

### **What use are consumer-price statistics?**

*Barnabás Ferenczy, Sándor Valkovszky and János Vincze*

The study discusses five approaches to inflation. It seems clear that different demands are made on the price index when calculating changes in the cost of living, the cost of money, real interest and exchange rates, or the coordination function of the index of monetary inflation. The authors fear that the question of inflation can become oversimplified if an attempt is made to encapsulate it in a single 'universal' index. Hungarian consumer-price statistics as they stand at present do not match any of the theoretical concepts of inflation perfectly. The study makes some methodological proposals for the consumer-price statistics. Nonetheless, the consumer-price index, as a statistic, remains one of the highest-quality data sources. To improve utilization of it, the study (partly to illustrate the problems outlined) attempts to provide from the data series available theoretically sound, analytically intended definitions of indices for each 'field of utilization'.

### **Commuting in rural Hungary. An unresolved problem**

*Gábor Kertesi*

The author examines what part in maintaining rural employment at a relatively high level is played by the undeveloped transport links and high cost of transport between villages and towns in Hungary. The study consists of two parts. The first uses a participation model, inclusive of commuting costs, to reconstruct the decision-making problem of a villager weighing up whether to take up urban employment. Starting from the commuting model, the author formulates a practical procedure for measuring the likelihood of an individual commuting from a village to a town. The second part of the study tests this commuting model, using the data on individuals in the 1996 micro-census of the Central Statistical Office and the settlement-level transport database compiled in 1994–5 by the Hungarian Academy of Sciences' Institute of Economic Sciences.

### **Unemployment benefit in Hungary in the 1990s**

*Gyula Nagy*

Unemployment benefit was introduced in Hungary when mass unemployment appeared. The article presents the history of the benefit system in the 1990s, focusing on its level of generosity: the proportion of unemployed eligible and the trend in the size of benefits. The author examines how far the marked decrease in eligibility and relative benefit size can be ascribed to regulation changes and how far to a change in the structure of the unemployed.

**Fluctuations in Hungarian higher education***András Bródy*

Human capital and the effort put into developing and training it play an exceptional role in economic growth. Like every branch of reproduction, this fluctuates in size, and again in a similar way, the rough duration of the cycles can be established approximately from an estimate of the main proportions. There was no sign in the GDP or demographic data series of an important cycle well recognized abroad. The so-called Kuznets cycle, described a long time ago in the specialist literature, was apparent only in a fluctuation in the numbers of university and college students.

**Jobs and workers doing them. Shifts in a creative direction in the Hungarian labour market***Judit Rimler*

The article explores the qualitative changes in the Hungarian labour market between 1980 and 1996. It establishes that the changes in both the employment structure, expressing a shift in demand, and the qualifications structure, representing the supply side, showed an advance by occupations and qualification levels more conducive to creativity. Nonetheless, the employment and qualification structures still lag behind some developed European countries in the respect examined, where there are some factors impeding a rapid closure of this gap.

**The first year of the euro and changes likely in the short term***Margit Rác*

The Economic and Monetary Union (EMU) was launched by the final deadline of January 1, 1999 laid down in the Maastricht Treaty. Implementation of it ended almost a decade's debate on the justification or unwarranted nature of the monetary union. Towards the end of 2000, there is already enough experience available to attempt to answer at least some of the basic questions about EMU. The study concentrates on two aspects. 1. What problems may arise from the fact that monetary policy has become supranational while fiscal policy remains a national responsibility of the 11 EMU founder-members? 2. Will the European Central Bank or the European System of Central Banks be able to ensure stability of value for the euro?