

Globalization, capital markets and the role of the state

Erich W. Streissler

Globalization is among the concepts most frequently discussed in economic literature today. In this lecture delivered at the Hungarian Academy of Sciences, the author shows that globalization is a much older process than one might think. The Austrian Emperor Francis Joseph I, for instance, had to accept the terms of foreign capitalists in the mid-19th century in just the same way as borrowers do today. Globalization on this continent appears primarily in the form of 'Europeanization'. For this very reason, it is vital for all the continent's countries (especially the ones preparing for EU accession) to develop an appropriate relationship with the European Union and possess a very thorough knowledge of the EU's regulations and operative mechanisms. The conditions of globalization have also brought a fundamental change in the role of the state. Hitherto a tax gatherer and a regulator and constraining factor, the state these days can assume a specific task as an economic agent on behalf of the other participants in the market: that of raising foreign loans on more favourable terms, due to its greater risk-taking ability.

Evolutionary applications in forecasting models, Part II

Gábor Benedek

The author discussed general attributes of evolutionary theories in the first part of the paper, providing a historical and theoretical account and outlining some possible applications in economics. Now a detailed problem of forecasting and economic decision-making is used to exemplify how evolutionary procedures can be applied. The first part dealt with genetic algorithms and neural networks. Such algorithms are now harnessed to the task of forecasting share prices and assembling an optimum portfolio and option-buying strategy.

Competitiveness and comparative advantage in Hungarian agriculture

Imre Fertő and Lionel J. Hubbard

The paper examines the competitiveness of Hungarian agriculture in relation to that of the EU, based on four indices of revealed comparative advantage, for the period 1992–8. Consistency tests suggest the indices are less satisfactory as cardinal and ordinal measures, but useful in identifying whether or not Hungary has a comparative advantage in a particular product group. Despite significant changes in Hungarian agriculture during the 1990s, the results indicate that the pattern of comparative advantage has remained stable. The findings

suggest that Hungary has a comparative advantage for live animals and meat, but not for cereals. This contradicts the findings of previous studies that used different approaches to measuring competitiveness.

Transfers and disturbances to efficiency in food product paths

Ferenc Zoltán Guba

The study analyses Hungarian agricultural policy and the relations between agriculture, food processing and food retailing by examining the observable transfers along food product paths. To estimate the transfers, an extended version of the OECD-devised methodology for calculating the support equivalent has been applied. The analysis seeks for the causes of the transfers and distortions observed in the food product paths among the disturbances to efficiency found in agricultural and commercial policy, the market structure and the transitional economy.

Hungary's place in the European economy. A fact chart of development and dynamics

Szilvia Borbély and Mária Vanicsek

The study compares the economic strengths, weights, growth trends and structures of the EU countries, the United States, Japan and Hungary. The analysis rests on economic sectors or industries, with sub-branches as the starting points for the survey. Grades based on various dynamic and static indices were established for the countries examined, down to sub-branch level, for the years 1995–8. These gave Hungary's placings for economic weight, growth pattern and structure in relation to the developed economies. The analyses at sub-branch level also show how much the economic growth and weight of the United States exceeds those of the European Union, which EU countries have a decisive weight (sub-branch concentration), and which are growing fastest. An indication also emerges as to which are the industries in the forefront, providing the economic impetus.