

ABSTRACTS OF THE ARTICLES

Connecting the pension and student-loan systems

Edina Berlinger

The study examines the possibility of connecting the pension system with the student-loan system. After a brief presentation of the purpose and characteristics of the systems and the main dilemmas and similarities that appear, the author describes a connected model that would leave both systems more efficient in many respects. Among the model's most attractive features are simplicity and transparency, and it offers incentives that mobilize all possible sources for the two main aims of financing study and providing security in old age. The author also obtains formally the pension-indexation rule required for the system to operate in equilibrium, while striving to make the concepts and vocabulary of pension and student-loan literature converge.

Commercial margins and price transmission on the Hungarian pigmeat market

Lajos Zoltán Bakucs

Studies in the last decade of the linkage system in the chain between producer and consumer have become popular tools, as has analysis of the competitive situation prevailing on the market. Although there is extensive literature on the links between producer and consumer prices in various countries, only one study (Bojnec [2002]) deals with commercial margins and price transmission in a transition economy. The accepted hypothesis is that margins are greater in transition countries than developed countries because of distorted markets inherited from the socialist economies, shortcomings in the operation of price-setting systems, and unexpected government intervention. The study examines the development of commercial margins and asymmetric price transmission on the Hungarian market for pigmeat. The results of the analysis show that the producer and consumer prices are cointegrated and the producer prices in the long term are weakly exogenous to the consumer prices. The results of structural tests on homogeneity constraints suggest that the price-setting strategy on the pigmeat market is not a competitive one. Price-transmission analysis reveals, contrary to general belief, that the price transmission in this market is asymmetric.

Tension in the Visegrád countries over EMU accession

Anna Wisniewski

Changes have occurred in the last year in the environment for accession to the Economic and Monetary Union (EMU) by the Visegrád countries. The new EU member-states are all now members of the European exchange-rate mechanism (ERM-2) and

could enter EMU in 2007. But there are differences in their starting points and financial-policy approaches. One of the challenges of the coming years will be to hold the low inflation rates and tight fiscal policies even under the public financial pressures exerted by the extra costs of EU accession and the modernization needs characteristic in the region. These circumstances necessitate reform of the public-finance system in all the new EU countries. The viability of the common European monetary policy in recent years has shown the Euro bringing stability to the Continent, yet the performance of the Euro has fallen short of economic development in the United States, in the real economy and in terms of nominal indicators. This sounds a warning to the Visegrád countries that in spite of the advantages of the Euro zone for the catch-up economies, there must be some structural reforms to the stable macroeconomic foundations, and it would not be a bad thing if they occurred before entry. For the positive fiscal tendencies are not a direct effect of EMU; they are attributable to the economic policies being applied.

Money can/can't buy happiness (?)

Dávid Takács

The immediate inspiration for this contribution is the article by Orsolya Lelkes that appeared here under the title 'Can money buy happiness? An empirical analysis of the relation between income and utility'. She ultimately gave an affirmative answer. This contribution, on the other hand, places the question on a more general plane, disputing some of Lelkes's theoretical conclusions and even conceiving the answer to the basic question differently. In simple terms, money can be said – according to this writer – to buy happiness to a certain extent but not beyond. Nonetheless, it is important to note that Lelkes conducted a notable empirical analysis in the study mentioned, and her work can be considered the first important contribution to Hungarian literature on the economics of happiness. This contribution contains a detailed exposition of the questions advanced and confirmation of the present writer's hypothesis from published empirical data.