Chapter 9

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EVOLUTION OF THE ORGANIZATIONAL SOLUTIONS IN FOREIGN TRADE OF SOCIALIST COUNTRIES

1. Introduction

The organizational structure of the national economy is generally regarded as an important component of the mechanism of its functioning. [1] When relating this thesis to the commercial exchange with foreign countries, one should state that the subjective structure is a crucial element of the foreign trade mechanism.

When treating the problem of organizational structure in the trade turnover of the centrally planned economies as the main point of the present considerations, one cannot treat organizational solutions as an independent variable. On the contrary, in the economic reality, there are strong correlations between the organizational structure and the other elements of functioning of the economic mechanism. In connection with this, a synthetic discussion of those interdependencies has been found advisable. It has been done in the first part of the paper.

In the analysis, it has been assumed that the evolution of the managerial system of economy and foreign trade in particular, is one of the essential factors determining the rate and range of changes in the foreign trade organization. It gives reasons for the investigation of the main reforms which occurred in this sphere in the East-European socialist countries.

A study of transformations in the organization of foreign trade is concentrated on observing regularities occurring in the changes performed. That is why there is no space for a profound discussion of changes that occurred in particular countries. In the article, the author has limited himself to:

— presenting a generalized starting model of the foreign trade organization which formulates only the most essential features of com-

[1] S. Nowacki, Subjective Organizational Structure and Social Economy Functioning, „The Economist" No 5—6, 1983.

mon solutions accepted in particular countries, at the same time, making no mention of the variety and specificity of the detailed characteristics of secondary importance,
— a concise description of the main changes and the present state in particular countries,
— formulating common tendencies of changes,
— an attempt to define possible directions of future transformations.

From the theoretical point of view, a set of possible organizational solutions in foreign trade may by presented as a continuum, where two opposite solutions: centralized and decentralized organizations are two extremes.

The former situation is described by the following features:
— concentration of decision-making rights (including operational decisions) at the higher level than the firm (economic organization),
— institutional separation of foreign trade from production,
— the existence of formal-legal barriers of the access to foreign trade for economic subjects,
— administrative formation of foreign trade firms' specialization,
— secondary character of contractual relationships between domestic exchange partners in relation to the planned decisions.

The latter situation is characterized by:
— a wide range of decisions made by the executive subject with a simultaneous limitation of a decision competence of the central economic administration (central authorities only make strategic decision from the viewpoint of the whole economy),
— a possibility of organizational separation or integration of foreign trade and production spheres (depending on the needs),
— lack of formal-legal limitations of the production enterprise participation in foreign trade,
— forming a specialization of foreign trade enterprises and other subjects which realize an operative activity on the basis of an economic calculus,
— a civil-legal character of relationships between manufacturers and foreign trade units.

In the practice of East-European socialist countries, there are intermediate solutions presented above. From the historic point of view, a starting point was the way of foreign trade organization that was similar to a centralized organization model. The processes of reforming socialist economies appear, among others, in diverging from this model and introducing solutions with decentralized model features. In various countries, these processes are characterized by a different degree of advancement and differentiated intensity.

2. Mechanism of functioning and an organizational system

Despite the fact that the idea of functioning is not equally understood in literature, there in generally a concurrence of opinions that this mechanism, among others, includes a control system (planning and management) and economy's subjective structure. Among the above mentioned components of the mechanism of functioning there are numerous

relationships, the character of which has not been unanimously expressed yet.

An opinion on secondariness of the organizational solutions in relation to the other elements of the mechanism of functioning is often expressed. This way of thinking assumes that changes in planning and management systems will automatically extort proper transformations in the organization. Making things simple, it is enough to formulate economic--financial solutions correctly and they will bring about advisable organizational changes. The impress of this attitude can be seen to a greater or smaller extent in the reforms of the system of functioning carried out in socialist countries.

