

TRANSFORMATION OF THE OWNERSHIP STRUCTURE OF THE HUNGARIAN
BANKING SYSTEM

Júlia Király

The paper provides an analysis of the role of bank ownership structure in crisis resilience, drawing on the literature and case studies for the 30-year history of the Hungarian and East-European banking sectors. The mainly local state or privately owned banks collapsed during the transformation crisis of the 1990s, while the mainly foreign-owned banks proved to be resilient during the great financial crisis of the 2000s. Recent intensive state intervention and control have been aimed at easing out foreign investors and supporting the local ones. The emergent new structure does not appear to be so resilient to crisis as the previous one was. The arguments usually advanced in support of this new transformation cannot be justified by the literature or by the case studies.

AN EMPIRICAL TEST FOR INVESTOR OVER-REACTION ON THE BUDAPEST STOCK
EXCHANGE

Máté Lakatos

The first aim of the study is to carry out a test of the over-reaction hypothesis in relation to the Budapest Stock Exchange, which implies that the under-performing portfolios will outperform the market in the future and vice versa. In this respect the paper advances the anomaly of behavioural finance, so that the reversal movement of stocks on the Budapest exchange can be found in the long term. Another aim of the study is to examine the dependence between the reversal phenomenon and the momentum effect in terms of the time scale of the portfolio selection period. It is important to emphasize that the reversal anomaly can be observed over a long time scale (a one-year period), but the anomaly become insignificant close to the end of test period. On the other hand, the momentum effect persists to the end of the test period in the case of a short time scale.

WEAKENING MACROECONOMIC EFFECTS OF THE OIL PRICE. A SYNTHESIS OF TWO COMPETING THEORIES

Gábor Uliha

Many economists argue that the stagflation periods of the 1970s were related to the two main oil crises. However, experience shows that these effects were eliminated over the decades, e. g. oil-importing economies enjoyed solid growth and low inflation when oil prices surged in the 2000s. Blanchard and Galí (2007) found that economies became more effective and elastic in handling high energy prices, while Kilian (2010) took as the main reason for the weakening macroeconomic effects of oil-price shocks the structural differences behind the price changes. The article sets out to test the compatibility of the two rival theories, using time-varying parameter models. The results show that both hypotheses can be correct concurrently: the structure of the change in price matters, but the impulse responses varied over time.

THE PLACE AND ROLE OF IBN KHALDUN IN THE HISTORY OF ECONOMIC THOUGHT

Dániel Oláh

Joseph Schumpeter, in one of the most important works on the history of economic thought, his *History of Economic Analysis* (1954), created the concept of a “great gap”. This means that in studying the history of economic analysis, account should not be taken of the centuries between the early Christian and scholastic times, as the thinkers of that period had a highly normative attitude. The Schumpeterian great gap still influences the mainstream, synthesizing works on the history of economic thought. This paper aims to analyse the thoughts of a medieval Islamic thinker and prove that such a gap is non-existent. It does so by comparing the economic ideas in Ibn Khaldun’s Introduction to History with those of modern economic schools that invoke secondary sources. In analysing the primary source mentioned, the author dismisses the whig interpretation of history and aims to apply contextual analysis. The paper concludes that Ibn Khaldun’s theory could not be seen as a forerunner of any given school of economic thought because it displays several similar thoughts from the modern schools. Instead, Khaldun’s work could amount to an intersection between the schools of modern economics and the economic thinking of the Middle Ages.

THE LIFE OF KEYNES AND HIS ROLE IN ESTABLISHING THE INTERNATIONAL MONETARY FUND

György Szakolczai

The paper presents a historical overview of the development of Keynes’s thinking, from his first work to the Second World War. It takes the view that he was primarily a public servant and statesman, and his published works were first of all summaries of his practical proposals. His entire public and scientific activity represents an indivisible whole, which points toward his last work, his proposal to build up a Keynesian system of international finances. His *Indian Currency and Finance* already dethrones

gold, while his *Economic Consequences of Peace* calls for cancellation of unbearable debts and other obligations. His *Treatise on Money* presents the fundamental ideas of his that led to the establishment of the Bretton Woods institutions, and his *General Theory* covers the obligation to serve the public good, which will be extended to the public good of all nations in his final work.

EFFECTS ON THE GLOBAL WINE TRADE OF GEOGRAPHICAL DISTANCE,
CULTURAL AND LINGUISTIC SIMILARITY, AND FREE TRADE

Jeremiás Máté Balogh

In a globalizing world, major wine-producing countries export considerable quantities to the global wine market and turn over a notable trade, but in what happens European wine regions differ markedly from the New World. Here major wine producers suffered a remarkable fall in domestic wine consumption in recent decades, while New World wine producers increased their production potential and generated new foreign demand. The changes have been joined by geographical relocation of wine consumption and exports. The gravity equation can be derived from demand-side or supply-side theory-consistent estimation methods that suggest relationships between the size of the economies, geographical distances, cultural similarities, and size of their trade. The paper analyses the effects of cultural and geographical proximity, free trade, and linguistic similarity on bilateral trade in the main wine-producing countries, using a cross-section gravity model for 2012. The results suggest that larger countries export more wine, while transport costs rise in line with geographical distance and are higher for landlocked trading partners. Wine export costs are lower if trading partners are culturally similar, share a dominant religion, or are both WTO members with regional trade agreements. Anglo-Saxon, Germanic, Latin American and Latin European countries mainly trade wines within their groups. The paper looks to extend the number of trading partners, investigate the effect of language clusters, and confirm that the results are robust by different econometric methodologies.