

Public Economics

Katalin BOTOS

The ancients regarded self interest-based economy as the source of individuals', what is more, of all the citizens' well being while the government's role was limited to areas of traditional order, security and management. Upon recognizing the unsustainability of this, the government interfering first in the social, then - following the great crisis – the economic sphere was born. The loosening up of national economy borders made harmonization of interests extremely difficult. The 20th century brought along the development of schemes where the frameworks of this were ensured by the government. It undertook a fundamental role in pressing the drawn apart income scale for the sake of social peace so that the produced income was allocated and re-allocated to provide products with consumers. However, today the phenomenon of disproportionate income allocation seems to reoccur at a global level.

The interest-harmonization mechanism of globalization is still far away and blurred. Instead of a decrease, this has rather contributed to the increase of the responsibility and importance assumed by economic policy. Based on these factors, it may be reasonable to pay special attention to public economics in the upcoming period's economic analyses.

Key words: market economy, welfare state, harmonization of interests, public economics

The Informational Background of Researching Public Services

Péter PUKLI

Finding a solution for the problem of 'one economic term-more statistical data' presents a never-disappearing challenge for the science of statistics and has always encouraged statisticians to develop different methods and index numbers. Based on the quantity and quality of available data, the informational background of public services is usually described as poor. As regards the informational background, two further difficulties need to be faced besides general problems. One special problem derives from the fact that there are more available interpretations regarding the range and definition of public services. The other problem is caused by the difficulties of measuring the performance of public services, its reason being that in most cases they are not sold on the market. In case of public services, the quality of data relevant to performance (issuing, added value) is poorer than in other sectors, however,

international comparison is facilitated by the fact that the majority of countries apply similar methods of estimation.

Key words: public service, public utility, SNA, ESA, accounting of public services' performance

The Monopolistic Situation of Organizations Providing Public Services

Ferenc MOZSÁR

Owing to reasons related to economies of scale or politics and economic policy, historically public service activities were predominantly realized outside the sphere of competition and within the frameworks of monopolistic organizations respected and often protected by the government. One of the significant economic-political characteristics occurring in the past two decades is the release of areas for competition in developed countries. Technical-technological changes that contributed to the ceasing of the 'natural monopolistic' aspect of several activities constitute one pillar of the demonopolization process. However, the economic-political effort that, in terms of effective allocation, undertook the harmonization of hardly replaceable competition and non-economic aspects of values is equally important. The present paper discusses the major stimuli, possibilities and limits of demonopolization and liberalization, evaluating the above-mentioned process as definitely positive.

Key words: monopoly, public services, privatization, demonopolization, deregulation

Consuming and Financing Public Services

Ferenc HORVÁTH

By today a relatively developed consumer society has occurred in Hungary, where products and services mainly manufactured on a market basis are sold on competitive markets. Winning consumers is the primary aspect for all the companies participating in the competition. In order to reach their goals, enterprises with a clearly developed business strategy are even willing to pay significant sums on marketing expenses that are also built in the consumer price of their products. The present paper attempts to analyze questions of financing related to the consumption and production of public services. The content of the paper is structured in one major unit that, departing from the introduction of the nature of goods produced on the market, makes general statements about typically non-market type of public services and emphasizes the differences lying between the two types of services.

Key words: public sphere, production of non-market goods, financing public services

Economic and Enterprise Development Programming in the Southern Great Plain

Imre LENGYEL

Parallel to the strengthening of globalization, over the past decade the economic development of the regions and assistance provided to Small and Medium size Enterprises has become an important question of economic-policy in almost all the developed countries. Due to the accession to the European Union and the expectations of balanced territorial economic development, both areas gained special importance in Hungary as well. The present paper first reviews the fundamental processes in the background that has brought regional economic development and SMEs into the foreground. Then, based on our documents prepared in the course of regional development in the Southern Great Plain region, the most important connections between the region's strategic economic development program and the operative program of SMEs are introduced.

