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## Introduction to the Special Issue *Political Economy in Central and Eastern Europe*

That economists are interested in the intertwining of the worlds of politics and economics should come as no surprise. On the one hand, we learn practically every day that the decisions of politicians can have a significant impact on what happens in the economy. Recent discussions on trade policy, migration flows and the way public money is spent can serve as excellent illustrations. On the other hand, especially during elections, it is plain to see that economic performance does not go unnoticed by the political class, because it can influence voters' decisions on who to support. In this sense, signals from the economy can be reflected in the policies presented to the electorate or in campaign promises.

All this makes both the behaviour of politicians and the spread of political sympathies among voters a natural point of interest for economists. The same is true of the specific institutional arrangements that shape the constraints imposed on the political class (not only the differences between democracies and autocracies, but also many important choices regarding the institutional structure of a given political regime). This is because they are likely to have a significant impact on the strategies employed by different political actors.

The growing interest in political economy therefore does not seem surprising. This popularity can also be explained by at least three additional factors. Firstly, the fact that political decisions can touch on a very wide variety of areas implies that the political economy perspective can be successfully applied to improve our understanding of a number of aspects that remain of interest to economists: be it the functioning of particular markets (labour or financial), the processes of economic development, the patterns of international exchange or the factors shaping the level of economic inequality. Secondly, political economy is a highly interdisciplinary field, drawing not only on economics, but also on political science, history, and sociology. In consequence, it can be attractive for many scholars of different origins, but also it can portray in detail the issues under scrutiny. This in turn relates to the third factor, that there are incredibly diverse methodological approaches used



in studies in political economy. These comprise for instance various econometric techniques and experimental methods. This in turn allows a political economist not only to shed light on a given problem using a variety of methods, but also to benefit from any methodological innovations.

In a sense, this is very well exemplified by the recent decision to award the Nobel Prize in Economic Sciences to Daron Acemoglu, Simon Johnson and James Robinson for their studies on how institutions are formed and affect prosperity. On the one hand, this is an excellent illustration of the role played by the work of political economists in gaining a better understanding of the reality around us. On the other hand, it shows the broad area of interest that can be covered by a political economy perspective and that the interplay between the political and economic spheres can be discussed in a rigorous way.

The articles collected in this issue are intended to introduce the reader to this thriving field of research. The presented papers also touch on a variety of issues which are of great relevance to economics and use different methodological approaches. The paper by J. Kantorowicz and M. Moszoro investigates public support for social programmes and focuses on the role of political ideology in shaping public preferences in this respect. The work by P. Koryś et al., uses historical data and studies the effectiveness of ideologically motivated policy decisions in the context of regional disparities. M. Banaszewska investigates the extent to which local politicians can manipulate local governments' spending, and thus provides some evidence of the existence of a political business cycle at the local level. J. Sawulski and A. Kielczewska study the public perception of basic fiscal trade-offs and the extent to which it can be influenced by the information made public. In turn, B. Totleben and D. Piątek bring to the forefront the importance of institutions for economic outcomes and study the dynamics of institutional development in Central and Eastern Europe after the collapse of communist dictatorships. Finally, the work by A. Lewczuk takes a closer look at the concept of *checks and balances* and analyses key factors that can be linked to the actions of a veto player. All of this is rounded off by a review of the recent book by Acemoglu and Johnson by J. Dzionek-Kozłowska and a text in which M. Gorazda discusses the book on inequality in Poland by P. Bukowski et al. I hope that this collection of articles will tempt readers to delve further into political economy and encourage them to embark on fascinating new research.

Finally, I would like to thank the Editors of the journal for their interest in the topic and the initiative to launch this special issue. My special thanks go to Tomasz Kwarciański, without whose help and commitment the work on this issue would have been much more difficult. Last but not least, I would like to thank all the authors who contributed to this issue and all the reviewers who gave fantastic feedback and comments on the original texts.