

SUMMARY OF THE ARTICLES

Financial discipline and growth capability of firms in a transforming economy

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The financial and contractual discipline of firms exerts a significant effect on the growth capability of firms and through that also on that of the economy as a whole. Stabilization of contractual relationships between business clients also belongs to the development and consolidation of the institutions of market economy. The data of the period 1992-1996 show positive tendencies: violation of financial discipline is characteristic of an ever smaller part of firms. But in the scope of smaller firms, constituting the majority, the situation is much worse in this respect and violations of financial, fiscal and contractual discipline are more frequent. What is more, this is not negligible even among the firms expressively supplying export markets – of key importance for the Hungarian economy.

“Dog strategies”: menacing, looting and violence on the developing markets of the countries in transition.

Balázs Hámori

After the euphoric change of system many experts trusted that the brute force and economic criminality ruling in the dissolving socialist system would be replaced by mutuality and fair exchange characteristic of market economy. Instead of it – a decade after the radical change – criminality is far from diminishing, it is even unstoppably increasing and is one of the most successful “industries” of the transition. The void space coming about in the wake of the dissolution of planned economy is not necessarily filled only by market economy coordination, also aggressive coordination may have a big role. It is even more surprising that the violence, blackmailing and menacing called by the author “dog strategy” is present even in the simplest and purest market transactions. Continuing the line of thought of Denzau and North he proves that the single round market game can in many cases be described by the model known in game theory as the Chicken model, used for the analysis of sharp conflicts and war situations. The study analyses the aggression hidden even in pure market transactions through a series of cases to be found in an economy in transition: beginning with the rent collection of feudal nature of big commercial firms through the onesided dictates based on various nominal (blanket) contracts till the relationship between general contractors and their subcontractors. The author closes his article with an analysis of self-healing market mechanisms, as it is only these that can offer some hope for the pressing back of aggression.

Application of general equilibrium models to economic policy analyses*Ernő Zalai*

The author surveys the changes having taken place in the field of multi-sector modeling, from the linear programming models to the quantified general equilibrium models. After a brief historical retrospection he presents the common and different characteristic features of the general equilibrium models by comparing them with the national economic level models based on the methods of linear programming. He also makes clear how the general equilibrium models can be used for analysing the consistency of economic policy targets, for the investigation of trade-off possibilities among the targets and, in general, for sensitivity analyses of economic policy targets. The discussion of theoretical and methodological questions is illustrated by the author with the aid of a quantified general equilibrium model.

The end of macroeconomy, or a belated Nobel prize (Robert E. Lucas)*Júlia Király*

The blessing and scourge of economics, namely, that it appears as an “applied science” where consensus of opinion is the rarest, social consensus the smallest, the probability of misinterpretation and distortion the greatest, and where half-truths are the loudest and “slidings” the most frequent: that is, in economic policy. It is difficult to convince young economic undergraduates that economics can present intellectually outstanding results, that it is a field suited for absorbed research activity, and its standards are not identical with those heard at the sessions of Parliament. If we wish to characterize Lucas’s achievement with a single sentence, his greatest merit is that he contributed to the shaking of belief in the omnipotence of economic policy and to the re-emergence of economics from the state of “background science” of economic policy.

Rearrangement of the banking system and the Euro (Adjustment possibilities and effects)*Péter Gál*

According to some experts the development of the uniform European currency will cause the most significant changes in the international financial system ever since the introduction of the floating exchange rates in the seventies. Also opinions which compare the event directly with the loss of its leading role on the international money market of the pound sterling between the two World Wars can be found, and who believe that the US dollar will again have a genuine competitor. The process may bring about big rearrangements in economic power relations, exchange rates, interest levels, costs, speculative moves etc. Thus it requires adjustment on every level of economic management. But these changes will take at least five-ten years and during this time partly the possibility of adjustment and partly uncertainty and the danger of speculation may dominate the financial processes. These events will have the most direct impacts on the banking system, even otherwise under general transformation, and will influence economic relationships in every field.