Key words: regional policy, regional development, economic development, enterprise development

Local-Governmental Services in the Development of Regional Economic Networks

Norbert BUZÁS

Works examining the necessity and possibility of governmental roles assume an important position in the study of entrepreneurial networks. The special topicality of these is rendered by the fact that governments situated at different levels often assume a significant role in supporting the ill-considered copies of international organizational examples incorporating entrepreneurial cooperations. The present paper summarizes the local self governments' possibilities of participation in the development of regional clusters, introduces the basic cases of international practice and, by using the experience gained from the preparation of a regional operative program, outlines the rational roles of the Hungarian local governments.

Key words: local economic development, regional clusters, development of clusters

On Cluster-based Economic Development

Szabolcs DEÁK

The turn of the 70s and 80s brought along fundamental changes in the regional policy of developed countries. The formerly applied regional economic-development structured from top to bottom was replaced by the practice building from bottom to top and based on endogenous sources offering continuously expanding possibilities for local governments to stimulate the local economy. The concept of clusters occurred at the beginning of the 90s in economic development programs organized from bottom to top, and by today it has become one of the most important expressions used for economic and enterprise development ideas. The present paper first of all reviews the concept and main features of regional clusters, then it discusses the characteristics of a cluster-based economic development. Since clusters have, owing to the Széchenyi Plan, become part of Hungary's set of economic political tools, the need for international experience is increasing. This is why, in its final section, the paper tries to summarize the most important experience of international cluster-based policy.

Key words: economic development, regional economic development, cluster

Expected Effects of Economic and Logistical Changes on Szeged and its Surrounding Area after the Accession to the EU

Ferenc TRÁSER

The Trianon decisions in 1920 dramatically changed the spatial structural attributes of Szeged and its surrounding area, which exercised a great effect on numerous fields of the industry, agriculture and infrastructure as well as the subsequent direction of social processes. Another important effect of our modern history – influencing the region – originating from Western Europe is forecast to take place in 2004. As a result of the accession to the European Union, further mechanisms of action and changes will occur and realize, leaving frontiers unchanged but at the same time strengthening the individual poles of spatial structure. Both of these changes and decisions have originated in Western Europe. In less than hundred years they have completely changed the town's relative role, reputation and space in its environment and area. The Central and South-East European effects of Western European decisions are only partly known. The goal of the present paper is to outline the expected changes that are likely to affect Szeged and its surrounding area following the accession. First of all, it might be useful to compare some statistical data of the cities of Szeged, Győr and Nyíregyháza as, being situated in the meeting-point of three country borders, these towns have similar regional and geopolitical features. Then the

possibilities of the infrastructural changes in Szeged and its surrounding area are also reviewed.

Key words: Szeged, EU Accession, trade and logistics center, regional center

Quantity vs. Quality – Problems in Higher Education

Tamás KATONA

Based on the data of 1990's census, the proportion of Hungarian people gained qualification in higher education was considerably lower than in Northern Europe and slightly lower than in the majority of Western European countries. When evaluating this lag, it has to be considered that the distance from developed countries decreased compared to earlier decades, as the proportion of graduate population significantly increased in the last half century.

In higher education the fast development started at the end of the 90s and the net schooling rate reached 18 percent by the millennium. However, by the end of the 90s, higher education arrived at the limit of growing possibilities and its reserves exhausted (demographical bulge, increase in the number of high school graduates, etc.). Hungary's higher education – traditionally under-financed – underwent such quantitative changes that were not supported by financing. The number of students tripled since 1990, however, this was not followed by financing, as the proportion of gross national products allocated for higher education has been unchanged since the beginning of the 90s. One important element of the solution will be to eliminate the unilateral expansion of higher education without the development of public education. Long term development can only be really and permanently successful by improving the entire education system in a harmonized way.

Key words: higher education, sources of increase in number, exhausting reserves, under-financing, development of public education

Measuring Service Quality – Student Satisfaction at the University of Pécs

Gábor REKETTYE – Krisztián SZŰCS

The management of the University of Pécs asked the Department of Marketing at its Faculty of Business and Economics to conduct a comprehensive survey on student satisfaction. Surveying consumer satisfaction is a widely used practice in business life, however, in the non-profit sector it is rarely applied. The objective of the survey was to define the service quality provided by the University of Pécs, which was calculated by measuring several different dimensions. Besides introducing the theoretic-

cal background, the paper follows the processes and structural elements that serve the conduct of surveys on satisfaction in other institutes. As the market of higher education is becoming saturated, it is indispensable for market players to define and shape their own position and to enforce marketing orientation. The experience of conducting the survey on student satisfaction at the University of Pécs offers help for this.