It would be too simple to assume that interdependence between managerial system and subjective structure of the economy is of the above mentioned one-sided character. As the practice of many economies shows, particular structural solutions may hinder the activity of economic mechanisms. Functioning difficulties of the market mechanism in a monopolized structure economy may serve as an example here. In connexion with the above statements, one should rather assume that a managerial system and the economy's subjective structure are two interdependent variables- managerial system defines structure but at the same time the structure has an effect on the economic mechanism. In other words, the organizational structure of economy is one of the restrictions that must be taken into consideration when choosing planning and managerial systems. This structure makes possible indirect management by means of parametric tools or calls for the use of orders. The central organ of economic management has a choice of two procedures-either the adjustment of the managerial system to the existing subjective economic structure or change in the organizational structure in order to adapt it to the needs of chosen managerial system. [2] In practice, both ways of the mutual adjustment of planning and managerial systems to the organizational structure of economy should be applied.

3. Directions of the evolution of managercial systems in East-European countries

In the first years of the economic development of East-European countries, economic decisions were mostly focussed on the central administration. This kind of managerial system is defined as the command--distributive system (a direct one). The management of economic activity was carried out by means of administrative pressure. Both the planned tasks and limits of the means for their realization were assigned by the central level. There was no problem of the economic calculus at the enterprise level at all. Commodity and monetary categories (prices, credit, percentage, wages) were of secondary character, as compared with the plan establishments in a real approach.

With the development and transformation of the structure of socialist economies, negative results of an extreme centralization of decicions and the administrative, command management systems began to appear

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[2] Comp. W. Trzeciakowski, The Models of Indirect Management of the Planned Economy in Steering Foreign Trade PWE, W-w 1975, p. 45.

more and more clearly (from the mid-fifties)[3]. They were revealed in a relatively low growth rate of labour productivity, small tendency to implement innovations, high consumption of materials and energy which resulted in an unsatisfactory level of management effectiveness.

The above mentioned circumstances have lead to undertaking actions which aimed at changing the management systems of national economies. A desire to stop the development based on extensive factors and a transition to an intensive way of production are a common feature of the introduced reforms.

Both the range and profoundness of changes introduced in particular countries are strongly differentiated. In the variety of solutions accepted in the economies under consideration one can see common tendencies.

In the sphere of planning, there was a tendency towards lengthening a time horizon of central planning which is connected with a postulate of granting this planning a strategic character. There was also a reduction of a detailed character of the central economic plane and a relative increase of the importance of planning by means of value indexes in relation to planning in natural units. A directive character of the central plan targets as regards the basic economic unit was kept in most countries (Bulgaria, Czechoslovakia, GDR, Romania, USSR). One should also point the increase of the significance of planning methods which are different from the balance methods (e.g. program and purpose methods). A great stress was put on the socialization of planning processes.

The above mentioned regularities of changes in planning were accompanied by the increasing importance of economic tools as: prices, credits, interest rates, taxes, exchange rates, duties, etc. In this sphere, there is a great differentiation between particular countries. One should also note a strongly underlined postulate to intensify the role of economic calculus in all links of economy, the realization of which encounters strong obstacles (irregularities of the domestic cost and price systems, a relatively low degree of the openning of most socialist economies, lack of internal balance, etc.).

Within the organizational structure of the national economic management there was a tendency to restrict management to the central level and to the level of a basic economic unit.[4] The central level (a party, government) is entitled to make strategic political and economic decisions concerning the direction and rate of social-economic development. Central organs (the Commission of Planning, ministers) concentrate on working out long-term conceptions and programs of development, preparing long-term, five-year and one-year plans, forming the economic organizational structure as well as creating economic instruments which regulate activities of basic economic subjects.

One can also observe a tendency to exclude the right of current management of basic economic units from the competence of the centre. In this sphere, there is a great differentiation between countries. In connection with this, intermediary links are eliminated and the competence of branch-line ministries is limited to preparing central deci-

[4] S. Mizgaj, The Evolution of Mnagerial Systems in the CMEA Countries and a Multilateral Cooperation, „The Economic Life" No 25/1984.

[3] J. Sołdaczuk, Z. Kamecki, P. Bożyk, International Economic Relations. Theory and Policy, PWE, W-w 1983, p. 80.

sions and supervising the activity of subordinated units. The establishment of one ministry of industry is Hungary and reduction of the number of branch-line ministries in Poland are symptoms of this tendency.

