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Abstracts

ANÍBAL ALMEIDA, **Sobre o Espaço Lógico da Discriminação (On the Logical Space for Discrimination)**

In his rather succinct study the author begins with the restatement of a proposition from his recent *Estudos de Direito Tributário (Studies on Public Coercive Receipts Law)*, after which "the necessary reverse of a «positive discrimination» is a «negative discrimination» relative to everyone else". He then proceeds with the formulation of the following *general law*: "If the owners of each one from n equivalent, cumulative (i. e., not mutually exclusive) qualities are «positively discriminated», the emergence of $n + 1$ classes or categories of citizens is so *ipso facto* promoted". A formalization of the problem's rationale follows. Some examples from contemporary Portugal are finally exhibited, together with a few references to some foreign recent historical instances.

Keywords: equality; inequalities; equality before the law; «positive discrimination»; taxing equality; taxing benefacts

JOSÉ NUNES PEREIRA, **Regulação e Supervisão dos Mercados de Valores Mobiliários e das Empresas de Investimento: Alguns Problemas Actuais (Regulation and Supervision of the Securities Markets and Investment Firms: Some Present Tendencies)**

The article which fits the theme document from a conference that took place on the 15th of January of 1997 at the Faculty of Law of the Coimbra University, directs the attention towards some present tendencies in the regulation and supervision of the securities markets and investment firms.

Following the description of the functions of regulation and supervision of the supervisory authorities (the 'Banco de Portugal' and the 'CMVM-Comissão do Mercado de Valores Mobiliários') within the Portuguese legal and financial framework, several aspects are developed on the significance, the characteristics and the objectives of the regulatory and supervisory system in the capital markets field.

Similarly to other countries, the recent evolution of the Portuguese legal and financial framework led to the erasure of State's tight-control attitude in the performance of the activity of the economic agents and has consequently caused a strong backing of freedom of choice and autonomy among these agents in the performance framework of a competitive market. But the State has not turned away from the financial activity. Yet the rising of new regulations, appears now, in a non-controlling manner and rather aims at assuring the stable and efficient conditions of the financial system as well as the public investor's protection within the general framework of the consumer protection. The State's latest attitude is well bared by the objectives relating to the latest regulations and supervision of the financial system with highlights to the ensuring of adequate information for the market and the investors (*full disclosure system*), the zeal for integrity and fairness within the market and the promotion of a secure and stable financial system that will protect the investors and ward off systemic risk.

There are some points in the final part of the article that have marked the recent transformations in our regulatory and supervisory framework in the capital markets and the investment firms, that will inspire its future evolution. Thus, these will be the topics for a short debate: a) the progressive creation of a '*level playing field*' between banks and investments firms; b) the financial conglomerates and the some problems that have arisen with respects to supervision; c) the growing internationalization and globalization of the capital markets and the problems that this tendency has brought forth, since the distribution of the regulatory and supervisory responsibilities among the different jurisdictions concerned, up until the added competition between them; this, however, does not exclude the need for collaboration between the managing entities of those same markets; d) the strong growth seen in the cooperation and mutual assistance between the national supervisory authorities; e) the different topics related to the institutional organization of the supervisory function, namely, the manner in which the prudential supervision and the supervision of the activity, are dealt with, the option between the institutional supervision and the functional supervision and the highest or lowest degree of concentration of the supervisory functions within the same entity. With regards to the last issue raised on whether there will be an European supervisory entity, in the not-so-distant future, the opinion is one of disbelief and that the solution to confront the globalization of the markets in a more adequate manner, should be by strengthening the collaboration and the cooperation mechanisms among the national supervisory authorities.

Keywords: functions of regulation and supervision of the supervisory authorities; objectives of the regulatory and supervisory system in the capital markets field; internationalization of the capital markets; supervisory authorities cooperation; organization of the supervisory function

EUGÉNIA MATA E NUNO VALÉRIO, **História Económica e História do Pensamento Económico (Economic History and History of Economic Thought)**

This paper tries to discuss some aspects of the relations between economic history and history of economic thought: first by an effort to define their concepts; then by surveying their evolution as realities, and identifying a significant similarity of their transformations; and at last by comparing their methodology as research subjects, leading to recognize the existence of an important set of common research tools, that might be enlarged in some aspects with mutual advantage. It concludes with an optimistic note about the possibility of progress in both scientific fields.

