

# Skepticism unfounded

## Professor László Csaba on what is valuable in the EU

by Kester Eddy

**That the euphoria which accompanied the accession of Hungary and seven other Central European states to the European Union in 2004 has worn off as reality set in was largely predictable. What was not foreseen was the resultant skepticism, if not hostility towards the EU, which is now common throughout the region, says László Csaba, professor of economics at Budapest's Central European University.**

"Skepticism [in Hungary] is not as strong as in the Baltics, nor as strong as in official Poland and the Czech Republic. But you feel it. Perhaps my sample is misleading, but talking to university students, you can hardly come up with anything more unpopular than talking about the European Union, which is always [interpreted] as Brussels wanting to do something against our interests. In the business community, in a meeting with whatever chamber of trade, you hear endless complaints about what Brussels has or has not done," he says.

This sudden and somewhat alarming change in public mood motivated Csaba to rewrite his 2004 book, *The New Political Economy of Emerging Europe*, to take into account the history of the first 30 months of the enlarged EU. While the change in mood could in some ways be put down to the EU itself, e.g., in reinterpreting the stability and growth pact ('Why should we stick to the rules if the big guys do not?'), Csaba's view is that much of what is valuable in the EU is being taken for granted - a dangerous attitude if progress is to continue long-term.

"I am a firm believer in sound economic and fiscal policies. These should be undertaken for their own sakes and for long-term economic stability, not because the EU says so, and so we can get access to funds," he says. Similarly, he argues that the establishment of sound, impartial regulatory institutions is an essential building block of a stable, functioning economy and democratic state - and not merely the EU's whimsical idea to create jobs for bureaucrats.

Csaba is anxious that the trend amongst many EU states, including the newer members, of focusing on backwardlooking measures that benefit only narrow interests, will hamper both the efficient working of the Union and its decisionmaking with regard to long-term political goals, most particularly enlargement and how to achieve it. "We need some more idealistic policies, in which Europe has a perspective. If - and only if - we have these perspectives, then we can answer questions such as what to do about Turkey," he says.

## > Revised and extended

Professor Csaba's latest volume is a worthy attempt to understand, compare, and contrast key developments and processes undergone by economies in the former communist world from 1953, when Stalin's death allowed the first chinks of rational light past the suffocating armor of Marxist economic theory, via the political upheavals of 1989-90, to the present day.

Csaba delves into the tribulations of worker-controlled cooperatives in former Yugoslavia, and analyzes the apparent ability of China and post-Soviet Russia to grow while coping with globalization, and despite retaining largely centralized political administrations. Inevitably, given his background, he is well-placed to detail the unique, intriguing story of the stop-go emergence of free-market capitalism in Hungary. Also inevitably, given the broad sweep of his brush, some countries, such as the Baltic States, get little more than a mention as statistics.

One central theme of this volume is the difficulties and pitfalls encountered when transferring models which work in the capitalist West to a postcommunist state, and the essential role of the original culture, its norms, and regulations (whether explicit or otherwise), which are often found lacking in the new setting.

However the author's many insights are distinctly marred by too many examples of poor editing. The publisher has spent money on a bright new dust jacket for this edition; for the next, that money might be better spent on tighter textual control.

The New Political Economy of Emerging Europe, second, revised and extended edition. 400 pages

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