

ABSTRACTS OF THE ARTICLES

CONTRADICTIONS BETWEEN THE THEORY OF CHOICE AND PRACTICAL SOLUTIONS OF ECONOMIC DECISION MAKING

Iván Bélyácz

The theory of choice between variants is one of the most important fields of economics mainly because of the future implications of such decisions. The paper addresses three particular contradictions in the development of the theory. The first appears between Daniel Bernoulli and von Neumann Morgenstern. While the former considers utility as the logarithm function of money wealth, the latter identifies it with the sum of money wealth. The second contradiction is related to the treatment of psychological factors, which arises in the use of objective and subjective probability. The third contradiction is a distinction between ordinal and cardinal utility, which used to be strong, but has become less relevant recently. The train of thought reveals the main nodes of theoretical development.

JEL-codes: C20, B40, D90, M20, G31, D92, D81

Keywords: rational choice, ordinal and cardinal utility, psychological factor, decision theory

PHISHING AND POSSIBILITIES OF PREVENTION

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In parallel with the advance of digitalization, cybercrime has grown into of the most prominent issues in recent years, especially in the financial sector. Instead of slowing it down, developments in the last few years, including COVID-19, have given a boost to this process. Phishing, one of the most common types of cyberattacks, is worthy of study, also by reason of its prevalence. This paper aims to provide an overview of the phenomenon of phishing and the possibilities of anti-phishing protection, with special regard to the financial sectors' exposure and the legal context. First, we analyse the most frequent types of phishing, together with their technical and technological background. For the legal context, since the issue is regulated at multiple levels (international, EU and national legislation), we separately discuss the regulation of phishing in private and public law, in particular the directive on payment services in the internal market (PSD2) as well as the payment services act transposing it into Hungarian legislation. The directive imposes a form of strict liability on payment service providers, and is also unfavourable for them in terms of the rules of evidence vis-à-vis consumers and microenterprises as clients. The paper also investigates criminal law implications, or more precisely, which offence the respective forms of phishing correspond to under criminal law. Finally, we present relevant achievements in law enforcement and IT security. By doing so, we explore the possibilities of payment service providers for preventing phishing attacks on both the provider's and the client's end, and if the incident has occurred, what options they have for mitigating consequences.

JEL-codes: K24, G21

Keywords: cybercrime, phishing, payment services

**THE ENERGY EFFICIENCY RETROFIT
IN THE EUROPEAN SOCIAL HOUSING STOCK
AND THE SPLIT INCENTIVE PARADOX**

A comparative behavioural study

Anikó Dobi-Rózsa – Adrian Balaci

The social housing stock represents a considerable segment of the residential housing pool across Europe, as such, therefore, investing in its energy performance is of great importance. Furthermore, social housing provides affordable homes for the economically vulnerable, which adds urgency to the issue. Yet despite the social and environmental targets European states have agreed upon, the split incentive paradox has led to a widespread failure in advancing energy efficiency in the sector. Taking a comparative behavioural approach, this study investigates the social housing sector in three European countries with different governance and rent-setting structures (representative of their respective regions) revealing distinct forms of split-incentive related market and behavioural failures. We find the failures are most pronounced at the top of the social housing provision pyramid, where provider and tenant interests often clash, leading to inefficient policies and suboptimal refurbishment rates. In terms of solutions, we find the split incentive challenge is effectively addressed when rent setting allows retrofit cost recovery, tenants are involved in decisions and can carry forward energy efficiency benefits when they change residence. To this effect, the introduction of alternative cost recovery mechanisms is proposed, increasing the democratic legitimacy of the process through active tenant participation, and developing regulations that protect the tenants' confirmed rights post refurbishment.

JEL-codes: D1, D7, H3

Keywords: behavioural failures, climate finance, energy efficiency, social housing, split incentive

SWEDISH TRADE POLICY AND ITS ECONOMIC IMPACT (1873–1913)*Gyula Szabó*

Protectionism and the debate surrounding it have a long history. The phenomenon can be better understood by examining a past era characterized by sharp ‘turnarounds’ in trade policy practices. For that purpose we have examined Sweden at the turn of the 19th and 20th centuries. The focus of our research was primarily on uncovering the driving forces behind the economic policy practice that broke with free trade, as well as presenting its impacts on the economy, which we aimed to do by relying on the available historical sources. We also sought to answer the question of whether the Swedish protectionist experiment can be considered a model to follow in present times. In summary of our findings, it can be concluded that the impact of tariff increases primarily affected the structure of imports, rather than their volume. Although the increase in tariffs affected the overall price level, there were certain products whose prices were more significantly impacted by global market trends. While the measures proved ineffective in achieving a lasting improvement in the balance of trade, they provided significant additional revenue for the state budget. The process of industrialisation was not interrupted by import restrictions; in fact, there are examples of successful import substitution. In terms of economic convergence with the European core countries, the protectionist period proved to be more successful than the decades of free trade. Despite its relative success, we cannot consider Sweden’s trade policy of the late 19th century as a model to follow today, because its results were achieved under the unique conditions of a specific historical era.

JEL-codes: F13, F14, N13, O24, P16

Keywords: economic history, Sweden, trade policy, protectionism