

## **FROM 'RAJK' COLLEGE TO THE TEAM OF THE 'FIFTEEN' - WERNER RIECKE'S (1953-2021) PROFESSIONAL CAREER**

### *My memories*

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Werner Riecke and *István Ábel* were already legendary when we entered the 'Rajk' College although they were only two years our seniors. Still, they had already had so many Student Competition (TDK) papers and awards to their names that most new entrants enrolled in their internal seminar '*Modelling economic growth*'. The memories of *István Ábel* recall those Sciences Club years.

I got closer to Werner after graduation, when *Attila Chikán* set up the International Society for Inventory Research and organised its first global conference where the guest of honour (and honorary president) was no less than Nobel laureate *Kenneth Arrow*. Well, Werner did not only give a talk at the conference, but he was also the Hungarian-German-English interpreter appointed by *Attila*. It was no problem for him. German was his native language; he spoke Hungarian with a recognisable but sweet accent while his English was near mother-tongue level. However, he could not familiarise with Russian till the end of his life. So, I had a place beside him as a non-official English-Russian-Hungarian interpreter. And, naturally, both of us also functioned as waiters at the usual conference outing at the restaurant 'Görög Kancsó' at *Szentendre*. Werner is a versatile person, we all said.

From then on, our paths often crossed. Although we did not work together, we had long debates on different occasions going on late into the evening, and we also sailed together on long, windless days.

Werner had just left the legendary *Szokolczai lab* (more precisely, the Department of Econometrics of the Telecommunications Industry Research Institute) when I was accepted there on a student internship. There are few of our peers later evolving into economic modellers, who had not studied at the Econometric Lab. *László Hunyadi, Álmos Kovács, László Lovrics, Judit Neményi, Katalin Marjanek, Gábor Bagdy, Sári Losonczi...* the list could go on. Building quarterly forecast models applying the IT and econometric methodology of the time required audacity, but one could learn much from it.

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Following a short stay at the National Price Office, which Werner did not like (to say the least), *György Surányi* invited Werner to join the Financial Research Institute in 1982. Instead of real growth and asset management, he started to delve into the operation of small, open economies, the monetary approach to the balance of payments, exchange rate and payment balance theories. That was the background to a legendary work you can only find in second-hand bookshops today, *Exchange Rate Theories and Financial Policy* by *Riecke–Szalkai–Száz* that *János Száz*, among others, remembers in this issue. *Lajos Bokros* recalls the years at the Institute. The friendship of Werner and *László Antal* lasting until the latter's death originated in that period. Two dedicated reformers were solving different models amid the dense cigarette smoke of pubs as they were trying to better a 'socialist' economy grinding to a halt or stumbling over around them.

In 1987, when pressurised by the party, *Péter Medgyessy* had the Financial Research Institute closed following the publication of the revolutionary *Turnaround and Reform*<sup>2</sup>, Werner was already working for the Ministry of Finance, the witches' brewery of budget and tax reforms headed by *Mihály Kupa*. Laws on personal income tax and VAT took effect in 1988 as the result of intensive efforts over the previous three years. Werner played an active part in their preparation. *Csaba László* recall that period of frenzy and turbulence after the reform but before the time of political transition.

In 1988/89, immediately before the fall of Communism, Werner was senior counsellor at the Economic Policy Secretariat selected from among the best economists of the era. *Tamás Tétényi* is commemorating that year side by side with *György Surányi* et al.

In 1990, *György Surányi* again invited Werner, this time, to join the National Bank. A fifteen-year-long work started then, which may have been the most decisive period in Werner's professional career. He was promoted from head of department in charge of monetary instruments, monetary programming to Deputy Governor of the National Bank, a decisive actor in the Monetary Council making the decisions of the National Bank. *Judit Neményi*, *Gábor Oblath* and *Péter Bihari* are writing about the period linking it to other phases of his professional career.

Following his career at the National Bank, he worked as advisor to international organisations (UN, IMF) at a thousand locations of the world from Bishkek to Doha. He once said jokingly, wherever he goes to give advice, guns will take over eventually. Still, even among the fire of guns, he had the patience and perseverance to build sovereign debt markets, give advice on monetary policy, observe,

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2 ANTAL, LÁSZLÓ et al. (1986): *Fordulat és Reform* [Turnaround and Reform]. Budapest: self-publishing.

and help countries that were even more backward or at a disadvantage than Hungary. János Száz wrote about those years in his memories.

It was a shame he was called upon less and less in this country. Those in power tend to forget advisors who have a treasure trove of knowledge, but they are not always pliable. When on initiative by *Tamás Mellár* the team of the 'fifteen' was set up in 2020 to analyse the response given to the pandemic by the government, we were happy to rediscover Werner's unbroken efficiency and willingness to argue. Unfortunately, he could only join us for a brief time. Illness was stronger than him.

All who worked with Werner at any time will remember him as a friend. Professional debates were also friendly discussions for him; his informal manner could win over people who supported the opposing view.

He was someone special. We shall miss him.