

Andrzej Kaźmierczak

Inflation Goal of Monetary Policy in the neo-Keynesian Model of Economy

In current theoretical debates on macroeconomic stabilisation policy, there is some convergence of approaches of neo-Keynesian and neoclassical schools. Both camps share the view that anti-cyclical demand corrections do not increase production in long term. The only effect of global demand stimulation is inflation growth which, in turn, slows down the economic growth. However, contrary to neo-classics, neo-Keynesians are inclined to recommend intervention policy in the case of exogenous external shocks, which reduce global demand in the economy and impede production. Irrespective of the intended economic policy, negative demand shocks bring about unnecessary decline in employment in the economy. The compensatory monetary policy to stimulate global demand can bring about production growth, due to deficiencies of the market mechanism in the contemporary monopolised economies. The deficiencies result from the rigidity of prices and wages. According to the neo-Keynesians monetary policy instruments should be the tool of the intervention policy. The implementation of inflation goal may be reconciled with the active monetary policy of the central bank.

Anna Dąbrowska, Mirosława Janoś-Kresło

Consumers – the motor of their own role on the market

The European Union attaches an increasing importance to the consumer's role on the market. Consumer's welfare is the essence of well-functioning markets and entrepreneurs should not create situations leading to violation of consumers' interests. Nevertheless it does not absolve consumers from active participation in creating and enforcing their role on the market, among others by reinforcement of the rights which are due to them. According to the research results, the level of consumer awareness among the citizens of Lithuania, Latvia, Poland and Ukraine vary.

Joanna Cygler

Hypercompetitive Trends as a Premise to Create Co-opetitive Relations

For a few dozen of years we have observed growing and unpredictable changes, both, of the environment and rules of the competitors' market game which have created hypercompetition. It is stimulated along with globalisation of sectors and advances in technology, which intensifies competition not only internationally but also in home countries.

Profound changes of the environment force companies to constantly redefine their competitive positions and strategies. R.A.D'Aveni indicates the necessity to change competition in four basic areas: price-quality, time and know-how, strongholds and deep-pockets strategies. In the price-cost area companies are forced to run price wars which, eventually, lead to destruction and extinction of the parties of the conflict. In case of time-based strategy speed and originality of the first mover are the key to success. Stronghold strategies are based on setting up barriers to entry in particular sectors and geographical markets. Deep-pockets strategies are founded on developing co-opetitive relationships to outperform bigger and stronger rivals.

In the hypercompetitive environment competitive advantages are temporary. The existing concepts related to the development of competitive advantages (e.g. E.M. Porter) are losing their relevance and there is a need to come up with new ideas and instruments.

R.A.D'Aveni puts forward a concept of new 7S taking into account specific aspects of the hypercompetitive environment as a response to a decreasingly relevant McKinsey 7S. New instruments include superior stakeholder satisfaction, strategic soothsaying, speed, surprise, shifting competition rules, signalling strategic intent, and simultaneous and sequential thrusts. Their task is to disrupt the current rules of the game, take over the initiative and implement new rules.

Rivalry in the hypercompetitive environment coerces corporations to meet very strict organizational requirements. More and more frequently they decide to cooperate with their rivals by establishing co-opetitive relationships.

The latest survey by the EIU shows that the overwhelming majority of companies find such relationships an inevitable necessity of the development in hypercompetitive environments.

Malgorzata Zaleska
Zbigniew Korzeb

The impact of information about mergers and acquisitions on commercial banks' market evaluation in Poland

The aim of this paper is analyzing the impact of information about an intended merger or acquisition in the banking sector on reaction of shareholders of banks listed on the Warsaw Stock Exchange. The research included formation of abnormal rates of return in twenty one cases which took place in the years 1994-2006. The observed tendencies are generally consistent with the results of research carried on mature capital markets. The results prove that shareholders of acquired companies gain highest profits. In case of acquiring banks negative average cumulative abnormal returns and average 'buy and hold' cumulative returns have been noted. However, the market reaction to consolidation of banks belonging to the same strategic shareholder has been favorable.

