

The Lisbon Process: puzzles, theoretical problems and practical difficulties of a long-term strategy

János Gács

The Lisbon Process is an important EU initiative, but surrounded by puzzles. The strategy, planned for ten years and relating to the whole EU, was based on the kind of ambitious targets known hitherto only in the history of centrally planned economies. Professional preparation of the strategy was minimal, and for several years, very few EU citizens so much as heard of it. After four years, however, there is much embarrassment that almost nothing of the ambitious Lisbon economic and social targets seems to have been implemented. How was the Lisbon Process launched, what does it really contain, and what prospects does it have in the coming years? And in general, what kind of theoretical issues emerge when such a long-term strategy based on EU-level coordination is set in motion?

The economic value of falling risk of death and accident in Hungary. Findings of a labour-market analysis

Péter Kaderják, Árpád Ábrahám and Gabriella Pál

Standards of public policy would markedly improve if decision-makers had reliable estimates on which to base the costs and benefits of public programmes. But that would require a greater number of more reliable conclusions on what economic value the benefits of such programmes actually bore for the communities concerned. One of the main 'products' of many programmes is reduced likelihood of illness or early death in the community concerned; i. e. they spare suffering or save lives. That is indeed what some environmental-protection and public-health programmes and some transport-safety investments promise to do.

Simulation of news markets

András Németh

By a news market is meant an electronic market where bets can be taken on various future events. Several examinations have shown that such markets can gather dispersed partial information from their actors into a single rate of exchange (information aggregation) and thereby predict events. The study sets out to present a model of these news markets and their actors and examine the information aggregation. The model devised describes the thinking and behaviour of the market actors and runs simulations in which agents based on the models trade. The findings confirm the model's validity and draw attention to some interesting facets of how information aggregation works.

Social-insurance pension systems as public goods*József Mészáros*

The study shows how the present social-security pension systems, assuming methodological individualism and employing the apparatus of repeated games, are in a multiple prisoner's dilemma situation. The study analyses this by formulating and proving three propositions: the dilemmas of demography, contribution payments, and the political class. These are confirmed using the so-called Selten thesis of repeated-game theory.

Welfare policy in the European Union*Veronika Frigyesi and László Kapolyi*

All the important measures of economic performance are better in the countries most committed to the principles of an active welfare state. The decisive majority of member-states of the European Union operate the continental or social-democratic welfare model. However, the liberal, Anglo-Saxon model has been gaining ground intensively in the countries of Central and Eastern Europe since 1990.