

ABSTRACTS

Alexandre Lámfalussy: Challenges ahead for the European Union

It is a mild understatement that nowadays the EU is navigating in rough waters. Close to half of the member countries of the Euro area are in breach of their fiscal stability commitment – and some of them very substantially. Quite a few heads of government publicly criticise the ECB's monetary policy. Germany and France are determined to water down the Bolkenstein directive on the implementation of a genuine single market for services (which amounts to about two-thirds of the EU's GDP), to which, incidentally, no major objections had been raised by the governments of the member states during the drafting stage. There is no agreement on the longer term EU budget. Only Ireland, the UK and Sweden accept the free movement of the residents of the ten countries which became members of the EU in May last year.

István Mustó: The Question of the Efficiency of Financial Transactions: the German Example

In a multi-dimensional goal system efficiency is decided by different complementary or competing factors. The example of the economic consequences of German reunification shows that the transfer of huge financial resources to the eastern provinces was a political necessity, but in the long term, significantly weakened the economic performance of the unified Germany.

Csaba Makó – Péter Csizmadia: Mobilizing Social and Organizational Resources in Project Type Cooperation (A Case Study in Networking in Interactive Media Firms)

The paper aims at the identification and interpretation of specific coordination problems faced by project-based work organisations using the example of an interactive portal development for a leading Hungarian economic weakly. The study provides a brief overview of the most important theoretical approaches concerning project-based work organisations and the characteristics of the new or interactive media sector, which may act as a new model in the fast growing knowledge economy. The interactive portal development is typical of the so-called studio-model of project-based firms (PBF) characterised by the novel and singular character of the product or service and by the uncertain and fluid nature of the necessary knowledge and skills. The study calls attention to the project manager's key role in combining formal and tacit skills and in

the coordination of actors' behaviour which is driven by different logics. In addition, the authors stress the importance of the client's key role in designing and developing the interactive media service.

**György Bögel: Before and After Recession:
A Snapshot of the Infocom Industry**

The growth of the IT and telecom sector was very fast in the nineties but this trend was broken in the second half of 2000 when recession arrived. The bad years are over by now and the industry has recovered, but from present phenomena and trends we can conclude that a new era has started with new features and behavioural patterns. Growth is slower now, with the emphasis on utilisation rather than installation; customers and investors are more sober and realistic, market saturation and consolidation is in progress, products and services become commodities, big technology suppliers are restructuring and rationalising, supplier efficiency has become a key issue and the geographic division of labour has changed. Meanwhile social and economic adaptation to the new technologies has become deep and highly extensive. All these phenomena and trends are properly modelled by the synergy phase of innovation cycles as described by the researcher Carlota Perez.

**Imre Fertő: Revealed comparative advantage in Hungarian agriculture:
a chaotic or coherent pattern?**

We describe the evolving pattern of the Hungarian agri-food trade using recently developed empirical procedures based around the classic Balassa index at various aggregation levels and different benchmarks between 1992 and 2002. Our results shows significant geographical differences and differences across sub-sectors of 1, 2, and 3 digit SITC classification. The extent of trade specialisation exhibits a declining trend for all benchmarks; 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 greater variation. They are stable for product groups with comparative disadvantage, but product groups with weak to strong comparative advantage show significant variation.

Eszter Láng: Interculturalism and Economy

The coordination of market strategy and entrepreneurial culture is one of the most important human political tools for the long term stability of enterprises. The role of culture is especially important in periods of such big organizational changes as changes in market strategy, reorganization of business processes, development of local leadership, operational practices of multinational companies and fusion and acquisition of companies. The article shows that in the initial, crucial period of a company the entrepreneurial culture can be in conflict with the demands of the environment and

the values and norms represented by the members of the receiver country, and the evolving entrepreneurial culture reflects rather the complexity of the international company than the receiving environment: the collision of cultures can be an obstacle to the development of one or other company.

**László Muraközy: From the details to the whole.
A spiritual journey with János Kornai**

Besides the obligatory respect, we usually only consider the research results of great academics, and deal less with the process of the research itself, with those research and human dilemmas which lead to the results. However it is not just the development and application of important ideas that helps the researcher, but understanding the process of creation, the 'technology' of thinking. This is even more true since the final goal is not reproduction but advancement; the creation of something new. For contemporaries, successors, and particularly for those in the future, there is hardly any better way to understand the 'process of creation' than to follow through the research path of another scholar. Even if they know for certain that the secret cannot be guessed, the 'technology' cannot be transferred, and the character of a great researcher cannot be copied. This study invites the reader to observe this process through a spiritual tour of the life works of János Kornai.

Judit Ricz: Paradigm change in Developmental Economics

The author's research focuses on the crisis of urbanisation in the developing world. The subject is approached through a developmental economics perspective. Consequently, in the present article – intended as a background study – theories of developmental economics are considered in a new perspective: the article examines what role the state plays in different models of development, and what the future holds for it in these models. It shows how academic opinion has changed with regard to understanding development, and describes the requirements and opportunities of an interdisciplinary, newly-defined developmental economics.

**Éva Sztankó: State Aid Possibilities Following the Expiry of the ECSC
Treaty in the Steel Sector**

The main goal of the High Authority of the ECSC Treaty was to ensure that the objectives set out in the European Coal and Steel Community were founded upon a common market. The aim of creating a true internal market called for the removal of all internal customs tariffs on coal and steel. ECSC industrial policy was based on investment and state aid monitoring and control. The Treaty did not allow for the use of State aid. But a crisis in the coal and steel sectors led the High Authority to propose production quotas. The High Authority was overruled by Member States, who concluded that some State aid was necessary, to be authorised by a decision based on Article 95 of the Treaty.

Today, after a period of painful restructuring, the European steel industry has reverted to the original strict State aid discipline (unlike the European coal industry, which still needs a certain amount of state subsidies.) This means in principle that as from 24 July 2002 the sectors previously covered by the ECSC Treaty and the procedural rules and other secondary legislation derived from the ECSC Treaty have been subject to the rules of the EC Treaty as well as the procedural rules and other secondary legislation derived from the EC Treaty.

Ferenc Szűcs: A survey of the theories of financial crises

In the 1980s and 1990s there was a huge development in the literature relating to financial crises. The reason for this was that economists also want to develop effective models and cures for financial crises, the destructive effects of which – due to the increasingly globalised money and capital markets – are continuously growing. The newer theories try to build ever-newer factors into the models, perhaps because the environment of the crises and the money markets are continuously changing. The specialist literature divides this ever-increasing network of theories into three generations. The current study provides a brief overview of the most significant theoretical models of financial crises. It also shows that the three families of models should be considered complementary rather than rival theories, and that the dividing line between the second and third generation of theories is much less sharp than that dividing the first and second generations.

Zsuzsanna Trón: The Development of Multi-level Governance in Regional Politics – Experience from the Northern Great Plain Region

The study analyses the main patterns of partnership and networks developing in the field of regional policy, with special focus on the Region of the Northern Great Plain in Hungary. It investigates whether the development of the connections among institutions was caused by the pressure of the adaptation process to EU systems. Network building is a well-tried adaptation strategy for most of the institutions. The density of the networks built up in the field of regional policy is not evenly distributed in the case study region: some of the actors have taken their place in the center, but others have been unable to embed into the network. During the research into public, private and civil stakeholders in regional development we found evidence of cooperation and competition at the same time. The main conclusion drawn is that at the regional level the EU-integration process caused institutional conflicts, but at the national level it helped to develop networks.