Key words: student satisfaction, higher education, GAP-analysis, Hungary

Challenges of Higher Education Management at the Millennium

Márton VILMÁNYI

In recent years (the past decade) higher education was forced to realize the need for changes that manifested most apparently in university integrations as formal changes. These changes meant an extreme test for the institutes and their management, in the course of which Hungary's higher education, for many years centrally managed under governmental direction, was roused from its sleep. However, modifications regarding content are still to come, or rather, are underway and these create a further challenge for the management of institutes. The present paper aims to summarize these challenges that are examined by using a twofold method; it examines what newly emerging criteria higher education managements have to face at the millennium, and at the same time, it takes a look at the problems occurring in the process of meeting these new criteria.

Key words: higher education management, strategic management

Monitoring the Quality of Electric Power Supply in the Interest of the Consumers

Tibor TERSZTYÁNSZKY

The report describes the supply quality monitoring system applied in the Hungarian electric distribution system. It covers the historical background, applied monitoring methods. Detailed description is about the result of long-term analysis of breakdowns on distribution network and that of the survey of consumer satisfaction. The report gives outline of guaranteed standards in Hungary recently. Finally it gives the aspects of development in supply quality monitoring.

Key words: electric power supply, quality of service, monitoring

Further Development of Measuring Consumer Satisfaction in Hungary's Electric Power Suppliers

Gábor REKETTYE – Béla OROSDY

The task of electric power supplier companies is to provide electricity for household consumers and not for household users. Energy is a kind of service product available for every citizen. Owing to its special nature, consumers rarely meet the service provider body although continuously using its service. That is why measuring consumer satisfaction is a very important task on the national market presently undergoing liberalization. In this area, due to product specificity, satisfaction with service provider companies requires more control – that is more effective and partly preventive – than it is common and expected in the case of general products and services present on the market. The article introduces electric power suppliers' methods of measuring satisfaction and expected changes in measurement.

Key words: electric power supply, customer satisfaction, measuring system of index numbers

Problems of Measuring Loyalty in Public Utility Providers

Erzsébet HETESI

The uncertainties of the conceptual definition of loyalty and contradicting empirical research results warn marketing researchers that the clarification of this question may provide ample work for experts of this science for a long time. The results of factor analyses conducted in the process of surveying Hungary regarding the loyalty of consumers of electrical power suppliers show that internationally successful techniques need special reconsideration in the Central Eastern European region and in the course of adapting methods certain modifications are necessary depending on the actual country, sector and research problem. At the same time, results also indicate the acceleration of changes in the region and, resulting from the increase of competition and consumer identity, a new phenomenon is emerging that, in several questions, leads to a match of opinion of Hungarian consumers and those living in a competitive market environment.

Key words: public utility services, consumer interests, loyalty

Marketing Communication in Public Utility Suppliers

Balázs RÉVÉSZ

Liberalization processes launched on the artificially monopolized market of public utility suppliers has created a new situation for enterprises. The continuously growing market competition forces public utility supplier companies to engage in conscious and more effective marketing activities. In terms of these services, considered as trust products on the basis of their features, marketing communications solutions, creation of a favourable image, advertisements and public relations solutions promoting changing supplier or brand loyalty bear special importance. Based on international literature and national experience, the present paper summarizes the market influencing possibilities of this special service, placing particular emphasis on relational marketing and case marketing becoming more and more significant as well as the experience accumulated in energy branding.

