



University of Szeged

Faculty of Economics and Business Administration



ECONOMICS AND MANAGEMENT OF GLOBAL VALUE CHAINS: REGIONAL CLUSTERS, LOCAL NETWORKS AND ENTREPRENEURSHIP

4TH CENTRAL EUROPEAN PHD WORKSHOP
ON REGIONAL ECONOMICS AND BUSINESS STUDIES

14th-15th April 2016, Szeged, Hungary

Organized by **University of Szeged, Faculty of Economics and Business Administration**
Doctoral School of Economics co-organized by the Hungarian Regional Science Association and the
Regional Committee in Szeged of the Hungarian Academy of Sciences.

INVITED KEYNOTE SPEAKERS

Jiří Blažek, Charles University in Prague, Czech Republic

Mario Davide Parrilli, Bournemouth University, UK

László Dinya, University of Szeged, Hungary

László Szerb, University of Pécs, Hungary

PROGRAM

0. day (Wednesday, 13rd April 2016)

Registration – Time: 18.00-19.30

(Venue: main entrance of the Faculty of Economics and Business Administration)

Registration desk is open on each day.

Welcome speech and technical information – Time: 19.00-19.20

(Venue: Aula in the Faculty of Economics and Business Administration)

After the welcome speech we go together to the venue of the welcome reception.

Welcome reception and dinner – Time: 19.30-

(Venue: Millennium Cafe)

1. day (Thursday, 14th April 2016)

Plenary session – Time: 9.00-10.00 Room: 007

Mario Davide Parrilli	Local production systems (LPSs) and GVCs: issues of leadership and innovation
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Coffee break – Time: 10.00-10.30 Room: Aula

Parallel sessions – Time: 10.30-12.00

Room: 007		Room: 108	
Entrepreneurship and industrial development (Short talk session)		Knowledge, networks and nations (Long talk session)	
Chair: László Szerb Vice chair: Mónika Imreh-Tóth		Chair: Mario Davide Parrilli Vice chair: Zsófia Vas	
Donát Pájer	Research of youth entrepreneurship boosting program in Hungary	Sándor Juhász	What if a cluster is declining? – The dynamics behind a local knowledge network
Karel Hostomský	The Hungarian Automotive Industry - collection of thematic maps	Discussant: Sonja Lekovic - Zita Petrovic Katai	
Štěpánka Brabcová	Is it GPN or not? This is the question! The case study of Czech textile and clothing industry	Sándor Huszár	Do cultural differences have any impact on academics' patenting behavior? - A comparative study among Japanese and Hungarian scientists
Jeremiás Máté Balogh	Applied trade theories in wine industry	Discussant: Sándor Juhász	Retail Management and Marketing Strategies for Electronic Retailing – Empirical Data from Hungary and Serbia
		Sonja Lekovic - Zita Petrovic Katai	
		Discussant: Sándor Huszár	

Lunch – Time: 12.00-13.00 Room: Aula

Plenary session – Time: 13.00-14.00 Room: 007

László Szerb	Measuring and examining regional entrepreneurship ecosystems: The Regional Entrepreneurship and Development Index perspective
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Coffe break – Time: 14.00-14.30 Room: Aula

Parallel sessions – Time: 14.30-16.30			
Room: 007 Finance and fiscal policy (Long talk session)		Room: 108 Elements of innovation systems (Long talk session)	
Chair: Balázs Kotosz Vice chair: Gábor Dávid Kiss		Chair: Jiří Blažek Vice chair: Balázs Lengyel	
Harun Ercan - Saysi Sayaseng Discussant: Thai Binh Dang	The Cluster Analysis in European Banking System	Adina-Iulia Nicolae Discussant: János Gyurkovics Zsófia Vas	Entrepreneurship as a post- migration activity
Shengxia Li Discussant: Harun Ercan - Saysi Sayaseng	Coverage Harmonisation Analysis on Deposit Insurance System	Zoltán Elekes Discussant: Adina-Iulia Nicolea	Related trade linkages, foreign firms, and employment growth in less developed regions
Marianna Sávai Discussant: Shengxia Li	Short and Medium Term Fiscal Sustainability in Poland in Comparison with the V4 Group	Éva Gajzágó - Gergő Gajzágó Discussant: Zoltán Elekes	Changes and development of Hungarian national innovation system
Thai Binh Dang Discussant: Marianna Sávai	Assessing the impact of the credit guarantee fund for SMEs in the field of agriculture - The case of Hungary	János Gyurkovics - Zsófia Vas Discussant: Éva Gajzágó - Gergő Gajzágó	Impact of industrial knowledge base on knowledge sourcing: the case of printing industry

Sightseeing tour - Time: 17.00-
(departure from the Faculty of Economics and Business Administration)

Workshop dinner – Time: 19.00-22.00
(Venue: Aula in the Faculty of Economics and Business Administration)

2. day (Friday, 15th April 2016)

Plenary session – Time: 9.00-10.00 Room: 007

Jiří Blažek

Global production networks and regional innovation systems: two views on the sources of competitiveness in the contemporary world

Coffee break – Time: 10.00-10.30 Room: Aula

Parallel sessions – Time: 10.30-12.00

Room: 007 Urban and economic development (Long talk session)		Room: 108 Economic growth and development (Short talk session)	
Chair: Jiří Blažek Vice chair: Izabella Szakálné Kanó		Chair: Mario Davide Parrilli Vice chair: Beáta Udvari	
Speranta Olaru	Republic of Moldova from East to West : challenges and economic perspectives	Johan Spamer	Global Value Chain Upgrading in the Blue Economy: Turn of the Tide?
Discussant: Dalibor Bubnjević		Saysi Sayaseng	The Heterogeneous Challenges in Business Valuation across Emerging Markets
Anna Szilágyi	Urban rehabilitation projects in Hungary in the new programming period	Boglárka Fekete	Can we apply standard economic models in multi-sided platform markets?
Discussant: Olaru Speranta		Peter Lesko	The Balance-of-Payments constraint for the transition countries
Dalibor Bubnjević	Trade as a factor of even regional development (macro and micro aspects)		
Discussant: Anna Szilágyi			