In the discussed countries one can distinguish two forms of basic economic units:

— economic organizations consisting of several production units (establishments, enterprises),
— independent entreprises.

The first form occurs in Bulgaria, Czechoslovakia, GDR and USSR, being the basic element in the organizational structure of industry.

The main features of economic organizations are:

— a virtually closed reproduction cycle (R+D, production, sale),
— establishing the composition of an economic organization by the centre,
— receiving the directives from the centre in order to elaborate planning projects which are then accepted by a ministry.

The form of an independent enterprise occurs in Hungary and Poland.

The basic features of this form are:

— enterprises vested with the authority in planning,
— a relatively great freedom in disposing of incomes,
— a considerable competence in wages,
— a posibility for the association of individual enterprises.

4. A starting model of the foreign trade organization in socialist countries

Regardless of dissimilar detailed solutions, state monopoly is the principle for the foreign trade organizational system in socialist countries. The fact of basing trade exchange with foreign countries on the state monopoly in the USSR after the victory of October Revolution had a particularly important consequences for shaping the foregin trade in these countries. [5] Although in respecting the principle of foreign trade monopoly, various systems of steering economic turnovers with abroad may be applied, (including different organizational systems), yet in the practice of socialist countries one can observe many common features in this sphere. To a large extent, this resulted from the tendencies to copy Russian solutions. [6]

[5] It is stressed that introducing foreign trade monopoly in the USSR was not so much a pursuit of creating an optimum mechanism of the foreign traffic system functioning, but it resulted from the necessity for economic protection against the negative influence of foreign vicinity. E. Najlepszy, Foreign Trade in Planning and Management Systems in Poland, PWN, W-w—Poznań, 1973, p. 9.

[6] The Russian solutions conformed themselves to the foreign monopoly principle, according to which the state itself controls foreign trade by means of a specially created organ, decides what organizations, in which branches and on what scale may carry out direct foreign trade operations. The state, by means of the export-import plan, describeds what goods and in what quantity may be imported and exported and it directly regulates import and export by means of licences and quotas. See Sowierszenstwowanije uprawlenija ekonomikoj stran SEW, a collective work, the editor-R. N. Jewstigniejew, The Publishers- „The Science" Moscow 1974, p. 282—283.

The original model of foreign trade organization in Poland was formed in the forties and fifties. Its shape was adjusted to managerial systems based on similar solutions and these were then connected with the contemporary economic and political conditions.

The essential feature of this model was a high concentration of decision-making in the central economic authority. Its competence was concerned with decisions of nation-wide meaning and the operational decisions on commodity structure and geographic exchange of particular enterprises. Direct administrative order given to the units carying out turnovers helped to execute these decisions.

The second feature of the original model was institutional separation of foreign trade in specialized enterprises. These units were usually subject to a specified ministry of foreign trade. This solution was justified by a desire to benefit from the state's protective preferences, i.e. by the protection of market processes and foreign competition. The other arguments were: a need for concentration of specialized enterprises in foreign trade to get sufficient competitive power and the intention to draw the main attention of manufacturers to the production matters (quality, volume, technology, etc.). The conception of full separation of foreign trade activities from production corresponded with the contemporarily understood role of foreign trade exchange which at that time was not treated as factor helping to increase economic efficiency but as the source of supplying economy with indispensable machines and materials, while needs were balanced at the possibly lowest level. Apart from this splitting in the organization of foreign trade and industry corresponded with the solution accepted in the economic-financial system, the essence of which resolved itself into independence of the financial result of producers on the export and import profitability as the result of foreign transactions was located in foreign trade enterprises.

A division of activities between foreign trade units and the units of industry which localized widely understood production functions in manufacturing enterprises and trade functions in foreign trade firms was also characteristic for this model. The aim of industry was then the realization of planned export tasks almost without any knowledge of a foreign market. On the other hand, the tasks of foreign trade were sales and purchases on foreign markets without being sufficiently acquainted with the possibilities and needs of industry. A mutual ignorance of a partner's interests in the foreign trade-industry relationships may be considered as a relevant feature of a primary foreign trade organization model.

