by Richard Sokolosi: [http://staropolska.pl/ang/baroque/Sep\\_Szarzynski/tekst\\_sonnet\\_04.php3](http://staropolska.pl/ang/baroque/Sep_Szarzynski/tekst_sonnet_04.php3).

**20**

- Poles fight against Russians
- Poles fight against “Russkis”
- Poles fight against Poles

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– each of them fights an internal fight (say because of the internalized „homo sovieticus” from Father Józef Tischner’s writings).

The conflict equally concerns the struggle between two nations, whether real or imaginary (Poles, Russians, “Russkis”), that within one nation (Poles vs. “russified” Poles) as well as the one fought internally by an individual about which stance is going to win and in which circumstances.

**21** Edward Gierek – one of the party leaders of the Polish People’s Republic, he governed in the 1970s. His name is associated both with Poland’s civilizational advancement, the so-called (economic) miracle on credit, and the economic, social and political crisis which ended his leadership.

**22** This brings to mind the situation depicted in the film *The Beads Of One Rosary* (written and directed by Kazimierz Kutz, 1978) in which the main protagonist, a retired miner, fights to be allowed to remain in his worker’s house, even though a housing estate of tower blocks is being built around it. He struggles for his own dignity but also for the good conditions of life for the others (“They will see and say: ‘This is how the miners once lived and this is how they live now’”).

**23** Disco-polo is a kind of music, popular in 1990s Poland and similar to disco music, “characterized by kitsch and simplistic performance” (<http://sjp.pl/discopolo>, date of access 23/11/2015). The genre resembles the earlier italo-disco, which emerged in Italy, and its development was simultaneous with that of Balkan turbo-folk, although the Polish music does not feature nationalist elements, as it was the case in Yugoslavia and the former Yugoslavia during the civil war and after it ended.

**24** In Wojciech Kuczok’s *Gnój* [Muck] an old, faulty sewage system plays a similar role. It breaks down towards the end of the book and causes a complete destruction of the house and its inhabitants.

**25** Analogy to the film *Naked Lunch* (written and directed by David Cronenberg, 1991) in which a fancy typewriter one is of the motifs: concentration on the tool with which one creates shapes and poor substitutes of meanings.

**26** Slogans which ceased to unite. One may pay attention to the scene when Nails and his friend “play” with walkie-talkies. The reason for their fight and arrest by the police is the lack of a password, which makes their further conversation impossible (“wrong password”).

**27** For example, the young characters in the film frequently discuss studies in economics and marketing at university, which have turned out to be merely degree factories. The quality of being conventional, absurd, oxymoronic, false, useless, incompatible with the alleged “nature of things” is also seen in the term “sandworks” which defies all common sense (and describes the basic activity of the richest businessman in the neighborhood, a local leader).

**28** Cf. the above footnote concerning the question of comparability (the possibility of comparability). Comparative studies is one of the most important trends in literary studies. The term *littérature comparée* appeared in France at the beginning of the 19<sup>th</sup> century. It was used with reference to comparison of works created in various languages and cultural environments. In 1954 the International Comparative Literature Association was established. A question which is akin to the above is the considerations concerning the original and its copy, travesty, pastiche, as well as interdisciplinary research, e.g. study of the relationship between the original work and its adaptation (on stage, in film).

Nowadays the so-called crisis of comparative studies is being observed (as mentioned in the previous footnote). The parallel fall of structuralism (a belief that the whole world is constructed on the basis of the same rules, everything is interrelated and one thing results from another) was also of some importance. When it was decided that structures are nothing else than a contractual (artificial) construct, the ontological basis for comparability of particular works disappeared.

**29** The notion of a map (or rather the lack of a map) is probably the best metaphor of the twilight of comparative studies and their impossibility (this also applies to all comparisons, and possibility of a hierarchy). This metaphor is often employed e.g. in the poetry of Andrzej Sosnowski. At the same time he refers to Elizabeth Bishop's poem *Map*.

**30** As is well known, e.g. from Adam Mickiewicz's poem *Pan Tadeusz* [Sir Thaddeus], adapted by Andrzej Wajda (*Pan Tadeusz*, written by Jan Nowina Zarzycki, Andrzej Wajda, Piotr Weresniak; directed by Andrzej Wajda).

**31** It is even more clearly seen in the author's second book, *Paw Królowej* [no English translation, lit. 'The Queen's Peacock' but also 'The Queen's Puke'] (Warszawa: Lampa i Iskra Boża, 2005). And also in its adaptations, e.g. *Paw Królowej*, directed by Paweł Świątek, Teatr Stary in Kraków, premiere 2012/10/27.

**32** Cf. the production of happiness – decreeing happiness; “castles in the air.”

**33** The English translator of Masłowska's novel Benjamin Paloff (*Snow White and Russian Red*, Grove Press, Black Cat, 2005) consistently uses the name „George,” which is the equivalent of the adapted form „Dźordź” used by the author (a spelling which represents the English pronunciation of “George”). It does not, however, reflect all the linguistic operations that Masłowska performs – the reasons, the means and the results of this adaptation.

The form “Dźordź” has not caught on in colloquial Polish. Benjamin Paloff's intention must have been to render the author's idea to refer to the main character's penis using a familiar name which most likely had not appeared in (literary) Polish before and to represent its autonomy and individual, unparalleled features.

In the same way as English uses names such as “Willy,” “John Thomas,” or “Dick,” so Polish has e.g. “Wacek” (the diminutive of “Wacław”).

“George” (“Dźordź”) indeed has control over Nails throughout the plot of both the book and the film, hence its name is of primary importance.

In Polish “Dźordź” has humorous, frivolous overtones, and is perhaps of diminutive character. Outside Masłowska's book one will not find a similar phonetic spelling.

This “Dźordź” is derived from the Anglo-American name, which acquires an additional, enriching and conflict-provoking – confrontative sense in the Polish-“Russki” context.

**34** The one that is associated e.g. with the works of Honoré de Balzac, the author of *The Human Comedy*.

**35** If it is at all. As I wrote before, by analogy to sonorism (an approach to composition in contemporary music) contemporary art is dominated by the reflection on language itself, and not on the aspects of the world subject to description. Reflection on language, on construction, on imagination as such.

**36** In this way the anxiety implied by the word *wojna* ‘war’ in the titles of the two works becomes a means to express a general, contemporary anxiety and the current existential and political situation.