Keywords: economic history; history of economic thought; historiography

MARIA PAULA FONTOURA, **Fatores Determinantes do Comércio Internacional: A Abordagem Empírica (Determinants of International Trade: The Empirical View)**

The aim of this text is to present a survey of the empirical models used to evaluate the main international trade theories.

The paper starts with the comparative advantage theories, which explain the supply side of trade in a perfectly competitive context. The Heckscher-Ohlin theorem is emphasized, as it was a dominant explanation of trade and is grounded in a general equilibrium framework. Some evidence is found, but recent research calls in question the robustness of the results.

In what concerns the "new theories of international trade" – demand side, neo-technology and intra-trade theories – the paper concludes that empirical results are disappointing, in part because of the partial equilibrium framework of many of these theories, but also, apparently, because the mainstream paradigm needs improvement. Concluding comments regarding recent paths of theoretical/empirical research are given at the end of the paper.

Keywords: international trade theories; empirical international trade models

JOÃO SOUSA ANDRADE, Exogeneidade Vs. Endogeneidade da Oferta de Moeda na Análise do Equilíbrio Monetário (Exogenous Vs. Endogenous Money Supply Approach in Monetary Equilibrium Analysis)

Most circuit analysis and post-keynesian economists have a position on money supply that leads them to support its endogeneity, though at the cost of less clear concepts. On the other hand, economists within the neo-classical tradition consider money supply to be exogenously determined. An integrated analysis of the process that govern money supply and money demand allows us to overcome these partial views and to present disequilibrium analysis as the central piece of macroeconomic monetary analysis.

Keywords: money supply; money demand; monetary equilibrium; monetary disequilibrium; monetary hoarding; active and idle money balances

ANTÓNIO MARTINS, Critérios de Análise de Projectos de Investimento: do PEDIP I ao PEDIP II (Methods of Investment Appraisal: from PEDIP I to PEDIP II)

This article is about the evolution of methods of investment appraisal from the first to the second version of PEDIP – a portuguese financial plan, supported by european funds, to foster corporate investment. In particular, we highlight the progressive loss of importance of appraisal methods based on expected financial performance, such as the internal rate of return.

Keywords: corporate finance; investment analysis; PEDIP

ANÍBAL ALMEIDA, Observações Sobre «Medidas» com Expressão Formal, seguidas de uma Carta de E. MARQUES DE SÁ (Remarks on «Measures» with a Formal Expression, followed by a Letter by E. MARQUES DE SÁ)

Having found a rather "«arithmetic», hybrid and bureaucratic" formula in the statute of «PEDIP II» («Strategic Program for the Dynamization and modernization of Portuguese Industry», «2nd version»),

$$"INV = \sum_{t=1}^5 \frac{BAL_t}{(1+r)^t}"$$

the author begins with its reformulation (and rationalization) as

$$k = l \sum_{t=1}^n (1+r)^{-t},$$

where k is the amount of a projected *investment*, n the *number of years* for its intended duration, l is the amount of the expected *annual output*, and r is the *rate of profits*. He then deduces and provides the *continuous solution* for that simple *difference equation*,

$$\sum_{t=1}^n (1+r)^{-t} = r^{-1} [1 - (1+r)^{-n}],$$

to be considered as constituting a better theoretical expression and a lightest and more accurate device for the trial computation of r .

Some references to the literature and to the theoretical issues here involved (both mathematical and economic) are also made, together with a few remarks on the practice and the semantic equivalents for the categories k , l and r , after the current «newspeech» of *Financial Management Theory* and *European Union's Bureaucracy*.

A *Letter* to the author, by E. Marques de Sá, on "Newton's iterative method" for the automatic computation of r is finally added.

