

ABSTRACTS OF THE ARTICLES

Several ways to market economic maturity? Interpreting and applying some basic concepts in the three great regions of the world economy

Ádám Török

Actors in a transforming economy may well remember how polarized was the interpretation of the market and competition for a long time, especially in the early 1980s. While the official interpretation was biased unfavourably, the opposing analysis almost idealized the concepts of market and competition, although not generally in written form. Furthermore, the absence or restricted presence of the market and competition in Hungary led many to forget that these concepts are not interpreted uniformly even in mature market economies. Over a decade after the transformation began, it is worth pondering on what is meant by these concepts and how they are employed in the United States, the Far East (especially Japan and South Korea) and the European Union.

Privatization instead of redistribution. The fate of the state's assets between 1998 and 2001

Éva Voszka

The government has lacked a stated policy on privatization since the summer of 1998. Retrospective analysis, based on official publications and press statements from the central property-management body and conversations with participants in the process, suggests that earlier trends have altered in many respects since the last parliamentary elections. The assets of the central property-management body have increased instead of decreasing. It has consumed rather than increased public funds and its main activity has become extra-budgetary redistribution of state revenues. The author assumes this does not derive from any comprehensive, secret plan. The series of strongly centralized decisions has been driven by control reflexes familiar from earlier, short-term, often party-political interests, creative interpretations of the results of various experiments, and in some cases constraints or the absence of them. The events and their results reflect well the stance and behaviour patterns of the present government, familiar in other areas as well.

Modularity and the benefits of diversity

Éva Kocsis and Katalin Szabó

The current information revolution is overturning many relations hitherto thought to be stable. The idea of a production run, long seen as the key to producing economically,

hardly bears interpretation, as a rising proportion of goods are not serial any longer. End products made in many variations with the same modules allow firms to adjust to buyer requirements without abandoning the principle of mass production. No area can escape modularity. University curricula have become as modular as securities or personal computers. In the latter case, Dell Computer offers customers an astonishing range of 16 million variations. The study examines why modularity has advanced so rapidly, pointing to the advantages and the limitations and drawbacks of the process. It concludes with an analysis of the 'economies of scope' associated with modularity. By exploiting the opportunities deriving from modularity, firms can benefit from both economies of scale (by making each module in a long series) and individualization of end products.

Intra-industry trade in agricultural products between Hungary and the European Union

Imre Fertő and Lionel J. Hubbard

This paper examines the intra-industry nature of agri-food trade between Hungary and the EU over the period 1992–8. The authors show that the Association Agreement has led to a slight growth in intra-industry trade (IIT) between Hungary and the EU. However, the increase is not uniform, either by country or product group. It reflects different patterns of bilateral integration and progress in industrial restructuring. Also, a relatively high variance in the pattern of IIT suggests that the restructuring process is still far from over. The results show the importance of distinguishing between the degree and the level of IIT, and accord with the general finding that the Grubel-Lloyd Index is a poor indicator of the latter. The level of marginal IIT between Hungary and the member states of the EU is shown to be low and dominated by vertical rather than horizontal trade. This indicates that the growth of agricultural trade between Hungary and the EU in the period is based principally on inter-industry trade, and therefore that adjustment costs due to partial trade liberalization have been relatively high.

The effect of capital strength and founder background on the investment behaviour of risk-capital organizations, Part II

Arnold Ludányi

This two-part study compares various groups of investing organization in the venture-capital sector. The author examines empirically the presumed effects of founder background and capital strength on the behaviour characteristics of Hungarian risk-capital organizations. The second part sums up research findings on risk-capital organizations according to the analytical framework outlined in the first part. It scrutinizes the features of the decision-making process, handling and sales of investment portfolios, organizational attributes (capital requirements, motivation systems, *etc.*) and assessment of the external environment. It ends with the essential conclusions from the research and some summarizing remarks.