

Brief Summary of the Articles

The competition policy of the EU and the regulations of the investment incentive systems

ÉVA HAVASI

In the EU the issues related to the regulation of state subsidies fall clearly into the competence of the community. With the creation of the legal framework of the state subsidies and with the authorisation and control of the subsidies, the national competencies of the eventual sanctions had to be delegated to the institutes of the EU, mainly to the Commission. The national regulators of the competition and subsidy policies had to be subordinated to the control of the EU. One of the most delicate issues of the enlargement negotiations with the Eastern-European countries was exactly the chapter about the competition policies, the subjects in connection with state subsidies. In the interest of reaching mutual compromise and the successful conclusion of the discussions as well as to achieve membership status the candidate countries were forced to push some of the national interests temporarily to the background and put the expected long term interests and results of the Community achievement to the front. The article examines the EU-directives concerning state subsidies and their practical use in the member states.

Globalisation and the new economy

ROZÁLIA BOGONÉ JEHODA

The development of information and communication technology (ICT) has played and still is playing a key role in the propagation of globalisation. With the spreading of computers and the automation gaining more and more ground, followed by the appearance of the world wide web, the effects on the development of internationally integrated production, service and distribution systems, as well as on the diminishing of distances is well known. The article takes a look at how the conditions of globalisation change within the circumstances of the new economy, what kind of new forms of relationship develop among the individual participants of the economy, what are the multinational and domestic companies, the governments and the international organisations doing to guide the power of the genie freed from the bottle into a positive direction.

GYÖRGY SIMON

The paper investigates the catch-up possibilities of Hungarian economy with the European Union and United States, analysing the catch-up process in the past decades, before and after the regime change (1960–2001). According to the empirical results, economic catch-up requires a relatively long time, even if it continues at the rate of the hitherto most favourable period (1996–2001). A more rapid catch up, in addition to the use of foreign sources, can be primarily ensured by a more efficient economic policy. In this connection, the paper, on the basis of an endogenous growth model elaborated by the author, analyses the fundamental causes of the Hungarian economy's lagging behind the advanced world level, namely that of the United States. Its main conclusion is that the catch-up process can be accelerated by actively developing human capital, namely education and research and development.

EU accession, tax harmonisation and Hungary's international competitiveness

MIKLÓS LOSONCZ

The study focuses on the most significant regulatory changes following Hungary's accession to the EU in the field of taxation as well as their impact on Hungary's international competitiveness. With the accession treaty becoming effective, the guidelines issued by the European Commission on taxation have to be considered in Hungary as well. The regulatory framework changes most significantly in corporate taxation. Former generous tax incentives which promoted the inflow of foreign direct investments have to be replaced by more restrictive Community rules. This will have an adverse impact on Hungary's international competitiveness. Hungary's competitive edges regarding the low tax rate on corporate profits has been eroded by the reduction of the rates of the competitors. In order to improve her attractiveness in taxation, Hungary has some room of manoeuvring in shaping local taxes and depreciation policy.