Keywords:

Names: A. D. Aleksandrov, A. N. Kolmogorov & M. A. Lavrent'ev; R. G. D. Allen; Alpha C. Chiang; Pierangelo Garegnani; Piero Sraffa; Léon Walras

Ideas: difference equations; iterative methods for automatic computation; resolutive methods for algebraic equations; capital theory, distribution theory, production theory; financial management theory

JOSÉ MANUEL QUELHAS, Sobre a Evolução Recente do Sistema Financeiro (Novos "Produtos Financeiros") [On Recent Developments in the Financial System (New "Financial Products")]

In this work, the author characterises the new «financial products». He analyses four new «financial products»: options, futures, forwards, and swaps, which are generally considered basic products, from which a large number of other «financial products» derives (the subdivisions 2.1, 2.2 and 2.3 of the chapter 2, referring to the options, to the futures, and the forwards, were already published in *Boletim de Ciências Económicas*, volume XXXIX, 1996). The chapter also includes a study of the «commercial paper», recognizing its importance as a means of turning companies' debts into securities and of «mobilising» economy.

While the first four products are considered innovative as operations that can cover the risk posed by an adverse fluctuation in interest and exchange rates, or as speculation or arbitraging strategies, the «commercial paper» has innovated the financing and managing techniques of companies' cash and liquid assets. In addition to describing and analysing how the new «financial products» work, the author also offers a critical reading of the process of financial innovation.

The last chapter, entitled «A balance of the innovation process», analyses the consequences of the «financial revolution» for the development and stability of the financial system as well as its impact on real economy. The chapter centres around the following issues: the debate on how far the new products contribute to increasing the efficiency and effectiveness of a real economy; the role of these products as factors generating stability or instability in financial markets; and the dilemma between the deregulation

and re-regulation of these markets.

Keywords: «financial revolution»; financial innovation; new «financial products»; options; futures; forwards; swaps; «commercial paper»; financial risk; deregulation; re-regulation

MARIA AMÉLIA SINEIRO DE ANDRADE, **O Sistema Europeu de Bancos Centrais (SEBC) – Algumas Considerações – (The European System of Central Banks (ESCB) – Some Considerations –)**

In part II of our Masters dissertation in European integration it was our purpose to question the future European monetary authority, the ESCB, whose consecration took place in Maastricht.

Within the scope of monetary union realisation in Europe, it was important to know who must conceive and orient European monetary policy and who is competent for the creation and management of a single currency ('ecu' in the Maastricht Treaty; now 'euro').

Having established that such an authority will be the ESCB (that will comport an European Central Bank (ECB), a central organ to be created and the existing national central banks), in part II of this work it was our preoccupation to discuss (analysing some alternative proposals and the more pertinent diverse national examples) if the institutional structure that one pretends to create is sufficient to guarantee the credibility and viability of the unified monetary space in construction. As we have seen, problematic is its preferred institutional formula which permits to safeguard diverse principles which are potentially contra-dictory or difficult to reconcile, dictating different solutions — therefore the difficulty to define the ideals status for the ESCB.

We undertook the reflection on this problem concerning the institution of an European monetary authority. In chapter I we questioned its legal nature (is it a true community institution endowed with legal personality?) and its federal structure (how does one justify this system at two levels? What is the role of the subsidiarity principal?) and its legal base (which should have been consecrated in the Treaty and in the Statutes? What is the legal value of the Statutes and what are the conditions for their modification?).

In chapter II we centred our attention on the degree of independence claimed for the ESCB, essential as long as it symbolises the value attributed to monetary stability. Independence constitutes a necessary condition (although, not sufficient) for monetary discipline that one pretends to institute and will also condition the entire conception, organisation and functioning of the ESCB. Here, various were the questions that we found and tried to approach: what is the reason of being of the 'main objective' of price stability? Is it legitimate to adopt a single objective monetary policy, sacrificing price stability to the realisation of other objectives that are in conflict with it? What is the meaning of independence and what are its implications? ...

A necessarily relative concept, independence implies the absence of instructions and translates the preoccupation of subtracting the process of monetary creation from any pressures (the credibility of the European currency is at cause). However, we noted that much more than formal independence (at the level of the legal texts), the substantial or *de facto* independence (that which will be verified in practice) will be important to observe.

In chapter III we tried to understand the organisational architecture of the ESCB and its relations with political power, discussing the potential conflict between independence and democratic responsibility. Parting from a concept of organic independence in that it comports the conditions of ESCB director nomination and exercise of their functions, it was our purpose to analyse if is sufficiently safeguarded in the Maastricht Treaty and in the ECB and ESCB Statutes, pointing towards some 'grey areas' of the instituted system that may reveal its fragility.

Keywords: European System of Central Banks; monetary authorities; monetary policy; central bank independence