For a long time, the above presented way of foreign trade organization, resolving itself to the fact that a number of specialized enterprises had an exclusive right to import and export specific articles of a defined branch, was regarded as the essence of the foreign trade monopoly in socialist countries.[7] It happened that the attempts to change consolidated solutions were treated as a deviation from the principle of foreign trade monopoly. Another feature of the primary foreign trade organizational model, strictly connected with the previous one, was the exi-

[7] J. Sołdaczuk, The International Trade, PWE, W-w 1967, p. 31.

stence of formal barriers in the access to trade exchange with foreign countries. Concluding trade transactions was reserved exclusively for subjects authorized by the authority organ which realized the monopoly. The other unit interested in international trade had to use the mediation of specialized institution.

Specialization of foreign trade enterprises was formed administratively. In fact, the use of geographical and branch criteria when defining the commodity competence of executive units was stopped. A commodity criterion was considered to be the most useful since it gives an excellent clarity of the organizational and commodity structures of foreign trade and enables an equal organization of executive links. The acception of this criterion gives a possibility of adjusting foreign trade organizations to the assumptions and methodologies of planning foreign turnovers, allows for the most economical use of export staff and prevents the foreign trade enterprise competition of a given country on foreign markets.

The primary model was also characterized by the lack of freedom in choosing professional importers and exporters by manufacturing enterprises. A consequent application of the commodity criterion in the specialization of foreign trade enterprises caused that particuliar manufacturers of exported goods and recipients of imported goods were explicitly included into defined foreign trade units which had monopolistic position. Domestic exchange partners generally did not have any possibility of choosing a formal-legal form of connections between themselves since there were imposed by obligatory regulations.

Contractual relationships between domestic participants of exchange were of secondary character to the plan settlements since there was a possibility of imposing on economic subjects an obligation to negotiate contracts by administrative decisions. This means that the fundamental principle of the civil law, i.e. the principle of freedom in making agreements, understood as the competence to form legal relationships by means of contracts ,was seriously limited.

The realization of foreign trade auxiliary functions was concentrated in specialized service enterprises which generally had a monopolistic position. Forming of a trading network abroad was also characterized by a large degree of centralization that resolved itself in a predominant importance of „the official" network of commercial representations attached to diplomatic stations and in a restricted role of the enterprise network.

The above mentioned feactures of foreign trade organization were strictly connected with the actual managerial system and facilitated central, imperative, foreign trade exchange administration.

When making a synthetic estimation of the primary foreign trade organization model in socialist countries, one should point out two general features:

— attributing univocal institutional consequences to the foreign trade monopoly principle, admitting only the authorized units to the participation in foreign trade while forbidding the participation of other units,

— the division of foreign trade activities between the units realizing turnovers on the basis of the administrative decisions without any connection with the economic calculus.

5. Transformations in the foreign trade organization of particular countries

As the economic and political conditions were changing, the primary model of the foreign trade organization was less and less suited to reality. The development of foreign trade as well as the assortment and geographical diversification of turnovers are the most important changes in the conditions of economic management. The importance of foreign trade in the national economy was systematically growing. There were also deep changes on a world market, where competition was considerably intensified.

The above mentioned circumstances resulted in changes of the whole economy and foreign trade as well. At the organizational level, they consisted in diverging from the solutions similar to the centralized organization model.

The transformations in foreign trade organization in particular countries, with paying a particular attention to the present state, are briefly presented below.

The Soviet Union. The operational trade activity in the Soviet Union is carried out by the all-union export-import associations and all-union export-import agencies. The foreign trade associations are generally subordinated to the Ministry of Foreign Trade.[8] Some associations are subject to the State Committee of the Cabinet for the economic relations with abroad. The foreign trade associations are legal persons on a self-financing basis. They are formed by The Cabinet of the USSR at the request of the Minister of Foreign Trade.

The association specialization is generally adjusted to the branch (line) arangement of the economy. A competent state organ, when introducing a foreign trade unit into existence, defines its commodity nomenclature. The Ministry of Foreign Trade, together with branch ministries, control the activity of foreign trade associations. Apart from the representatives of the Ministry of Foreign Trade, the branch ministries as well as the representatives of most industrial enterprises and associations belong to the all-union export-import association boards. The aim of this solution that has been functioning for a short time, ensures a wide participation of industry in the foreign trade activity.