Agnieszka Alińska

Cooperative Banks and Credit Societies - comparative analysis of regulations and effects of their activities¹

This publication points to the most relevant similarities and differences which can be observed in the activities of cooperative banks and credit societies (SKOKs). The analysis of the issues in question primarily dealt with legal provisions regulating the activities of Cooperative Banks and Credit Societies as well as with their impact on the scope and extent of their activities and the value of financial and economic results. In this context it seemed crucial to attempt to answer the question if differences existing between cooperative banks and credit societies significantly influence the effects of activities these entities perform on the market of financial services.

Pawel Niedziółka

Financial covenants and outside rating as factors restricting information asymmetry on the syndicated loan market

Recently, the syndicated credit market has been developing very dynamically, which on the one hand was caused by relatively high profitability on the secondary market (despite a downward tendency and ever increasing use of the market flex clause) and on the other, by a low share of default exposures. The observed structural changes indicate a growing importance of credits with speculative ratings and consequently with a higher credit risk. The development of the market of syndicated credits, which in Poland perform the function of the most important instruments of credit risk transfer, is determined by the issue of instruments monitoring debtor's economic and financial position when there is a lack of direct relation between the debtor and crediting banks. The issue becomes especially important in the view of repeatedly identified dichotomic division of the market into arranging and crediting banks. The aim of this article is to define covenants and outside ratings' potential as crucial (next to the Marking-To-Market evaluation) factors restricting information asymmetry and increasing possibilities of exposure monitoring by crediting banks.

Aleksandra Laskowska – Rutkowska

Directions of development of supply chains

The concept of a supply chain undergoes constant changes. Expectations concerning supply chains and direction of their development are reflected in changes in their surroundings. Three afore described trends concerning directions of their development converge and are complementary. Marketing and social approach stresses human participation in creating the value offered by a supply chain. However, the customer-driven chain must quickly react to customer needs (time-based orientation), which is possible only with the support of modern information technologies (technological orientation). In a similar way the sense-and-react supply chain, representing technological orientation, is supposed to sufficiently quickly (time-based orientation) react to

¹ This paper has been based on research carried within the framework of the nr N113 017 3/1891 project co-financed from the means allocated to studies in the years 2006-2007.

changes in demand, i.e. to customers' expectations (sociological and marketing orientation). Therefore all the orientations discussed above, aim at accomplishing the same objective, which is supplying maximum value for the final receiver. And this becomes possible thanks to the knowledge of customer's needs, ability to react quickly and the support of modern information technologies. Nevertheless, there are different interpretations of the importance of particular methods necessary to its accomplishment. Is it possible to combine all the above discussed orientations? Yes, it seems that the presented afore postulates are met when we deal with innovative supply chain. This term is broad enough to include synchronic appearance of customer-oriented, time-based and also logistic and technological aspects. There are many indications that it is the multi-aspect and innovative solutions that will be expected from the supply chains in the years to come.

Krzysztof Borowski

Applied Forms of Structured Products on the Retail Market of Structured Products

The paper presents the most important methods of creation of structured products by retail banks in co-operation with investment banks, issuers (third entities) and investment funds. It also describes the role of investment bank in the process of creation of such products and points to investment bank departments involved in the process.

Ludmila Słobodzian

Monika Stępińska

Privatization of state enterprises in Russia – what went wrong and why?

From the very beginning the way the privatization of Russian economy was carried out aroused huge controversies. Some maintain that it contributed to its criminalization and overtaking of the most important branches by oligarchs and representatives of economic underground. Blatant corruption when some transactions were made and a wide range of privileges that directors and other employees enjoyed when buying the shares of the companies they worked for were the most criticized aspects of the programme. The main social goal of the first privatization programme was distribution of state-owned property and it was based on the principle of social justice and creation of a large and powerful middle class on the basis of private ownership, which was considered a necessary condition for social and political stability. Taking into account the necessity of a thorough restructuring of these companies, the program which favoured giving the ownership rights to employees and prevented outside investors from taking over the companies did not seem to be the best solution.

Another problem was that the new owners, still burdened with the experiences they had of the command-and-quota system, were unable to manage enterprises in the situation of emerging market economy. Besides, the Russian model of mass privatization only to a small extent took into account the issues of efficiency, budget revenues and future investments; at the same time it put too much emphasis on often illusory aim to establish the class of small owners. Mass privatization neither brought about the inflow of new investments nor stimulated accumulation of capital. Neither did we witness any considerable improvement in the fields of financial stabilization, economic effectiveness or creating competitive environment