Success is Visible Today

Welcome by the Editor-in-Chief

By the end of 2011, comprehensive data were available on the fiscal expansive attempts Brussels had made in an effort to manage the crisis. Between 2008 and 2011, the developed EU Member States had given their banks EUR 4700 billion in state subsidy. When expressed as a ratio, this figure amounts to 36.7% of the total European GDP. There were no reservations when it came to saving car manufacturers either. The expected results however never materialised. It is common knowledge that the measures were not followed by an economic upswing, what's worse, the crisis deepened. And has remained with us relentlessly. The debt-to-GDP ratio in the euro area had risen significantly since the last year of "peace" before the European crisis hit in 2007. It rose from 66.3 % to 85.3 %. In consideration of the circumstances and the fact that we were still well before the Greek crisis, and the Spanish and Cypriot bank bailouts, this 20 % rise is quite discouraging. *The hesitant, mistaken and incomprehensive crisis management of the EU further weakened the pan-European region. The whole of Europe became an increasingly risky, less preferred target for investment in the eyes of American, Arab, and Russian monetary funds.* For us, Hungarians, as a member of the EU, this did not come at all handy since from the summer of 2010 the Hungarian economic policy, which had already made a shift in the direction of independence, wanted to finance state debt, which now was over 80% of the GDP - a legacy of the socialists - from the free money markets. As is known, we dumped the IMF in the summer of 2010. We are managing our finances without IMF loans and without having to meet the inherent economic policy expectations. However, the mistreated pan-European financial matters in Brussels still had an impact on Hungarians. It was in this tight situation that Hungary requested a precautionary IMF loan. A loan that we did not want to call down at all; but it is better to be safe than sorry: if the European Union was to sink further, at least we should not sink with it. So we were ready to go back to the IMF. We essentially had the following concept in mind: since thanks to your ill-conceived economic policy proposals, or expectations rather, we almost went bankrupt and the European Union, including the monetary zone is coming to its end, you might as well help us out if we were to be in trouble again because of you.

In these hard days at the end of 2011, György Matolcsy came to our university to deliver a lecture[1]. Amidst strong interest from students and teachers alike, the lecture attracted high media attention as well. The media was getting ready for a sensation. They were expecting Matolcsy, the commanding general of the Hungarian monetary policies, to announce his resignation. After all, according to the liberal media, the freedom fight was over, we laid our arms down, and we had to give in to the IMF again. It was then in 2011 that the minister for economics uttered the sentence that still reverberates today, but will probably never be mentioned after 29 March 2013: success is not yet visible today. Perhaps success was not as much visible then as it is today. Then we were still working on it. We were building the economy, we were re-tailoring the fiscal policies. Matolcsy came to see us at the university directly from the trenches and this is where he returned to.

From the beginning of 2013, success is visible. Yes, success is clearly visible today. It is tangible. And from 29 March 2013, it is even acknowledged by the European Union. We have exited from the EU's excessive deficit procedure. We are in the third year where we are able to keep the budget deficit under control. The third year when employment rates will continue rising. The third year in which we can finance the government debt and run the country without the IMF. And this we have achieved without the precautionary loan we wanted! This should not be ignored. And we still prevailed. It is the third year when our GDP continues to rise even if modestly. With safe public financial policies, FDI is again finding its way back to the country. Living costs and rates are falling. The rate of inflation is at a historic low. We are among the top 5 economic performers in Europe. We prevented local governments from going bankrupt. The state took over the local government accumulated debts, and concurrently reorganised public administration. We alleviated the private sector's foreign currency debt burden. By drawing them into making a contribution to public burden, we are encouraging banks to restart their corporation lending activities under tight regulations and control. *And the Citadel, the National Bank is doing what it has committed to do.* It is fulfilling its mission as set forth in the Fundamental Law. It is working hard on the refinancing of enterprises, on laying down the foundations of a stable public financial system. The Citadel will be reinforced with strong economic units and solid bastions. Banks, corporations, scientific workshops. *The area surrounding the Citadel and encircled by the bastions, the linea will protect our ranges. Our society, the Hungarian enterprises. New generations with a brand new vision will be raised. We can recuperate our strength! The European Union weakens, we gain strength.* The crisis management of Brussels is mistaken; the Hungarian one is a success story. The time of nation states may be back because there is greater strength and dynamism in national economic policy and local society particularly at a time of crisis.

I wrote this in 2001[2]: "In the year of the millennium, we may claim that government financial subsidies have once again been sown in good soil. The achievements and ripened seeds of academic life may also have better social reception by our nation's leaders and society. The country's budget is trying to nurture the followers and intellectual workshops of Pallas Athena and Minerva with generosity. In the Year of the Millennium national self-esteem is on the rise, and so is the prestige of science in common talk. *Hungary's only chance for speedy economic and social convergence is to establish a knowledge-based economy. However the paradigm-change in academic community requires the rethinking of Hungarian financial policies. The patents, technologies, and financial management procedures adapted from abroad are insufficient to keep Hungarian economy steadily on a track of development.* Particularly when we want our development to rest on our own independent, national fundamentals. We must create our own independent Hungarian academic community. This is one of the preconditions of our membership and long-term presence in a »United Europe«."

I feel we are about to see similar things and similar events unfolding now in the beginning of 2013. We have another chance. Back then, in 2001: "after years of hardship, after a decade of economic and political change of regime, the long-awaited changes were taking place as the crisis of transformation was lifting.[3] Now again, after similarly negative events, we have a chance. After years of hardship, after eight years of Socialist governance. This time it is not transformation crisis but the crisis of the neo-liberal financial system that we are leaving behind, but we are again proving successful by relying on our independent, national economic policies. Stable economic foundations will inevitably bring about stable social conditions just as they did at the turn of the millennium.

It was this tranquil intellectual foundation that the present studies of our social scientific journal are based on. *For many centuries the Hungarian political leadership and social elite could only feel safe when its safety was guaranteed by an external power. Be it the Turks, the House of Habsburg, Moscow or Brussels.* On economic, political and intellectual levels alike. *The staff members of our academic workshop are already writing about new concepts on roles and about new public perceptions.* New roles and perceptions in the public policy domain are dealt with by *Zoltán József Tóth,* constitutional jurist; in the economy by *Péter Novoszáth,* financial economist; and by *Gergely Egedy,* historian, university lecturer with his extensive international insight. All three are colleagues of mine at the National University of Public Service. They provide thorough analyses of the new ways and the characters of national independence. Zoltán József Tóth provides us with the academic verification of the content of our Fundamental Law. Novoszáth dr. presents how the financial situation of countries that continued to pursue orthodox, neo-liberal economic policies weakened further. Professor Gergely Egedy analyses the political context and historical background to the British referendum announced by David Cameron. In defence of the nation state, Robert Scruton enlists his arguments to explain the Euroscepticism of the British conservatives. The studies invited from the academic circles of the Ukraine and China reference to the new federated politics of the Hungarian government, the expansion of our economic relations, our attention and field of vision.

It is worth reading the Polgári Szemle!

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Notes

[1] György Matolcsy's lecture can be seen at www.polgariszemle.hu under the Polgári Közgazdasági Műhely link.

[2] *Scientific values.* Study. Ed. Lentner, Csaba; Sopron University, Sopron, 2001, 381. o.

[3] Ibid.