

HAPPINESS AND UNHAPPINESS. THE ROLE OF PUBLIC POLICIES

Orsolya Lelkes

Happiness, high subjective well-being, has a number of personal and social benefits through causal links to health, pro-social behaviour, productivity and creativity. There is an expanding literature on the validity and reliability of the indicators of subjective well-being, which are used increasingly by international organizations and national governments. This, however, cannot endorse a maximization of happiness, for several reasons. The author, based on her own empirical analysis, argues that governments should aim to minimize avoidable misery, based on efficiency and on ethical considerations.

THE POLITICO-ECONOMIC LOGIC OF THE CHINESE REFORM PROCESS

András Székely-Doby

In the last three decades China has risen from being a poor and underdeveloped country to being one of the most important players in the world economy. Its planned economy has been replaced by a capitalist system, but its political structure has remained essentially unchanged. The leaders during the reform process have sought constantly to avert dangers to the rule of the Communist Party and gain access to valuable resources that allow power to be retained. The study approaches the Chinese reform process from a politico-economic point of view, focusing primarily on institutional changes. It reveals the main factors behind the various phases of reform, the constantly changing interests of the players, and the possible future of the process. It seems that under the current authoritarian regime, there are vested interests working against a continuation of the reforms and precluding full establishment of the institutional framework of a market economy. The elite is also deterred from implementing serious political reforms by the current rents and privileges. This leads to a trap that prevents completion of the transition process.

THE ROLE OF GEOGRAPHICAL PROXIMITY IN EFFORTS TO COOPERATE
ON INNOVATION – ILLUSION OR REAL FACTOR? A REVIEW OF THE LITERATURE

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Geographical proximity has long been playing a much examined role in creating cooperation on innovation. However, empirical studies in the last decade have extended to several other dimensions of proximity: social, cognitive, organizational or institutional, for instance. Does geography really play a part in creating a connection between two actors? Or is a small degree of geographical separation (proximity) simply a possible feature, behind which lie social contacts, identity of knowledge, or institutional affinity, as the real promoters of partnership? Is it possible, by examining cooperation, to explain the relatively weak and isolated system of innovation relations in this country?

MEASUREMENT OF NATIONAL ECONOMIC AND REGIONAL CONVERGENCE
WITHIN THE EU

Krisztián Kertész

All new Central and Eastern European member-states, over almost a decade, have been catching up with the EU average for GDP per capita, but in the meantime income disparities between counties and regions within each national economy have increased in all cases, with more developed counties growing faster than less developed ones. National economic well-being is influenced by regional dispersion of income, not just average income per capita, and it would be better to use adjusted GDP data for macroeconomic analysis and international comparisons. The article proposes introducing a new convergence index that also reflects catch-up in national average GDP per capita and regional income dispersion.