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I began and I will finish this article (in an attempt to deliver a punchline) with a quotation from Andrzej Falkowski: “the respondent’s memory changes so that it becomes more consistent with the information received later” (Andrzej Falkowski, *op.cit.*, p. 119).

And I will allude to Nails’s statement: “Now I know what to say. I am a trained dog.”

The aim of the so-called narratives of memory and of fiction is not the past (nor theory) but the reality and consistency with the present state, (artificial) unification. Memory is subjective. Just like – in this approach – history, it is not in service of the past (including commemorating people and events, in their interest), but of the people who live “here and now”. It is in the service of the present and the future. It is treated instrumentally not only by the “lords of memory” themselves (ideologists, leaders, copywriters, ghost-writers) but also by “average” users of memory, including the memory of crises.

The memory of crises (also economic ones) will change depending on the individual and general situation and needs, so that as a narrative it can preserve the illusion of coherence

“The traces of the events which are experienced will mix, collide, replace one another” (Andrzej Falkowski, *op.cit.*, p. 120).

The present attempt at interpreting both works and the conclusion about its impossibility cannot deviate from the current (non-fictional) situation of the reader and spectator, including the one who is writing these words.

In research into memory, construction of history, typologies of truth, in considerations of cognizability and comparability, one can see a constant opposition of classic and constructionist (relativizing) approaches.

This article, which is developed both in the main text as well as footnotes and written in two different languages, is only an attempt to discuss this opposition. At the same time it is an attempt to speak about crisis narratives and the changing approaches to the possibility of remembering in general.

The end of this footnote may be considered to be the actual ending of my paper, developed in two dimensions, the impressionistic (essayistic) one and the scientific one (in the footnotes), and which also constates similar undecidabilities, and ways of coping with them.

# BOOK REVIEWS





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## THROUGH HISTORY WITH CRISIS

**ANNA ŻELAZOWSKA-PRZEWŁOKA,  
*CRISIS AS AN ELEMENT OF  
THE ECONOMIC SITUATION*  
(OSTROWIEC ŚWIĘTOKRZYSKI:  
WSBIP, 2014)**

**ANNA ŻELAZOWSKA-PRZEWŁOKA,  
*KRYZYS JAKO ELEMENT SYTUACJI  
GOSPODARCZEJ* (OSTROWIEC  
ŚWIĘTOKRZYSKI: WSBIP, 2014)**

“Ramses is dead, whereas crisis is very much alive” – audiences in the Polish People’s Republic used to laugh at this punchline from a popular comedy sketch. Even though the world and Poland itself have changed considerably since those days, one may get the impression that those words are still true – crisis lives as it lived before. It may seem that the worst global economic crisis of the 21<sup>st</sup> century is behind us but there is a lot of evidence to suggest that this is but an illusion. Present economic growth as well as exceptionally high levels of stock market indices (for example in the summer of 2014 the American stock market index S&P 500 reached a record high – it doubled compared to the doldrums of 2009) are maintained artificially, as the most important central banks around the world reduce interest rates to ultra-low levels – and keep them low for an extremely long time – and banks and financial markets are supported on a large scale by newly issued money

within various rounds and operations of so-called quantitative easing. The latest stress tests of the European Central Bank have shown that as many as nine Italian banks do not meet the required standards of capital adequacy, and it should be emphasized that the scenarios assumed for those stress tests were rather mild. France is fighting against economic stagnation and Japanese economists get headaches not only due to stagnation but also due to an astronomically high public debt. The situation on the other side of the Atlantic Ocean is not good either. While in 2007 the median salary in the USA was \$55,500, at present it is \$51,000 (inflation-adjusted). In short, at any moment the global crisis may return with twice the impact.

Thus, since the issue of economic crises continues to be relevant, Anna Żelazowska-Przewłoka's book entitled *Kryzys jako element sytuacji gospodarczej* [Crisis as an Element of the Economic Situation] is a valuable read. In the four chapters that extend over 280 pages, the author offers a survey of the most important economic crises, from the Middle Ages to the 21<sup>st</sup> century. Even though the book discusses theories of business cycles and of the emergence of recessions and crises, it is first and foremost a study for people interested in the economic history of the world and Poland, and not in the theory of economics. The character of the book is best seen in the comprehensiveness of its chapters. The fourth chapter entitled "Crisis in Poland" comprises half of the book and it is at the same time the most interesting chapter.

The compelling data and statistics are a huge advantage of the book. For example, on page 146 we find an informative table showing to what extent the Polish economy in the 18<sup>th</sup> century was backward and its fiscal instruments unwieldy. It turns out that the fiscal income in Poland in 1700 amounted to only 3 per cent of the fiscal income of France while in the case of the future partitioners of Poland – Prussia, Russia and Austria – it amounted to 8,8 and 26 per cent respectively. In 1788 the fiscal income in Poland was equal to 2.7 per cent of the fiscal income in France in the same year (although it should be remembered that the territory of Poland had been reduced as a result of the first partition, having lost the populous Galicia, the relatively affluent Royal Prussia and the eastern part of the Grand Duchy of Lithuania). In the same year the income of Prussia, Russia and Austria was equal respectively to 19 per cent, 40 per cent and 43 per cent of the income of France. Similar interesting economic statistics are abundant in the book.

The subsection describing the Great Depression in Poland is very interesting. This issue is discussed in great detail. The author justly claims that Polish authorities did not rise to the challenge. Poland was particularly painfully struck by the Great Depression, one of the reasons being an inadequate, erroneous economic policy of the authorities of the day. It was assumed that the stability of the Polish zloty and its convertibility into gold were a priority. Instead of devaluing the currency – like many other countries did – in order to render Polish exports more competitive and imports from abroad less profitable, Polish policy makers responsible for state economic policy stubbornly maintained a fixed parity of the zloty. For a long time the authorities did not even introduce any currency restrictions, although they were widely introduced in other countries. It was in a way a result of the fear of hyperinflation which had touched Poland so painfully in 1923. The authorities worried that if devaluation were to be instituted, Poles and so-called high finance would lose their confidence in the zloty – confidence that had been earned through hard work over a long period of time. Except that high finance was withdrawing its investment and portfolio capital from Poland during the crisis anyhow, heedless of the stability of the zloty. The policy of maintaining public monopoly and export subsidies, even at the cost of implementing price dumping, was also misconceived. Companies compensated for their losses by significant price rises in the domestic market and this was acutely felt by the poor inhabitants of the Second Commonwealth of Poland.

