

Central European Economic Thought after World War One: Slovakia

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Abstract: This paper deals with one section of the Central European economic thought after the World War One, i.e. it considers Slovak economic thinking. We discuss the period of Slovak economic thinking after 1918 till 1948 with emphasis on the work of Imrich Karvaš, Rudolf Briška and some others. We present the developments in the socialist period till its end in 1989. Finally, we present some results of research in the period after the break-up of socialism. In this last period we distinguish between those economist who work in Slovakia and make research in a Slovak context and second between some others who work in foreign countries.

This is a preliminary work, which draws on
some of my previous publications and presentations
Not to Quote

1. Introduction

This paper is the first part of the research project on Central European economic thought after the First World War.

We begin here with the Slovak economic thinking, while parts on the Czech and Hungarian economic thinking are under preparation.

There is no Slovak school of economic thought. However, one definitely can identify some characteristics of the research output typical for Slovak lands. The research output typically dealt with national economic development, poverty of Slovak inhabited rural areas and similar. This was the main topic during the Hungarian Kingdom, and similarly during the existence of the Czechoslovak state. This national element basically weakened only very recently. Thus historically in the Slovak economic discourse emphasis is mostly on nation, reasons for under-development, poverty, rural development, and inequality. Naturally, this is only a general tendency, and we can find some personalities who make first steps towards more analytical and general approach.

Papers, articles, books, pamphlets dealing with economic issues also played the role of ideology. Till the period after 1989, the Slovak economic thinking is characterized by clear rejection of liberalism, of pure market forces. Economists emphasize belief in state as an organ to deliver fulfillment of national ambitions, even if there are some counter-examples to this tendency.

The emergence of Czechoslovak state together with a system of university economic education helped the development of economic thinking, even if at times the ideological approach dominated scientific endeavor. The golden period of Slovak economic thinking was the inter-war period in which first full-fledged Slovak economists appeared.

Till now the best short studies about the economic thinking on the territory of current Slovakia were written by Ladislav Unčovský. His work is clearly an inspiration to this author.

The value added of this paper seems to be that it presents – for the first time – to an international audience the main personalities of the Slovak economic thinking.

2. The Interwar Period

In the period till 1918 economics as an academic discipline was taught in law schools. In 1912 Elisabeth University in Bratislava was founded, with four schools, one of them was the School of Legal and State Sciences. This university ceased its activity in Bratislava and moved to Pecs in the period of 1919-21; Unčovský (2008, 99). Basically, there was no representative of academic economics in the territory who was of Slovak ethnic background, important professors who taught economics at the law schools as Karvasy, Kautz, Földes, Mariska, Navratil, Kovats and others were Hungarians, and left the newly founded Czechoslovak Republic.

After 1918, when the Czechoslovak Republic was founded, the picture slowly changes. During the first Czechoslovak Republic economists, who were Czech nationals had achieved much higher prominence than the Slovak ones, as the example of Karel Engliš, Alois Rašín, Albín Bráf, and Josef Macek document. Some Czech economists as Cyril Čechrák, and A. Basch were at important teaching positions at Comenius University in Bratislava after it was founded in 1919, see Korček (1996, p.42).

In this time period also the group of Slovak economists emerges, whom one may consider to represent the true beginnings of Slovak economic thinking. Here one should include Imrich Karvaš, Rudolf Briška, Július Pázmán, Peter Zaťko, and some others. Some of these economists played a controversial role during the period of 1939-1945. Before the break-up of the Second World War some other economists had emigrated from Slovakia, and at least one of them, Ervin Hexner, had achieved a prominent position in the United States. In the following we provide some limited information about the life and work of these economists, and politicians.

Kornel Stodola (1866-1946) was an important businessman, political figure and a prolific writer on economic subjects. He was a co-owner of the tanning factory in Liptovský Mikulaš, from 1920 chairman of the Business and Industry Chamber in Bratislava. He was senator in the period 1925-1939. He has published, among others, *Tarifná politika na Slovensku*, [Tariff Policy in Slovakia] 1923, *Hospodárske záujmy Slovenska v sneme* [On Economic Interests of Slovakia in the Parliament] 1924, *V záujme Slovenska* [In the Interest of Slovakia] 1926.

