

IN MEMORIAM

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REMEMBERING KAZIMIERZ LASKI (DECEMBER 15, 1921 – OCTOBER 20, 2015)¹



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¹ This is a slightly revised version of my Eulogy given at Professor Laski's Funeral Ceremony in Vienna, 22 October 2015.

Born in Czestochowa, Poland, his true name was Hendel Cygler. It was not until April/May 1943 that he was given a Roman Catholic birth certificate and residence registration documents issued in the name of a man his age who by then was most probably no longer alive. That helped him survive the Holocaust under Nazi occupation in Poland. After the war, he kept his assumed name, although he never denied his family one.

During World War II, Laski fought in a combat unit of the People's Army led by Edwin Rozłubirski "Gustaw" (later a general in the Polish Army) and was wounded on Freta Street in the last days of the Warsaw Uprising (August 1–October 3, 1944).

In 1945, Laski started studying economics at the Academy for Political Science in Warsaw, from which he graduated in 1948. The following year he was appointed assistant at the Main School of Planning and Statistics. That move began a new chapter in his life. His work there shaped his intellectual capacity, opened new horizons, and made him an outstanding scholar and university teacher. At the Main School Laski advanced through all stages of an academic career, among others serving as its Deputy Chancellor for Curricula and Research Program (1961–1963).

Laski himself segmented his research output into three periods: (i) prior to Kalecki, (ii) with Kalecki, and (iii) after Kalecki. In the first phase, his research focused on studies in dynamics of investment and consumption in the course of the fast industrialization of Poland in the 1950s. The second phase represents his close collaboration with Michal Kalecki, whose theories and personality fascinated Laski. He soon became his eager student and strong proponent. At that time, Laski published his *Outline of the Theory of Socialist Reproduction*, as well as other papers which developed and popularized Kalecki's theory.

The significance of his studies went far beyond academia. They set theoretical limits to voluntary economic decision-making and demanded that central planners accept the constraints imposed by cost-benefit analysis (albeit with little practical effect). Kalecki, Laski, and their close collaborators requested the political decision-makers who insisted on ever larger investments to consider the resulting short-term changes in consumption. Although from today's perspective, the practical impact of the suggested constraints on politically motivated investment decisions was negligible, this insubordination of elite economic professors infuriated communist political leadership. At the same time, however, this distinguished Poland from other centrally planned countries, paving new ways in economic theorizing. Moreover, a quarter of a century later, in Poland those post-1956 bulwarks of economic "revisionism" facilitated the country's transition from a centrally planned to a market economy. The study *From Marx to the Market* (Brus and Laski, 1989) gives an excellent account of the rather dramatic end to the totalitarian socialist search for economic rationality and social justice.

During that period, Laski's research, teaching, and organizational initiatives significantly contributed to establishing a Warsaw research center sometimes called the "Socialist Cambridge," with the leading role of Kalecki. This "Golden

Age” of academic work and development was, however, disrupted by the 1968 anti-Semitic purges in Poland. Laski emigrated to Austria, where he first worked at the Austrian Business Research Institute and then at the Vienna Institute for Comparative Economic Studies, of which he was Research Director in 1991–96. In 1971, he became a department head at Johannes Kepler University in Linz, where he taught until 1991.

By emphasizing the role of effective demand in macroeconomic theorizing and economic policy recommendations, Laski left an indelible mark on the output of the Vienna Institute, which made it a rather unique research center from the 1970s to the mid-1990s. This, as well as the accuracy of their forecasts based on those theoretical foundations, made the Institute’s Monthly Reports and Research Reports of particular interest to businesses, banks and other research institutes, and attracted young students.

The “after Kalecki” phase represents Laski’s further research in developing and updating Kalecki’s theories in the global economy environment, as well as his continuous defense of the theoretical underpinnings and practice of government intervention policies based on effective demand theory. This research made him the truest student and follower of Kalecki. Along with crisis-provoking adjustments in the market economy, disregard of the consequences of aggregate supply changes following contractions of aggregate demand was perceived as the cause of economic policy mistakes in the early stages of the 1989–90 economic transformation, and especially of the unnecessarily deep economic recession.

At the time, serving as a minister in Tadeusz Mazowiecki’s government, I asked Laski, in the capacity of my official advisor, to write a memo on some short-term macroeconomic consequences of Poland’s “shock therapy.” Next I circulated his memo among the senior economic ministers and government advisors, but its importance was not appreciated by them. Regretfully, time proved his argument right. Subsequently, the memo brought Laski high recognition in Europe and elsewhere for accuracy of its analysis and recommendations.

The memo, together with his many other publications on the critical issues of economic transition of East and Central European countries from a centrally planned to a market economy, give credit to Laski’s intense involvement in proving the viability of a full-employment capitalist economy that would meet the standards of both economic efficiency and social justice, as well as equal opportunities. With these priorities always in mind, he was consistently in favor of broad government intervention to counter high and lasting unemployment, should the need arise, also at the expense of controlled expansion of government deficits, and advocated moderation of household income disparities.

Until literally the last days of his life he continued work on his new book, reading proofs and discussing the outlay of its jacket. His *Lectures in Macroeconomics: A Capitalist Economy without Unemployment* is a textbook based on contemporary extensions and development of the theories of Kalecki and Keynes. Ever since the news of Laski’s grave illness reached us, we rushed, together with the Polish Economic Society which is the publisher of his new

book, to let him see the printed results of more than two years of his writing. Unfortunately, we did not make it. Neither did we manage to print a new selection of Kalecki's works – edited and introduced by Laski and myself. Both books will appear sometime in November; they were in a way meant to be a present for his 94th birthday.

All his life through, Laski was exceptionally active, giving guest lectures and attending conferences and seminars. In early June this year, at the Buenos Aires conference on macroeconomic policy making, not only did he read his paper, which was much appreciated, but took active part in discussing other presentations, and in the evening our 93-year-old attended an Argentinean tango class offered to the conference participants.

Notwithstanding the bitter experience of 1968, I believe that with no other country did Laski feel as closely connected as with Poland. In the last three years, at the Institute for Advanced Studies in Warsaw, we conducted together a series of lectures and seminars on post-Kaleckian and post-Keynesian economics. Laski traveled from Vienna to Warsaw to read papers and give presentations at “Economists’ Thursdays” of the Polish Economic Society, at the Institute of Economics of the Polish Academy of Sciences, at other academic institutions. He came as often as he possibly could.

My colleagues from the Institute of Economic Sciences of the Polish Academy of Sciences asked me to express their grief and fond memories of the late Professor Laski. The same refers to the students and staff of the Institute for Advanced Studies in Warsaw and to his many colleagues and admirers at the Polish Economic Society and the Warsaw School of Economics – his pre-1968 academic home.

Many of his former students, assistants, and collaborators asked me to pass on their words of sorrow and sympathy to his family and dear ones. Some of those who approached me remembered Laski from times well before 1968; despite the lapse of time their memories appear to be still very strong and emotional.

Kazimierz Laski was carved out of one block of rock, as we say in Poland. He was a highly principled man, but with a lot of understanding and compassion for others, a man of great wisdom, an unfailing friend. We all treasured him not only for his exceptional scientific output and knack for teaching, but also for his affability, sense of humor, affection, and friendship.

Let this memory of him stay with us.