The export-import agencies realize the same functions as the associations and are brought into existence in the same course.[9] They are created to carry on a commodity turnover of miner importance in trade turnovers, previously controlled by a given foreign trade association.

The Soviet foreign trade organization structure is a very stable element of a management system of trade exchange with abroad. In

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[8] W.N. Azow, The principles of the Soviet Foreign Trade Organizations, „The Foreign Trade" No 4/1983.

[9] K. Białecki, Z. Kamiński, H. Wojciechowski, The Organiztion and Technology of Foreign Trade, PWE, W-w 1986, p. 124.

the post-war time, in this sphere, there were no serious transformations--the changes were very slow and moderate. In an institutional sense, producers are still entirely separated from the international market.

Bulgaria. A considerable quantitative development of the enterprises entitled to carry on trade turnovers with abroad is the feature of the organization transformations in foregin trade of this country. Within the reform carried out on 1969, there was an important competence restriction of the Ministry of Foreign Trade in relation to the executive enterprises that had been subordinated to industrial associations, production enterprises and home trade organizations. A commodity criterion of foreign trade enterprises specialization was given up and a branch criterion was experimentally applied. However, it did not prove correct in practice and a decision was made to come back to the commodity criterion.

At the beginning of the eighties, relevant changes in the foreign trade structure occurred. They consisted in creating units of different organization forms, various division subordination, different settlement bases and varying kinds of relationships with a manufacturer. [10] These changes had in view a closer horizontal integration of foreign trade units with a producer. At the present moment, most units carrying on foreign exchange are not subject to the Ministry of Foreign Trade. One can distinguish three groups of these units:

— specialized units, entirely institutionally integrated with the economic organization, acting within its management,
— legally isolated foreign trade enterprises subordinated to the economic organization of a productive character,
— foreign trade societies and associations, trade agencies, consortia and companies to which economic organizations of a productive character belong.

In Bulgaria, there was also an attempt to break foreign trade enterprise monopoly and a possibility of choosing a foreign trade intermediator by a manufacturer. However, it is only concerned with this part of production which exceeds directive tasks of a central plan.

Czechoslovakia. In the foreign trade organization structure of this country, one can distinguish two basic subject groups: foregin trade specialized enterprises subordinated to the Minister of Foreign Trade and the export agency of big industrial organizations. [11] The basic part of turnovers is realized by the first group of units. Foreign trade enterprises often appear in the form of stock companies where production enterprises participate as shareholders. This form of industry and foreign trade integration has been carried on since the end of the forties (the act of 1949 is the basis for the creation and activity of stock companies). [12]

Export agencies of factories are components of foreign trade enterprises. This is expressed, among others, in the way of making and relating the plans of both units.

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[10] K.W. Dziewulski, The Foreign Trade Management System in Bulgaria, „The Foreign Tarde" No 10/1985.
[11] K. Białecki, ..., op. cit., p. 130.
[12] V. Pilny, Ucetnictivi v organizacich zahranicniho obchodu, Stani pedagogickie nakladatelstvi, Praha 1985, p. 10.

German Democratic Republic. Organization reforms in foreign trade were introduced in the mid-sixties. The first enterprise combining production and trade activities on foreign markets was then created. In the following years some production combines were entitled to carry out an export activity. In the eighties, this process reached especially large extent.

At the moment, the basic foreign trade organization forms of GDR are trade agencies that are separated from the foreign trade enterprises and serve particular combines (they are subject both to the ministry of a given division and the Ministry of Foreign Trade) and foreign trade agencies of industrial combines which have the export rights on condition that they participate considerably in export production of the total output. [13] Some combines received independent exporter rights, and numerous foreign trade enterprises became dependent on branch ministries or other central organs. Also the foreign trade enterprises dealing with special transaction realization are subject to the Minister of Foreign Trade.

Poland. One can divide the foreign trade organization transformation into two stages. In the first stage, there were changes that led to the following effects: granting big producers rights to carry on foreign trade (the second part of the sixties), entitling branch divisions to manage foreign trade in many matters in the seventies, increasing the rigths of export goods producers- mainly in result of the introduction of a commision business (the beginning of seventies).