One of the most important Slovak economist was Milan Hodža (1877-1944). He was born into Protestant family, studied in Banská Bystrica, Sopron, Sibiu, later at universities at Budapest and Vienna. He graduated from the Law Faculty in Budapest, and till 1918 worked

as a journalist, cooperative activist, and in 1905-1910 he was a member of the Parliament for the Agrarian party.

His earlier work was published as *Milan Hodža: články, řeči, štúdie*, [*Milan Hodža: Articles, Speeches, Studies*] in Prague by Novina publishing house. His main interest was in the destiny of rural population. He was fiercely critical of liberalism, free trade, which he saw as hurting poor peasant class. He was in favor of redistribution towards peasants, arguing that they have a more direct relation to the land than capitalist and what he called speculators (merchants); see Hodža 1931, zv. III, s. 4-5, Praha. Hodža writes that international trade can flourish only if the economic forces participating are on equal footing. If one is weaker and other stronger competition would not increase welfare.

Hodža would argue that as workers' interests are protected by social democrats, peasants interests are to be protected by agrarian democrats.

From 1919 till 1938 he was a member of the Czechoslovak Parliament for the Agrarian Party, and in period 1935-1938 he was the Prime Minister of Czechoslovakia. He was in favor of federation of Danube nations (Czechoslovakia, Yugoslavia, Romania, Austria and Hungary); however, this project did not materialize in light of growing power of German Reich. Hodža resigned in 1938 and left for Paris, London and later the United States, where he died. In 1942 in London he published a book *Federation in Central Europe* by Jarrolds Publishers.

Ervin Hexner, (1898-1968), was from 1931 general secretary of the Central Association of the Slovak Industry in Slovakia. In the period 1939-46 he was a professor at Chapel Hill, in 1944-1958 he worked at the International Monetary Fund, from 1958 professor at the Pennsylvania State University. His work includes *Foundations of Cartel Law*, 1932, *The International Steel Cartel* 1943; *International Cartels* 1971 Westport Greenwood reprint, original 1946.

Tomáš Tvarožek, (1892-1945) was the first minister of finance in the Slovak National Council.

Ivan Krno (1891-1961) held the position of the first legal counselor of the United Nations and the deputy of the UN Secretary General for legal matters in the period 1946-1952. After February 1948 stayed in the United States and change his name to Kern. In

1928 he joined the secretariat of the League of Nations in Geneva. Upon the establishment of the United Nations, Kernó became Assistant to Secretary-General Trygve. His most important publication was "Moratórium Hoover a plán Young" (The Hoover Moratorium and the Young Plan), published in *Obzor národohospodársky* XXXVI. (1931), pp. 551–558.

Július Pázmán (1907-1982) worked in the central bank (1934-1939), later was the head of the foreign currency department of the Slovak National Bank (1939-46), professor (1946-1972) and Rector of the Economic University in Bratislava (1948-1949). He has written *Devizové hospodárství*, [Economics of Foreign Exchange] 1940, *O kontrole* [On Control] 1948.

Peter Zaťko (1903-1978) was Professor at the College of Commerce in Bratislava, 1940-49. He held high position in the Slovak state during the war, and also afterwards, till 1948. His books include: *Industrializačná politika Maďarska a jej výsledky*, [Industrialization Policy of Hungary and Its Consequences] 1930; *Domácka výroba na Slovensku a Podkarpatskej Rusi*, [On Domestic Production in Slovakia and Sub-Carpathian Russia] 1931.

Rudolf Briška (1908-1971) [We follow excellent biography of Briška by Ivan Figura published in 2012] was born into a peasant family. In 1928-1932 he studied at the Comenius University, Faculty of Law. Later Briška had received scholarship at London University, where he is under influence of Barbara Wooton. In 1935 Briška became secretary of Association of Slovak Banks, position which he holds till 1945. From 1939 he became extraordinary Professor at Slovak Technical University. Briška habilitation happens at the Law Faculty of Comenius University. He became full professor in 1944 teaching at the *Vysoká škola obchodná*.

