

The Silver Age

Welcome by the Editor-in-Chief



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The great poet of the Roman Golden Age¹, Publius Ovidius Naso², could have himself experienced the situations of exaltation and neglect in his own life. One of the outstanding works of his second creative period³ is the *Metamorphoses*, a poem written in hexameters in which he regularly juxtaposes mythological events that end in some kind of transformation. The loosely connected stories are framed by his narrative of the beginning of the world and Julius Caesar's transformation into a shooting star. He was, however, unable to arrange for the publication of the *Metamorphoses*, as the celebrated poet had received the emperor's orders: exile to Tomis, today's Constanta, on the coast of the Black Sea.

Ovid's inspiration and masterful descriptive and characterization skills are also evident in the *Metamorphoses*. He also sketches the four eras of the world in this poem, describing the Golden Age as the most favourable, with its Paradise-like conditions of plenty and no war.

“First there was the Golden Age, in which law and justice thrived even without constraints and laws... Safe cities were not surrounded by steep ramparts. There were no trumpets, no half-circular horns sounded, no helmets or swords flashed, no soldiers of blood to defend the life and peace of the people. Indeed, without hoeing or ploughing, the dear fat field abounded in all the fruits of the land... It was constant spring, and a lukewarm wind from the west was caressing the lush petals of the swaying flower that opened without being sown. Then the fallow yielded grain in golden abundance, and its yellow ears of corn bent unfertilized. Cool milk was flowing in the rivers, and divine nectar and honey of colour dripped from the cracks of the old oak trees...” - sings his heavenly song Ovid.

Then came the Silver Age, when even the best of times comes to an end. The silver age is somewhat worse, because nothing is free, and there are also heat waves and frosts, but human ingenuity and the ability to do things flourish and overcome the difficulties.⁴

“But when Saturn was banished to the dark country by Jupiter and took over rule on earth, there came a silver age, worse than gold, yet better than the age of red-hot ore. God, shortening the ancient spring, interposed autumn, summer, and long winters in the year, and the mild spring only ended it briefly... The seeds of thread were then sown in the plough, and the cattle groaned with the yoke in the long furrow...”

Using Ovid's wit, his epochs, and fitting them into our recent past (metaphorically speaking), we can say that the golden age, the most successful decade of Hungary's last hundred years, falls between 2010 and 2019. It has been characterised by economic growth in line with the global

economic cycle, a low inflation environment, financial balance at macroeconomic levels, and abundant resource flows experienced by both families and businesses in terms of income.

But then came the Silver Age. From the beginning of 2020, a contagious epidemic, followed two years later by the Russian war in Ukraine, a dramatic rise in energy prices, skyrocketing inflation, and a flood of new African and Asian immigrants seeking a place to live. Babylonian conditions took over. Yet, our fundamentals are sound, and the budget is holding up. The Government, in partnership with the Hungarian National Bank, is successfully fighting inflation, but the last few years have not been the same as the decade behind us. Everything has to be fought for, perhaps more than ever before. Unemployment will not be allowed to run rampant, the health and education sectors will not be left without public funding, but now more energy must be mobilised to achieve all this. To stay on our feet, we need to sacrifice more, while the European Union has been letting us down for years, blocking the European Reconstruction and Recovery Fund we are entitled to.

The world economy is also navigating dangerous waters. Market sentiment is deteriorating and mistrust is growing. Financial contagion could spread more strongly to vulnerable countries. The threat of inflationary risks remains a vulnerability for energy-importing countries. Debts are rising, risks are increasing, while countries close to the investment threshold are increasingly vulnerable as foreign investors reduce emerging market positions.

In addition to the global problems, Hungary is also faced with other issues. Our net energy imports as a share of available energy have fallen from 52.8% in 2013 to 61.1% in 2021. The GDP - ESA deficit⁵ ratio was -2.0% in 2019 and -6.2% in 2022. Hungary's public debt-to-GDP ratio was 65.3% in 2019 and 73.3% in 2022. The gross external debt-to-GDP ratio of Hungary was 53% at the end of 2019 and 69% in March 2023. Energy intensity ratio for manufacturing deteriorated by 12.5% between 2016 and 2021. The foreign exchange ratio of public debt was 17.3% in 2019 and 25.0% in 2022. The volume of food imports increased by +18.3% in the first semester of 2023 compared to that of 2020. We are not self-sufficient in basic foodstuffs.

Yet negative figures do not necessarily equate to problems. Rather, the challenges coming from the global scene and the difficulties in the national economy are a necessity to build and to rise, as they are challenges that can be overcome with a more conscious and complex economic policy approach and in a way that the country can emerge from it all as a winner. The world economy, which is being reorganised around technological innovation, biotechnology, information and telecommunications industries, can welcome countries with good education systems, efficient health care systems and motivated societies. And in this respect, we do have great prospects.

Just as the country has a strong reputation for overcoming problems, so does our social science journal, *Polgári Szemle*. The Economic and Legal Sciences Section of the Hungarian Academy of Sciences (Division IX) has recently upgraded our journal to a significantly higher classification. Thus, the Committee of Regional Sciences has upgraded it to category "B", the Committee of Political Sciences to category "C", the Scientific Committee of International and Development Sciences to category "C", while the Committee of Economic Sciences has upgraded *Polgári Szemle* to category "D".

It is grounds for celebrating we reckon. The articles of the authors of (the Hungarian language) issues 1 to 3 of the journal, which will be publishing its 19th volume in 2023, will work to find a remedy for the challenges we are facing and provide in-depth analyses. We also express our gratitude for the recognition brought by the new scientific classifications of the journal by publishing our high quality research results.

It is worth checking back with *Polgári Szemle* in the future too!

Budapest, 30 Aug 2023

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NOTES

- ¹ The name of posterity, not to be confused with the subject at hand, cf. footnote 5.
- ² Born at Sulmo, now Sulmona, Italy, 20 March 43 BC - died in exile at Tomis [a.k.a. Tomi], now Constanta, Romania, late 17 or 18 AD)
- ³ 1-8 AD
- ⁴ Ovid also mentions the Copper Age and the Iron Age, which are worse than the Golden and Silver Ages, almost the worst economic and social periods, but in the context of this editorial introduction, let us not mention them, even at the level of imagery.
- ⁵ ESA: European System Accounting – essentially the way the budget deficit is calculated