

Transformation of the constraints on market entry and development of the world economy

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The constraints on market entry count as a basic concept in the theory of market structures and in assessment of competition-policy cases. However, there is still no generally accepted model for them. Nor seemingly, is there agreement on how the succession of various entry constraints has affected the accelerating integration of the international markets for goods and services, which at least in Western Europe became almost complete in the 20th century. The article starts out from one possible model of the entry constraints and attempts to relate the process of transformation of them to the development of international trade. It also explores how the marked improvement in trading infrastructure and liberalization of world trade has been followed by a development phase in which the main constraints on market entry become various forms of corporate behaviour only partly recognized and penalized by competition policy.

Inequalities of income: are they or do they just seem to be increasing?

István György Tóth

The article reviews the trends in income distribution in Hungary through the available Central Statistical Office and TÁRKI databases. Breaking the income inequalities down by population-group factors, the author examines what alterations in the inequality structure occurred between 1987 and 2001. He establishes that after a significant increase in inequalities around the time of the change of system, the aggregate indices no longer showed an increase by the second half of the 1990s and there was a notable internal restructuring in the second period as well. In the 1987–92 period, the biggest influence came from the changes in the employment structure of households, but thereafter, the biggest influence on inequalities was exerted constantly and strongly by the age-income profiles. While the aggregate indices remain unchanged, the internal, structural changes explain the seeming paradox that exists between the income statistics and public perceptions of the situation.

Insider trading*István Vajda*

Analysing the yields of insider-trading transactions is important both from the profit and the regulatory points of view. Regulation of them raises several economic and legal problems. The study first examines the process of preparing a yield analysis from the regulatory point of view and then goes on to analyse the actual yield of insider trading. The author carried out a study of the equity trading figures of the Budapest Stock Exchange for 1997–2001. Analysing exceptional yields based on statistical significance, he decides whether or not price-sensitive, non-public information lay behind the transactions. He also studies what news effect the trading transactions of insiders had among market participants.

Supranational centralization of economic policy-making and community economics: some lessons from the theory of tax competition*Károly Mike*

How far can community economics provide a basis for political decision-making on supra-national centralization of taxation policies? The short answer here will be that although the mainstream of community economics succeeds in analysing many relevant economic and political factors, it fails at present to provide satisfactory criteria for decision-makers. This is because a central role is played in it by a factor exogenous to the models and alien to economic theory: the premise of the measure of goodwill from governments. The study examines the fiscal federalist theory of tax competition. It tries to draw conclusions, on a more general level, about the present state of the economic theory of the public sector and future development of it. The way out of the theoretical blind alley could be to link the theories of government operation and decision-making and of desirable economic-policy decision-making. The first attempts to do so have been made, but a systematic and comprehensive analysis is still awaited.

Competitiveness in Central and Eastern European foreign trade*Andrea Éltető*

The article discusses the concept and interpretation of the competitiveness of a specific country before looking at the main measuring methods applied in foreign trade. Central to the treatment are the concept and indicators of comparative advantages and intra-industrial trade. The author then presents some comprehensive studies that analyse the foreign-trade competitiveness of Central and Eastern European countries through various indicators, using her own calculations. The article ends with a summary of the findings and some conclusions.