In 1947 together with Štefan Heretik he has received Rockefeller foundation one year scholarship for the United States. In 1950, after Briška returns from the United States, he lost his job at the University, and began to work as a planning officer at state enterprise in Bratislava. In December 1952 he is forced to move from Bratislava to a village in Prešov region. From January 1953 he began to work at enterprise in Prešov. However in 1952-1956 he is an external student of mathematics and descriptive geometry at the Comenius University. In 1964 he moves a Research Institute of Construction Industry (*Ústav ekonomiky a organizácie stavebníctva*) in Bratislava, where he works till his death.

In 1935 Briška publishes in *Hospodárske rozhľady* an article *Pojem reagrarizácie* [On Concept of Re-Agrarization], and in 1937 he published a book *Problém reagrarizácie* [On Problems of Re-Agrarization] at *Rolnícka Osveta* Publishing House. Re-agrarization was a movement during Great Depression which was proposing to employ industrial unemployed back at rural areas.

In 1938 he published in *Hospodárske rozhľady* a paper on concentration of banks, suggesting weakening of Czech bank branches in Slovakia; he also called for larger influence of Slovakia on the *Národná banka československá* (the Czechoslovak Central Bank).

In 1941 Briška publishes the first textbook of economics in Slovak language, *Národné hospodárstvo* [National Economy]. In 1942 the book under the same title is published for secondary schools, and in 1943 with J. Žirka he published university textbook under the same title. Great achievement of the book for the Slovak reader was the fact that he introduced important economic terminology which is used till today. In 1942 he published *Vojnové hospodárstvo* [the War Economy]. In 1942 he published *Das slowakische Geld- und Kreditwesen* in the journal *Weltwirtschaftliches Archiv*.

Briška played also a negative role during the Second World War. As arization of Jewish property led to economic chaos and corruption, government decided to introduce weekly courses for arizators, and the first lecture was given by Briška. He published in 1941 *Funkcia podnikateľa arizátora* [On Function of the Entrepreneur-Arizer], lectures at the *Vysoká škola družstevná*. As fervent Slovak nationalist he also warned that Germans and Hungarians are not to receive the Jewish property.

After the War he has published articles in *Narodna Obroda*. In January 1948 *Budovateľ* published an article *Financovanie znárodneného priemyslu* [On Financing of the Nationalized Industry]. In 1949 published an article *Spotrebná funkcia* [Consumption Function] in a new journal *Oeconomica Slovaca I, Časopis Národohospodárskeho ústavu Slovenskej akadémie vied a umení*, Bratislava, pp 66-91, the journal was later closed by political reasons. Briška has translated into Slovak language, *Linear programming* of G.B Dantzig, published in 1966 in SNTL, and from French *Dynamic Programming* from A. Kaufman and R. Cruon, published in 1969 in Alfa publishing house.

Imrich Karvaš (1903-1981) graduates in 1925 with the law degree at Comenius University in Bratislava. During his studies visits universities of Grenoble in 1923 and Sorbonne in 1924; afterwards he studies in Strasburg in 1926-27. In the early 1930s he stays at research visits in Berlin and London. From 1934 he is a member of the Econometric Society. In 1934 he received habilitation doctor degree. In 1937 he became extraordinary professor at Comenius University; later in 1939 he became Governor of the Central Bank. In 1940 he became full professor at the Comenius University. In 1926 - 1938 he was an editor of *Hospodárske rozhľady* (Economic Review); in the period of 1930-1940 he was co-founder of the bi-weekly *Politika*. In 1926-30 General secretary of Chamber of Commerce and Industry in Bratislava, in 1930-33 Secretary of the Union of Slovak Banks, in 1932-38 General Secretary of Institute of Economy of Slovakia and Ruthenia. In 1946 he became Dean of the Law School of Comenius.

As Governor of the Central Bank he is involved in preparation of the Slovak national uprising, consequently he was arrested. In February 1945 he is sentenced to death by the German military court; he is sent Dachau, later Flossenburg. After communist revolution Karvaš is arrested and sentenced by military court for two-year prison term. He is again arrested in 1958 and sentenced to 17 years in prison and loss of property for espionage and treason. Only in 1968 during the Prague Spring he is rehabilitated.