Parallel sessions – Time: 10.30-12.00

Room: 101 Social issues and marketing challenges (Short talk session)	
Chair: László Dinya Vice chair: Eszter Megyeri	
Dalma Vincze	Status consumption and consumption as self-express in case of Generation Z
Judit Juhász	The dynamics of social transformation regarding poverty alleviation
Tetiana Buchko	Social Entrepreneurship and Its Implications for Hungary

Lunch – Time: 12.00-13.00 Room: Aula

Plenary session – Time: 13.00-14.00 Room: 007

László Dinya | Management in the innovation economy

Coffee break – Time: 14.00-14.30 Room: Aula

Parallel sessions – Time: 14.30-16.00

Room: 007 Innovation and changing role of universities (Short talk session)		Room: 108 Marketing and management challenges (Long talk session)	
Chair: László Szerb Vice chair: Zsófia Vas		Chair: László Dinya Vice chair: Szabolcs Prónay	
Lukas Sekelsky	Impact of student work on the local labor market through education, skills and awareness of the local labor market	Katalin Pap - Sándor Huszár	Revolutionizing marketing research? - A critical view on the promising neuromarketing
Bence Zuti	Higher Education Institutions in the Digital Age	Discussant: András Pinkasz – Tamás Gerőcs	
Anita Kéri	Changing role of universities	Tanja Tekic	Internationalization and the effects of retail development in the Republic of Serbia
László Varga	The analysis of research networks between the universities and companies in the EU Framework Programmes	Discussant: Katalin Pap - Sándor Huszár	
Gábor Balda	European Trends in Economic, Social and Political innovations	András Pinkasz - Tamás Gerőcs	Prospects for Catching Up After Industrial Upgrading: The Analysis of Global Automotive Industrial Commodity Chain in Eastern Europe
		Discussant: Tanja Tekic	

Parallel sessions – Time: 14.30-16.00

Room: 101
Institutions and financing
(Short talk session)

Chair: Beáta Farkas
Vice chair: Benedek Nagy

Ádám Kerényi	How global and Hungarian FinTech companies disrupt the Global Banking Value Chain
Zsuzsanna Tamásné Vőneki	Extreme operational risk events and crisis management in the financial sector
Csaba Kádár	Interdependencies between Basel III and IFRS 9 on the field of reserving
Máté Fain	Deficiencies of EU CBA methodology

Closing the workshop

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VENUE

The welcome reception and the dinner on the 13rd of April is held in the Millennium Cafe.

Address: 6720, Szeged, Dugonics square 12.

Map: <https://goo.gl/maps/ZtdTchQrdXz>

The workshop and the sessions on the 14th and 15th of April are held in the building of the University of Szeged, Faculty of Economics and Business Administration.

Address: 6722, Szeged, Kalvaria avenue 1.

Map: <https://goo.gl/maps/JgSn8u93JW82>

From the Faculty of Economics and Business Administration to Millennium Cafe.



WIFI

Internet on laptops:

To have internet on your laptop, download the application from the pendrive that you can access at the registration desk.

Internet on mobile phones:

Name: eduroam

User: iw@eco.u-szeged.hu

Password: iw2016

ABSTRACTS

Author(s): **Balda, Gábor**

Title: **European Trends in Economic, Social and Political innovations**

Innovation trends had continuously formed the European Union in the past and will also play an important role in shaping its future. The main goal of this article is to highlight the current innovation trends in the European Union in economic, political and social terms. In order to carry out this goal, the article attempts to generate clusters of EU countries and examine whether statistically significant relation between these clusters can be established. The analysis is based on data from secondary sources and contains descriptive statistics, principal component analysis and cluster analysis. The main questions of the analysis: What clusters does the EU countries make in terms of economic, political and social innovation? Which clusters of economic, political and social innovation contain the same EU countries?

Author(s): **Balogh, Jeremiás Máté**

Title: **Applied trade theories in wine industry**

In the progressively globalized world, the analysis of international trade has been gaining growing importance in international economics. To better understand how global trade has evolved, it is important to understand how countries traded with another. Over time, several trade theories have been developed to explain the mechanisms of international trade from mercantilism to new trade models such as gravity model of trade or pricing to market theory assuming monopolistic market structure. An increasing number and availability of international trade statistics provided by World Bank, WTO, OECD, United Nations or EUROSTAT facilitated to calculate plenty of trade models. In a recent decade, more and more importance can be attributed to the analysis of international wine trade regarding the number of articles published on Science Direct on-line database. However, studies that review the most popular trade theories in wine industry have understudied yet.

The aim of the paper is to overview the empirical studies employing popular trade theories that investigate the international wine trade at the country level. To distinguish between applied theories in wine trade literature can be divided into two major categories: classical and new trade theories imposing different assumption. My study particularly focus on the classical example of absolute and comparative trade advantage (Smith 1776; Ricardo 1817; Balassa 1965) suggesting competitive market structure in comparison with the new trade theories (Tinbergen 1962; Anderson-Wincoop 2003; Krugman 1987; Knetter 1993; Goldberg and Knetter 1997) assuming monopolistic or oligopolistic competitions on international wine markets. We can conclude that in most of the cases researchers employ quantitative methods to analyse wine trade instead of qualitative techniques. Both, classical and modern theories are also popular in empirical works. However, only a few articles can be found in wine trade literature using a classical comparative advantage of the wine trade. Researchers are rather interested in analysing the trade of New World wine producer countries than traditional part of the Wine World.

Author(s): **Brabcová, Štěpánka**

Title: **Is it GPN or not? This is the question! The case study of Czech textile and clothing industry**

Contemporary economy is more globalized than ever. Capital, goods and information circulate all around the world. Most of them are caused by transnational corporations and their supply networks. These global production networks (GPN) are very frequently discussed in the literature. There are many examples of firms involved in these networks. These firms rank among many sectors of industry and service. Textile and clothing industry is a very apt example of a sector where many firms are embodied in global production networks. A lot of highly good known large clothing transnational

companies coordinate their supply network, which includes tens and hundreds of supplier firms. This is a typical picture of global production networks: one large company with the power to control their suppliers. The main reason of strength of transnational corporation are capital, know-how of markets and customers, and of course their brand name. Suppliers often depend on these leading firms. These are evident GPN. But there is a question where is the line which divide what GPN is and what is already not. Is it problem of the size of leading firm, size of network and number of suppliers, quantity of production or geographical dispersion of network?

