

THE INTERIM PHASE OF BREXIT

Ádám Török

Erwin Schrödinger's Cat model is a thought experiment taken from quantum mechanics as a means of visualizing "neither dead, nor alive" types of transitional situations. The article draws parallels between this and the Brexit process, which has been initiated, but not in a strictly legal sense yet unleashed. It may be officially launched one day by the UK government, but without any certainty as to whether it will be completed at all. There seems to be no trade-policy model seen as optimal for both sides: keeping the UK within the Single European Market for goods and capital, while introducing constraints on the free flow of labour, is not a real option. Both parties may choose procrastination, declaring that Brexit is underway, but maintaining pre-2016 conditions of economic cooperation and integration that prolong a Cat-like situation.

GROWTH OPPORTUNITIES AND RISKS IN HUNGARY'S INDUSTRIAL MIX
AND EXPORT PERFORMANCE, 2010-2014

Krisztián Koppány

The study investigates structural change in the economy and its growth effects, using input-output tables and multipliers. Among the lowest values are multipliers in the manufacture of computers and electronic products, which was a dominant industry at the beginning of the period, and in the manufacture of motor vehicles, which was burgeoning. The outstanding GDP contributions of these two industries were greatly due to their prodigious production and export volumes, rather than to high value-added ratios or multiplier effects through domestic supply chains. So the paper concentrates on exports and manufacturing, with the latter contributing the largest share to the former and forming the focus of Hungarian industrial policy. With the database and model developed, it can be shown that the 2009 export shock in manufacturing caused an approximately half a percentage higher fall in 2014 than in 2010. Both average growth and growth risks attributable to export volume changes increased. Manufacture of motor vehicles made the biggest contributions to both of these changes. Perpetuating an economic structure with two dominant industries seems to have brought better growth and risk conditions, which highlights the importance of diversification.

IMPACTS OF RIVALS' COOPERATION ON REGIONAL ECONOMIC DEVELOPMENT

György Jóna

The paper shows how rivals' cooperation - "coopetition" - defines regional economic development. Coopetition refers to dynamic interplay in which competitors cooperate and compete with each other simultaneously, so as to reach higher profits. It is based on partnership among rivals, so that the group engaging in it can be called a cooperative network. Since this emerges as a driving force for regional economic development, economic growth is scrutinized by combining advanced toolkits from network science and from spatial econometrics. The key findings are that the cooperative networks manage to function with a low level of trust, as rivals do not trust in each other but believe only in the focal firm. It mediates between the same firms and bridges issues of the network, while organizing the cooperative interactions among rivals, so that competitors can attain higher profits. Furthermore, the paper draws up a new measuring method that synthesizes a susceptibility-infected model with a local-aggregate model, so that it is suitable for describing the regional patterns of the cooperative networks' effects.

THE ROLE OF KEYNES AND WHITE IN FOUNDING THE INTERNATIONAL MONETARY FUND AND AT THE BRETTON WOODS CONFERENCE

György Szakolczai

The author dealt in this journal in his last paper (Szakolczai 2016) with the last stage in Keynes's life, up to the end of the Second World War. Here he turns to the foundation of the IMF and the Bretton Woods Conference, and to Keynes's role in these. The main line of argument in both the creation of the IMF and of the Keynesian system for the international economy mark a culmination of his whole activity and work. This is as important as the Keynesian general theory and the general international theory that justifiably bears his name. It is well known that Keynes failed to impose his proposals at Bretton Woods. The agreement reached largely corresponded with the ideas of Harry Dexter White, who expressed and represented the American views, and so there is discussion here of the ideas of both.