

A minute with Jan Švejnar

The economist discusses the EU presidency, euro adoption and what's next for his work

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Earlier this year, Czech-American economist Jan Švejnar was a headlines regular as candidate for the Czech presidency. Since his February loss to incumbent Václav Klaus, he's been less of a presence in local media, but by no means less active in his various research, teaching and advisory roles primarily in Prague and Ann Arbor, Michigan.

Among his many credits, Švejnar, 55, is director for the International Policy Center at the Gerald F. Ford School of Public Policy and professor of economics and public policy at the University of Michigan. He is also founder and chairman of CERGE-EI in Prague, an institution for educating future economists in Central and Eastern Europe.

During his historic presidential campaign — a Western-style affair that included a level of debate and public outreach not before seen in this parliamentary democracy — Švejnar was alternately criticized as an outsider (one minister called him “someone who comes here as though on safari”) and welcomed as a much-needed agent of change.

Although Švejnar declined recent party nominations to run for a Senate seat this fall, he plans to make his forward-thinking approach work for the Czech Republic in other ways. During his most recent stay in Prague, along with his wife, economist Katherine Terrell, Švejnar sat down with *The Prague Post* to discuss his plans.

The Prague Post: What was behind your recent decision not to run for the Senate?

Jan Švejnar: Over the past, say 20 years, I've been largely focusing on how I can best help the Czech Republic, and I thought entering politics is not the best way, at present, to do so.

The current project I'm looking to is whether the country is sufficiently mature enough to launch a high-quality, independent think tank — one that would improve the quality of information and analysis available to decision makers and the public, and therefore improve the function of government.

TPP: Is there a time frame for it?

JŠ: Not a firm one at this point. It's something we're actively working on, and it will be several months before we decide if it's worth launching.

TPP: What do you hope the country gained from your presidential candidacy?

JŠ: For me, the goal was to show that there is an alternative vision to the current president, that people can have a choice, and that the views propagated by the incumbent are not necessarily shared by many people in the world. I also wanted to instill in people the idea that individuals who can contribute should participate in public life — and not necessarily out of self-interest, but rather for the purpose of social welfare.

TPP: Were you encouraged by the public response?

JŠ: Very much so. On the last trip I made to a regional capital, which was Ostrava, people stopped me on the main square and we actually couldn't get through the crowd. I did not expect the response to be that positive, given that Klaus started with 70 percent popularity. The fact that by the election many polls were showing me at 55 percent and him at 45 was unexpected.

But my candidacy was stressing looking forward and getting the country ready for world changes rather than dwelling on the past. It was also more positive about the role of the Czech Republic in Europe.

TPP: Regarding that role, what are your thoughts on the country's preparations for next year's European Union presidency?

JŠ: For the Czech Republic it's going to be an important, highly visible period, and an opportunity to shine or not to shine depending on how they are prepared.

At a logistical level, it will be about whether the country can discharge the duties connected with the organization of events, carrying out the chairmanship and so on. But the more important level is the vision and whether the country can come in with a bold, well-prepared agenda that will change the face of Europe. Can there be something innovative, something that catches people's minds, be it connected with the energy situation or possibly with the food crisis.

TPP: So, things that aren't necessarily to be accomplished now.

JŠ: Right, but they could be started. And Czechs could be remembered for them later when they are accomplished.

TPP: Where do you stand on the adoption of the euro?

JŠ: I think the Czech Republic is at a crossroads in terms of having accomplished the first phase of the transformation from a communist, centrally planned system to a democratic market-type economy. So, it is now facing the question of whether it will become a leading country or just chug along and be a good second-tier, third-tier country.

The adoption of the euro is crucial, and I think the argument in favor of it dominates. The country is ready economically, and has been for a couple of years. Most of its trade is with the euro currency area. There are also practical examples that it can be done. Slovenia — a country very similar in terms of development — did it recently without complications. So it's interesting that the current leadership is reluctant to enter the euro zone. This is a strategic decision that will have long-term repercussions for the world view of the country.

TPP: What do you say to questions about a future presidential candidacy?

JŠ: The next election is five years away, which is a long time. Right now I'm planning on doing a lot of good work, generally and for the Czech Republic, be it research or educating the next generation of economists. Plus there's the advisory activity I've always done with governments, political parties and various initiatives. If, five years down the line, this naturally leads to me being a candidate, that much the better. If not, then it will indicate there are other good candidates, which is great for the country as well. So at this point I'm relaxed about it.

TPP: What do you do when you're not being an economist?

JŠ: Well, I like a variety of sports — skiing is my favorite. Apart from that I swim, jog and play golf.

TPP: And you manage to make time for it?

JŠ: I try, if I get out two to three times a week, that's fairly good. And it's important to make time for our family. Our son works in New York City, and our daughter just accepted an advertising job also in New York. Katherine is here with me.

And, of course, I'm dividing my time between the Czech Republic, Ann Arbor and a number of places around the world because of my work. The trick is not to overdo it. If you have a certain regularity — say three weeks here, three weeks there — that's one thing. Once you start zigzagging with greater frequency, it gets complicated. But, nowadays, the world is technologically sophisticated enough that you can work on the same project virtually anywhere.