This text aims to show how it should be problematic to determine firms' involvement in GPN. We use quantitative data (unique database of Czech textile and clothing firms) and information from interview and newspaper articles to show firms' strategies in the Czech textile and clothing industry. They will be shown by examples of selected companies. Firstly, there are firms obviously integrated in GPN. Certain firms take part in GPN of large clothing transnational companies. Czech firms make fibres, fabric or sew parts or whole clothes. Some of the textile firms are also part of GPN in another sector of industry, e.g. automobile manufacturing. Secondly, several firms come up with their own brand and at the same time they make only part of their product or they do not make anything on their own. Their production is delocalized to Eastern Europe or Asia. These firms create their own small production network. However, there is a question if it should be called GPN because these firms meet only some of the characteristic of GPN. The third type of firms is most common – firms connected to the international market with their supplier or customers. There is also the question of their engagement in GPN. These companies could make only a part of their output for large firms and they could not be so dependent on them. On the other side of the spectrum, there are firms with local production and local customers. It is clear that local firms do not belong to GPN.

Author(s): **Bubnjević, Dalibor**

Title: **Trade as a factor of even regional development (macro and micro aspects)**

Trade has become one of the most important economic activities in 21st century. By combining subtle instruments of trade policy and effects of the „invisible hand of market“, the creators of economic policy can achieve suitable environment equally for the entire society as well as for traders and consumers. The partnership of private and public sectors may significantly improve the realization of well-being of the wider social community.

Author(s): **Buchko, Tetiana**

Title: **Social Entrepreneurship and Its Implications for Hungary**

The idea of social business is very attractive for scientists, because it enables solving both economic and social problems; it improves human life and society. Nevertheless, there is no universal definition of social entrepreneurship, social enterprise or social business, in general and in Hungary in particular. The idea is new in Hungary, but it is developing very rapidly. This paper clarifies the concept of social entrepreneurship, its legal aspects and the role it plays in society in general. Based on this theoretical foundation it analyses the issue of social entrepreneurship in Hungary.

The purpose of this article is, first, to analyze the concept of social entrepreneurs and, second, to identify its implications for Hungary. The research questions to be addressed are:

1. To describe the approaches to the entrepreneurship' definition; to analyze social enterprise as a type of entrepreneurship.
2. To review the different models of social enterprises depending on its aim of activity: to clarify its boundaries.
3. To characterize the main definitions of social entrepreneurs, which are used by Hungarian researchers and appropriate organizations in this sphere.

4. To define the specific features of social entrepreneurship in Hungary and link it with previously defined spectrum of social enterprises.

The first and second research question will be analyzed by comparing the international main publications in the field of social entrepreneurs and the definitions of the most powerful philanthropist organizations. Data collection at the local level (the third and fourth research questions) includes close cooperation and dialogue with the host University's researchers, local social enterprises, NGOs, government institutions (sending out questionnaires, interviewing people).

Author(s): **Dang, Thai Binh**

Title: **Assessing the impact of the credit guarantee fund for SMEs in the field of agriculture - The case of Hungary**

Credit guarantee has an important role in promoting the development of small and medium enterprises (SMEs). Especially many countries including Hungary applied the credit guarantee fund to promote SMEs in the field of agriculture and rural. This study aims to assess the impact of credit guarantee fund for SMEs in the agricultural sector through the case of Rural Credit Guarantee Foundation of Hungary. By quantitative method, this research pointed out that Rural Credit Guarantee Foundation affect SMEs by reducing financial cost, increasing sales, increasing investment etc.

Author(s): **Elekes, Zoltán**

Title: **Related trade linkages, foreign firms, and employment growth in less developed regions**

Literature on related variety suggests that knowledge spillovers between related industries foster regional growth. Empirical results so far showed fairly systematically that the related variety of industries in a region has a positive effect on regional employment growth in particular. Besides knowledge spillovers between industries, related variety of extra-regional trade linkages have also been identified by scholars as a potential source of spillovers fostering regional growth. Empirical evidence in this regard is less available.

So far, research on related variety has been primarily concerned with regions of more developed economies. In this respect, regions of the transition economy of Hungary are a novel testing environment for related variety and related trade variety. As a result of the post-socialist economic transition of the '90s, the Hungarian economy can be characterized by a technological gap between foreign- and domestic-owned firms. This so-called dual-economy structure can refine our view on the relationship between related variety and regional growth.

In this paper we set out to (1) estimate the effect of related variety of export products on regional employment growth; (2) estimate the effect of relatedness between export and import products on regional employment growth; (3) investigate whether technological relatedness between trade activities of foreign and domestic firms influence regional employment growth. For this we rely on firm level panel data by microregion and SITC product code of export and import products for the period of 2000-2007. Relatedness of industries and trade flows is measured by entropy-decomposition. Our findings show first, that the related variety of export products has a positive effect on regional employment growth. Second, the similarity of import and export product flows benefit employment growth more than relatedness. Third, the employment growth of the host economy benefits most from the relatedness among the domestic subgroup of firms.

Author(s): **Ercan, Harun – Sayaseng, Saysi**

Title: **The Cluster Analysis of the Banking Sector of EU Member Countries**

This study aims to gauge whether the EU countries contain homogeneous financial banking ratios and identify the factors that contribute to this homogeneity. Countries are being clustered between 2008 and 2013 for their banking sector ratios. Leverage, ROA, Tier 1, Capital requirement, equity/asset ratios are used to find the similarities of the countries. Thanks to analysis it is planned to overview the changes in the cluster groups of the countries during debt crisis. ``Has debt crisis caused a diversification in the banking sectors ratios of EU member states banks`` is another question to be enlightened by this paper. Also it is aimed to provide some suggestions to avoid the fragility of the country-specific risky factors.

