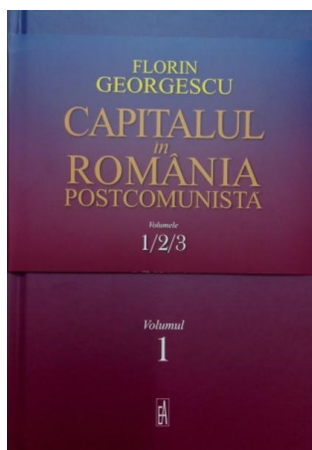


Book review**CAPITAL IN POST-COMMUNIST ROMANIA****Florin GEORGESCU**

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AN ECONOMICAL TREATY WITH TRILOGY ASPECT

Being accustomed to spectacular gestures, , much more sporadic since he has been appointed the first deputy governor of the Central Bank- Professor Florin Georgescu does not contradict himself not even this time, because his last editorial appearance has the dimension of a large fluid novel.

Although, the field of research is precisely delimited starting with the title of the work, referring to the evolution and the characteristics of the capital in our country for the last thirty years, the carried out analysis has much more extensive reverberations, at least in some respects. The author depicts a true fresco of capital formation in the market economy of the East European space during the post-communist period.



As a matter of fact, the main strengths of this work is precisely given by the rigorous analysis of the main aspects concerning the formation and the development of the postdecembrist Romanian capital, as well as the extremely rich illustrated material, the tables and the graphs being based on detailed statistical series of large dimensions.

Certainly, we can not live out the descriptive value of the book, which depict the specific of a period full of economic and social challenges, such as the privatization and proliferation of foreign investments or the Euro-Atlantic integration of Romania, but also the frequent stops on macroeconomic policies, including those of prospective nature.

It is not a polemic approach with the work of the famous Thomas Piketty (whose book was printed three years ago), and with whom the author has a relationship of mutual appreciation, even if the scientific discourse has a clear programmatic character. Ultimately, we are talking about the opinions of an economist, whose social-democratic sympathy is more than obvious, even if we ignore his previous political involvement.

In this context, critical opinions - some of them beeing even acute - about the way in which the transfer of ownership took place, from state to private ownership, which led to the formation of domestic capital and provided large unfolded spaces for foreign capital, are understandable.

Thus, the various stages and forms of manifestation of the privatization process are viewed from the perspective of erosion of the capital created during the socialist planned economy and of the fraudulent transfers in the individual patrimony. We are not dealind with a political partisanship, as long as the author objectively recognizes that the phenomena in question transcend the periods of right-wing governments (rather short), manifested during the entire period of transition, and mostly subjected to (central-)left governments.

In this way, the idea that, no matter of the origin of capital, the Romanian firms are deliberately submitted to a process of subcapitalization as a prerequisite for a more favorable taxation and simplification of the insolvency and bankruptcy procedures. Similarly is the analysis of the capital-labor ratio, which the author consider obviously being to the detriment of the employees.

We can not overlook the considerations regarding the profound dysfunctions faced by the capital on the Romanian market, such as the insignificant contribution to obtain the gross added value of the companies with negative capital (their numerical weight being significant), the process of disinvestment in case of foreign companies (the suggestion of exporting the profit being quite transparent), the reduced use of European funds in relation to the needs of the Romanian economy and the modest results of the effort to support foreign capital (including through fiscal facilities) for the welfare of the majority population.

Most seriously concerned about Romanian realities, the author has also some opinions that may prove to be at least questionable, from the point of view of the European integration of

our country, such as the strengthening of the role of the state in a Union, which is in its turn concerned with the strengthening common regulations or considerations regarding the harmful effects of private capital. Also, the paternal role of the state would be difficult to operationalize, in the context of recognition of the accentuation of globalization process and the appeal to the regulations of some international institutions like the IMF, the World Bank or the World Trade Organization.

Other proposals and suggestions, mainly formulated towards the end of the book, aim to a certain "taming" of capitalism, in order to increase the economical equity and are taking into account measures of improvement tax collection, in the same time with the process of re-industrialization of the country, simultaneous with the growth labor remuneration and implementation of the progressive taxation.

Regarding the style, the author writes the same way as he expresses himself verbally. That is namely, ample, impetuous sometimes, with didactic accents, or, at other times, with a well-tempered sarcasm, with necessary or unnecessary repetition and with the tendency (never confessed) of the most exhaustive approach. Daring a comparison with the field of literature, although the content would come close to the historical novel, not the mellow expression of Sadoveanu's narrative would be the equivalent, but the pathos of the verb from Adrian Paunescu's poems.

Beyond brilliance and shadows, the book written by Professor Florin Georgescu remains a reference work in this field, an important study that contributes to a better understanding of the ways regarding the formation and manifestation of the capital in the market economy in the Eastern European countries during the postcommunist period. We are dealing with a significant volume of work, which paves the way for new research and analysis in the field.

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Volume I comprises the following chapters:

Capital - concept and way of formation in post-communist Romania; 2. Capital – personal permanent financial resource; 3. Fixed capital - its dynamics and quality.

Volume II:

Banking capital in Romania - between development factor and source of imbalance; 5. The relation between capital and labor factors - expression of the efficacy-equity relationship; 6.

Privatization - leveraging capitalization and increasing competitiveness or source of vulnerability of the Romanian economy?

Volume III:

Funds in Romania - source of capital or financing of current expenditures ?; 8. Globalization, deregulation and evolution of capital in Romania; 9. Economic and social development and capital in Romania; 10. Conclusions.