Foreword

Dr. Erokhin and colleagues focus on a very timely and important topic: economies in transition. He argues that economies in transition should develop trade and industrial sectors, and adopt a policy agenda that goes beyond trade liberalization and deals with the strengthening of market institutions and the improvement of infrastructures. This book contains seventeen chapters, including direct foreign investment, international trade, agricultural development, and tourism. The authors are from various countries in the world (Russia, Republic of Serbia, Malaysia, Azerbaijan, Slovakia, Ukraine, Italy, Turkey, United Kingdom, India, Poland, Hungary, Austria, and Portugal).

As the authors point out, economic integration can be beneficial, but not without costs. What immediately comes to mind is the stock market crash beginning in 2016. Many of the indicators, including the US Dow Jones Industrial Average, show that the value of US stocks have fallen by more than ten percent since January 1, 2016. This is due to many factors, including pessimism among Chinese investors. Here there is a domino effect. Since China is part of the world global integrated economy, a major structural change in China has significant reverberations throughout the entire world. But the United States, for example, finds it very difficult to respond to major changes in China. The latter is a major trading nation with the United States, and holds a significant part of US debt. In this regard, the market collapse is related to the price of oil., which dropped significantly beginning in 2015 (it is interesting how low oil prices can have a negative impact on economic activity when countries such as the United States have been designing policies to reduce dependence on oil). The United States has entered an agreement with Iran where Iranian assets have no longer been frozen by the United States due to an agreement over nuclear arsenals. Once this agreement became effective, Iran began shipping sizable quantities of oil to other countries. This added to additional oil supplies and drove oil prices even lower.

When the Former Soviet Union was dismantled, formal trading arrangements were made among member states, and supposedly, economic stability was to increase, but this did not happen. Consider the conflict between Russia and Ukraine over the past few years. Trade has been disrupted, as have foreign direct investment and capital flows in general. This is very different than in 2009 and 2010. Unfortunately, the analysis by Schmitz and Meyers (2015) for Russia, Kazakhstan, and Ukraine does not cover the recent period of intense fighting between the two countries.

Several of the chapters take up integration and tourism. This is an extremely important topic as, for a while at least, it looked like tourism provided unlimited opportunities for many countries. However, these have become clouded because of the increase in international terrorism from such groups as ISIS and the Taliban. The danger of flying to tourist areas has increased dramatically. This takes away from the positive impacts of globalization and integration.
Foreword

The topics of food security, and agricultural and rural development are taken up in several chapters. For many transitional economies, food security is of vital concern. Uncertainties introduced by globalization can have negative impacts on food security (Schmitz, Kennedy, & Schmitz, 2015a, 2015b).

I highly recommend this book to those in government and academia who work in the area of transitional economies. New policies have to take into account the negative and positive features of economic integration. The editor should be complimented in drawing together the large number of authors who made this book possible. The authors of this book are scholars from Europe, the Middle East, and Asia, representing respected institutions, universities, and organizations. The variety of talent, expertise, and experience, along the wide scope of topics, make this book a unique collection of information and analysis, and a valuable resource for anyone studying transitional economies and their roles on the international market.

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REFERENCES

