

Foreword

We have reached a special anniversary in 2024, which we will commemorate in our magazine, issue by issue. On 24 May, it will be **100 years since the** establishment of the Magyar Nemzeti Bank, whose primary objective has been to achieve and maintain price stability and to support the stability and resilience of the financial intermediary system, as well as the Government's policy on economic and environmental sustainability. Unfortunately, the central bank has not always been able to fulfil one of its most important tasks over the last hundred years, namely to protect the internal and external purchasing power of the national currency (see the inflation of the koruna and the penguin), nor has it been able to maintain its independence from the executive (see the nationalisation of the koruna between 1948 and 1991), but the National Assembly's decision in 1991 to nationalise the central bank has been a major step forward. The Central Bank Act, adopted by the Parliament on 21 October 1991, restored its independence and since then it has been developing and implementing monetary policy autonomously, a situation that has been further strengthened by the new Central Bank Act adopted on 30 December 2011 and its amendment last December (increasing the MNB's room for manoeuvre to reduce inflation and achieve price stability).

In May, the Ministry of Finance will mark the **seventieth anniversary** of the launch of the Financial Review, which aims to contribute to the dissemination of financial literacy through in-depth scientific studies presenting the social implications of financial interdependencies, evaluations of fiscal and monetary policies, and articles providing a credible picture of financial systems. Our latest columns (interviews, forums, book reviews and conference reports) are an attempt to make the relationship between readers and the editorial team more lively, direct and interesting. In fact, with seven decades of history, we are the second oldest financial and economic journal in the country after the Közgazdasági Szemle (Economic Review), founded in 1876, three years ahead of our sister journal, the Hitelintézési Szemle (Credit Institution Review), with which we work closely, coordinating our strategy and sometimes exchanging articles that better fit the profile of our two journals.

(Because of my love for sports and literature, I would like to note in brackets that it will also be 70 years since the Golden Team lost the World Cup final against the Czech Republic, and on 5 January our Kossuth Prize and Nobel Prize-winning writer László Krasznahorkai turned 70.)

Twenty years ago, on 1 May, we had the historic moment to finally join the European Union and, as part of a democratic community of European nations, to have the chance to shape the future of Europe. So much so that from 1 July, for six months, our country will hold the rotating Presidency of the Council of the EU, which will put us back in the European spotlight and give us the opportunity to showcase our country's capabilities, as we did during our first Presidency in the first half of 2011.

The anniversaries mentioned above will hopefully encourage researchers and professionals interested in public finance to write and submit more and more exciting articles and studies.

In the first quarterly issue of this year's Journal, I would like to present to the attention of our readers the first study in which the authors analyse the meritocratic economic policy measures that have contributed to the *middle class's better position in Hungary* over the past ten years. But what kind of income redistribution could be used in the future to strengthen and uplift the lower strata of society?

One way of doing this could be to *support public transport* by maintaining low ridership, as discussed in our second study, which also shows why public transport services with fixed railways are more unprofitable than those without.

In our third study, the authors point out that *internal control systems, compliance management* and compliance strategies can be successfully applied not only in the competitive sector, but also in the non-profit sector and in public administration. They can help to prevent harmful processes, abuses and money laundering. But do businesses recoup the costs of compliance tools and methods?

Our internationalisation efforts are exemplified by the fact that we also publish foreign authors. In this issue, the young and talented author presents *Azerbaijan's tax systems*, the structure of its tax revenues and an analysis of its economic development over the last twenty years, and his model demonstrates a long-term cointegration relationship between tax revenues and economic growth.

The authors of our IT paper provide an overview of the *real-time digital solutions of* recent years that have helped public authorities to improve the efficiency of administration, risk management and tax controls, and reduce tax evasion. The processes put in place so far have benefited both tax administrations and taxpayers. The successes achieved have already received international feedback and recognition.

I am delighted to continue the theme raised in our last issue by Katalin Botos on the *causes of inflation* and possible ways to bring it down. Four distinguished authors have now approached the issue from the side of economic theory (Phillips curve), and their paper focuses on the arguments for including corporate pricing, marginal cost and the profit rate instead of the output gap, in addition to touching on the characteristics of today's inflation shock, analyses that reflect traditional understandings of the causes but often challenge erroneous findings.

In our scientific portrait gallery, we publish an interview with **Iván Bélyácz**, a leading figure in the Hungarian scientific and financial public life, on the occasion of his **75th** birthday in February, who sees the greatest threat to future science not in artificial intelligence, but in the spread of unscientific views and anti-scientific attitudes.

In our book recommendation, we give a short review of Peet van Biljon and Alexandra Reed Lajoux's book *Creating Money*. According to the authors, money is an abstraction, a technology that serves and shapes society, but also a matter of trust and human control.

In our new column, you can read a **report from** the two-day **conference** The Central & Eastern European Forum 2024, organised by Euromoney in Vienna in mid-January, which highlighted key topics such as inflation, fiscal and sovereign debt financing, green bonds, ESG rating, Ukraine's recovery, geopolitical risks and the state of the banking sector. ■