

Brief Summary of the Articles

György Komáromi: *Financial Decisions and the Knowledge Illusion*

The author deals with those influential factors of behaviour that arise from the phenomenon of knowledge illusion originating from over-confidence. It rises from the constantly recurring fault of information process.

In order to demonstrate knowledge illusion, the author takes examples from special literature, from another aspect the result is shown on the basis of questionnaires filled in by university students. He draws the conclusion that in the case of financial decisions, knowledge illusion usually makes an impression on the participants' market activity. According to this assumption knowledge illusion is one of the important and not negligible factors of financial decision-making and analysis.

Tibor Kárpáti: *The Importance of Foreign Direct Investments in Hungarian Economy on the Millenary*

In the last two decades foreign direct investments has increased tremendously all over the world. Therefore the study of their economic influences and consequences is in the centre of international and Hungarian research. The paper without aiming at completeness gives a short summary of their influences on the recipient country, which is followed by the analysis of the Hungarian statistical data. These investments are of primary importance in Hungary. They played an important role in putting the country on an export-governed growth path at a time when inner accumulation did not make this possible. Their import demand exceeding export can be considered as an unfavourable influence, with which FDI contributed to foreign trade deficit to a great extent. The annual capital influx helps compensate for the deficit of the balance of payment, however a major part of this deficit results from the withdrawal of the earnings realised with the help of FDI, which has been at a growing rate since 1998. The figures of the Hungarian companies (between 1998 and 2001) show that the duality of the Hungarian economy is not spreading.

Imre Fertő: *The Dynamic of Hungary's Agro-Food Trade in the Global Economy*

We analyse the evolving pattern of Hungary's agro-food trade using recently developed empirical procedures based around the classic Balassa index and its symmetric transformation. The extent of trade specialisation exhibits a declining trend; Hungary has lost comparative advantage for a number of product groups over time. The indices of specialisation have also tended to converge. For particular product groups, the indices display a less persistent pattern. They are stable for product groups with comparative disadvantage, but product groups with weak or strong comparative advantage show significant variation. The results reinforce the finding of a general decrease in specialisation but do not support the idea of self-reinforcing mechanisms, emphasised strongly in much of the endogenous growth and trade literature.

Edit Barizsné Hadházi – István Polónyi: *The Aspects of the Hungary's Adult Training*

The study surveys the most important aspects of the national adult training from educational economy point of view. The authors examine the national limits of legal rule of adult training. They present the different sub-systems of adult training i.e. the educational system, the non-educational system and the working place training characteristics of participation making international comparison too. We look over the target groups of adult-training and the participants motivation of the teaching arena. We also have a look at the domestic costs of the different forms of adult-training, and the division of this expenditure among the participants.

Sándor Réthi: *Development of the Russian Securities Market*

The Russian securities market, considered relatively modern, came about within a year or two in the first half of the nineties without any antecedents and tradition. Parallel to the formation of the institution system both the stock and the bond market underwent a rapid expansion, which continued steadily up to the outburst of the financial crisis in 1997/1998. The collapse in August and September 1998 was followed by a relatively long stabilization period, and later security prices began to increase again and bond prices also levelled off. The current paper analyses the last decade of the Russian securities market, introduces its phases, gives a detailed description of the road leading to the crisis and collapse examining the peculiarities in a comprehensive way.

László Jankovics: *The Joining Negotiations in Rapport with the EMU*

The study surveys the field that deals with the Eastward expansion of the European Economic and Monetary Union /EMU/ after the joining negotiations, involving the probable legal, political and economic dilemmas and problems of the introduction of euro in Hungary. The joining contract and the relevant documents unambiguously outlining the items within the monetary integration for the Hungarian economy can be planned. It also examines the chosen monetary-political systems of the candidate for membership countries from the relevant European regulation point of view, just as the possibility of individual solutions.

Zsuzsanna Trón: *The Development of Regional Policy in the European Union: Reforms and Conflicts*

In the European Union the discussion of each budgetary period sees fierce debates about the structural expenses and their distribution. The paper presents a summary of the principles of those involved, and tries to catch them in the policy making of Brussels. In the first half of the paper the necessity of regional policy and its theoretical foundation are examined touching upon the so called convergence and divergence theories. This is followed by the discussion of the conflicting interests and motifs shaping the regional policy. The final question is whether the expenses of the Structural Funds can be justified in view of the processes and results shown.