In the second stage (the eighties), the attention was concentrated on the following organization transformations: a withdrawal of a central economic administration from the operational foreign trade management, the increase in the range of subjects entitled the carry out foreign trade operations on the basis of concessions granted by the Minister of Foreign Trade as long as they satisfied legal criteria, freedom in shaping a form and content of contractual relationship between production enterprises and foreign trade firms, creating a community of interests, increasing the interest in foreign trade among producers by transforming some foreign trade enterprises into trade law associations (association with a limited responsibility) in which producers play the role of partners. Up to the present moment, the above mentioned aims have been only partially accomplished.

Romania. Changes in the foreign trade organization in this country are characterized by a great precaution as well as by a very slow rate. The right for concluding contracts with foreign firms was exclusively reserved for specialized foreign trade enterprises which are subject to the Ministry of Foreign Trade. Until now, foreign trade cells created in factories have not been entitled to carry out an operative trade activity. In the recent years, the reorganization of foreign trade has been taken up. It is still based only on the rearrangement of structure and personal changes without giving foreign trade head offices any freedom of activity [14]

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[13] W. Kupferschmidt, The Organization of Foreign Trade in GDR, „The Foreign Trade" No 9/1983, and H. Brdulak, The Functioning of Foreign Trade in GDR — Macroeconomic Aspects, „The Foreign Trade" No 2/1984.

[14] E. Lemel, Roumanie: une économie verrouillée, „Problèmes Economiques" (1986.05.22).

Hungary. In Hungarian foreign trade, one can distinguish three groups of subjects entitled to carry out the activity in this sphere: specialized foreign trade firms, production enterprises (trade or service enterprises) having a concession and representative agency enterprises. By the end of the seventies there existed obligatory principles of a strict definition of commodity and service range that might have been the object of turnovers realized by particular enterprises. A given enterprise could export and import only the goods and services that had been mentioned in a promoter's document. The lack of competition in this domain caused many negative effects. In order to counteract these disadvantageous consequences of monopolization, the following resolutions were accepted in order to enable:

— a successive increase of numerous enterprises entitled to carry on foreign trade,

— gaining individual (non-recurrent) rights to execute individual contracts and build up permanent connections,

— ensuring productive firms with the right of choice between a branch foreign trade enterprise and a firm of general character. [15]

On the basis of the analysis carried out at the beginning of the eighties, it has been advisable to accept the solution based on enabling several enterprises to export and import the same commodity. Some foreign trade enterprises of a general patern were created for this purpose.

Taking into account above mentioned considerations one can state that the evolution rate of organizational solutions was different in particular countries. It seems that differentiation of the evolution rate in foreign trade organization sphere was the function of the advancement of economic reforms in those countries. The differences in the evolution rate of organizational solutions deriving from the common model could not be explained satisfactory on the basis of such factors as different role of trade with capitalist developed countries or different structure of exports. It is difficult to find precise regularities concerning the relationships between the factors mentioned above and changes in the organization of foreign trade.

The described changes in management systems as well as in foreign trade organization in particular socialist countries entitle us to formulate the following transformation tendencies:

— basic economic units are more and more independent in the economic co-operation with abroad, however, in the producers' access to foreign markets there are especially big differences between countries, [16]

— a tendency to restrict a monopolistic position of foreign trade specialized enterprises and the attempts to introduce a limited competition.

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[15] E. Molendowski, Hungarian System of The Foreign Trade Management, „The Foreign Trade" No 11—12/1984.

[16] It is estimated that Hungary and Poland have been most advanced in this sphere and the greatest moderation occurs in Romania and the Soviet Union, see D. Buchan, L. Colitt, La liberté de négociër, „La vie économique" (1986.07.21).

— taking up efforts aiming at a fuller interest and activity integration of the industry and foreign trade units-entitling production enterprises to carry on foreign trade, creating economic organizations (combines, associations) with the participation of industral enterprises and foreign trade firms, introducing new forms of the co-operation between industry and foreign trade,

— the increasing, however very slow, significance of the efficiency criteria in creating the foreign trade organizational structure. A possibility of applying these criteria occurs in the countries in which independence level of the economic unit is relatively high. These units can make decisions concerning the form of participation in foreign trade and choice of domestic partners in the co-operation in this sphere, on the basis of the economic calculus. In the countries where this tendency has not appeared, the organizational structures in foreign trade are still administratively formed without any relation to the efficiency criteria.

