

'Sustainability, in other Words Responsibility for the Future, is Fundamentally a Question of Values.'

Interview with Dr. György Kocziszky, Member of the Monetary Council of the Central Bank of Hungary (Magyar Nemzeti Bank)

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Dr. György Kocziszky is one of the authors of the global discussion paper 'New Sustainable Economics' published by the Central Bank of Hungary (Magyar Nemzeti Bank) in 2022. His paper 'Values and Culture behind Sustainable Economic Growth' is included in Part V, Chapter 23. *Dr. György Kocziszky's academic career has been linked with the University of Miskolc and its predecessor institution. As a university professor, he has been teaching generations of engineers and economists. His research focuses on the economics of European integration, regional economics, and growth and development theories. He was Chairman of the Rationalisation Sub-Committee of the Management and Organisation Science Committee of the Hungarian Academy of Sciences (HAS) from 1992 to 1994, and was Member of the HAS Management and Organisation Science Committee from 1990 to 2000. In 2006 he was Head of the Jean Monnet Centre for Excellence, and between 2007 and 2010 he was Member of the Economics Committee of the Hungarian Accreditation Committee. Dr. Kocziszky is the author of approximately 100 books, book chapters and papers. He has been Member of the Monetary Council of the Central Bank of Hungary since 5 April 2011. We have asked Professor György Kocziszky, guest editor of the current issue about the roots of sustainability, and the possible aspects of rethinking economics.*

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Professor Kocziszky, how long has sustainability and sustainable economics been discussed professionally, yourself included?

◆ The United Nations published the Brundtland Report titled 'Our Common Future' in 1987, which was the first document discussing sustainability in a comprehensive way. For over 40 years since its publication, the issue has been addressed by various research institutions and organisations, including the European Union. But let me just say that sustainability had already been mentioned much earlier than that. The Book of Ecclesiastes says: 'Generations come and generations go, but the earth remains forever.' But in what form, condition and circumstances – that is what really matters. My field is spatial economics, which, for a long time, has been looking into how social and economic processes change in space and time, considering values too. Obviously, 50–100 years ago the economic principles were different, but so were the values that determined what was accepted and considered good in a community. Indeed, economics is no mere descriptive science, but, as a normative discipline, it is supposed to show what is good. Aristotle said: the ultimate good is the common good that is good for all. And sustainability is certainly good for all of us. Economics has always been concerned with this issue in a latent way, yet it was relatively late to realise how relevant and important it was. I used to give my students a very simple example of why sustainability is important: if my body temperature changed from, say 36 degrees Celsius to 42, then it dropped back and rose again, alternating every half an hour, this would clearly be a threat to the sustainability of life. The same is true for the economy: in the short term you can control and smooth fluctuations with various fiscal and monetary instruments, but in the long run you obviously need a system that can ensure stability.

What are the values that bring sustainable economic growth into focus?

◆ I believe that reading, studying and teaching economics without a value system is more than a sin: it is a mistake. This is the foundation: the alpha and the omega of our lives, and of the functioning of an economy, too. The Ten Commandments provide a set of normative values, which Christians, and every society claiming to be Christian, should observe. Of course, economics must also address the question of what is just and fair, what is right, and what is wrong. When is a tax just or fair, for example? To what extent is taxation proportionate? From whom should it be taken, and to whom should it be returned? There is not a single question that is not linked to values. In fact, this is how the schools of economic thought have emerged. Adam Smith, who is usually named as one of the founders of modern economics, was a moral theologian who examined numerous ethical issues in his early works. For over 200 years, economists have unfortunately paid little attention to values and ethics, and so our discipline has become technocratic, and in a sense autistic on many issues. I believe that these shortcomings should be eliminated as soon as possible.

If you were to summarise the ideas you describe in the above mentioned global discussion paper, what would you highlight first of all?

◆Values. It is my view that there is good and bad economics, good and bad growth, and good and bad change. I think that anyone who begins to study economics should do some research on other disciplines, such as philosophy, psychology, and economic history, going all the way back to Aristotle. It is worth mentioning that Aristotle also had a talent for economics. In later times, many great religious leaders, including St. Thomas Aquinas, Martin Luther and John Calvin, also addressed some aspects of economics, especially from a moral and human perspective. And the feature they shared was always the common good.

How important do you think it is for professionals of different disciplines to engage in discussions on sustainability?

◆I believe that thinking together is extremely important. It is often said that sustainability requires a holistic approach. How to reduce the greenhouse effect or the emission of pollutants is also a legal, ethical, health, urban and waste management issue, among others. It would be foolish to expect solutions from just one of these areas.

As a university teacher, what do you think of the role and engagement of young people in sustainability matters? To what extent is sustainability reflected in education, and how willing are students to deal with the issue?

◆I have been in higher education for 50 years. Young people today have the right kind of attitude. They have a sense of justice (which is also a characteristic of their age), a desire to do better, and a need to prove themselves. This can be harnessed and steered in the right direction, or else it might come to nothing after all. I know it's a cliché to say, but we must pass on to the future generations a built and natural environment, along with a set of norms, in which they feel comfortable. But we must also be aware that they, like us, will be in this world for a limited time only, and that they, too, will have to pass on what's been given to them. Our society has changed a lot: unlike in the past, today parents and grandparents have much less time to talk to their children at home than my parents and grandparents did. This is why teachers have a huge responsibility. It is important to raise awareness and a desire for knowledge in the younger generations. Sustainability is addressed in almost every area of university education, as the future of us all depends on whether or not we can create a liveable environment. We must remember that the 21st century is the century of knowledge. Talent, competence, diligence and integrity are of paramount importance in a community.

At international level, how far has Hungary progressed, considering that economics is believed to be facing a huge paradigm shift?

◆Comparisons show that Hungary is in the top third globally. The strategies for Hungary's national sustainability plan have been prepared, and research and

education activity has begun. In addition to meeting the inflation target and supporting economic growth, the mandate of the Central Bank of Hungary has been extended to include sustainability issues as well. Cooperation between the actors of the real economy and the financial sector is now underway, which is encouraging. This is clearly not a short-term campaign. The will and commitment of the government in power is essential, and all economic processes must follow this path. There is a close mutual international cooperation in this respect. The European Central Bank is also active in this area. The green loan programmes that have emerged support investments that reduce climate risks and pollution. I am optimistic, yet I know that sustainability cannot be achieved overnight. It will take persistent hard work, and social solidarity and effort to achieve the goals.

How do you assess the role of Public Finance Quarterly in promoting the issue?

◆ I don't mean just to be polite, but I must say that Public Finance Quarterly is a prominent journal of economics in Hungary, and that publishing in the journal means professional recognition and esteem. The articles in it are written by renowned authors. It is a great honour to have an entire issue dedicated to sustainability, which proves that a holistic approach exists as the authors come from various disciplines, from geographers to supervisory heads, clearly indicating that sustainability cannot be treated in a partial way. We tend to forget that the problem is like communicating vessels: if we pour liquid into one of the containers, it will settle to reach the same horizontal level in all of the containers, regardless of our expectation. I am grateful that the journal has taken up this challenge to emphasise the importance of the subject. And the English language version provides an opportunity to disseminate the findings of domestic research internationally. On the other hand, the State Audit Office of Hungary interacts with a variety of institutions and companies on a daily basis. In this way the staff of the audited organisations will be informed about sustainability efforts, too. Indeed, in my opinion sustainability and integrity are interconnected. So we can talk not only about macroeconomic sustainability, but also about corporate sustainability, because every organisation has a life cycle. And its length and quality matter, too. Hopefully this is something else the readers of this issue will bear in mind. ■