

The savings of Hungarian households between 1995 and 2000

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Numerous variants of household consumption and saving behaviour have appeared in recent years. Especially worth noting is the fall in the financial savings rate that began in 1999. The study sets out to examine the savings decisions of Hungarian households in the latter half of the 1990s and project possible trends into the near future, based on international examples. Experiences in emerging countries suggest that the structural processes accompanying economic catch-up played a much more pronounced role in reducing personal savings than the interest-rate policies of central banks. This can be seen in Hungary as well. Liberation and modernization of the financial sector, consequent easing of liquidity constraints, prolonged economic growth leading to higher income expectations, and impatience caused by postponed consumption in earlier years have all been decisive factors behind the fall in net savings by households.

Monetary valuation of natural resources

Zsuzsanna Szerényi Marjai

The study reviews the methods of valuing in money terms the changes in natural resources and environmental assets and the theoretical considerations behind these methods. Such factors are hard to quantify but highly significant nonetheless. To ensure they are not omitted from the analytical and decision-making processes, estimates of the monetary value of changes in them (due mainly to legislation and macroeconomic and state investment schemes) have to be made. The author presents the concept of full economic value, which provides the theoretical background to the methods of monetary valuation, and the valuing procedures employed. She emphasizes especially the so-called revealed-preference methods (conjectural assessment, conjectural choice and ranking), which are suitable for valuing almost any environmental change. The study ends by considering some cases of environmental valuation in Hungary.

Where is the German welfare state going? Social-insurance sub-systems in Germany

Péter Gedeon

As the golden age ended and the 1970s began, the German welfare state, based on a system of compulsory social insurance, ran up against dual constraints. The system's weakness in terms of economic competitiveness lies in its method of financing: the provisions of the compulsory social-insurance sub-systems are covered by contributions levied on pay. If the

system's provisions require an increase in the contributions for some reason, labour becomes dearer and the competitiveness of the economy declines. Thus increases in contributions and the financing of social insurance meet ever-harder economic constraints. On the other hand, reductions in social-insurance spending collide with a constraint resting on political legitimacy. Politicians in government risk losing electoral support if cuts in welfare provisions made for economic reasons cause disappointment in voters' expectations. The financial tensions have led repeatedly to the need for a radical reform of the social-insurance system being raised, but such radical changes in the underlying attributes of the German welfare state have always been resisted so far. Is the system of compulsory social insurance viable in the longer term? Why has radical reform of German welfare policy been dropped repeatedly? The study seeks answers to these questions by examining the pension and medical-insurance sub-systems.

Part-time employment in Hungarian trade

Antal Seres

The proportion of part-time employment is steadily increasing in the European Union, but in Hungary, this form of employment has remained an untapped reserve of labour for decades. The trend has not altered since 1989. Trade, notably retail trading, is a field especially suited to part-time employment, because the fluctuations in sales turnover during the day make it more productive to have a high number of part-time employees able to adapt flexibly to the work requirements. This study sets out to analyse the extent of part-time employment in Hungary and the factors affecting its application. The research paid special heed to the characteristics of the retail trade, notably the trade fluctuations and the relations between part-time work and opening hours.