If we considered the decentralized organization model as a postulated destination model of the foreign trade organization in socialist countries and if we tried to estimate the advancement of approaching this model, then we should state that the Hungarian and Polish reform solutions have undoubtedly been the most advanced. When, however, estimating an absolute evaluation of changes in these two countries, one can place the present foreign trade organization system in Hungary and Poland more or less in the middle of continuum, the poles of which constitute the centralized and decentralized models.

6. Anticipated directions of changes in the future.

The direction forecast of the foreign trade organization evolution in socialist countries is a complex task, as these directions are determined by various factors of economic, social and political character. The number of possible combinations of these factors is great and interrelations between them are, in many instances, a feedback that additionally makes forecast attempts difficult. Many basic data that can have an influence on foreign trade are obscure and dubious. One can hardly consider the reform directions of economic management system as a foregone conclusion. There is much unknown in the outer surrounding of socialist economies - foreign trade situation, indebtedness problems, etc.

One can assume that the tendency of the socialist economy transition into an intensive growth, occurring now in an unsatifactory range, will be maintained. The postulate of a greater use of the economic growth intensive factors is exposed in long-term economic aims in all socialist countries. The economic development level reached by these countries makes it impossible to apply a centralized way of management. [17] Im-

[17] Comp. J. Sołdaczuk, ..., op. cit., p. 377.

perative management systems have exhausted or are exhausting their possibilities. A transition into the intensive growth means the necessity for the management efficiency improvement and this brings about a need for increasing the economic subjects' interest in the economic results of their activity. In this connection, one should expect an increased significance of decentralized management system. The realization of this postulate in trade exchange with abroad would require conditions for revealing the initiative of people employed in this sphere, which is possible if decentralization of the decision competence is advaneed. In the organization sphere, on can then foresee flexibility of the foreign trade organizational structure, tolerating the occurrence of differentiated participation forms of economic subjets in trade exchange. The decision as to the participation in foreign trade should depend on the economic calculus results curried out ate the micro level. The removal of formal barriers of the access to trade turnovers with abroad should be eventually assumed.

If the changes ran in the described direction, the following consequences should be expected:

— the release of pro-effectivenees tendencies in the economy,

— the release of pro-innovation tendencies,

— the necessity to increase some social costs that is connected with a profound rearrangement of production structure and social security threat.

Because of the mentioned subjective necessity of giving up the imperative management systems, the outlined script may be highly probable. If the general directions of changes are rather common for all socialist countries, then one should expect a great variety of detailed solutions introduced in particular national economies. Even the more detailed differentiation should bo expected in the rate of the realized reforms which are specifically conditioned in each country.

The described general tendency will most probably reveal itself over a relatively long period. The occurence of the stagnation sign or even regress in relation to the solutions that had been already carried out cannot be executed within short periods of time. In case the organization changes are not in accordance with metamorphoses in management system, the organization barrier may modify ore even block economic mechanisms. On the other hand, too rapid organization changes, not integrated with transformations in economic tools, can lead to negative effects, as for example, the loss of control over the foreign trade functioning by the central management organs (too expanded structure in relation to the management possibilities by the central organ) or to a competition of a given country's trade units on foreign markets.

Numerous obstacles in reforming foreign trade organization should also be taken into consideration. One of the more essential obstacles may be the resistence of a specialized foreign trade apparatus, because the more profound changes would mean the violation of its interrests.

Apart from that, one should not exclude a temporary inclination of the central management organs to „arrange" the foreign trade organizational structure, which might consist in a tendency towards uniformization of organizational solutions (for example, through a very rigorous compliance with commodity-branch specialization principles of foreign trade units, concession restrictions).

Summing up, the evolution of economic management systems in socialist countries in the direction of parametric or market in the sphere of foreign trade organization will be most likely accompanied by a tendency to diverge from a centralized organization model in the direction of decentralized organization model..