

ABSTRACTS OF THE ARTICLES

End of the golden age in Hungary.

“Foreign” and “local” banks before and after the crisis

Ádám Banai, Júlia Király and Márton Nagy

The collapse of Lehman Brothers was followed in Hungary in October 2008 by a serious crisis that paralysed the financial system and gave way to a deep recession. Several people have analysed how this affected the banking system. Both the country and the banking system were vulnerable in the initial stage of the crisis due to dependence on foreign resources, so that the liquidity crisis became especially severe. Recession erodes bank portfolios and increases the risk of insolvency. The study augments earlier analyses by examining the pre-crisis development of the banks and how their crisis histories in the decade up to mid-2009 differ according to whether they are in majority foreign ownership (“foreign”) or not (“local”).

“Minimum-wage paradox” in a competitive labour market?

Lessons from an experimental line of thought

István R. Gábor

In the conventional textbook demand/supply model of competitive labour markets, the introduction of a minimum wage above market-clearing level must reduce employment. Empirical findings suggest, however, that this may not always be the case, a finding most readily explained by monopsonistic competition in the labour market. The experimental line of thought reported here explores an alternative root, interpreting the “minimum-wage paradox” as the outcome of a competitive labour market that displays friction.

Specific features of Hungary’s system of school and university admissions

László Á. Kóczy

Hungary’s school and university admission system is based on central rating system. The purpose of the study is to make a critical analysis of the system and present the matching algorithms and attributes that determine the ratings. The admission system for secondary schools is a pure application of the student-optimal delayed acceptance algorithm, while the one for higher education, though it rests on this algorithm in terms of drawing a minimum line of acceptance, employs it in a more readily understood form than the original algorithm. The student-optimal delayed acceptance algorithm is one of the basic, most studied matching mechanisms that satisfies both stability of matchings and student honesty. These two attributes can only apply to mechanisms that operate very well. Unfortunately, these attributes were threatened by several required technical modifications to the

application of the algorithm. Multi-level quotas and minimum initial numbers can produce matchings that are non-stable, while an admission charge rising in a linear way with the number of applicants can effectively penalize honesty.

Effect analysis of regional development policy using a spatial, numerical model of general equilibrium

Péter Járosi, Koike Atsushi, Mark Thissen and Attila Varga

Spatial, numerical models of general equilibrium are empirical tools of the new economic geography, with their methodology and outlook rooted in the new economic geographical and numerical models of general equilibrium. The study presents the new GMR–Hungary model system devised for the National Development Agency for the New Hungary Development Plan, and illustrates its use with a simulation.

The competitiveness of small and medium-sized firms – a possible analytical framework

Andrea Gál Németh

Since the appearance of the Lisbon strategy and still more its renewal in 2005, EU documents have tended increasingly to stress the role in competitiveness of having a strong, efficient SMS sector. This has turned the definition of SMS competitiveness and the scope for analysing it into important research tasks. The study, starting from the concept of corporate competitiveness, defines what is meant by the competitiveness of small and medium-sized firms as a group. Having presented the methods of analysing corporate competitiveness, it distinguishes the following factor types behind SMS competitiveness: those to do with the macro and micro environment, ex ante and ex post, external and internal, and input and output-side.