Key words: marketing communications, relational marketing, case marketing, branding, public utility supply

Public Service and Management

László DINYA

In Hungary, just as in other more developed countries, some fundamental questions need to be considered relevant to the public sphere: the unorganized nature of the sphere, its role in satisfying social needs, terms and principles related to its operation. One of the highly exciting areas related to the change of paradigm in the public sphere is the area of management and operation – based on the analogy taken from the business sphere: management – of public utility supplier organizations. Management methods, principles and practical solutions developed (and successfully applied) in the business sphere cannot be entirely adapted, what is more, in the course of adaptation we might be faced with an adaptation just as significant as the development of new solutions. In 1998 a comprehensive, long term primary research was launched in order to discover the special management-related characteristics of public utility supplier organizations. This research included examining the challenges that derive from the change of the public sphere. The article introduces the most important related results.

Key words: public service management, chances of changes, forced operational courses, managerial clusters

Instruction and Research of the Economic Questions of Health Care Services

Emese ÉGETŐ

The problems of health care services are not merely products of the transition period, consequently, their solution cannot be expected from the fulfillment of transitional tasks. Problems originate in the fact that principles need to be reformed and they also lack agreement. Besides the reform of the financing and care provider system, the problems deriving from the interaction between the public and market sphere also need settlement.

Key words: universality, access, financing, source expansion

Challenges and Answers in Public Service Management

Szabolcs IMREH

The paper introduces some current questions of public service management and, departing from the achievements of the relevant literature, it reviews the conceptual background of public service management. Before the analysis of practical questions, the paper points out the limits of the area to be examined, defines the concept of public sphere and the change of paradigm taking place in this sphere. Over the period following the political changes, Hungary's public sphere had to face serious challenges – these are in part analyzed. In the majority of the cases, Hungary's community sector could not produce adequate answers to these challenges. The paper focuses on the evaluation of applicable methods and it also introduces four groups of solution that may be useful in handling the problems of public service management. Besides the review of terminology, advantages and disadvantages included in the different techniques are defined in each case also introducing the practical experience of Anglo-Saxon countries that assume a leading position in this area. The numerous discussed international examples offer a chance of adaptation for Hungarian appliers; at the same time, based on empirical experience, it can be stated that questions of assimilation assumed primary importance regarding the successfulness of the programs.

Key words: public sphere, public service management, public management

Culture of power: is it the heritage of the past?

Éva MÁLOVICS

Culture is defined as presuppositions, values, standards and attitudes observable and describable customs, practices based on the agreement of the members of the community. A lot of authors have established that in terms of behaviour the heritage of Hungarian companies is “an intensive culture of power”. The culture of power was characterized by lack of trust, autocratic or paternalistic management style and obedience forced out through authority, the reluctance to take the risk or the responsibility and trying to avoid conflicts.

In Hungary in the last ten years accelerated the globalisational processes in consequence of the social and economical transformation. The inflow of the foreign capital and the appearance of the multinational companies yielded new organisational forms and values. An important principle in the management of the multinational companies the uniform of the managing of the human resources. So became an interesting question the analysis of the values, the change the values as the members perceived and the identity with the values of the organisational culture.

We used in our researches the “SHL” Corporate Culture Questionnaire and interviews to analyse a sample with number 171 in six companies of South Hungary.

By my hypothesis the measure of the characteristics of the culture of power decreased and the characteristics of the learning culture appeared. We got some surprising results about the increasing of the power culture, these results show we in the case study of company 4.

Key words: organisational culture, learning, culture of power, company case study

Can the Maastricht Convergence Criteria on Inflation be Met?

Zsolt FENYŐVÁRI

The criteria of joining the European Economic and Monetary Union are defined by the so-called Maastricht convergence criteria. The most critical criteria for Hungary concerns inflation. The present paper seeks an answer to the question of whether the very strict inflation criteria (an inflation rate of no more than 1.5% greater than the average of the three countries with the lowest inflation rates) can be met. In the process of examination, the paper reviews the inflation-related aspects of the Hungarian exchange rate policy of the 90s as well as the reasons forcing its Central Bank to engage in regular sterilization. The paper points out the so-called Balassa-Samuelson effect as the main (however, not only) reason of the impracticability of the criterion that accounts for the impossibility of its performance in all the affected

countries and also in Hungary. This factor inevitably calls for the reconsideration of the criterion.

Key words: inflation, Maastricht convergence criteria, Balassa-Samuelson effect