Detecting potential risks and vulnerabilities in national financial systems and resolving instabilities if and when they arise are likely to require a strong cross-border perspective. Therefore this study also helps to identify banking sector risks by using some very important banking ratios. This study by using Ward's method employs the Hierarchical Cluster Analysis to identify the clusters in EU Banking Sector. Leverage, ROA, Tier 1, Capital requirement, equity/asset ratios have been selected as the variables to observe the similarities of the countries. The ratios of the each member state have been collected from Eurostat.

The results show that highly integrated countries tend to stay in the same cluster. Geographic position can be seen another similarity with the results of this analysis. Austria, Portugal and Cyprus have been in the same cluster with Greece. On the other side Germany, France and GB have showed similar ratios and stayed in the same cluster. Eastern European and Nordic countries have their clusters. This shows that banking ratios of countries mostly do not show divergence even during crisis and stay homogenous.

Author(s): **Fain, Máté**

Title: **Deficiencies of EU CBA methodology**

This paper introduces the characteristics of commonly used project appraisal methods and their deficiencies in the field of public investments. An important goal is to find methodological solutions on these problems but not in a complicated way, thus the suggestions could be useful in everyday practice as well. The research is mainly based on analysing the framework of cost-benefit analysis (CBA) of European Union grants. The reason for choosing EU CBA is that the methodology is coherent and standardized; in addition public databases are easily available.

Author(s): **Fekete, Boglárka**

Title: **Can we apply standard economic models in multi-sided platform markets?**

In our time, market structures are changing radically. Multi-sided platforms are gaining ever larger share in the economic space. Multi-sided markets are the ones where there are two or more, clearly distinguishable groups of users whose demands are interdependent and therefore either or both groups produce positive externalities. Many economically important industries interact via platforms, e.g. Internet-based industries, advertising-supported media, financial exchanges etc.

By the interaction, positive externalities are created at one group or another, and cross-group network effects arise as well. Platforms have a crucial role in reducing transaction costs. In these markets the standard definitions are changed: the price structure does not mean in terms of optimal outcomes and the value chains are transformed into value webs. For economic modelling, even if network science methodology is applied, the multi-sided markets where there are two or more multiple, distinct, and separable groups of actors, bring further new challenges, especially as there presumably exist network externalities within the groups, and for the whole of the network as well.

Multi-sided business platforms are dynamic phenomena. At present the regulatory framework and competition authorities also appear to be puzzled by them. Regulators are still lacking new robust models so they are constrained to using traditional methods in the course of their investigations, which raises the risk of false conclusions. In particular, traditional approximations of demand tend to underestimate the size of the relevant market and thus overestimate market distorting effects. Competition authorities widely used the SSNIP (small significant non-transitory increase in price) test as a tool for determining market definition. We show that this test and other standard techniques cannot be extended to the case of multi-sided business platforms, with particular focus on competition policy issues.

Author(s): **Gajzágó, Éva – Gajzágó, Gergő**

Title: **Changes and development of Hungarian national innovation system**

During the last decade basic changes were made in the Hungarian system of institutions and also in the national innovation system (NIS). The main institutions were founded in the early 2000s but since then the system was continuously changing. For instance, one of the main organizations which is responsible for the coordination of the R+D+I (research and development and innovation) process in Hungary, the NKTH (National Research and Development Office) became the NIH (National Innovation Office), then changed to NKFIH (National Research and Development and Innovation Office). The system of grants promoting innovation has also been transformed and new cooperation centers of higher education and companies were founded.

This recent article aims to introduce the changes of the NIS in the last decade and give an overall picture of the Hungarian innovation system and the – public, nonprofit and higher-educational – organizations participating in the innovation process. The authors are focusing on the structures and participants of the system but also examined the financing mechanism and the target groups of the organizations. Highlighting of the correspondence of the NIS and the priorities of national and EU development strategies and programs was also a main goal of the research.

The article is based on an empirical research containing a national level primer research questioning the intermediary organizations of the innovation process (like technology transfer offices, chambers of commerce or regional innovation agencies), and several secondary research examining e.g. the result of previous research results and articles about the NIS, the national and EU grants promoting the innovation process or the national and European Union development strategies.

The first part of the article introduces the main definition of the national innovation system and the participants of the NIS. The main part of the study contains the results of the above mentioned research. The research results showed that there were several changes in the Hungarian NIS during the last decade. The role of the government financing the innovation process has been gradually decreased but this reduction influenced the system of organizations only in a small extent. The structure of the NIS is extended and some of the organizations have parallel functions. Decentralization and networking – emphasized in the EU – have already begun but hindered. In the last years, the financing of the organizations and the innovation process was de-emphasized. In spite of the increasing sum of the grants for innovation, the project centered and timely instable resources could not help the development of the organizations. Problems occurring by the inflexibility and complicated system of the public system were also augmented by the inner management problem of organizations – like the dispositioning of their services or the problems from offering unneeded services to the target group.



University of Szeged

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Author(s): **Gyurkovics, János – Vas, Zsófia**

Title: **Impact of industrial knowledge base on knowledge sourcing: the case of printing industry**

Latest researches that investigate the creation, diffusion and utilisation of economically useful knowledge go beyond questions like how much resources need to be invested to these processes by enterprises and what the result of these investments are. The objects of analysis have been shifted to issues like how knowledge creation, diffusion and utilisation actually take place at firm level, what kind of characteristics could be observed in this process and how much do the outputs contribute to the performance of firms, sectors and regions. Several theoretical frameworks have been developed to answer these questions from which the differentiated (analytical, synthetic, symbolic) knowledge bases theory seems a prevailing one. Hitherto the approach has been mostly used in developed countries yet it seems an appropriate framework to analyse the creation, diffusion and utilisation of industry specific knowledge and its spatial aspects at the same time in less developed countries like Hungary.

In the present paper we apply this framework to investigate the local printing industry in Kecskemét (Hungary) presumably characterised by synthetic knowledge base mainly. The aim is to unfold and analyse the characteristics of knowledge flows in the industry and to explore whether the revealed pattern is in line with the theory. Therefore the following questions are addressed: what is the main geographical scene of knowledge acquisition, what are the main sources of new knowledge and who are the main partners in the knowledge sourcing process. Evidence proof theory-led expectations, and reveal the relevance of direct knowledge sources, the importance of co-localization and the dominance of engineering-based knowledge in the industry.

