

A PIONEER ON ROUTE TO THE EURO

Csaba László

I first met Werner Riecke at the Ministry of Finance towards the end of the '80s. I was a young economist working on a specific task being part of the tax reform in the agrarian sector. You could hear on the grapevine that Werner was a pillar of the team working on the tax reform.

At the time, the tax reform was the most important and most exciting task in “the house”. The team worked long hours, they were responsible for something that may have been the most serious reform in Hungarian economy since the 1968 reform. Working for them meant real prestige. We came into closer contact in 1989. It was a true example of the butterfly effect. A new man, *Ernő Kemenes* was appointed as head of the National Planning Office. *György Surányi* was to take over his position as undersecretary. Werner took Surányi's position at the Prime Minister's Office and I was appointed to take over his vacant position at the Secretariat of the Budget Reform Committee as of 1 September as head of department and deputy to *Mihály Kupa*.

As is the rule in every orderly administration, there were handover-acceptance meetings. I was quite worried how I could meet such a challenge at the age of 27. Fortunately, Werner must have recognised my terror and came to my rescue: “*Don't worry, it'll be all right, there will be no problems.*” He explained that, as it had been customary in this country, there was some discrepancy between our positions and our actual to-dos. And the Committee, as such, had not been operating for some time. The non-operational Committee was indeed water under the bridge in the remaining time, but the Secretariat operated smoothly.

“In return, you have to produce different concept documents. Most important is to prepare a new law on the state budget that will meet the requirements of a new multi-party democracy.” And that is exactly what happened. Werner's workplace was in the Parliament building where he could use his expertise much better until Communism fell.

We only saw each other from afar for some years. In my capacity as the head of the budget area, we had regular meetings with the National Bank (MNB) beginning from 1995. Despite our good personal relationship, there were sharp debates between the Ministry of Finance and MNB. Werner played a key role in them. He

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was not the most passionate participant, and he was not the one who talked the most. Still, when he was about to speak, there was an expectant silence. He could sum up the essence of a debate and highlighted new points we had not noticed earlier. Questions we had been arguing about passionately for half an hour or an hour suddenly became clear and all details fell into place. Although his intimacy with figures and the maths of economics was public knowledge, he could explain to us, simple mortals, very complex macroeconomic issues in a clear, logical and structured manner.

I left public administration for a few years in 1999, but my relationship with Werner was unbroken until we resumed work together in 2002. That was a different period. There were many more conflicts between the two institutions, but Werner continued to be the same. A real professional. At the time, there was much talk about a strategy and possible schedule of joining the Eurozone. Werner took part in those debates most of the times, while he was clearly less interested in other, over-politicised fruitless debates. One of the most important products of that period was that both the Government and the National Bank, despite their professional and sometimes political controversies, jointly adopted the strategy and schedule of joining the Eurozone. Werner played a key part in that both from a professional and a human perspective. He was the last one to be blamed because nothing of those plans had come true and the Euro was not introduced in 2008. Still, I think the country could have addressed the 2008 financial crisis much better if it had been.

We drifted apart again after 2004 although we met at different events and were happy to see each other. However, we have been talking more often about current issues of economic policy and returned to square one over the past few years. Werner wrote another document on the strategy of joining the Eurozone. It is a concise, well-structured and logical strategy. I wonder when the country can have a government and a national bank willing to implement it. Werner knew he was seriously ill, but he was still eager to deal with issues with a time frame of five to eight years at least. At a Zoom talk – because of Covid – he sadly told me he had had to return home from Kurdistan earlier than planned due to an illness. He was obviously sorry he had to leave a professional task unfinished. But the way he spoke about it did not make me suspicious, and then the shocking news hit us a couple of months later.

I do not know how many years or decades will pass before we can make preparations for the Euro, but I am sure we will miss Werner a lot at those meetings. Hopefully, we shall join one day. Then, the future Minister of Finance and the Governor of the National Bank can inaugurate a plaque remembering the experts who made the most useful contribution. It is clear to me the name of Werner Riecke must be among them.