Ethical Implications of Post-Communist Transition Economics and Politics in Europe.
By Bruno S. Sergi, William T. Bagatelas. Bratislava: IURA Editon, 2005.

The anthology of works of thirty authors covering the topic of current transformational processes in the countries of central and Eastern Europe, while dealing mainly with their ethical dimension, presents an important framework for understanding the problems that these countries have had to face and to a significant extent are still facing after the collapse of the Soviet Union's sphere of influence.

Almost two decades had passed since the collapse of the Soviet Union and since the beginning of transition processes in the countries in the East the fallen Iron Curtain. Almost all of these countries have became members of the expanding European Union and others are engaged in running accession negotiations which will sooner (as the in case of Bulgaria or Romania) or later (Serbia and Monte Negro) lead to their accession. Despite the fact that several of these countries have gained the position of more or less developed countries and their economic reforms are enjoying support of the European community, the process of their systematic transformation into developed societies doesn't seem to change. This also requires significant changes in the political and legislative system which was of lesser importance when more popular economic reforms became priority. Apart from that, the societies of these countries must undergo changes that can probably be reached only with great efforts. These are changes in the thinking of the people, who, throughout half a century, got used to a significantly different way of performing activities or making decisions. This change requires changes in the educational system and upbringing as well as changes in business or political culture.

It is these very changes that are currently happening in this region and attracting adequate attention of the scientific community as well as of the Western-European countries, which are more and more significantly concerned with the afore-mentioned changes because of the deepening of mutual relations. With the time passing, more and more transparent environments for political as well as economical decision-making and management are emerging although difficult issues, such as criminality and corruption on all levels, still remain a problem. It is questionable whether the transformation is successful or not, mainly in political, social or environmental areas, which were

greatly neglected or even devastated (e.g. in the Soviet Union or in China) in the previous regime. The genesis of a new legislative system is also of interest as it is essential for the change of functioning and management of societies of individual states and their economies.

The two parts of the publication consist of twenty chapters by authors form theVisegrad countries, the Baltic countries and the Balkan. All the information collected is put together and organized by a couple of editors – Bruno S. Sergi (University of Messina, Italy) and William T. Bagatelas (City University Bratislava, Slovakia). The first part is dedicated to the economic dimension of the transformation processes while the second part deals with the dimension of politics. Individual chapters cover several areas of the topic given.

The first chapter by Daniora Grundley from Lithuania presents a systematic overview of the research carried out in the field of business ethics (ethics of making a business, BE). In the beginning, Grundley analyses different approaches of authors to examining these problems. She then further describes the subject of the research and its influence on forming a codex of entrepreneurship and economy. She also mentions the parallel research of public in many countries in given areas that reflecting the process of institutionalization of BE in the society.

Joseph T. Kanstantin analyses the vital area of development and restructuralization of all economies, privatization and the role of ethics in the privatisation decisions. Kanstatin writes that it is the extent of privatisation in all these countries that makes the influence of ethical or unethical behaviour in privatisation particularly important. All unethical behaviour does not automatically become a legal case because it is not necessarily illegal behaviour. Thus, unethical acts remain on the moral level. He also states that emphasis should be put on setting goals that need to be reached by privatisation. These goals provide space for decisions of individual subjects concerned with ethical or unethical evaluation of the approach.

This topic is also discussed in Chapter 7 where the authors Regina Levišauskiene a Gediminas Ramanauskas use the example of pharmaceutical companies to analyse individual elements influencing the organization when a change of management occurs and brings about its values and culture, motivation and work satisfaction. These are the facts that have a real impact on the extent of change that new management brings. The authors are also analysing the reasons for resistance to changes when acquisitions occur. In their opinion, the main challenge lies in managing the merging of two different company cultures and forming a new one. The problem of accepting this new culture is the cause of the largest losses in the personnel that decreases profitability of the given investment. In the end, the authors propose a framework for human resources

management and their cultural integration.

The authors of Chapter 3 – Vito Bobek, Milan Zver and Tjaša Živko – deal with company culture in both the old and the new EU member states. The authors state that not reaching the necessary level of political-democratic and modern economic values will present an obstacle in the process of transformation.

A team of authors in this chapter presents a theoretical concept of economic culture based on the research of impact of cultural differences in the individual European countries with more or less developed democracy and market economies. According to the authors, transition countries don't have sufficient amount of internal energy at their disposal to begin the cultivation process. The authors see the solution in integration into more developed units (EU, NATO).

The significant problem of corruption and informal lobby is presented by Bogdan Mróz, showing the example of Poland in Chapter 6. The author summarizes that the capital gained from informal economy is one of the important resources of development of the private sector. He also adds that accumulation of this capital was possible through hidden lobbying and corruption. Mroz considers this phenomenon, a by-product of the transformation process, to be particularly socially dangerous. He offers a solution in political and legislative restructuring (mainly in its simplification), which would allow for removing this phenomenon. However, he considers a change of general mentality and identification of citizens with state and its institutions the most important issue.