Author(s): **Hostomský, Karel**

Title: **The Hungarian Automotive Industry - collection of thematic maps**

At first let me to introduce you my field of research as an economic geographer. In my doctoral thesis I am dealing with the question of automotive industry of Central Europe from the Global Production Network perspective. In particular I am working on the mapping of the Hungarian car industry and its comparison with the neighboring countries. The broader objectives of my dissertation are analyzing the development of the Hungarian automotive industry since the late 1980s, its impact on regional development and the Hungarian economy as a whole, and its position in the European automotive industry. The Hungarian automotive industry has undergone rapid development during this period, mainly due to the high inflow of foreign direct investment. It has become one of the key manufacturing sectors and has been integrated into the European automotive industry. At the same time, the pre-1989 automotive industry was completely restructured. The proposed research will evaluate the position of Hungarian-based automotive firms in global production networks and tries to assess possibilities of upgrading in the corporate hierarchy. Attention will also be paid to the issue of relocation of firms and uneven regional-economic impacts of the automobile industry.

In the short talk session of the conference Economics and Management of Global Value Chains: Regional Clusters, Local Networks and Entrepreneurship - 4th Central European PhD Workshop on Regional Economics and Business Studies, I would like to present primarily a set of maps dealing with the Hungarian car industry. At first I would like to show a basic comparison of the Hungarian and other Central European car industry profiles. In the following by the help of a unique firm-level database I would like to present several maps visualizing the spatial distribution of the firms, divided by their size (employment) and by an attempt of categorization them into tiers of the supply chain. There will be shown also the divided highways, as a strong localization factor and the proximity of the western borderline. As it was mentioned above, there will be a map demonstrating the relocation of the firms based on a special alternative database collecting relocations from media articles and a short comparison of the recent Hungarian car industry with the situation before the 2008-2009 economic crises.

Author(s): **Huszár, Sándor**

Title: **Do cultural differences have any impact on academics' patenting behavior? - A comparative study among Japanese and Hungarian scientists**

In the recent years several studies have been performed on investigating influencing factors of academics' patenting activity using mainly quantitative research methods and case. These results revealed various incentives influencing academics' engagement in patenting of the university knowledge, but still there is a lack of comparative studies focusing on cultural differences between countries.

In 2014, a qualitative study of 21 academics has been conducted in order to broaden our knowledge and better understand scientists' expectations relating to patenting which was extended with a quantitative survey in Hungary and in Japan (N=856). Building on the international literature and our preliminary research, the present study adopt and extend the Theory of Planned Behavior with patenting related factors and investigates the differences of patenting intention of Japanese and Hungarian scientists from the perspective of Hofstede's cultural dimensions. Using structural equation modeling (partial least squares multi group analysis), our results suggest that Hungarian scientists rely more on their own beliefs and attitudes towards patenting and on their own control – neglecting external factors, while the Japanese scientists' patenting intention depends mainly on the encouragement of specific groups (family, friends, peers, university management) and industrial actors' interest (potential commercialization partners and investors) towards university inventions. Based on the results, we argue for Hungarian scientists show more individualism and Japanese scientists are more long-term oriented in the context of patenting, as Hofstede assumes in general, but the results do not confirm the high need for uncertainty avoidance. The role of technology transfer offices is questionable in both countries, because our results could not demonstrate their positive impact on academics' patenting intention.

Author(s): **Juhász, Judit**

Title: **The dynamics of social transformation regarding poverty alleviation**

There are several reasons to argue that today's socio-economic structures are not sustainable in their present forms and need to be changed somehow. On the other hand, it is extremely difficult to embrace the phenomena of „change” and „transformation” considering its source, reason, length and extent. Yet it should be addressed, since transformative change is essential for example to move on, to return, to let go or to be able to accept a situation.

In my research I analyse the phenomenon of „transformation” with regard to another huge field, the issue of poverty. People living in extreme poverty (1,2 billion) are characterized by a number of behavioural patterns that diverge from the majority norms. For example, they use less preventive health care, they are more likely to have drug problems (Mani et al. 2013). Poverty is associated specifically with unhappiness, depression, anger and stress (Haushofer and Fehr 2014). In the long run people may adjust to their unfavourable circumstances, may cut back on their desires or resign to their fate. Parents living in deprivation are less equipped to give their children a good start in life thus limiting their opportunities to flourish from the very start (Khumalo 2013). Childhood poverty may eventually reduce adult cognitive capacity as well and preoccupation with pressing financial concerns leaves fewer cognitive resources available for other tasks (Mani et al. 2013). The chronically poor tend to have decreased life expectations as well as lowered self-esteem (Shekhawat 2011).

The capability approach of Amartya Sen has gained significant attention in the theoretical and practical debates regarding poverty. It focuses on the freedom of individuals, their real opportunity to lead a life they have a reason to value. Within this framework poverty is not solely the lack of material goods, but the lack of valuable doings and beings (capabilities) one has the freedom to choose. The capability approach does not ask what people have, but rather what they can actually achieve.

The aim of my research is to provide an improved framework on the basis of the capability approach in order to carry out transformative poverty alleviation; to identify what is the main dynamic of transformative change and in addition to study how the different levels of transformation are connected (personal, organizational, community, societal).

I plan to carry out in-depth semi-structured interviews and participatory action research process in order to answer my research questions. The target group and methodology needs to be further specified later on.

Author(s): **Juhász, Sándor**

Title: **What if a cluster is declining? – The dynamics behind a local knowledge network**

Knowledge networks are important tools for analyzing the local flows of innovation-related knowledge and consequently on the success of regional clusters. An increasing number of studies focused on the forces that shape and form these networks but the role of these factors in shrinking networks is not well understood. Do firm characteristics or the network structure explain the emergence and decline of knowledge ties in a cluster? In order to address the above question, we map the knowledge network from micro-level relational data collected by a roster recall method questionnaire in the printing and paper product industry of the urban agglomeration of Kecskemét, Hungary in years 2012 and in 2015. The investigated knowledge network became smaller over the period, which is mainly due to increasing competition across the co-located firms. Results of stochastic actor-oriented models suggest that embeddedness, network status, cognitive proximity and the external knowledge ties of firms play an important role in the dynamics of knowledge networks, even in case of a declining cluster.