One downside of Żelazowska-Przewłoka's work is that some titles of the subsections do not correspond to the issues which they actually cover. For example, in subsection 3.5. entitled "Economic crisis in the years 1899–1903" only one paragraph is *de facto* devoted to this issue, while the other three examine other topics. This must be surprising to the reader. Another drawback is – unnecessary as it seems – discussion of the same content in various subsections, although fortunately this does not happen too often. Some minor objections regarding factual accuracy may be additionally raised to subsection 4.21, which describes a crisis in Poland in the period 2008–09. Strictly speaking, at that time there was no recession much less a crisis in Poland, although there is no doubt that the decline of the Polish zloty exchange rate against the euro, the US dollar and the Swiss franc and the related problems of Polish companies, imprudent enough to conclude ill-advised transactions in foreign currency, was truly alarming. The author does not put enough emphasis on the fact that Poland emerged untouched

from the global crisis mainly because it had not joined the euro zone in spite of meeting all the criteria at a certain moment. While comparing how the crisis affected Slovakia (which had joined the euro zone) and Poland, it seems unquestionable that it was Poland which had made the right choice while Slovakia had not. Particularly so, if one takes into account the fact that later on Bratislava was forced to offer multibillion financial guarantees to help wealthier Greece (or basically large French and German banks which were Greece's greatest creditors). Generally, it is surprising that the author practically omitted the euro zone crisis. While describing the latest global economic crisis she concentrates almost exclusively on what was happening on the other side of the Atlantic Ocean. However, having said that, one should emphasize that these are only minor drawbacks, which do not belittle the high value and usefulness of this study. *Kryzys jako element sytuacji gospodarczej* [Crisis as an Element of the Economic Situation] is an interesting and gripping book. Apart from the first chapter, its language is easy to understand and straightforward. Thus, if someone wants to explore the economic history of the world and of Poland, this book will undoubtedly provide them with a great deal of valuable information.

Text translated into English: Agata Jankowiak

### PRZEMYSŁAW FURGACZ

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**DEBATE**



## THE MEMORY OF ECONOMIC CRISIS

### **Moderated by Prof. Padraic Kenney**

Chair, Department of International Studies  
Professor of History and International Studies  
Adjunct Professor of Political Science  
Indiana University

### **Prof. Wojciech Roszkowski**

Institute of Political Studies  
Polish Academy of Sciences

### **Dr. Matěj Spurný**

Senior lecturer  
Department of Social History  
Charles University in Prague

### **Tamás Pesuth**

PhD candidate  
Finance Faculty  
Corvinus University in Budapest

### **Iga Kozłowska**

PhD candidate  
Department of Sociology  
Northwestern University

### **ABSTRACT**

*A panel of invited scholars discusses the nature of economic crises as historical events, with a particular focus on the ways they are experienced, interpreted, and remembered, and also their long-term political and cultural implications. The discussants in this conversation consider what makes economic memory distinct*

*from memories of war and atrocities and, conversely, what makes them similar. They probe new lines of research that explore the sources of economic memory, the kind of language employed when remembering economic events, discursive versus non-discursive memories, economic memory as a tool of political legitimization and alternative memories, to date under-examined.*

**P. Kenney:** First, I would like to explain why I understand that we are here. At one of the first meetings of the editorial board of the journal, I remarked that the study of memory tends to always focus on the same things. These are very important things, like the memory of war and the memory of atrocities, and maybe sometimes also the memory of revolution. Scholars discuss memory in these contexts, and there is a great deal more to say about these issues, especially since we continue to have wars, atrocities and revolutions. But I wondered whether a journal whose focus is in part on memory can explore something new? This was shortly after the Great Recession which began in 2007–2008, and so I thought, “Could we have a conversation about this?” or, “Could we not encourage scholarship focused on the memory of an economic crisis?” I suggested this, and I think everybody agreed: “What an excellent idea! We really should have such a conversation or even have an issue devoted to that topic.”

The journal wants to be at the forefront of trends in scholarship. Maybe in this case we are just a little bit ahead of the trend, and so we found that relatively few people are already working on this question of how economic crises are remembered. I should add that we did receive some excellent articles, and they are published in this issue. In most cases, though, the memory of crisis has not moved to the centre of scholarly research. But we should be confident enough to say that, just because we know relatively few people who are working on it, that in itself is not a signal that this is not an important question. Rather it is a signal that this is something worth discussing at greater length. I think I can be safe in saying that it is not only outside of this room that there are relatively few people working on this particular area. Even inside of this room, perhaps none of us would identify ourselves as working on the memory of economic crisis. And that is fine. The best way to stimulate further interest in this area is to talk about what it might look like. What we can offer in our conversation is something like a roadmap. We have not travelled this road ourselves, but we can see, I hope at least collectively, what that roadmap might look like. My hope is that not only will this be helpful for this issue of the journal devoted to memory



about economic crisis, but, since it probably has not happened before that a group of scholars has spent a few hours talking about the memory of economic crisis, by doing precisely this, we can also produce something which will be of use to historians who are just beginning their research or maybe looking for a different approach to familiar areas, whether they are historians interested primarily in economic history or historians who are primarily interested in memory studies, or, for that matter, people outside of history, who work, for example, in the cultural study of memory. I hope that we might, in this way, encourage new kinds of scholarship.

Very often when we have discussion forums like this in a journal, there are scholars who have all written extensively on that topic and can speak from many years of experience working in it. That is not the situation here. We are experimenting, in effect using our knowledge of economic history or knowledge of memory to try to map out an area that would seem to be useful and productive. We have different kinds of expertise around this table representing different parts of the region. Since more expertise around this table deals with economic history, I would first like to ask, "What place is there for the study of memory within the field of economic history? How can we bring the study of memory into economic history?"

