The need to consider quality when determining a state of equilibrium

József Vörös

The study explores what quality policy will raise the competitiveness of a firm. This is not easy to discern clearly, as writers differ widely in their assessments of how useful quality policy can be. The answer is sought in both verbal and formalized economics. Having summed up the main approaches, the author presents a model that is easy to handle methodologically and offers an analysis that gives further help with estimating the contribution of quality. Among the main conclusions is that progressive development of quality alone will not suffice. Concentrating solely on raising quality is misguided unless it is backed by development of production efficiency.

The information-technology revolution and technological catching up by countries outside the centre of the world economy

Andrea Szalavetz

Can the information-technology revolution boost the internationalization of research and development activity in such a way that the process does not advance solely among the most advanced countries and spreads to more countries than before? Does globalization of R and D reinforce the global or local diffusion of technology? Having sought answers to these questions, the author turns to the effects on technological catching up exerted in different directions and with different strengths by the information-technology revolution (the steady increase in technology level and the effect of making it easier to approach the most advanced level). She then examines whether the technological gap separating the catching-up countries from the world standard has widened or narrowed overall.

Foreign direct investment – in crisis?

Kálmán Kalotay

The strong worldwide contraction of foreign direct investment flows over the last two years is a symptom of short-term recession rather than a full-fledged crisis. Nevertheless, this recession is sharpening the international competition for foreign direct investment. Countries are applying increasingly sophisticated tools to attract investment projects. In this respect, Hungary is currently losing steam compared with other countries. On the one hand, its historical lead – based on first-mover advantages, privatization strategies and incentives – is eroding. On the other, there is pressure to change investment-promotion
Abstracts of the Articles

The future success of investment promotion will also require social consensus on the usefulness and benefits of foreign direct investment inflows.

**Rural development and pre-accession preparations in Hungary. Effects and side-effects of SAPARD**

*Gusztáv Nemes*

The Special Accession Programme for Agriculture and Rural Development (SAPARD) – part of the EU pre-accession package designed to prepare East-Central Europe for accession in these fields – began in Hungary in the autumn of 2002, after a lengthy period of gestation. The initiation of SAPARD in Hungary was preceded by a four-year period of planning and accreditation, which had marked effects on rural-development practice in Hungary and the general handling of rural problems. The study sets out to analyse and assess these effects, clarify the rural-development processes taking place in Europe and this country, and chart the possible courses of development for the future.

**Graduate staff in the 1990s**

*Andor Ladányi*

The number of staff with a higher education increased significantly in European countries in the 1990s. The degree of increase and the proportion of graduates among active earners in the economically active population followed different trends from country to country, depending on the measure of expansion and diversification of higher education. Unemployment among those with a higher education is still much lower than it is among those with a lower level of educational attainment. Only a few, general statements can be made about the attainment and professional-group structures of graduates and about the branch structure of graduate employment.