Author(s): **Kádár, Csaba**

Title: **Interdependencies between Basel III and IFRS 9 on the field of reserving**

In the last few decades significant changes appeared on the field of financial regulation. Some of the changes are related to the increasing volume of deals and exposures, and interdependencies between different sectors and entities. Others are consequences of the last financial crisis, which generates a regulatory dumping on the area of financial regulation. The sweeping changes of financial infrastructure have remarkable effects to the “real” economy as well. Great parts of the most relevant developments are connected to the reserving capability and reserves of the banks both from prudential and accounting sides. So the question is how to reserve the solvency of standalone institutions and serve the adequate financial information to stakeholders in normal and abnormal circumstances.

Prudential regulation deals with standards that require institution to control risks and hold adequate capital, with the goal of protecting the economy from the sort of meltdown, recession. One of the most significant prudential regulation is the Basel III. Accounting regulations are necessary so that financial statements are meaningful across a wide variety of businesses and entities and guide the day-to-day bookkeeping of institutions. International Financial and Reporting Standard (IFRS) is the main evaluation of this area at international level. Inside IFRS, the standard related to the classification, measurement and accounting of financial instruments is IFRS9, which is concern with reserving as well.

Based on the above I will research the question related to the connections of reserving in prudential and accounting regulation and standard, namely in Basel III and IFRS 9. In details I will examine the following questions:

- Which are the theoretically justifiable differences or similarities between reserving methodologies of risk management and accounting methods for financial assets?
- What are the acceptable and non-acceptable numerical differences, results of these models? What is justifiable and what is not?

- How and what are the effects of the above mentioned results to other banking area and practices (e.g.: pricing and risk management practices)?
- How can micro and macro prudential and financial reporting standards complement each other to a more efficient market operation?

Author(s): **Kerényi, Ádám**

Title: **How global and Hungarian FinTech companies disrupt the Global Banking Value Chain**

Most of us ask assistance to manage our personal finances and make investment decisions. This process has traditionally been an area dominated by the bank's expensive services and by the banks financial advisors. However, in the Banking Global Value Chains there is a shift in the actors. There is a disintermediation tendency, which is the removal of intermediaries, the banks and its services. Due to major investments an entire new Financial Technology industry (FinTech) has become a relevant economic actor. Fast growing number of startup companies join to the FinTech industry by trying to use technology to make financial services more efficient and less expensive. Some of those companies has already a wide impact on banking and payment policies. In my paper I present some cases how FinTech companies by its mobile-centered IT technology operates. I will focus on global and Hungarian examples also.

Author(s): **Kéri, Anita**

Title: **Changing role of universities**

While demographic data shows that the number of students entering higher education is decreasing, it can be seen that the mobility of those students studying in higher education institutions is on the rise. The reason behind this trend is that there are less and less students finishing high-school, as the number of high-school students is continuously falling due to demographic reasons. This new trend creates a different need from the students' perspective and it also calls attention to the importance of the changing universities' roles.

Student mobility has become a current issue, as the number of students studying at foreign universities is growing. In order to understand why these foreign students choose a particular foreign Higher Education Institution (HEI), an overall view of the changing university roles is essential. Nowadays, Higher Education Institutions need to adapt to the new demographic trends of students, as well as to the increased willingness of students for mobility in order to be successful in the increasing competition.

The current paper investigates the different roles universities have had during the past years, and also the roles they have only acquired recently that can be assigned to the recent changes and trends of students' mobility. This study aims to reveal the main functions, which help to accumulate and attract foreign students at a particular university. The diverse funding sources, organizational strategies and changing educational methods of universities are examined. HEIs have three basic roles regarding how they work. One role is the operation itself, which makes it possible for an institution to function. To this role, HEIs need different funding resources. However, nowadays government funding is only one part of HEIs' income. Universities opened up for other funding sources in order to stay competitive. Additional budget can be acquired from tuition fee, sponsorships and also from cooperation with different companies, with which the university can work together, mainly on Research and Development projects. Another role of the HEIs is the strategic role. As the composition of students has been changing, universities need a different approach and strategy towards attracting students. Cooperating with stakeholders of different companies, hiring successful and acknowledged professors at particular fields make the university more attractive for students, who are looking for high-standards.

Educating, or education is the classic main role of universities. It has to be taken into consideration, that due to student mobility, multicultural classes are created and because of the rapid IT

development, internet and computers play an important role in education. Therefore, the main questions are: What should be taught to these students, who live in the age of digitalization and online universities (MOOCs – Massive Online Open Courses)? How should they be taught? As the classic approaches might not be applicable for them anymore. By whom should they be taught? How should teachers adapt to and cope with digitalization? The present study aims to investigate the above mentioned questions.

Author(s): **Lekovic, Sonja – Petrovic Katai, Zita**

Title: **Retail Management and Marketing Strategies for Electronic Retailing – Empirical Data from Hungary and Serbia**

The Republic of Hungary has a steady increase in e-commerce revenue since 2000, and this trend could be expected in the future. As a special segment of e-commerce, B2C e-commerce represents the fastest growing area of electronic commerce in Hungary. As number of Internet users grows, their time spent on the Internet, it is expected that number of consumers will increase in next period of time in Hungary. Also, a growing number of retailers implement electronic retailing, and there is development of "pure play" electronic retailing. Although the Republic of Serbia has a decrease in the purchasing power of consumers in recent years, which contributed to the fact that consumers are becoming more sensitive and tend to find favorable products when it comes to the price, it has not led to an increase in sales on the Web, which has competitive prices in comparison to retail stores. On the other hand, the largest retailers recorded a drop in turnover in the previous period, driven by falling living standards. Some of the largest electronic retailers rationalized their operations or completely closed their electronic stores.

