

ABSTRACTS OF THE ARTICLES

Stimulatory regulation in public services. The connection price of network services

Károly Miklós Kiss and Iván Major

The study deals with regulation of connection pricing of network services. Regulation of network sharing is one of the main problems in the regulation of public services. The model for regulating the connection price presented here outlines stimulatory regulation deriving from the information problems. It presents a market model of corporate decisions about network sharing, based on which the examination begins with the regulatory scope in a case of full information. Then comes stimulatory regulation for handling the problem of negative selection and moral risk. Finally comes a comparison from the welfare point of view of the results of an unregulated market, cost-based regulation that ignores information problems, and the stimulatory regulation presented by the authors.

The effect of tax rates on the behaviour of various economic actors. A review of the literature

Péter Benczúr

The article sets out to review international empirical literature on the behavioural effects induced by the tax system. The author concentrates on three areas: labour supply (activity, number of hours worked, total income), household saving, and corporate investment. This may assist primarily in measuring likely effects of various tax and benefit reforms (such as those introduced recently in Hungary), with the undisguised purpose of encouraging research and debate on these.

Crisis management, systemic change, or transformation of party structure? Political dilemmas and responses during the financial crisis of 1873–5

István Schlett

Financial imbalance, budget deficit and mounting indebtedness are nothing new in the history of the Hungarian economy. The study probes into the emergence, management and consequences of such a crisis and describes it through the budget debates in the lower house of Parliament. Rather than focusing on the economic history or the theoretical bases of a “correct economic policy” independent of place and time, the author concentrates on the revealed processes of the political thinking. How did politicians of the period detect and interpret the financial processes that led to a jump in state debt? What were the knowledge and assumptions from which they derived various responses?

Finally, how did they gain the ability to act and make effective political decisions? Although a specific case is described, it may lend itself also to some general conclusions.

The foundations of equity theory. Models and viewpoints

Attila Gulyás

Most economic models describe people only in terms of self-interest, without concern for the wellbeing of others. But such behaviour is very rare in reality. Models based on an assumption of self-interest succeed because people really behave in a self-interested way in real economic situations. But in other situations the opposite applies. Experimental findings justify the existence of theories that consider social norms and other motivating factors. Recent decades have also seen the arrival of utility models that include the concept of equity. The study presents the most cogent of these, in which the consideration of equity incorporates consideration of efforts towards equality.

Technological progress and capital intensity

Andrea Szalavetz

The study argues that technological progress and successive paradigm-defining, general-purpose technologies do not always, automatically increase the capital intensity of value creation. Technology change does not always show a capital-utilizing, labour-saving bias. With the impact of the information-technology revolution on relative input shares, the effect of new technology in certain industries and on certain types of capital has been to produce appreciable capital savings. The analysis shows appreciable differences between sectors and industries in the increase of capital demand and capital intensity, as well as significant accumulation and intensity-increasing differences for various types of machinery and equipment.