Among his main works we include:

- Francúzska inflácia a z nej vyplývajúce poznatky pre menovú teóriu [French Inflation and Its Consequences for the Monetary Theory], Sväzok 22 [Volume 22], Knihovňa Právnickej fakulty Univerzity Komenského, Bratislava 1928 [Library of the Law Faculty of the Comenius University in Bratislava]
- Medzinárodný menový problém so zvláštnym zreteľom na francúzsku štabilizáciu, Zvláštny otisk z časopisu Učenej spoločnosti Šafárikovej v Bratislave, ročník III., číslo 5, Bratislava 1929 [International Monetary Problem with Special Attention to French Stabilization, Special Issue of the Safarik Learned Society, Volume III, Number 5, Bratislava 1929]
- Vliv kartelov na konjunktúru, Knihovňa Právnickej fakulty Univerzity Komenského v Bratislave, Sväzok 38, 1932; [The Influence of Cartels on the Business Cycle, Library of the Law Faculty of the Comenius University in Bratislava, Volume 38, 1932]

- Sjednocení výrobních podmínek v českých zemích a na Slovensku 1933; [On Equalization of the Production Conditions in the Czech Lands and Slovakia, 1933]
- Problematika času v hospodárskej teorii, Bratislava, Práce Učené spoločnosti Šafaříkovy v Bratislavě, Svazek 24, 6, 1937; [On the Problem of Time in Economic Theory; Bratislava, Studies of the Safarik Learned Society, Volume 24, 6, 1937]
- Slovenská národná banka vo svetle funkcie cedulového ústavu, Zvláštny odtlačok z časopisu Právny obzor, ročník XXIII, 1940 číslo 1; []
- Karvaš' main publication is his two volume book Základy hospodárskej vedy [Foundation of Economic Science], Martin, Matica slovenská, 1947.

Karvaš is a multi-facet thinker; his primary interest is monetary economics (French inflation, international monetary standard, central bank behavior). In his work he combines theoretical analytical thinking with economic policy. His ideas evolved from liberal to more etatist, and social-democratic. This seems to be a natural evolution for a young economist in Central Europe who faces the radical totalitarian forces in everyday life. But also the shift in his thinking is connected with the emphasis from monetary issues to the question of Slovak development, especially in comparison with more developed Czech lands. But Karvaš is a firm opponent of the communist views, and of communist planning system.

Karvaš might seem to modern economists as not sufficiently analytical. However, for his contemporaries he was an empirically and analytically oriented economist who was using data in his studies. In his work he uses rudimentary but analytically strong statistics. Also during his stay at the Central Bank he founded a Department which collected data and provided reports based on these data.

Karvaš writes that the relationship between the state and the economy has changed as a consequence of the World War I: liberalism is losing ground to etatism. State moves into the economy to protect the economic and the social interests of the society. Karvaš praises the positive results of free competition for the previous centuries. However, during the interwar period he sees cartels as an attempt to endanger competition.

Karvaš criticizes the official Prague's non-interventionist economic policy of the 1920s and 1930s. The creation of unified Czechoslovak market was not organized by the state but was left to the market forces. Karvaš does not approve the economic policy which sees the

only duty of state to guarantee requirements for free competition. Karvaš argues for a more pronounced support of Slovak industry and economy in general.

In discussions on economic equality he writes that for modern state it is not sufficient to guarantee political freedom and equality, it should also guarantee social and economic freedom and equality. As state tries to prevent crimes it should also prevent that those who are economically weaker are abused. As solution of social problems after World War II he suggests an increase in solidarity and in the socialization of society.

Karvaš favors creation of unified European economy, which would create conditions for welfare of all nations in the territory. Such organizational efforts should continue as one sees success of the United States and also a economic plans of the Soviet Russia. Large economic space decreases dependence on raw materials, provides great transportation space, and large domestic market. For these reasons, Karvaš writes one should expect creation of large economic entities in the future even at territories where at the time of writing his book it would seem imposible for historical or nationalistic reasons.