The aim of this paper is to answer questions about the level of implementation of electronic retailing as a management and marketing strategies to achieve the competitiveness of retailers. A comparative analysis of the largest retailers in Hungary and Serbia will adopt conclusions on the level of development of electronic retailing and opportunities for further development. In the paper will be used comparative methods by which will point out the similarities and differences in the implementation and development of e-retailing. The paper will give suggestions for further development of e-retailing and assumptions of further development. The research results should demonstrate a comprehensive level of development of e-retailing in Hungary and Serbia.

Author(s): **Lesko, Peter**

Title: **The Balance-of-Payments constraint for the transition countries**

The aim of the paper is to clarify the Post-Keynesian approach of the Balance-of-Payments-constrained growth and evaluate the suitability for explaining the growth performance in several transition economies of the Central and Eastern Europe that joined the European Union in 2004. According to Thirlwall's Law, we determine the balance of payments equilibrium growth rate of an economy by the ratio of the income elasticities of the demand for exports and imports and the growth of foreign demand. The obtained results are compared with the actual growth rate and potential growth rate. Empirical findings of the paper show that almost all transition countries in the sample grew a higher rate than the one consistent with the Balance-of-Payments equilibrium. These countries are more constrained from the supply-side.

Author(s): **Li, Shengxia**

Title: **Coverage Harmonisation Analysis on Deposit Insurance System**

Deposit Insurance System (DIS) is one dispensable toolkit to stabilize the financial market as well as contribute to the safety net. Coverage issues directly influenced the possible choices of total deposits and depositors in a DIS. Universally, the level and scope of coverage have to be set under an

appropriate ratio so as to simultaneously fulfill its objectives of protecting the depositors, exerting themselves of certain risk taking, avoiding bank runs, mitigating the moral hazard. This paper examines the coverage level of different deposit insurance systems in various income category countries via an impact and comparison methodology regarded as the extent of harmonisation of coverage from the Impact Assessment of European Commission, and gives a generalized overlook of the coverage level between high income countries and middle income countries. The paper mainly divided into three parts:

Firstly, an overview of the brief history of coverage limits developments in the United States, European Union and the change in recent decade. The main drive of the increase of limits was the occurrence of financial crisis in 2008.

The second part is an analysis about the harmonization of coverage levels. There are two options for a DIS to divide their coverage limits which including Minimum Harmonisation and Maximum Harmonisation. To balance between the bank runs and moral hazard, Directive 2009/14/EC set a fixed level at €50,000 as so called Minimum coverage for EU members, which will averagely protect nearly 60% of the total amount of depositors. If the DIS is able to cover the 70% of eligible deposits, it is a qualified Maximum Harmonisation coverage that works most effectively.

The last part of the paper present some comparative and suggestions. Setting a target ratio as a criterion to analysis on countries with different income, it turns out that among the selected DIS, only a limited number of the high-income countries have reached the level of minimum harmonisation, no middle income countries set their coverage at a maximum harmonisation level. Remarkably, countries like Slovak, Netherlands, Malta, United States, Japan have a coverage overweigh the maximum harmonisation, whereas Hong Kong, Luxembourg, Sweden, Singapore, Brazil, Switzerland, India even lower than the minimum harmonisation.

Author(s): **Nicolae, Adina-Iulia**

Title: **Entrepreneurship as a postmigration activity**

Migration conomic benefits for migrant's destination countries represents the central theme of a large number of studies on migration field. Entrepreneurship is closely linked to labor migration. This is largely due to the work experience acquired abroad. By satisfying basic needs and with accumulation of capital, also financial, relational and human, most often, a migrant will develop a certain tendency to invest in activities that are productive, which will turn him into an entrepreneur. Migration for employment is for a large part of Romanian migrants an integral part of business strategy. After gained work experience in destination country and entrepreneurial orientation of migrants, a strong behavioral bond will be created, but also in terms of entrepreneurial intention. Regarding the benefits of migration on economies of the countries of origin, studies in field are not numerous, although migration can result in some degree of welfare for family members of migrants who are sending remittances. Savings and remittances sended by migrants generate capital input and contributes to overcoming capital constraints, acting as a supporting pillar for the development of the origin region of migrant worker.

Author(s): **Olaru, Speranta**

Title: **Republic of Moldova from East to West: challenges and economic perspectives**

Historically, Republic of Moldova was one of the former Soviet Union Republic's. After the collapse of the Soviet Union and proclamation of Independence it has become a challange were to move and what to do: East or West. All main trading partners were still the former soviet republics. People were aspiring for new oportunities and new markets as well as for new development partners. In 1994 Moldova signed a Partnership and Cooperation Agreement with EU. This was the 1st step. It was followed by EU -Moldova Action Plan and latter on The European Union and the Republic of

Moldova negotiated an Association Agreement (AA) in 2010, and a Deep and Comprehensive Free Trade Area (DCFTA) in 2012. After completion of negotiations and provisional entry into force of the AA, as of 1st september 2014, first conclusions on economic benefits can be seen. The article describes the economic and political basis for association/integration, as well as trade statistics after 1 year of AA implementation This article is a part of PhD research in this area.

Author(s): **Pap, Katalin – Huszár, Sándor**

Title: **Revolutionizing marketing research? - A critical view on the promising neuromarketing**

The aim of our paper is to provide an overview about benefits and disadvantages of possible application of neuromarketing research methods, in which we show that what kind of barriers should neuromarketing overcome to be more acceptable in marketing area. The paper is considered critically examining neuroscience field methods relating to consumer behavior, that can be assessed and applied the result found by neuromarketing. Along with some authors, we also argue for that neuromarketing cannot revolutionize consumer behavior researches, however it can help in the reinterpretation of existing theories. As a consequence, consumer behavior researches can rise at a multidisciplinary level in the future, in which marketers and psychologists can be supplemented with life sciences representatives.

Author(s): **Pájer, Donát**

Title: **Research of youth entrepreneurship boosting program in Hungary**

According to Deloitte 2015 research in Hungary only 8,2% of students/graduates have entrepreneurial ambitions, what is the lower in our region. Recently closed the TÁMOP 2.3.6./B program about boosting youth entrepreneurship and soon launching the GINOP 5.2.2. for the same reason. In the first program 1500 new company created (corporations and sole proprietorships) at the same time in average 3 million HUF founding. This is a good base for me to research about their motivations and tracking their business success or failure in a relative similar environment. In my research I try to analyse those trends based on public data, interviews and questionnaires.