**W. Roszkowski:** Taking a step back, I would first like to express my anxiety about certain differences between what we call the study of memory, politics of memory and history in itself. I think that they are very often confused with each other. Politics of memory is basically politics. It uses history, while explaining or appealing to memory, or trying to prove certain things referring to memory which do not necessarily ring true. Anyway, it is a kind of instrumental approach to memory. Secondly, the study of memory is a field, a scholarly discipline, one that is very difficult to intuitively grasp, because memory is very hard to measure. First of all, there is the problem of collective memory, which is a philosophical issue. I do not believe in collective memory, but rather in the sum of individual memories. Next, I would like to ask how we can measure concepts such as hunger, joblessness, etc. as memories, and not as they were actually experienced in real life. Basically, we have a problem here with an image perpetuating the idea that economic memory can be remembered in terms of very simple words such as "hunger," "fear," "losing jobs," "poor pay," "good pay," things like that. Usually, economic memory stores bad experiences rather than good experiences. And then there is another field of expertise. There is history itself,

the history of events. Of course, in this case it is also “told” by someone and to some extent it is never really true. And the final question here is language. A great deal of memory is stored in simple terms, but the economic reality is told in scholarly economic history using pretty complex terms. If I explain to somebody who is praising the Gierek years here in Poland in the 1970s, that the productivity of fixed capital was declining, then we are instantly moving in different worlds. He is going to say, “Well, I remember Coca-Cola. I remember the Maluch, you know, the small Fiat, but what you just told me is beyond my comprehension. What does productivity of fixed capital mean?” Yet this concept is crucial to understanding the economic decline or the indebtedness of the 1970s. People did not care about the indebtedness, because it did not affect them directly. What affected them were the shopping queues, the length of the actual lines they had to stand in to buy groceries.

**P. Kenney:** Don’t we also remember wars or atrocities in simple terms?

**W. Roszkowski:** We use simple terms when we speak of individual memory. Whenever I say something about the general events of the war, usually somebody stands up and says, “No, no, no, my story is different.” So there is a certain collective experience, and then there are individual stories. Usually, they accumulate to form this general image, but there are individual exceptions.

**P. Kenney:** So, in the case of war, people want to share their individual experiences and think of them as very individual experiences, whereas in the case of economic memory their story might not be so individualistic. Instead, they would say, “I too was hungry, I also had a problem,” or, “I was part of something that everyone else experienced.”

**T. Pesuth:** Because Professor Roszkowski mentioned the difference between collective memory and individual memory, I would like to start with a joke that is connected to this theme. An economist says: “If my neighbour’s friend is unemployed, then we speak about an economic downturn. If my neighbour is unemployed, then that’s a recession. And if I am unemployed, then that’s a crisis.” Memory studies is an instrument or tool that can be applied to economics. If we take a look at the history of economic history, then we can see that over the past 20 to 25 years, there has been nothing but cliometrics. Cliometrics is all about using economic tools to analyse

a historical event, but only from a quantitative approach. I think that since the crisis of 2007–2008, this has changed, because we can now adopt qualitative approaches, while taking into consideration cultural, political, and other contexts. Stanley Fischer, the former Governor of the Bank of Israel and now the Vice-President of the Federal Reserve said, “I think I have learned as much from studying the history of central banking as I have from knowing the theory of central banking, and I advise all of you who want to be central bankers to read history books.”

**P. Kenney:** Well, after all, if we are looking at how people behave economically, they behave in a particular way because of things they know. In other words, things they remember.

**T. Pesuth:** We always say that people act rationally, but that is not true. There is also an emotional aspect to our activity that is sometimes derived from memory.

**M. Spurný:** I am a social and cultural historian, but now I understand it is not so easy to find experts specialising in the memory of economic crisis. I also liked very much the distinctions which Professor Roszkowski proposed, because I think it is important to differentiate between the politics of memory and the study of memory. If we are going to talk about remembering an economic crisis and instrumentalising this memory within a political context, then this is a great topic and we will really have plenty to talk about. I think, for me, as a social historian, one of the crucial notions which might connect these topics is the concept of legitimacy, in the Weberian sense of the legitimacy of a system of domination. Remembering economic crisis may even be more important than remembering wars and conflicts. The mid-20<sup>th</sup>-century crisis of liberalism in its entirety and the Great Depression are both crucial topics. Remembering of the Great Depression acted as crucial justification for the legitimacy of all types of fascism, corporatism, and of course socialism as well. One of the ways forward is to study the memory or acts of remembering connected to different generations. The generation that remembers the Great Depression is dying out, and the ensuing political elites obsessively used remembering of the Great Depression as a symbol of the economic crisis of liberal capitalism in order to legitimise themselves. This was very effective in the 50s and 60s, and maybe even partly in the 70s, but this approach lost its impact in the 80s, because there were no longer as many people old enough to remember

what it means to be unemployed or hungry. But this has not been a popular topic within memory studies, so I agree that historians should pay attention to the memory of economic crisis, because it may not only serve as an important framework for understanding change and the decline in the legitimacy of state socialism, but also the turn towards neoliberalism in the discourse dominant in the West in the 70s.

**W. Roszkowski:** From what Dr. Spurný said, I see another distinction which I think is very important, and that is the memory of events that people were witness to and the memory of events that people were told about. This is particularly noticeable in Poland, because my generation, for instance, very well remembers the Gomulka years, the Gierek years, and Martial Law. My son was 3 years old when Martial Law was introduced, but he remembers standing in lines for groceries with his mother. But someone who was born in 1988 or 1989 has no memory of economic decline whatsoever. And that constitutes a big difference. I think that the study of memory should not only focus on the things that people remember, but also on the things that people do not want to remember. This reminds me of what was said about the decline of liberal thought and the approach to liberalism in the 30s, 40s, and so on. Currently, how much do people remember of the decline of the command economy? Very little. They do not want to remember it, because it was so humiliating. They do not want to remember this terrible time in which they were forced to do things they did not want to do. They were wasting time and energy. It was a wasteful experience.

**P. Kenney:** Perhaps memory of economic crisis is really a fundamental kind of memory relating to the legitimacy of regimes, and thus we can best understand the decline or the success of some regimes by how people remember economic experience. This suggests that scholars of memory should be spending more time looking at this kind of memory rather than the memories of atrocity and war taking place during the period between regimes. If you are remembering World War II, you are remembering something between regimes. At the time, it was not obvious that we were between regimes, but now we know that was a period when the world was about to change from one set of regimes to another. Revolutions, wars and atrocities, all unusual situations, can be viewed as those periods in between. And Dr. Spurný is suggesting, and I think this is very compelling, that in fact, a central memory story of the 20<sup>th</sup> century is the memory of how things are “most of the time.” At the same time, there are things that people do not

want to remember and often this is the experience of humiliation, of not having a job, not having enough food, not being able to take care of one's family, having to stand in line. These are things that people suppress from their memories, so on the one hand, these are possibly the most important memories, and on the other hand, they are memories that people do not want to talk about having. This is where I would like to introduce the concept of non-discursive memory. Maybe what has happened with memory studies is that, quite naturally, people have studied discursive memories, things that everybody writes about and have the language to write about. We sometimes say that writing about atrocities is beyond our ability. The Holocaust is a case in point. Yet thousands and thousands of people who experienced the Holocaust have written about it. There are mountains of literature about that, so this is very much an instance of discursive memory. And here we are talking about memories that in a way do not get written about. So is it useful to make a distinction between discursive memory and non-discursive memory? And if we are talking about a kind of memory people push aside or suppress, or at the very least do not write about, well, then, what can a historian do?