3. The Socialist Period: 1948-1989

The period after the communist revolution, to a large extent, led to an isolation of the community of Slovak economists. Some economists had left the country (Gregor Lazarčík, Mikuláš Luptáčík), some did not return (Ervin Hexner), some did not continue to publish (Imrich Karvaš), and however most economists had accepted the requirements of the new socialist era.

During the socialist period (1948-1989) one can find a large number of economists in Slovakia. They were mostly professors at the High School of Economics [Vysoká Škola Ekonomická] in Bratislava, and at other schools and research institutions, and/or they worked as advisors to government. They contributed to the increasing understanding of economic matters in Slovakia, but they also set the economic theory on an unproductive path. Under socialism there were clearly institutions, which provided disincentives to originality or simply to productive research activity.

I would divide the Slovak discussions and contributions into two principal streams. The first stream deals with the relationship between the (central) plan and market, which in the Slovak context to a large extent represents discussion on the specifics of Slovakia in the

Czechoslovak economy. The second stream represents contact with modern economic theory especially in sub-fields of econometrics, and operation research.

The first stream deals with the discussion about the relationship between the plan and market. As in any socialist country this discussion reflected policy and political views inside the Communist Party as well as inside the economic community. In Czechoslovakia most of these discussions were concentrated in Prague, and that was the fact in the 1960s as well as later in the 1980s. Adam (1993) writes concerning the Slovak discussion: "Marketisation of the economy had more enthusiastic adherents in the Czech lands than in Slovakia. In the latter, there was some concern that the market might hamper further equating of the economic level in Slovakia with that in the Czech lands. In their outline of the further development of the reform (Náčrt ďalšieho ... 1969), Slovak economists maintained that 'economic evening out in Slovakia will be more complicated in a management model based on market relations', and therefore suggested a series of measures to ensure further equalisation." (p. 52).

Thus the Slovak economists were rather passive in the direct discussion about the relationship of the plan and market. Rather, in the Slovak economic discussion the issue of misallocation of resources under central planning appeared in the context of centralized decision making process, which was – as the argument run – hurting Slovak economic interests. In this spirit series of papers appeared which in a rather self-constrained way dealt with the issue of the specific position of the Slovak economy in the Czechoslovakia. Among these papers one should mention, among others, Turčan (1955), Kočtúch (1964), Pavlenda (1965), Džuban, Kočtúch, and Pračko (1966), Pračko (1968), Briatka (1969), Lipták (1969) and Bálek (1982).

The second stream in the Slovak economic thinking concerns those contributions which kept contact with the advancements of the economic theory in the western countries. Here considerable advancement was achieved in econometrics, operation research and mathematical foundation of socialist economics. Such an example may include an official university textbook on dynamic modeling edited by Adam Laščiak (1984) with co-authors including Miroslav Maňas, Jaroslav Samek, Josef Lauber, Juraj Trnovský and Miroslav Hysko. This book contains sophisticated treatment of mathematics for graduate macroeconomics and optimization as well as the review of different macroeconomic and sectoral models used in the Czech and Slovak Republic during the socialist period. In similar spirit one finds

textbook on optimal programming also edited by Laščiak (1983) with co-authors including Jozef Sojka, Ladislav Unčovský, Ján Šimkovic, Roman Hušek, Miroslav Maňas, Michal Chobot, Eduard Hozlár, and Vladimír Ulašin. In similar spirit one finds work of Jozef Sojka and Ladislav Unčovský. Also work of Milan Buček on regional economics belongs to this group.

Into this second stream one may also include the work of Štefan Heretik, Ľudovít Korček, Ján Iša, Drahomír Šíbl, Monika Šestáková and others who were involved in the so called “critique of bourgeoisie economic theory.” This ‘critique’ to some extent played a positive role in transforming the work of the western economists for Slovak economic community. Heretik (1988) is a good example of this type of study. However, the university curriculum did not contain extensive presentation of major contemporary western economic thought. Also there was a rather limited discussion concerning the possible change of the economic system.

