

ECONOMICS IN CZECHOSLOVAKIA, 1945-1990

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Whereas in the immediate aftermath of World War II, Czech political economy took up the pluralist tradition of the First Republic, approaches other than Marxist were completely suppressed after the February 1948 coup d'état. Critical voices questioning the Stalinist version of Marxism, but not Marxist political economy as such, did only come to the fore in the second half of the 1950s, when the flaws of a Soviet-style "command economy" became increasingly apparent. Under the leadership of Ota Šik, a group of reformist economists went on from criticizing the command system to developing the model of a "socialist market economy", which became the basis of the economic reforms climaxing in the Prague Spring of 1968.

With the reformist movement having been quenched by military force, economics in the ČSSR were again organized strictly after the Soviet model, no departure whatsoever being permitted. Only after a considerable hiatus were alternative theoretical approaches, tentatively at first, once more put forward in specialist circles, a process which in the research sector, with the passage of time and primarily in the second half of the 1980s, went even further than merely putting forward ideas of a third way

between a socialist planned economy and a capitalist market economy. This took place first and foremost at the newly founded Prognostic Institute of the Academy of Sciences.

With the political turnaround of November 1989, the road had been cleared for unbiased debate, in which Western-style, liberal thinking got the upper hand. One of the most important advocates of a radical turn to a market economy based on private ownership was Václav Klaus, who, as the first Minister of finance of the new ČSFR and later on as Prime minister of the Czech Republic, succeeded in having his concept adopted.