**M. Spurný:** I have a slight problem with this distinction between discursive and non-discursive memory, especially when we are talking about economic crisis. Let me give an example. The most significant social protest of inter-war Czechoslovakia was the so-called Most Strike. Most is a city in Northern Bohemia with a tradition of coal extraction. There was a protest in 1932, which resulted in dozens of dead and injured miners. This protest had already become a big topic in the inter-war period, with leftist intellectuals who supported the miners participating in the discourse. Afterwards, especially after the war and within post-1948 state socialism, this memory was reinforced a great deal. Miners wrote down their memories of the crisis and the strike. Hundreds of these memories were put together, and up to the 80s, three hundred publications and articles were written about this event. It was a crucial topic for the leftist narrative of inter-war Czechoslovakia, as well as Czech history embracing the entire 20<sup>th</sup> century. This is just one example that begs the question of whether we can really talk about non-discursive memory.

**P. Kenney:** Also in Poland in the 1930s, memoirs of the unemployed were collected, and this was a very powerful collection. That is another good example where something clearly not discursive became quite discursive.

**T. Pesuth:** We have to distinguish between having memory and understanding it.

**P. Kenney:** It seems that discursive memory is that which can be explained and non-discursive memory is that which cannot be explained. For example, a memory connected to the Holocaust can dictate certain behaviour. Some people may say “Well, we don’t want to travel to Germany or perhaps to Poland because terrible things happened there generations ago,” and that is something that can be passed on and explained through memories of the Holocaust. On the other hand, if someone in the family insists on buying 40 kilograms of potatoes in November, she might not say “Well, I’m doing this, because in 1932 we were very hungry.” So in that sense, it’s a non-discursive memory. You just say, “It’s what we do, we buy a lot of potatoes and that’s why the closet is full of potatoes,” and nobody says “that’s really strange, why is there a closet full of potatoes?” So in that way it is a memory which is not explained. At some point, there will be a generation that says “Why do we have so many potatoes?” and nobody is quite sure why that has happened.

**M. Spurný:** I agree with you that memories of economic crisis are more difficult to understand and explain to subsequent generations in a manner that allows them to internalise them. However, I do not think that people failed to speak about these experiences, because we have studies, publications, articles and collections of workers’ memories of economic crisis. We know from interviews that people actually quite often told stories about economic crisis when with their families. For example, people who were born before WWII and who were loyal to the communist system, would tell their children, “You don’t remember what it means to be unemployed, but we know how humiliating that can be. Of course, we see a lot of failures in this communist system, but at least we had a job and were not hungry.” As important topics emerged in the 70s and 80s, such as human rights and environmental devastation, this argument became less convincing for subsequent generations. On the other hand, maybe there are some differences between remembering war or deportations, and remembering economic crisis, because every human has some experience of physical pain, whereas it is probably more difficult to internalise the experience of scarcity, of not having enough, of being exploited. This slight difference may be important for answering the question of why remembering economic crisis is so bound to single generations, yet loses its impact or meaning for subsequent generations.

**I. Kozłowska:** With regard to the question of discursive and non-discursive memory, as a sociologist of memory, I think it may be interesting to treat this distinction as a spectrum or a process of moving from non-discursive memory – maybe we can call this bodily memory, the sort of memory encapsulated in the hoarding of potatoes – to that memory being mobilised by some groups or actors in such a manner as to become explicitly discursive. For example, people could walk past a building that survived the war and not notice it, even if someone important lived there. We can say that that is a non-discursive memory in that it fails to communicate any meaning or message. But then maybe some people in the community get together, and say, “We should commemorate this building by putting a plaque on it.” That social action then transforms the status of that object or that memory from non-discursive to discursive.

**P. Kenney:** We can think of massive efforts right after the war to collect memories of people who had survived the war, especially within the Jewish community. There was a very conscious effort to take something which many survivors could not speak about or did not know how to speak about, and to make it discursive. This happened quite quickly and to the extent that it became almost a default position. There is almost an expectation now, or has been for the last 25 years, that if you experienced something in the war, you are almost obligated to talk about it. It is a default thing and it is discursive. There was a similar effort from a very political perspective that sought to highlight the memoirs of the unemployed in the 1930s. So it is often a political intervention. It is the politics of the Jewish community after the war that says, “We need to collect these stories,” and it is in particular leftist politics in the 1930s, either in Most or in Poland, that says, “We need to collect these stories in order to make a particular political point.” It is a political effort that makes a non-discursive memory become discursive.

**W. Roszkowski:** But I wonder, first of all, what are the sources on which study of memory is based. I think we should start with this. Published and recorded memoirs plus interviews and nothing else? What more is there? I think that we should focus on the representativeness of the sources of study of memory. Because to make the study of memory as watertight as possible, as precise as possible, we should really take care to ensure the representativeness of the sources, i.e. focus not only on the language, but also its representativeness.



**M. Spurný:** May I be a little bit subversive? So you are making a distinction here between the politics of memory, or maybe something like collective memory, and an authentic individual memory? Yet there are many examples that would appear to suggest that very often the question of the authenticity of this individual memory is of paramount importance, because very often it is a function of the politics of memory. There is a connection between these two *logoi*. In fact, there is no sharp division between these two areas. Everybody who conducts interviews knows that the manner in which stories are told depends on the contemporary values that are dominant in a given time and place.