In the following we consider some important figures of Slovak economic thinking under socialism with their most important publications. These include:

- Štefan Heretik (1915-1983), Professor at the University of Economics in Bratislava. He has written books as *Teoretické základy súčasnej buržoáznej ekonómie*, [Theoretical Foundations of Contemporary Capitalist Economics], 1973; *Náčrt dejín politickej ekonómie: do sedemdesiatych rokov 19. storočia*, [The Outline of the History of Political Economy, till 1870s], 1988.
- Rudolf Filkus (1927-2013), Professor of the Economic University at Bratislava, and at Slovak Academy of Sciences. His most important publication: *Ekonomické aspekty technického pokroku*, [Economic Aspects of Technical Progress], 1967; *Cena – nevyhnutná súčasť hospodárskeho mechanizmu*, [Price the Necessary Part of the Economic Mechanism] published in 1989.
- Hvezdoň Dušan Kočtúch (1929-1994), Economic University in Bratislava, professor at High School of Economics from 1968; from 1970 till 1974 worker, from 1979 till 1989 researcher at sector-oriented institute in Bratislava. From 1990 he was again professor at Economic University in Bratislava. He was the founder of the Independent Association of Slovak Economists (NEZES). Among his works one mentions *Ekonomická efektívnosť investícií: o optimálnom objeme investičnej výstavby*, [Efficiency of Investment: on Optimal Size of Investment], 1959; *Meranie ekonomického vyrovnávania Slovenska* [Measuring the Convergence in Slovakia],

with Viktor Pavlenda, 1964; Za novú ekonomickú kvalitu česko-slovenskej federácie, [For New Economic Quality of the Czech and Slovak Federation], 1991.

- Adam Laščiak (1929- 1998), Professor at Economic University in Bratislava. One of the most educated Slovak economist with heavy technical background. He has published books as Dynamicke Modely [Dynamic Modeling] 1985, Optimalne Programovanie [Optimal Programming] 1987.
- Ivan Okáli (1929-) in the period 1983-1990 was a director of the Institute of Economics of the Slovak Academy of Sciences in Bratislava. His publications include Faktory a výsledky ekonomické rozvoja krajín RVHP [Influences and Results in the Economic Development of COMECON Countries], 1980; Stratégia oživenia alebo prežitia?, [Strategy of Revival or Survival?] 1993.
- Mikuláš Sedlák (1928-2015); Professor and Rector of the Economic University in Bratislava. Rozvoj organizačných štruktúr podnikov, [Development of the Organization Structure of Enterprises], 1988; Organizovanie a organizačná štruktúra, [Organization and the Organizational Structure], 1998.
- Jozef Sojka (1925-); Professor and Pro-Rector of the Economic University in Bratislava. Ekonomická dynamika a rovnováha, [Economic Dynamics and Equilibrium], 1970; Matematické modelovanie ekonomických procesov [Mathematical Modeling of Economic Processes], with Jaromír Walter, 1986.
- Ladislav Unčovský Unčovský, Ladislav (1929-2013); Professor at the Economic University in Bratislava. Operačná analýza v riadení podnikov, [Operational Research] 1985, Modely sietovej analýzy [Models of Network Analysis], 1991; Stochastické procesy a modely [Stochastic Processes and Models] with Katarína Čemická, 1992; Teória a metódy logistiky [Theory and Methods of Logistics], 1995.

Some of Slovak nationals left the country and had career in foreign lands. The most important of those are:

- Mikuláš Luptáčik (1944-) Graduate of the High School of Economics in Bratislava, 1966, Professor at the Economics University in Vienna, Austria. His most important work includes Geometrische Programmierung und Ökonomische Analyse. Hain-Verlag, Meisenheim, 1977; Nichtlineare Programmierung und Ökonomische Anwendungen. Athenäum, 1981, and Mathematical Optimization and Economic Analysis published by Springer in 2009.

- Gregor Lazarčík (1923-2013); Professor Brooklyn College, City University of New York.
- Eugen Löbl (1907-1987) was during 1945-1948 deputy minister of Ministry of Foreign Trade in Prague; in 1952 sentenced to life imprisonment, in 1963-69 director of a commercial bank in Slovakia; after 1969 in the United States. His most notable publication is *The Responsible Society*, 1978; *Wirtschaft am Wendepunkt*, 1975.

