

# **SUMMARY OF THE ARTICLES**

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## **Efficiency and effectiveness**

*Wilbur G. Lewellen*

The manner in which ownership structure and employee compensation strategies can affect the performance of the business enterprise are examined. Empirical evidence on privatizations, leveraged buyouts, and the observed relationship between executive pay and firm performance is cited to support the notion that effective mechanisms exist to ensure that managers will make decisions consistent with the interests of the owners of the enterprise.

## **Role of foreign banks in the Central European economies in transition**

*Paul Wachtel*

The paper focuses on foreign banks' activity in Central Europe. International and foreign banking activities are especially relevant in economies in transition. First, the activities of multinational corporations and international activities of existing large firms are likely to be the leading growth sectors in transition economies. Second, the banking industry in economies in transition continues to suffer from inherited technological inefficiencies. Additional arguments are often raised with respect to the entry of foreign banks, therefore the paper musters and analyses every possible argument in favour of restricting foreign bank entry. Then the author examines foreign banking from the opposite point of view, by discussing what foreign bank entry can accomplish in transition economies. (The second, forthcoming part of the paper will provide a description of foreign banking activity in each of the countries under review.)

## **The chances of dinosauria. Structural change of large firms and privatisation**

*Éva Voszka*

What does systemic change mean for large scale Hungarian industry? How have the organisational and proprietary structure of large socialist firms changed? How have their activities, behaviour and orientation changed? What firm strategies proved to be successful? What is the role of the state as a proprietor, controller and market actor in shaping the fate of large firms? The research presented in the paper tries to find answers to the questions with empirical methods, through joint application of economic and sociologic approaches. The fate of a smaller group of large firms, some 49 firms were tracked down in 1995-1996 through the preparation of case studies and processing of their balance sheet data.

**Equilibrium problems of the labour market in 2010:  
Employment policy and educational policy considerations***János Timár*

The more than a year long work on long-term labour force forecast has been completed. The immediate aim of the prediction was to forecast the demand and supply of labour up to 2010 according to sex, age, industry, educational level and direction resp. occupations.

The comprehensive aim of forecasting was to lay bases for the modernisation of training and the development of an employment policy which would reinforce equilibrium on the labour market and contribute to an employment strategy serving economic growth. In the centre of this study we find the structure of labour supply, the confrontation of demand and supply, the drawing of employment policy and educational policy conclusions.

**The first comprehensive project evaluation effort in Hungary  
(An inquiry into programs financed between 1991 and 1995 from the R+D tender  
of the Central Technology Development Fund)***Ádám Török*

The study presents the first Hungarian application of the quite recent project evaluation method used in Western Europe based on questionnaires about 362 programs, computer evaluation of the data and 80 interviews among a narrow stratum of organisations. The survey dealt with so-called R+D subsidisation programs of the National Technology Development Committee, those financed from the Central Technology Development Fund from 1992 to 1995. The main lesson is that government subsidisation of R+D is still necessary – with suitable guarantees and transparency – but one should not exclude the possibility that project financing serves partly institution financing in order to hinder the further decay of the network of research institutions.