**W. Roszkowski:** I do think there is something useful about the concept of collective memory. I just do not believe that there is a collective mind, but rather, that there is a kind of sum of individuals' memories. But I would like to go back to the question of how we can explore non-discursive memory. I think this can be achieved through reading between the lines. Economic history is not just about the economy. It is about many other things. It is about culture. Culture is in fact very often underestimated in economic history studies. So what are that other factors that co-exist "between the lines" if you ask a person about economic memory? I think that there are at least two. First, there is national feeling. For example, Germans are reluctant to think about the wartime atrocities. They prefer to remember the public works of Hitler in the 1930s and the big reduction in unemployment. Why? Because they are Germans. The Poles do not think about the liquidation of German unemployment. They think about their wartime experiences. In addition, they reflect on these using very specific language. For example, when posed the question, "Who occupied Poland? The Nazis or the Germans?" visitors to the Museum of the Warsaw Rising in Warsaw from Germany or other countries may say, "Oh, yes, those Nazis were terrible." And the guides usually say, "You know, we have a problem with that, because in Poland we remember the Germans, not the Nazis. They were not all necessarily party members. They were German soldiers, German policemen etc.". Therefore it IS important to find out what lies between or behind words that a person is using. Is this contemporary language or the language of the past? Are we dealing with the experience of this person shaped by economic experience alone, or does national feeling also play some role? Secondly, national feeling co-exists with faith. For example, what emerges from a lot of Gulag memoirs is something that hardly anyone speaks about. Frequently, people who survived the Gulag were people who believed in God. I do not know if this



correlation is measurable, but it is clear that purely economic circumstances are not the only factor affecting economic memory.

**T. Pesuth:** To follow up on Professor Roszkowski's focus on national feeling and faith, I would like to add that the most important thing is culture. I am doing my research on the 2008 financial-economic crisis and its effect on banking culture. I am not primarily concentrating on macroeconomic factors and employment, liquidity, etc. According to my thesis, the main factor contributing to the crisis was the banking culture, the improper banking culture especially prevalent at the "too big to fail" multinational banks, compounded by the shortcomings of the regulatory bodies. Let me use the German example. Despite the 2008 crisis and the Greek crisis, German society, German academics, German politicians and German bankers still remain under the influence of the post-Nazi regime. To this day, their very negative experience with hyperinflation legitimates what is in effect a national consensus on anti-inflationary rules. This is why it is these central bankers that most strongly disagree with the measures that have now been adopted by, for example, the President of the European Central Bank, Mario Draghi. In other words, memories of economic crisis can play an important role in contemporary economic policymaking.

**P. Kenney:** What seems to be a problem here is that economics is assumed to be an entirely objective science, so the case of the German bankers is wonderful because the assumption is, "They are German bankers, they're the best bankers in the world, they are professionals!" It becomes very difficult to say, "Well, yes, but they have a particular perspective and a particular policy, which is shaped by history and the memory of economic crisis." As a social historian, I was thinking about the memories of people standing in line, hoarding potatoes and so on. But what you pointed out is that there is another group of people that has memories of economic crisis, and they are bankers, corporate leaders, politicians, trade union leaders etc.

**T. Pesuth:** Economic memory has an important place in contemporary politics. For example, during the Greek crisis, Greece pointed out that Germany should remember that, when they were in a very bad economic situation, the Greeks helped Germany by forgiving their debt under the terms of 1953's London Agreement. So now, why can they not do the same for Greece?

**P. Kenney:** I think that there are a couple of closely related problems that keep coming up that I would like to put back on the table. One is the problem of sources of memory and the other is a problem of the language with which people talk about economic crisis. It seems to me that these are related because the source problem is partly a language problem. If the sources that we have are created by, perhaps, political activists who decide that it is important, for example, to interview unemployed workers or to get them to tell their stories, or artists or novelists who decide that it is important to write about an economic crisis like the one in Most that was mentioned, then we have a particular view of the economic crisis. That is the story of course of the literate people and also expressive in particular ways. It may be that as a result we lack a full panoply of sources that could really produce a good understanding of economic crisis. At the same time there is the problem of language. The point was made earlier that we tend to think about the economic crisis in very simple terms: "It was bad," or conversely, "Things were good". We mentioned the Gierek era and the 1930s in Germany. They are both post-crisis eras that people can remember as, "Life was good. Things worked. I had access to goods that I didn't have before." Therefore, given the simplicity of language and the bias of sources, it seems to me that the historian trying to capture the memory of economic crisis faces a real challenge. So, what do we do?

**T. Pesuth:** Concerning the issue of contemporary language, we have to distinguish between language that is understandable or not understandable. If I talk to a person who has never studied economics, and I tell him or her that actually the bankers reacted rationally on the basis of financial incentives, they won't understand. But if I tell them that the bankers were selfish or greedy, they will understand. So this is something that we should change. It is a crucial problem that economists only talk to other economists about using their technical language.

**P. Kenney:** So this should be changed, so as to give people tools to be able to talk about their experiences?

**T. Pesuth:** Exactly.

**W. Roszkowski:** But the language problem is rooted in different understandings of objectives. For a banker, robbing the depositors seems rational, while for the depositors it is unfair. It is an injustice. So there are different

points of view I'm afraid. Can these be brought together in such a manner as to definitely state that there is one common denominator of evaluation?

**M. Spurný:** Another thing that makes remembering economic crises difficult is that there is rarely a clear distinction between victims and oppressors. This is also the problem when it comes to remembering late socialism, where it is unclear whether the regime or the society is to blame. It may be even more difficult when it comes to remembering economic crisis: people know where an injustice has occurred, but there were also people who benefited financially from it. Maybe a banker ends up in prison, but generally it is hard for people to make sense of an economic crisis. So it is not only the language that is of significance, but also the nature of what happened.

**P. Kenney:** It seems to be precisely a language problem, because sometimes one can say, "Yes the banker is the oppressor," or the capitalist owner is an oppressor who has thrown people out of work. Or it might be obvious to somebody that it is the banker's fault that they have now lost their apartment or their home. But most of the time it is just a little bit harder to see that. And of course it is not the banker who shows up at your house, and says, "You must leave." It is somebody whom the bank has hired or maybe it is the police. Being unable to say "I know who the oppressor is," makes that story much more difficult.

**I. Kozłowska:** I think there is something really important about the facile distinction between the oppressor and the victim when it is applied to cases of remembering war or atrocity as opposed to those involving the remembering of economic crisis. I think this is really important, because frequently one of the goals of collective memory is to build some sort of collective identity. And, historically, that has been a national identity. In the process of nation-building, for example in Germany and Poland, collective memories were important in defining who "we" are in opposition to who the "Other" is. We are Poles, and they are Germans. With memories of economic crisis, the "Other" is less clear, and maybe that is why economic crises are harder to understand and remember.