4. After 1989 (very preliminary)

Similarly to the socialist period also after the fall of the socialist regime, those economists who were politically oriented represented a larger group than those who preferred to be independent, pure scholars. We see rarely whole careers devoted fully to science, and also we rarely see independent views in the policy discussions. One can see a general absence of a pure theoretical interest. Large numbers of economists devote a substantial share of their career to political obligations. One probably should mention here among others František Hajnovič, Pavel Hoffman, Rudolf Filkus, Hvezdoň Kočtúch, Jozef Markuš, Ivan Mikloš, Brigita Schmögnerová, Jozef Kučerák, among others.

Slovak economic theory making is principally characterized by discontinuity. To the extent that an academic discipline is developing as cooperation of older and younger generations, this development was in the Slovak context principally interrupted. A generation of economists, which matured before socialism may have provided the first pillars of economic education and economic theory making of high standard, however this group of economists had not continued in their academic career after the socialist revolution. The generation of economists who matured during the socialist period did not create a Slovak economic school and some (most) of their intellectual endeavor has got lost its value at the beginning of the 1990s after the collapse of socialist order. Thus, we witness a peculiar situation: in the 1950s, to some extent also in the early 1970s, as well as in the early 1990s young generation of economists rises to high government and academic position because the older competitors were compromised by the previous regime.

There is some change in terms of government elite of economists. However, there is much less change in academic environment. One cannot create a new generation of academic economists in a short period of time. Some full and associate professors appointed under the socialist period still prefer 'a peaceful life'. That is probably quite natural, the

problem rather is that this is institutionally possible. At the end of the paper we present the lists of publications in internationally refereed journals are considered. Judging by this standard, those Slovak economists who work abroad are more extensively exposed to pressure to publish.

After 1918 when Czechoslovakia was founded the weakening of the position of Vienna and Budapest influenced ownership structures in the former Czechoslovakia. The backwardness of Slovakia was clearly felt also in the ownership structure. Creating Slovak bourgeois class was an issue especially after 1992. The attempts to privatize under Mečiar's government were possibly done with the intention of keeping the foreign ownership low and creating Slovak national bourgeoisie close to the representatives of the political elite. As a result of these efforts - under Mečiar government - the interconnection of political and economic power, non-transparent privatization contracts designed to strip enterprises of assets, and cronyism grew to a large extent. Consequently in the period after-Mečiar this naïve aim was abandoned, and privatization proceeded more along the typical lines.

Most talented students leave Slovakia and prefer to study in foreign countries, especially in Prague (CERGE-EI), Budapest (CEU), and then in different institutions worldwide. There is basically no thorough graduate training in economics in Slovakia. One attempt – and only on the Master's level - was the Professional Program in Applied Economics (PPAE) at the Academia Istropolitana and after its closure by the government at the Academia Istropolitana Nova.

The University of Economics in Bratislava is the major institution of undergraduate education in economics and business administration. Fidrmuc (1998) argues that the level of education is quite low at the University of Economics in the area of economic theory. Following the reforms in 1989, the relatively extensive education of Marxist political economic theory and related topics was cut off. Teaching of microeconomics is approximating the western standards much faster than is the case in macroeconomics. Young faculty - to a large extent - needs to take different jobs to have a certain expected standard of living and as a consequence they are less interested in research.

The University of Economics plays an important role as a business school and partially also as a center for training economists. Despite definitely improving standards compared to the socialist period one is still surprised by the inflated number of professors and associated professors some of whom were not particularly exposed to competitive pressures. Drive for

excellence seems rather missing, and does not seem to be institutionally supported. In this context the dictum of Cassel from 1941 is still valid: "In my opinion the important task was to train not many economists, but economists of high class who could advance the science of economics and improve its position in our country. Under these circumstances, it was no easy task for a professor to judge which students he should admit into the field. He has an enormous responsibility both towards society and towards the individual student." Jonung (1992, p. 37).

