

“TOO THEORETICAL” A STOCKJOBBER: 200 YEARS OF DAVID RICARDO
AND HIS *PRINCIPLES*

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This essay appeared first as an introduction to a new Hungarian edition of Ricardo's *Principles* and some other writings: “The High Price of Bullion”, “Plan for the Establishment of a National Bank”, “Absolute Value” and “Exchangeable Value”. After outlining his life and stock-market success, it analyses and comments on his essays, pamphlets and opus magnum: *The Principles of Political Economy and Taxation*. These cover important aspects of the political economy, from money and banking through fiscal and monetary policy to agriculture, international trade and protection, from taxation to public debt, and many others. His main political economy topics are value theory and distribution: laws regulating the incomes of the three basic social classes: landlords, workers and capitalists. He is still the subject of controversy: praised and admired for creating a rigorous, scientific political economy, but criticised as too abstract and speculative. The essay makes a critical assessment of the main interpretations of Ricardo and recent controversies on concepts attributed to him: the corn model, comparative costs, “Ricardian equivalence”, “Ricardian vice”.

CAPITAL-MARKET UNION OR A FIGHT FOR FREEDOM?

László Csaba

EU crisis management yielded a series of supranational regulations and procedures known as the Fiscal and Banking Union, effective from 2014. These already cover far more money than the pluri-annual financial framework. Furthermore, financial institutions of systemic relevance have come under a joint supervisory mechanism. Already the current/outgoing Commission has proposed that FBU be augmented by a capital-market union (CMU) before its mandate expires in November 2019. Such innovations apply to members of the Euro-zone alone. Those abstaining or excluded from them – as are three Visegrád countries and two Scandinavian – are left alone in their fight to protect national jurisdiction and room to choose their policy options. They are simultaneously giving up the buffer of existing and emerging new EMU arrangements. The CMU will mobilize considerable new resources for growth – that also is going to be missed by the non-joiners.

THE SPATIAL LIMITS OF ECONOMIC GROWTH IN HUNGARY: AN OVERVIEW AND SOME DILEMMAS

Imre Lengyel and Attila Varga

A range of excellent studies address macroeconomic (monetary, fiscal, economic policy, etc.) issues of Hungarian economic growth, but the authors find too little heed paid to the relevant spatiality of economic growth. The paper reviews how counties/county groups contributed to Hungary's economic growth between 2000 and 2016, which strengthened or reduced it, and to what extent. One finding is that Budapest and its conurbation, prime generators of economic growth in 2000–2007, have clearly curbed it since 2010, also lagging increasingly behind capital cities of several post-socialist EU member-states (including Bucharest). The data outline a spatial paradox: the key factors of economic growth – qualified workforce, R & D – are increasingly concentrated in the capital region, yet economic growth there has almost stagnated and labour productivity declined. Today four or five counties show an increase in manufacturing FDI, while others, including ones with major universities, have improved national output only modestly despite large injections of EU development resources. Controversies on these raise both theoretical dilemmas and questions of economic policy. In the authors' view, if features of spatial operation of the Hungarian economy are disregarded by analysts and policy-makers, its economic growth will remain moderate and vulnerable despite its potential.

THE DECISION-MAKING CONTINUUM OF SEQUENTIAL CONSUMER-PRODUCT CHOICES

Zoltán Veres and Tamás Tarján

The paper places product-choice decisions along a continuum. One end represents conscious buyers able fully to control their decisions, while the other end represents consumers whose decisions are unconsidered and random. The decision interval is capable of modelling the multi-attribute decision, but without distinguishing between the influencing factors at the positions occupied between the two extremes. The aim of the authors' research was to find the typical product-choice behaviour between the two extremes of the continuum. The experiments with sequential decisions to provide pair-wise comparisons of different attribute variants were conducted on a large sample. It was found that the average of sequential consumer decisions lies between the fully controlled and fully random endpoints, but closer to the former. It was further proved that product complexity increases the randomness of choice.