**W. Roszkowski:** I would like to bring up a question that I do not think we can avoid: Can the study of memory be normative or can it not? Is it good that people have a certain type of memory or not? I think this question is critical because the kind of memory that exists in certain communities or

societies very often creates a certain type of politics. If people are brought up in a false reality which they have been taught at schools, or exposed to in the family home or by the media for generation after generation, then they are different people. They become people that we sometimes cannot communicate with. Because if I say, "Well A is the truth," and the person has been told by his grandparents and parents and by teachers at school for his whole life that A is bad then difficulties in communication naturally arise, because a person like this simply does not know the facts.

**P. Kenney:** I think the idea of legitimacy actually helps us put more weight on popular memory of economic crisis. Because in the end it does not matter if it is true or not that people remember the depression in one way or another, or if their memories of the communist period are true or not, or their memories of the recession of 2008 are true or not, because those memories create actual facts. People process that story in a particular way, and then they assess the current regime in a particular way. So if a politician asks, "Are you better off now than you were ten years ago?" the answer becomes a political fact, and in a way it is kind of useless for the historian to say, "No, no, no, actually that's not true that you were better off under late communism," or whenever it might have been.

**M. Spurný:** I actually do not understand the view that the perceived role of historians is to correct people's misconceptions. If there is a reason for historians to consider memory, then it is to help extract alternative memories. For example, in post-socialism, it is very difficult for ex-party members or people who were collaborating with state security agencies to remember the past because there is a dominant narrative which makes these people semi-criminal. If they talk about their past, then all that is left for them to do is to apologise or to search for some way to justify what they did. As historians, we have to historicise. That in practice means that we should not only write about the prominent narrative, which is the narrative of those who fought against the regime, but also to show that different narratives are legitimate, and in an extreme case, the narratives of the Nazi oppressors or SS officers are as well, because they are important for understanding why things happened the way they did. There is a trend in German historiography active since the late 80s that recognises that ordinary people were also part of the Nazi regime's power machinery, and for that reason their perspective is also important. For me as a historian, it is always important, through historicising events, to relate alternative narratives and to describe the very

different positions of different social groups, because all of these groups have the right to remember.

**T. Pesuth:** Besides uncovering alternative memories, the study of economic memory is also an important factor in reconciliation and even in economic cooperation. One Hungarian economist stated that historical knowledge and historical awareness are factors that can increase productivity. For example, on the Slovak and Hungarian border, there is a Suzuki car factory. About half of the workers are Hungarians and half are Slovaks. If they only had a very simplified knowledge of history, the Hungarians might dislike the Slovaks because, following the Trianon Treaty, “they stole our mountains,” and the Slovaks might dislike the Hungarians because, “they were always exploiting us.” It is important that simplified economic knowledge and awareness is developed into something more substantive, so that the two groups can get along and work well together, thereby increasing economic productivity and economic cooperation within the European Union.

**P. Kenney:** One of the things of importance that we have neglected so far in this conversation is the vital role of gender in understanding economic memory. If we think about how people remember economic crisis, surely it would be the case that people’s different positions in a society would be relevant. For example, women who are homemakers or who are standing in line to buy food are going to remember that story in a way that is different from men who are operating differently within the economy. How would we advance the discussion about gender in economic memory?

**W. Roszkowski:** I think it depends on the role of women in economic life at the particular time and place. I think in terms of employment or unemployment, for instance, the memory of men and women under communism in Poland would not differ very much, because most women worked and most men worked. That is not the problem; the problem was the sharing, or not, of all the duties within the household. The memory of women in Poland during communism therefore definitely differs not in terms of whether they worked or not, but in terms of the fact that they had to combine their professional duties with household duties.

**M. Spurný:** I would not agree. I do not think this is some kind of anthropological constant, though there is of course a long tradition prevalent since

the 19<sup>th</sup> century that women functioned in the private sphere and men participated in the public sphere.

**I. Kozłowska:** When we are talking about women's experiences in economic crises, I think it might be interesting to look at periods where there was economic prosperity sometimes experienced by women as a crisis. One such memory that is very prevalent in the feminist historical narrative in the U.S. is that of women's employment post-WWII. During WWII, there was mass employment of women in traditionally male, blue-collar jobs. In factories, and so on. When the men returned from the war, many women were pushed back out of the labour force, in what was of course a very economically prosperous time. So it might be interesting to look at transitional moments. In post-1989 Poland, for example, there was of course a difficult economic situation, but it was also a moment of great potential for economic development and many women did in fact lose out, as they were the first to be pushed out of the labour force.

**M. Spurný:** A similar thing happened in post-WWII West Germany. Some historians talk about normalisation in the 50s when, more than in any other period, women were pushed out of various functions they had held in society. However, it is not only the question of gender differences in remembering, but also maybe one of recognition. The notion of recognition might help us to understand how things are remembered and why they are remembered. Everybody wants to be recognised, whether they are women or men.

**W. Roszkowski:** Recognition is a good word, because I think, in terms of language, very often in Poland this raises the question of whether women actually work at home. Are household duties work or not? In terms of national income, they are not. Somebody once said that if a man marries his housemaid, he decreases the GNP because it ceases to be a market relation. From the point of view of recognition, what matters in memory is appreciation.

**P. Kenney:** Thinking about housework makes me think about an essay by the Croatian writer Slavenka Drakulić, where she recalls her grandmother, who had drawers full of recycled aluminium foil that she saved and pressed out and folded in drawers. Raising her children during World War II, there was nothing that she would throw out. This is the kind of thing that is remembered, in this case only because Slavenka Drakulić opened those

drawers, remembered them, talked to her grandmother about it, and is then able to create a memory out of this and connect specifically to the war. She also reflects upon herself and the way that she saves things, and how she is different from her daughter, who was born in the late 1970s and who remembers things entirely differently. Drakulić even sees that she has difficulty in communicating with her daughter about the shortages that she herself does not really remember, since she, Drakulić, was born in the late 1940s. So she does not even have these memories of shortage herself, but somehow tries to convey them to her daughter for whom shortages have no meaning. So these kinds of memories are reconstructed precisely because of the lack of recognition and despite the fact that none of these women, Drakulić's grandmother, Drakulić herself, or her daughter, are able to articulate these experiences and relate them to clear economic processes.

