

## **ABSTRACTS OF THE ARTICLES**

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### **Post-socialist portfolios. Network strategies in the shadow of the state – Part 1**

*David Stark, Szabolcs Kemény and Ronald L. Breiger*

Taking an analysis of the ownership structure of the 200 largest Hungarian enterprises and the 25 largest banks, the authors extend the notion of recombinant property to the level of networks of firms. Their most important contention is that the economic transformation takes place through the interweaving of a diversity of alliance strategies. The first part of the article shows that state ownership, far from withering away, has remained a prominent feature of Hungarian property relations. However, the ties to the state alone are an insufficient explanation for understanding the structuring mechanisms of firms in Hungarian economic relations. The second part of the article examines the pattern of non-state ties among firms operating in the shadow of the state, so to speak. This reveals diverse strategies of interlocking alliances. At network level as well, Hungarian business groups manage diversified portfolios of ownership that facilitate play with heterogeneous resources.

### **The decline and structural transformation of Gypsy employment between 1984 and 1994**

*Gábor Kertesi*

The study falls into three parts. The first uses a quasi-cross sectional macro model to reconstruct the decline, between 1984 and 1994, of the hitherto full (or almost full) employment among the Gypsy community, and the development of a new employment pattern typical of the 1990s. The second part traces the erosion of employment through individual career paths, as a function of gender, age group and educational attainment. The third part analyses the territorial attributes of the employment pattern that had developed by 1994, the role in it of educational attainment, and the problem of ethnic discrimination in employment.

### **The new round of world trade talks and Hungarian agriculture**

*Csaba Csáki*

The author deals with three main aspects of the new round of world trade talks. First, he presents the results, relating to agriculture, of the world trade agreements reached so far and the experiences with applying them. He goes on to discuss the possible agricultural aspects of the so-called Millennium round of talks, which are now being prepared, along with the negotiating positions that are now emerging among the main groups of countries. Finally, he examines what the new round of world trade talks may signify for Hungarian agriculture, and where the critical points lie in Hungary's preparations for the talks and participation in them.

**Jánosy's theory in the light of the new growth theory***Tamás Tarján*

Ferenc Jánosy was the most important Hungarian pioneer of surveys over long time series. He devised in the 1960s the famous theory of trend lines, which allowed him to forecast a decade in advance the great world economic recession of the 1970s. The best-known international authority on compiling historical time series is Angus Maddison, who has prepared time series of the main demographic and macroeconomic indicators for 56 countries, from 1820 to the present day. Both men, whose survey methods showed both a historical and a numerical approach, reached the conclusion that human capital is the most important of the production factors for securing long-term economic growth. The main purpose of this paper is to compare their results with the latest models and findings of what is known as the new growth theory. These have 'shown their claws' in the last decade and a half, with the promotion of human capital to the position of the most important production factor.

**Flows of operating capital, investor motives and investment incentives in the world economy and Hungary***Katalin Antalóczy and Magdolna Sass*

Hungary embarked in the late 1980s on a course of modernization based on imports of foreign operating capital. Almost USD 20 billion of such capital had entered the country by the end of 1999. That volume is exceptional in absolute terms for the transforming region of Central and Eastern Europe and by far the highest in per capita terms as well. Hungary has been applying an effective and autonomous system of investment incentives in the last ten years. Apart from fostering a generally favourable climate for investment, this assigns a big role to various concessions and to privatization. In the late 1990s, Hungary concluded the first phase of capital imports. A new period began in several respects, since the investment-incentive system now has to satisfy new conditions and requirements, deriving from the country's WTO and OECD membership and aspirations to accede to the EU. The article outlines the characteristics of the international flows of operating capital and the various systems of investment incentives, before describing the features specific to Hungary and making some recommendations for an incentive system to be followed in the future.