EKONOMIA ECONOMICS 3(20) • 2012

ISSN 2080-5977

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REVIEW OF SZYMON MAZUREK'S *THE MECHANISM OF THE TRANSMISSION OF ECONOMIC CRISES*[1]

"Contemporary economic crises are no longer confined within national borders" – writes Szymon Mazurek, in the first edition of *The Mechanism of the Transmission of Economic Crises*. This neatly sums up the theme of the publication devoted to the analysis of the indications, mechanisms and effects of the spread of economic crises in the context of the global economy.

In formulating the general principles governing this mechanism, the author analyses past economic crises with international ramifications: the Great Depression of 1929–1933, the Oil Crisis of 1973, the Tequila Crisis of 1994–1995 and the Asian Crisis of 1997. It is surprising that, despite the enormous number of publications devoted to economic crises in general – and to the above-mentioned in particular – new problems of research related to this subject continue to arise. Historical economic crises, often treated as an already thoroughly-researched and closed topic, are, in this publication, the starting point in formulating conclusions which are relevant today.

Based on historical evidence, the author formulates his own definition of transmission channels – the way in which economic crises are internationalised. This definition becomes in turn the key element in his theoretical model of transmission of crises. What is interesting is that the concept he puts forward not only embraces the spread of crises in a geographical sense (e.g. one country's problems may cause problems in other countries), but also the knock-on effect of problems within a particular national economy (e.g. problems in one business sector can cause problems in other sectors). This gives a broad picture of the fluctuations occurrimg within developed economic structures. And it is precisely towards such an overall system that the current processes of integration and globalisation are leading us. In this context, the author's idea of the transmission paths of economic crises can be a valuable tool when researching the structure and condition of the global economy.

The internationalisation of economies is a vital element in the whole jigsaw. The author has perceived this and devotes a whole chapter to ways of measuring

[1] Szymon Mazurek, *Mechanizm międzynarodowej transmisji kryzysów gospodarczych*, Dom Wydawniczy Duet, Toruń 2011.

the inter-relationship between individual economies, describing a range of methods for assessing the openness of various economies. It is impossible to ignore the fact that, in the considerations of economists and politicians, discussion on the subject of economic internationalisation rebounds like a boomerang. But such discussion of international economic crises is always relevant. This was the case with the Asian Crisis of 1997, when the IMF was criticised for its over-use of influence in regard to the liberal transfer of capital between the region's nations. The same happened a couple of years ago, when the attention of the world's economists was focussed on the USA's sub-prime crisis, and its effect on the global economy. Nevertheless, it is difficult to find a satisfactory solution to the conflict between supporters and opponents of open economies. The author of this publication appears to be aware of this and draws attention to the obvious ambiguity of the problem. Despite the risks involved, openness brings great benefits to specific economies. And although the book poses the question of whether a greater openness leads to a greater risk of crisis, the author declines to give an answer and instead changes the perspective. According to his concept, a crisis in another country is only one of many probable reasons for economic collapse, because – although contemporay crises are by definition international – economic problems can arise locally.

One can obviously argue with this somewhat cautious approach. What is more, the author appears to exclude his solutions from political action in dealing with economic crises. Those who seek ready proposals and solutions, which could be applied to Europe's current economic problems, will be disappointed. But despite this, the book should be of interest to all analysts engaged in making key decisions with regard to the global economy.

The book also lacks a wider social and political context in dealing with the problem. Social changes are an integral part of the process of integration and globalisation, and their role in transmitting economic crises deserves analysis. But one can understand the author's narrow approach to the subject. The inclusion of wider social factors would have involved research in the fields of sociology, politics and even psychology, which would have unnecessarily extended the work. Nevertheless, this book should be appreciated for its clarity, and for the author's grasp of the problems of the transmission of economic crises.

Another attribute of this book is its didactic usefulness. In formulating his own definitions and models, the author has reviewed a great deal of scientific literature on the subject. However, this is not a handbook, one can find an accessible presentation of the various theories dealing with economic collapse and its subsequent effects. This is justified by the author's intention of bringing together the various conclusions of research into the internationalisation of economic crises.

The result is an interesting view of the mechanism of the internationalisation of economic crises and, although this approach is in some part the result of historical hindsight, it appears to be relevant to today's problems. The internationalisation of economic crises is real, and probably no-one today can doubt that it affects the USA, Asia and Europe to the same degree.