

On the new political economy of the Stability and Growth Pact

László Csaba

This journal has published in the 2003–5 period several contributions devoted to statistical analysis of the processes observable in the old and new EU member-states and assessment, based on that, of the sustainability of the Stability and Growth Pact, the chances of introducing the common currency in the new member-states, and the most expedient way of doing so. This article sets out to augment earlier analyses by looking at the solution now subject to professional and political debate: is the European version of a rule-abiding budget policy really just ‘stupid’, as Romano Prodi once said, or is it a frame with real economic content, so that observing it or even applying it more strictly than ever is a precondition for sustainable development in the new EU member-states, especially in the medium and long term?

Neumann’s game theory

László Á. Kóczy

The study sets out to present the game-theory work of John (János) Neumann and show the place it occupies in the history of mathematics. It treats in detail the famous minimax theorem he devised and the Neumann-Morgenstern solution, as well as criticisms of it and the alternative concepts for a solution put forward over more than fifty years. The author reports on the present situation in game-theory research and its current problems and applications.

Problems of economic growth in Japan: from ‘economic miracle’ to protracted recession

György Simon and György Simon Jr

The study addresses the Japanese puzzle: the protracted period of exceptionally fast economic growth known as the Japanese economic miracle, and the very sharp fall in the growth rate and protracted recession that followed it. The authors prove with an endogenous growth model that no economic miracle occurred in Japan either: the very strong growth occurred in accordance with the general rules of economic development. The main cause of the protracted recession, according to the authors’ findings, was the exchange-rate shock of the mid-1980s, based on international agreement, which slowed the hitherto exceptionally speedy expansion in Japan’s exports, so applying a sharp brake on the main factor behind the rapid growth. The authors have devised a model that explains the export tendencies as a function of exchange rates and terms of foreign trade.

Ideas for developing cooperative theory*Zsuzsanna Kispál-Vitai*

The study presents two special lines of cooperative theory—two basic lines of development in the American theory—and takes a new approach to examining the specific organizational and operational problems that the cooperative form presents. The method of analysis in the new institutional economics offers wide scope for analysing the cooperative and for further theoretical development of this specific form of organization. Using his methodology, it becomes possible to answer plainly several questions at issue, especially if the cooperative transformation of Hungary is considered.

Simulation of the decision-making factors in the information society*Erika Sudár and Zoltán Szabó*

It has become apparently recently that building up the information society, which is one of the EU's objectives, calls for active governmental support. Almost all countries have now adopted programmes and plans of action to support or accelerate the transition. Decision-makers devising such a strategy have to take into account the complexity of the economic and social environment and the multiplicity of possible effects. These factors make it significantly more difficult to predict the effects of the various measures taken. The purpose of this research is to design a model that can provide a firmer basis for political decision-making. Applying the model will make it possible to predict the results of measures taken and thereby allow strategic alternatives to be compared with each other.