Academia Istropolitana in Bratislava was originally intended to be a university-type institution. Since this concept ran into some legal barriers a group of scholars tried to create an elite graduate training school. Finally, Academia Istropolitana was founded on inter-governmental agreements with support of different governments, foundations, and partially was financed by state budget. In 1994 Academia Istropolitana started the Professional Program in Applied Economics. The problems of the legal status of Academia Istropolitana further increased, which led some scholars (among others Alena Brunovská, Kevin Sontheimer and Andreas Wörgötter) to found Academia Istropolitana Nova as an independent graduate institution in October 1996. The Professional Program in Applied Economics (PPAE) was organized in cooperation with the University of Technology in Vienna (Bernhard Böhm), and the University of Pittsburgh (Kevin Sontheimer). The generous grant from the Ministry of Foreign Affairs of Austria helped to finance this program. PPAE had students from more than ten countries, some of them continue currently in doctoral programs in Tilburg, Louisiana, Calgary and Pittsburgh. Its lecturers included economists from Technical University of Vienna, Central European University in Budapest, Charles University in Prague, Comenius University in Bratislava, University of Bonn, University of Pittsburgh and the Slovak Academy of Sciences.

In the post-socialist period I identify two major lines of economic thinking in Slovakia which run parallel to political divisions in the country. The first group emphasizes some specific Slovak' way of doing economics, as a contrast to the federal liberal reforms introduced in Czechoslovakia. While none of these groups is homogenous, the first group consists of economists as Hvezdoň Kočtúch, Mikuláš Sedlák, Jozef Košnár, Rudolf Filkus, Adam Laščiak, Jaroslav Husár, Jozef Markuš, Viktor Pavlenda and others. This group of economists has been to a larger or smaller extent opposed to liberal reforms of 1989-1992. They have advocated more gradual and more socially balanced reforms, which would take

into considerations the specifics of the Slovak economic reality. The thing they have in common is their pre-occupation with the lamentable state of Slovak society and economy – as they see it – in the transition process.

Slovakia has not typically been regarded as the cradle and the dwelling of liberal political and economic ideas. Under such conditions the concept of the liberal market economy could hardly be expected to flourish. Nevertheless after the fall of socialism a group of economists close to neo-liberal view had emerged. This group of Slovak economists was endorsing the shock therapy coming from Prague. This group consists to a large extent of economists working for think-tanks and analytics of financial corporations, as well as some academics. The most famous representatives are probably the leading Slovak economic policy-makers Ivan Mikloš, Jozef Kučerák, and a more centrist policy maker Brigita Schmögnerová. One should probably include to this group also younger economists as Anton Marčincin, Miroslav Beblavý, Ján Tóth, Ján Oravec and others.

Mikloš (2001) in an interview says: “The essence of Czechoslovakia’s reform program was drawn up by a group of Czech economists. This was a terrific piece of luck for Slovakia, because at that time Slovakia had no economists who were up to the task. It’s my belief that had Slovakia been left a decade ago to launch economic reforms with Slovak economists alone, it would have staggered the same way Bulgaria or Romania did. We would have done nothing, or taken only insufficient measures.” (p. 18). Also in the same interview when asked how many top Slovak economists endorsed shock therapy, Mikloš answers the following: “... Most of the people who endorsed it were grouped around Jozef Kučerák, who was then Slovak Deputy Premier for Economy.” (p.20).

There are few economic journals in Slovakia. *Ekonomický časopis* is published monthly by the Institute of Slovak and World Economics of the Slovak Academy of Sciences. The journal has an anonymous reviewing procedure. The University of Economics publishes an economic review *Ekonomické Rozhlády*. The Slovak Society for Operations Research edits in cooperation with partner organizations of other Central European countries a quarterly *Central European Journal for Operations Research*. The Slovak Central Bank publishes a review *Biatec*.

List of academic economist outside Slovakia should contain at least the following names: Ján Fidrmuc from Brunel University, London, Jarko Fidrmuc from Zeppelin University, Július Horváth from Central European University Budapest, Mikuláš Luptácik

from University of Economics Vienna, Luboš Pástor from the University of Chicago, Jan Zábajník Queens University. Of these authors Luboš Pástor seems to be gaining the highest international recognition.

5. Conclusion

This paper presents the Slovak economic thinking after 1918 till 1948 with emphasis on the work of Imrich Karvaš, Rudolf Briška and some others. We also present the developments in the socialist period till its end in 1989. Also some preliminary notes are presented on thinking after 1948.

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