

COMPARING THE ECONOMIC DEVELOPMENT OF THE VISEGRÁD NATIONS

Comments on *The path to a Market Economy* by Dieter Lösch

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In its introductory part, this article consists of a review of the book by Dieter Lösch on the transformation from a Soviet-type, planned economy to a market economy based on the western pattern. Lösch works out a normative theory of systemic change with regard to national economies, such as has got under way in the post-communist states. The apparatus of terms and methods thus developed Lösch applies to a comparison of the performance of two east central European economies, namely those of Hungary and Poland, in the years 1991–2. This comes down to comparing the results achieved by the Polish “shock therapy” (which was, however, not always consistently applied) and those of Hungary’s more gradualistic approach. Lösch arrives at the conclusion that although Poland did experience the return to economic growth rather earlier, in general there is not much to choose between the two reform approaches. In the second part, the author of the present study applies Lösch’s method to the Czech Republic and Slovakia and takes the comparison further to include the results of 1993. The Czech strategy, “shock therapy” consistently applied, comes out best among the Visegrád nations. The author ascribes the Czech success not exclusively to the rather radical market-oriented approach of the leading reformers around Václav Klaus, but also to the Czech Republic having had the most favorable basis from which to start: the balanced situation existing in 1990 with regard to both internal and external economy and the highly developed industry with a reservoir of skilled labour well trained and qualified.