

### LABOUR-MARKET FLOWS IN HUNGARY AND EUROPE

István Kónya

It is common practice in literature to compute labour flows from data on stocks. To apply such flows to standard search models, it is assumed that the economically relevant movements occur between employment and unemployment, but ignoring the decision to participate can lead to biased results if there are significant flows between such participation and inactivity. This paper shows that partial identification is possible, even though with three states it is impossible to identify all the flows from publicly available data on stocks. The paper describes a new method of computing the transition probabilities most relevant from a macroeconomic angle. The method is easy to use, and the detailed steps for its implementation are described in the paper.

### THE PRICE OF FINANCIAL PRODUCTS

József Banyár and Péter Vékás

The article examines the concept of price in relation to financial products, arguing that its unsophisticated use can be misleading. A more precise interpretation is indispensable for analysing the price level of specific products in a rigorous way. Although the question is highly relevant in practice, university textbooks on finance seem to ignore it almost completely. The article offers a concise overview of related international and Hungarian regulation before giving a comprehensive presentation and conceptual clarification of appropriate price measures for several types of products. These will increase transparency and consumer satisfaction in the field of financial consumer protection. In addition, the authors set out to contribute a new approach to the ongoing work on a new universal measure of the costs of financial products, based on the PRIPs directive.

### THE HUMAN FACTOR IN THE ECONOMY

SUMMARY OF THE COEURE PROJECT STUDIES, I

Erika Dömötör, László Mátyás and László Balácsi

This sequence of three papers explores the EU's Cooperation for European Research in Economics (COEURE) PF7 project. The project's main aim is to bring together key stakeholders in the European economic research space – scientists from various

strands of economic research in Europe, users of economic research in the policy community, economic decision-makers, and funders of economic research – so as to formulate an agenda for research funding for economics in Europe, through stocktaking, consultation and stakeholder engagement. The efficiency of European economic policy is well below the standard to be expected from its size and level of development. The main reasons for the disorganization and lag are seen as differences in language, diversity of academic traditions, fragmentation in research activity, and lack of communication between the research and policy communities. Within COEURE, twelve surveys were commissioned to assess the state of the discipline. The paper focuses on the human aspects of these: first, education and accumulation of human capital, how education can lead to rising inequalities, and what impact inequalities may have on welfare; second, dual labour markets, one of the features of peripheral European labour markets; and third, the ageing population and extent to which migration can offer a solution to the problem. The paper ends with a short discussion on possible policy implications

#### LABOUR-MARKET FLEXIBILITY AND YOUTH EMPLOYMENT

Júlia Urbán Mező and Beáta Udvari

Youth unemployment has become one of the biggest challenges that economies face on a global scale. Its spillover effects mean it does not only affect young people. The vast majority of its structural and institutional causes concern various dimensions of labour-market inflexibility and over-regulated working conditions. So this article highlights the connection between labour-market flexibility and youth unemployment. Looking over the main aspects of flexibility and youth unemployment, it can be seen that young people find first jobs more easily and speedily in more flexible labour-markets, but such flexibility reduces the safety of employees of all ages. So it is necessary concurrently to create a labour market adaptive to economic change, use active labour-market policies, and preserve social security (the “flexicurity” concept).