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Title Belies Thought-Provoking, Surprisingly Ominous, Contents



in

ta's recently published book has received next to no public acclaim: compulsory reading for students of politics and economics in Central Europe, and beyond.

xperienced 1,556 strikes, more than neighboring Germany, at 1,170, and vastly more than the at 79. Meanwhile, in Hungary that year, workers downed tools a mere five times, the Czechs

37 patients, paid-up members of the Hungarian National Health system, needed cataract surgery an expected waiting time of 92 days, although the 76,225 people who had undergone the procedure in the previous year had only hung around half that time.

legal border crossings into Europe's Schengen zone totaled 72,437 in 2012. By 2015, this number had increased by a factor of 25 to hit 1.822 million.

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and provide context to these three sets of very disparate statistics? Professor Tsuneo Morita would try at this, and much more, in his recently published book “Political Economy and the Economic Transformation.”

That belies its thought-provoking, if depressingly ominous, contents. A native of Japan, Morita came to the Soviet Union and Central and Eastern Europe in 1968 as an English interpreter for a large mission.

Over the years, he's since spent 33 years in Hungary, working variously as an economic attache for the Japanese government, an adviser at the Nomura Research Institute, and as Senior Adviser to software developer SAP in Europe.

Over almost half his professional life, he has been watching the vast changes across the region in Hungary in particular, first hand. The experiences and contacts he has made along the way make for a mixture of academic insight, leavened at times by examples of human ingenuity and often more frequently by incompetence, vanity, foible, and outright greed.

For example, that when Panasonic built a factory in Plzen, in the Czech Republic in 1998, it suffered an absentee rate of over 30%? Or indeed that in Hungary, such rates, at least when advised by the Japanese Chamber of Commerce, though better than the Panasonic case, were still in the 20%.

While the rippling numbers were, and to some extent still are, he argues, aided by generous sick-leave policies that he terms “the guest worker phenomenon,” whereby employees of multinationals feel less loyalty to their employer and more like expatriate workers in their own country.

Though once an advocate of foreign direct investment, he reveals he is today highly skeptical of its effectiveness in solving the country's economic needs, particularly in the manufacturing sector, which he dismisses as a ‘screwdriver economy’ - though he does not use the term.

He ignores the rise of research and development activity increasingly undertaken by foreign companies in Hungary. Your correspondent, for example, interviewed engineers working on self-driving cars for Robert Bosch in Budapest as early as 2008.)

Corruptors are not all they are made out to be, for Morita governing politicians and their advisers have had a caustic influence on the long-term development of the Hungarian economy.

The rise of what he terms the “treasurized economy” in Hungary, whereby domestic companies secure contracts and subsidies obtained through political connections rather than developing products and services that fulfill customer needs both at home and abroad.

In an economy in which public orders and subsidies from central and local governments determine the success or failure of a business is neither a market nor a capitalist economy, but a “treasurized economy,” the treasurization of the national economy is a special phenomenon born in a small country in Europe,” he intones, later lamenting that it is a trap and “not easy to get out of this vicious

pressure trove of post-war political history, with a variety of statistical information (for example, general election results since 1990, pp 200) plus background context and anecdotal narrative that is difficult to find, if not wholly unavailable in English. Invariably, despite the odd syntactical or stylistic choices, most especially for a Hungarophile.

For example, the name of István Bibó (the hallowed “patron saint” of Fidesz in the party's manifesto) is followed by a delightful summary of the political scientist, sociologist, and expert on the philosophy of law in just one page. He describes how, for example, that Bibó “hid in the basement of the Budapest apartment until the war ended” after his detention by the Nazi authorities in October 1944?

It catalogues many such insights and observations up to modern times: thus, there is an analysis of the “scandal” of 2019 when a video emerged of Zsolt Borkai, mayor of Győr, cavorting with a woman on-board a luxury yacht in the Adriatic.

Professionals associated with all parties come in for lashings from Morita, but he's particularly scathing towards the Fidesz-dominated years since 2010. He is, however, sympathetic to the government regarding the current economic crisis.”)

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wise excellent read is marred by one glaring factual error, I suspect probably originating from the book. On page 107, Morita alleges that András Simor, the then governor of the Hungarian National Bank, is forced to resign after the establishment of the Fidesz government when it was revealed that he had assets in Cyprus (2010).”

While there was undoubtedly enormous pressure from the moment Fidesz took power in 2010, there was no evidence that these assets had been accumulated through other than legal means. Simor had been a well-paid professional all his life; indeed Morita states that in 2009, Simor’s official salary as MNB governor was HUF 8.1 million (EUR 40,000), hardly a pauper’s income, even in Western Europe. Simor did not resign but remained at his post until the end of his designated mandate at the end of 2013.

Morita’s tome is a fascinating read, and his insights and conclusions will hopefully inspire others. It will further help English-speaking readers better understand the complex political, economic, and sociological changes that swept through Soviet-dominated Europe in the last decade of the 20th century.

His correspondent that after publishing the Japanese version in March last year, he had no intention of publishing an English edition. “My Japanese colleagues recommended this,” he said. We are grateful to Morita for such wise compatriots.

by and the Sociology of System Transformation; Thirty Years of Social Change in Central Europe,” available from the Balassi Kiado, Budapest, Hollán Ernő u. 33, 1136 balassikiado.hu/2-konyveink

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