Jozef Simuth, in Chapter 12, presents life-long education as one of the basic pillars of social development. Simuth compares the transition of the concept of life long education in Poland and in Slovakia. The author states that for transforming countries such economic and political change will be indispensable in order to help them concentrate on life-long education as a key element in the transformation process. The human capital is vital for establishing a society and economy based on knowledge. This kind of education is essential at a time when new information emerges and the old goes obsolete so fast. According to the author, the level of education has direct influence on the employment of the population. Further on, the author shows the importance of teachers' development as well as the development of their skills, increasing their motivation and increasing their tolerance and democratic values. The transformation of the society into an ethical one based on knowledge is as important as any other economic reform. As an example, the author presents Slovakia, where on one the one hand a lot of successful reforms have been implemented but, on other hand, the governments have failed in the complex transformation of the society.

The rest of the chapters complement the complexity of the transformation process by providing information from various specific areas, such as the monetary or fiscal policy or agriculture. Mihail Aradenko, Predrag Bejaković and Borut Rončević in the chapter focusing on the labor market in the countries of the former Yugoslavia state that work and its remuneration are an important indicator and factor of evaluating the state of society as they set the social status of individuals and households and they indicate their behavior as well as the behavior of the whole society. The authors deal with security and order, the legislative support of the labor market and respecting the workers' rights. In the area of employment policy, they describe challenges that can be summed up as follows: establishing an effective offer on the labor market, addressing the causes of long-term unemployment, creation of an effective activation agenda, establishing an effective system for employment and, finally, the design and implementation of effective programs of an active labor market.

The second part, as already mentioned, focuses on political problems of the transition countries. Michael Tkacik, the author of the first chapter, deals with the significant problem of ethnic minorities, which is particularly obvious in the Balkan countries and it also presents a potential source of conflicts in all countries with mixed ethnicity. It is the countries with an unstable social situation and with a significant part of their population living on or under the poverty line, in which ethnically motivated conflicts and social exclusion occur most frequently. Such environment is a culture medium for xenophobia, which provokes the emergence of extremist groups oriented on persecution of the minority parts of population. Provided that a minority is territorially concentrated and it reaches sufficient numbers, attempts for autonomy can occur. The author sees autonomy as a possible ethical tool for solving ethnic issues. He also states that the ethics of the country's officials, the negotiators on both sides (the level of manipulation, real intentions, a constructive approach etc.) as well as the extent and character of third parties' involvement (e.g. the international community monitoring and implementing decisions, providing development aid, etc.) are an important factor for establishing conditions for negotiations. The level of economy in the given region is also a vital condition of the autonomy's success. The higher the level, the higher the chance for the region to succeed in negotiations.

In Chapter 15, rather philosophically oriented, its author Qerim Qerimi presents the approach to human development as a human right and freedom, the main objective of which is humanization of economic and political processes. The author concentrates on the philosophy of human development as a freedom. He analyses the concept of human development of Amarty Sen, the Nobel Prize holder for his work in

the field of quality of life as affected only

by human decisions. Man with his behavior is the agent of development and not only its passive recipient

The author recommends five elements of general human development as follows: social development; economic growth; political and social reforms for democracy; equality; reforms of institutions and their policies. The economic growth must provide tools for human development in all its dimensions.

Corruption, fraud and organized crime are the subjects of the following chapter, which deals with the countries of the Baltic region, whose example the author uses to analyze the impacts of transformation and transition from a non-democratic system to a democratic market one. According to the author, Anamika Twyman Ghoshal, the liberalization by its nature was an obstacle to establishing an effective control and regulation structure because it was linked to gaining freedom. Priority was given to economic and political reforms, oriented on launching economic growth, while legislative reforms fell behind. The author considers the fact that in the countries of Eastern and central Europe corruption was long-term phenomenon a significant problem. This fact slows down the whole process of its removing.

In Chapter 17, Fran E. Wright deals with the very sensitive topic of child labor and abuse in transition countries. The author presents the impacts of economic transformation on families as well as the society. She describes problems such as the growth of unemployment, poverty, homelessness, high mortality, the loss of public services, increasing criminality and child abuse and damage to the environment, among many others. Wright quotes a report by the organization Caritas Europa from 2002 entitled *Report on poverty in Europe*, according to which poverty, inequality and social exclusion in Europe are increasing while its main proportion comes from the countries of central and Eastern Europe. In the next part, Wright analyses the particular issue of child labor using a case study from Romania.

The following chapters, like in first part of the book, offer further information from the area of politics and social development. As an example, the use the issues of globalization and the progress of economies, connecting several areas included in the phenomenon of globalization, such as international relations, world politics, international law and global economy. The author Getnet Tamene also deals with the impacts these factors have on the society and its economy within its environment. Later, the author analyses the influence of globalization on transitive economies in central and Eastern Europe.

Equally interesting becomes the question of continuing the various forms of regional cooperation, which, considering their nature, might seem useless now that their participants

have been integrated into the European society. According to the authors of Chapter 21 who analyze this very question on the example of the Visegrad countries, continuing this cooperation within the framework of this unit is still profitable and it should persist and, what is more, it should develop as it enhances the position of all four countries in the complicated period after the EU integration when they have to learn how to move within the EU environment and find their place in it.

In conclusion, the authors contemplate on ethics and its role in their respective countries of origin. They come to the opinion that growing competition will lead to a new kind of competition on domestic as well as foreign markets. Success will depend on the reactions of the representatives and citizens of the individual states with regard to the newly emerged reality of European environment. There is still a question if this is a step which, in the long run, will guarantee sustainability of social development or if it is only an immediate reaction of individual subjects striving to retain the power within the currently existing conditions without considering the future.

Miroslav Mojžiš
University of Economics, Bratislava