

THE KREPS AND SCHEINKMAN RESULT REMAINS VALID FOR MIXED DUOPOLIES WITH LINEAR DEMAND

Barna Bakó and Attila Tasnádi

In mixed oligopolies, private firms compete with a public firm, which at least partially aims to maximize social surplus. The authors investigate mixed duopolies in which the firms first build capacities simultaneously and then set their prices simultaneously as well. For the same two-stage game with purely private firms Kreps and Scheinkman demonstrated in 1983 that the first-stage equilibrium capacities of the two-stage game are identical with the equilibrium outputs of the Cournot duopoly. This paper extends Kreps and Scheinkman's results to mixed duopolies with linear demands and constant unit costs. It is shown that quantity pre-commitment and Bertrand competition also yield to Cournot outcomes when a public firm is involved, not only in the case of private firms.

DETERMINANTS OF HORIZONTAL AND VERTICAL INTRA-INDUSTRY AGRI-FOOD TRADE IN THE NEW EU MEMBER-STATES

Attila Jambor

Intra-industry trade (IIT) has a growing role in international trade, although the number of papers on its agricultural aspects is limited. This article identifies the determinants of horizontal and vertical intra-industry agri-food trade between new member-states (NMS) and the EU27 in 1999–2010, by applying to panel data static and dynamic models with different specifications. The results show that factor endowments are negatively related to agri-food horizontal intra-industry trade (HIIT), but positively to vertical intra-industry trade (VIIT). Economic size is positively and significantly related to both, while distance and IIT are found to be negatively related. This also suggests that HIIT and VIIT are greater if an NMS exports agri-food products to another NMS, while EU accession has had positive and significant impacts on both HIIT and VIIT, which suggests that economic integration fosters IIT.

### CAN THE PREDICTIVE CAPACITY OF BANKRUPTCY FORECASTING MODELS BE INCREASED WITHOUT NEW CLASSIFICATION METHODS?

Tamás Nyitrai

Banks and lenders in Hungary also began, after the introduction of the Basel 2 capital agreement, to build up their internal rating systems, whose maintenance and development are a continuing task. The author explores whether it is possible to increase the predictive capacity of business-failure forecasting models by traditional mathematical-cum-statistical means in such a way that they incorporate the measure of change in the financial indicators over time. Empirical findings suggest that the temporal development of the financial indicators of firms in Hungary carries important information about future ability to pay, since the predictive capacity of bankruptcy forecasting models is greatly increased by using such indicators. The author also examines whether the classification performance of the models can be improved by correcting for extremely high or low values before modelling.

### THE TRADE OF THE VISEGRÁD COUNTRIES WITH ASIA – A MANIFESTATION OF GLOBAL PRODUCTION

Andrea Élteső

The Czech Republic, Hungary, Poland and Slovakia, four “Visegrád” countries, have become integrated into the global networks of multinational companies that play a determining role in the world trade. An important place in international economic literature is held by the theory of global value chains. The article provides a taste of this theoretical background before analysing in detail the trade contacts of the Visegrád countries with Asia and their structural changes over the past decade. This trade reveals differences among them in their positions in global production chains.

### CAN INDIVIDUAL EFFORTS BE AGGREGATED? THE PROBLEM OF THE ACTION-IMPACT GAP

Mária Csutora

Behaviour impact gaps are demonstrably present in everyday life. It is increasingly found that environmental awareness in individuals fails to lead to reductions in the ecological footprint. Intensive agricultural practice reduces biodiversity in the EU even in areas where massive agri-environmental grant schemes are available and applied. Labour market training programmes do not necessarily facilitate job-finding for underprivileged segments of the society. So individual efforts may not add up or induce the expected effect. This outcome appears even for programmes that are successful in attaining the required behavioural change in a target group.

The impact of attitudes and individual acts may be wiped out by structural and economic lock-ins such as trade-offs made for the gains, lack of a critical mass of actions, infrastructural deficiencies, or interfering acts of economic actors. The discrepancy between environmental awareness and ecological footprint is used to point out how awareness-raising programmes may miss their targets by overestimating the sovereignty and capabilities of consumers. Consumers are unwillingly locked into unsustainable practices and cannot be moved from that position unless economic and structural premises are also changed.