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Aspects of Growth in the Central European Economic Thought

This short paper covers some aspects of the growth of Central European economic thought. The Cold War reinforced an identification of Western Civilisation with Western Europe, i.e. without countries of Central Europe, namely Hungary, Czechoslovakia and Poland. Due to their geographical location, Central Europe reaffirmed a core-periphery pattern, not only in the economy but also in the flow of ideas, as ideas typically flow from the most advanced countries to the periphery. This is an enigmatic process as the frontier contributions of Western research often originated from scholars born or raised in Central Europe. The most notable researchers with an impact on frontier mainstream research included John von Neumann, John Harsányi, Tibor Scitovsky, Jaroslav Vaněk, Thomas Balogh, Nicholas Kaldor, Michał Kalecki, Oskar Lange, Peter Bauer, Béla Balassa, Alexandre Lámfalussy, Karl Polányi, Jacob Viner and others.¹

The transfer of ideas is not mechanistic since the ideas from the core should adapt to the different economic contexts in the Central European lands and the priorities set by the intellectuals and economists who work on these ideas. Often, Central European economists circumscribed the limitations posed by the domestic reality and helped to spread economic ideas within the cultural and political settings in the region. These economists' mission was to persuade the political and social authorities about the usefulness of sound economic principles as developed in advanced countries.

As Janos (2000) pointed out, economic tendencies valid in core countries could run into contradictions once applied to societies outside the Western world. The real issue is whether to consider the economic life and thought in Central Europe as a variant of Western life and thought or rather be of the opinion that Central Europe embodies a phenomenon different from the West.

¹ SIMON 2012: 467–482.

Central European economists, as well as their societies, were exposed to different exogenous pressures, which undermined the creation of coherent national traditions. As a result, one observes discontinuity in national histories of economic understanding. This individual national discontinuity is the basis for shared regional, i.e. Central European, history of economic thought. However, despite the different ethnic cultures, these nations shared a common pattern of economic evolution as they were part of the Habsburg and the Soviet Empires.

Approximately till the middle of the nineteenth century, classical political economy ideas were disseminated – at a high level – by a small group of economists. Anachronistic institutions hindered the dissemination of the social and economic ideas as represented by Gregorius Berzeviczy, Martin von Schwartner, Miklós Skerlecz, and others.

The situation began to change in the second half of the nineteenth century. A group of eminent economists emerged who combined an understanding of western economic ideas with viewing the local problems and attempted to assimilate the western ideas into the domestic environment. Among them, one should mention at least Czechs Josef Kaizl and Albín Bráf, Polish nationals Leon von Biliński and Fryderyk Skarbek, and Hungarians Julius Kautz and Béla Földes. Most of them also held high-ranking governmental positions. Gradually, Central Europe transformed into modern European lands. However, there was a huge difference among these nations in their form of nationalism before World War One. In Hungary state centralism prevailed, while the political representatives of the remaining three nations rather supported activities weakening their existing political domains.

The interwar period has led to the emergence of different schools of thought in individual countries. The Austrian and German schools of thought as well as the classical political economy influenced the economic ideas of Central European countries. There were Central European economists who gained an international prominence; most notable among these were Hungarians Ákos Navrátil, Farkas Heller, István Varga, Béla Földes, Czech economic theorist Karel Engliš, Polish thinkers Edward Lipiński, Władysław Zawadzki, and Slovak economists of international stature Imrich Karvaš and Rudolf Briška.

At the beginning of the socialist period, the economics profession carried out apologetic work without individual spirit. However, early in the time appeared the reform ideas, especially in Hungary, in the work of Péter György, and less than ten years later in Prague in the work of Ota Šik and others. From the middle of the 1960s, the previous intellectual detachment from western economics weakened. A transnational dialogue among western and eastern economists arose at different

levels, as documented, for example, by Bockman (2011). Renowned interpreters of the socialist reality emerged in Central Europe, including, among others, economists such as Oskar Lange, Michał Kalecki, János Kornai, Josef Goldmann, Cezary Józefiak, Józef Pajestka, Zdzisław Sadowski, Kazimierz Łaski, Edward Lipiński, Ota Šik, Karel Kouba, György Péter, Márton Tardos, and a number of others.

After the break-up of socialism, the economists in these countries made serious efforts to correct for biases, tried to catch up with the economics profession's developments in the West, and became part of the international economic community again.

One would need to study the long life of Central European economic journals such as *Közgazdasági Szemle*, *Acta Oeconomica*, *Ekonomický časopis*, *Politická ekonomie*, *Gospodarka Narodowa*, and others to develop a better understanding of Central European and national economic thought. Unfortunately, these days the evaluation of economists' careers in Central Europe is instead pushed towards journals, which are not connected to Central European geographical space.

References

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