

### NATIONALIZATION, PRIVATIZATION, NATIONALIZATION

Éva Voszka

The value of state shareholdings in Hungary has doubled in the last three years. The state has taken minority stakes or total ownership of big firms in the energy sector, some small banks, public utilities and stores, profitable companies and firms sliding into insolvency. The snapshot of the ongoing process, however, shows an organic picture rather than chaos. This extension of state ownership seems to be an integral part of government plans in relation to the economic mechanism. Although not the only method being used, nationalization is an important means of modifying the role of the state and redistributing wealth and profit-making chances among various different entrepreneurial groups. According to this analysis, modification of the extent of state ownership shows some characteristics independent of the political system and even the direction of change, where such ownership alterations are embedded into transformation of the whole economic system. So privatization and nationalization have much in common.

### COMMON GOOD AND DEMOCRACY. TWO ECONOMIC THEORIES OF DEMOCRACY

Péter Gedeon

This essay deals with two economic theories of democracy. The classical doctrine of democracy was built on the concept of the common good, classical political philosophy arguing that the institution of democracy was the instrument for realizing the common good. This theory was criticized by Schumpeter, who applied the method of modern economics to analysis of the concept, which he separated from democracy, arguing that the substantive concept of democracy was untenable, and proposing to replace it with the procedural concept of democracy. Constitutional economics does not accept such separation of the concepts of democracy and the common good, but it does not accept the substantive interpretation of the common good either. Rather, it proposes a procedural concept of both the common good and of democracy.

### PAIRED COMPARISONS RANKING. A SUPPLEMENT TO THE METHODOLOGY OF APPLICATION-BASED PREFERENCE ORDERING

László Csató

In the March issue of *Közgazdasági Szemle*, Telcs et al. suggested a new approach to university ranking through preference ordering of applicants. The paper proposes

new aspects to the implementation of this idea. It is shown that the model of these is equivalent to the ranking of alternatives based on paired comparisons, which reveals the debatable points in their hypotheses. The author reviews briefly the methods proposed in the literature, focusing on their axiomatic properties, and thoroughly examines the procedures of Telcs et al. [2013]. The paper presents an article which applied a similar approach and suggests some improvements to it.

#### THE FINANCIAL CRISIS AS NEGATIVE INFORMATION AND A FACTOR OF UNCERTAINTY ANALYSING THE EPS FORECASTING ERROR IN HUNGARY AND AUSTRIA

Erika Jáki

The author investigated the impact of the financial crisis that started in 2008 on the forecasting error for earnings per share. There is plentiful evidence from the 1980s that analysts give systematically more favourable values in their earnings per share (EPS) forecasts than reality, i.e. they are generally optimistic. Other investigations have supported the idea that the EPS forecasting error is greater under uncertain environmental circumstances, while other researchers prove that the analysts under-react to the negative information in their forecasts. The financial crisis brought a myriad of negative information for analysts to consider in such forecasts, while also increasing the level of uncertainty for the entire economy. The article investigates the impact of the financial crisis on the EPS forecasting error, distinguishing the period when the crisis gave merely negative information, from the one when its effect of uncertainty was significantly increased over the entire economy.

#### CONTRIBUTION TO THE PROBLEM OF THE YOUTH UNEMPLOYMENT THROUGH THE EXAMPLE OF EUROPE

Annamária Artner

Youth unemployment seems to be one of the most urgent problems in Europe, though comparative analysis shows that unemployment among the older generation is even more serious. On an aggregate EU level, the share of the young people in total unemployment has been decreasing in the long run and in the present crisis too. This cannot be explained by demographical reasons alone. It can be attributed primarily to the less developed member-states, while the youth share in total unemployment is growing in most relatively developed member-states. The problem of young people not in employment, education or training (NEET) is still more important than that of “active” youth unemployment, but the NEET phenomenon is not confined to youth either. All this points to youth unemployment being only the tip of an iceberg. Its treatment cannot be successful enough in the long run without mitigating total “joblessness”. The problems can be dealt with separately, as with the EU programmes – among them the Youth Guarantee Scheme. The other possibility is to deal with them comprehensively, recognizing the strong cross-influences between them. An example is the European citizens’ initiative for an unconditional basic income.