Years ago I did research where I interviewed people who were workers in the 1940s to learn about their everyday lives. I found that when I interviewed men, they wanted to talk entirely about high politics. They wanted to explain communism to me, which of course was entirely useless information. When I would speak to women, they would respond very differently and say, "I remember nothing from those years." They too assumed that I must want to talk about politics, and they did not feel competent enough to talk about that or they really did not feel like they had anything additional to say. But when eventually it became clear that I wanted to ask about daily life in a factory or about buying food, all of a sudden they had an incredible amount to say, and it was actually far more interesting. So I had to make it clear to them that their daily life is history too and that the experience of the workplace is history.

**M. Spurný:** I think this is a very good point. Many people think when you interview them that they have nothing to say. Sometimes it is very difficult to explain to them that they do have a lot to say, and this is also gendered. Maybe women talk about their studies and what happened during the war, and then the children came. But after that there is no story. I would like to hear from them what it was like to raise children in the 50s and 60s, but it is very difficult, because there is a deep fear that "I" wasn't really a part of the history of that time. It is very difficult for people to remember normal life.

**P. Kenney:** Because it has no narrative. If you are deported, there is a narrative. Just taking care of children, you do not have a narrative. Maybe the

children have a narrative of growing up. Other people have a narrative of working. That makes it very difficult to pull out that history or that memory. Again we have a memory that is lacking in structure. So a common memory in Poland of the late 1970s, and then especially in the “Solidarity” year and a half, is this idea that there was nothing in the stores. You would go to the store and there would be nothing but vinegar in the store. There is a common trope of “nothing but vinegar” and yet clearly you know there was something sometimes in the store and people were able to buy food.

**I. Kozłowska:** I think maybe one of the goals of memory studies that focus on women and men’s relative experiences of economic crisis may be to point out different gendered experiences and the historical moments where we see those things changing, rather than to make generalisations like “women are like this and men are like this, and it never varies through time.” Historians should try to historicise and contextualise men and women’s experiences under different conditions in different periods of time.

**M. Spurný:** I agree. It is not our task to say in which ways men and women are different and in which ways they are the same. Rather our task is to really show that, historically, there have been different roles for women and men and of course this shapes different memories. This also shapes how boys and girls are brought up, and this division between public/private, men/women runs very deep in societies. As historians, we have to show that perceptions are different, because people have different experiences and they remember different things.

**P. Kenney:** One of the things that seems to me, from this discussion, to be different about memory of economic crisis is that, broadly, and I am sure we can think of exceptions, if we ask a large number of people about memories of atrocity they may remember different things but their judgment of that thing would be largely the same. No one could say, “Well, actually, deportations, you know, there were some good things about those.” It is going to be a negative memory, and it is not even going to depend on things they have read. With economic crisis, we have a different situation, I think, where people can regard an experience with different emotional attachments. We have a few examples that gender actually helps us to get at. We might take a period of crisis, and on the one hand, the man who has lost his job would remember it with deep shame, so much so that it would be difficult to talk about such a shameful event. Whereas the women might say, “Well,



it was difficult and I felt sorry for him but you know we continued on.” Conversely, we had situations, like in late socialism, where the man might say, “Things were great. I finally had my car and I had these various opportunities.” And women might say, “My God, it was such a hassle to buy food and to feed everyone day after day.” They would remember things entirely differently. Am I correct in saying that economic crisis is a different kind of event, because people would actually disagree even about whether it was bad? Gender might not be the only way in which things are remembered differently, but it might be one of the ways that memory of the economic crisis could be differentiated even from a qualitative point of view.

**M. Spurný:** I do not think there is a difference between economic crisis and “other” topics, the Holocaust of course being an extreme example. If you take other war experiences or post-WWII experiences like forced expulsion, these memories too depend on the positions of people at that time. Memories of those who were expelled would differ from those who were offered the house of someone who was expelled. People’s memories also depend on their contemporary political position. Whether someone thinks that it was great that the Germans were finally expelled and we could finally have our country back, or that it is always bad to force someone to leave their home, no matter who has been forced to do this, will depend on that person’s current political position. There were probably many people who, as late as the 40s or 50s, continued to remember the early 40s or late 30s and the Aryanisisation of property as a great time, because they got rich. But you cannot say that today, so memory is silenced because of the contemporary value system. Again, any difference in remembering does not depend on whether what is remembered is an economic crisis or some other event, but rather on the common values present in a given time and place.

**I. Kozłowska:** We have not yet brought up the practice of commemoration. Thinking about what makes the memory of economic crisis different from the memory of war or atrocities, it seems that we have many statues for war victims or war heroes, but we do not generally commemorate economic disasters or hardship. Professor Kenney mentioned the woman with the drawers of nicely folded aluminium foil, and I visualised a statue of a woman pulling this neatly folded aluminium out of a drawer.

**P. Kenney:** That would be a powerful image. Anthropological museums try to recover life of the 1930s, for example, or the communist period. A colleague

of mine has recreated the kitchen of her parents in Łódź. At the moment it is a virtual museum, but she is trying to create a real museum out of it in Łódź, where you can walk into her family's kitchen. And there might be a drawer that is full of the folded tinfoil. There is a monument to the Irish famine in New York, and there are several in Ireland. There are also monuments to the Ukrainian famine. These are exceptions that prove the rule because they are then recast as atrocities. They are not only memories of hunger but also of the intentional starvation by Stalin or by the British. In a way it does not matter how intentional the Irish famine was or the Ukrainian famine. The most important thing is that they get commemorated as atrocities and not simply as economic crises.

**M. Spurný:** You had these commemorations in the communist times, especially of heroic workers on strike and of workers as victims of capitalism. These existed in many towns and some are still there, but people do not know what they mean any more. Again, it is a question of our contemporary values, and if we historicise, we see that these monuments are commemorating victims or heroes somehow connected to economic crisis.

**W. Roszkowski:** You are right that, as far as monuments are concerned, we never see an image that represents an economic event.

**M. Spurný:** There was this Stalin monument in Letná Park in Prague which showed workers and peasants standing in a row around Stalin, and because they were standing, people would say that it was a queue for meat (Czech: *fronta na maso*). It was a humorous redefinition of what the monument was supposed to symbolise.

**P. Kenney:** That is actually a great example. You cannot have a monument of a bread line under communism. You can only have one if you have Stalin in front of a "line" that is then reinterpreted as a bread line. That is an excellent point. And I think it is a good point on which to end. Thank you all very much.

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## THE MEMORY OF ECONOMIC CRISIS...

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