Author(s): **Pinkasz, András – Gerócs, Tamás**

Title: **Prospects for Catching Up After Industrial Upgrading: The Analysis of Global Automotive Industrial Commodity Chain in Eastern Europe**

An important theme in the empirical researches conducted by global value/commodity chains scholars (GVC/GCC) on the new forms of Eastern European reintegration into the global division of labor is industrial upgrading. Several studies have focused on the micro-level analysis of two key sectors: consumer electronics and automotive industry, both of which are prone to geographical relocation from core sites to semi-peripheral regions since the 1990s. In our research, following the tradition of world-systems perspective, we study the prospects for catching up in relation to industrial upgrading at different nodes in the global division of labor. Although the analytical unit in our inquiry is the national and the regional level of development, our purpose is to use GVC in a broader scope. For this, we introduce the question of the methodological relationship between upgrading and catching up from the perspective of semi-peripheral dependent development. The challenge we face in our research is that despite the findings on upgrading, the analytical toolkit of GVC has an insufficiently narrow focus to be implemented in development studies.

To solve this, we suggest some methodological modifications for combining macro-level and micro-level aspects. Our suggestions include a more thorough study of the interrelated development of industrial wages and productivity both at the core and at peripheral sites of the same value chain (a

similar methodology was used by scholars of unequal exchange). We think that such a modification is consistent with the suggestions of some GCC scholars to connect value chain analysis with the issues of labor or with the social upgrading literature which is also engaged in studying industrial wages.

Furthermore, besides analyzing value chains as part of the global division of labor, in the methodology that we suggest it is also required to focus on the three different forms of external finances with respect to national economies. These forms are foreign direct investment, international loans and transfers. To sum up, we study both the global division of labor and external finances, the former of which is the main interest of GVC/GCC literature. With the above mentioned underpinnings we conclude that despite the empirical findings of upgrading in the GVC/GCC literature in the Eastern European automotive industry, there is no proof for a break from the historical development of semi-peripheral dependencies.

Author(s): **Sávai, Marianna**

Title: **Short and Medium Term Fiscal Sustainability in Poland in Comparison with the V4 Group**

Nowadays, sustainability and sustainable growth are an often mentioned concept. In connection with the financial crisis, the budget and fiscal policy sustainability has been the forefront of research. According to the Stability and Growth Pact 'sustainability of fiscal policies is the ability to continue now and in the future, current policies without change regarding public services and taxation, without causing the debt to rise continuously as a share to GDP' (EC 2012, p. 17). Menguy (2008) draws attention on the disadvantages of SGP due to its nature that it focuses on a uniform short-term criterion for the budgetary situation of the European countries (i.e. the current budgetary deficit) rather than on the long run solvability of aforementioned countries.

Present paper revolves around the specialties of intertemporal budget constraint and underlines the most important elements of long run fiscal sustainability in terms of pension payment obligations and health care outlays for the elderly which are consequences of the aging population and the lower fertility rate (Orban-Szapary 2004; McHugh et al. 2011). It is important to mention that fiscal policies are thought to be driven by political factors.

Aristovnik – Berčič (2007) examined transition economies with a specific intertemporal budget constraint, whereas their results indicate that fiscal sustainability seems to be a problem in many transition countries, for example Poland. The study follows this methodology with some modifications.

Poland is a member of the Visegrad Group (V4). Visegrad Group is more homogenous group than European Union. V4 have been sharing traditional and intellectual values and common roots, so they are good benchmark of public finance sustainability too. For short-term examination, three years were chosen: 2004, 2009, 2014. The main data source is the AMECO Database. Examination is built on the following key variables: equilibrium level of public debt (D/Y), the nominal interest rate (i) and nominal growth rate (gn).

The results of the research indicate that in terms of financial sustainability Poland was unsustainable in 2004. In 2009, due to the effects of the global financial crisis, the Czech Republic, Hungary and Slovakia too seemed to be unsustainable, while Poland could keep its fiscal sustainability thanks to large internal market of the country. In 2014, the public debt was kept under 60% of GDP in Poland, but short-term fiscal policy stance seemed to be unsustainable. Based on the medium term forecast in 2018, the fiscal policy stance of Poland could be regarded sustainable.

Author(s): **Sayaseng, Saysi**

Title: **The Heterogeneous Challenges in Business Valuation across Emerging Markets**

Standard business valuation methods have long been originated from the advance or developed markets, the assumptions for these models have been built upon difference market conditions as compared to the emerging markets. The measure derived from these models may not reflect the true values of the firms in emerging markets given the volatility and less efficient market condition. 30 emerging countries will likely to have heterogeneous businesses environment and valuation methods across these markets should vary with respect to their heterogeneous nature. The study aims to look at the Eastern European and Asian Pacific regions, a further analysis into factors not purely define by its region but financial and economic factors which will influence the business value.

Author(s): **Sekelsky, Lukas**

Title: **Impact of student work on the local labor market through education, skills and awareness of the local labor market**

The increasing concentration of students in towns is called "studentification". This leads to a cultural, social, physical and economic transformation. The aim of this article is to analyze the student participation University of Economics in Bratislava (UEBA) on the local labor market through education, skills and awareness of the local labor market. The data for the analysis was obtained from a questionnaire survey on UEBA in 2014. The research focused only on full-time students. UEBA has about 8,000 full-time students of which selected sample of 1,100 respondents. Research indicates that better information about the local labor market through the surround effect (resident / non-resident) does not play a significant role in employment of better job position (as defined in the methodology), but rather the acquisition of knowledge and skills during their studies.

Author(s): **Spamer, Johan**

Title: **Global Value Chain Upgrading in the Blue Economy: Turn of the Tide?**

The Blue Economy, also referred to as the ocean economy, is a concept that simultaneously encourage social inclusion, environmental sustainability, strengthening of maritime ecosystems, transparent governance as well as economic growth and development. The EU already developed the Blue Growth strategy to advance towards the next level, but there are still some substantial research gaps and questions that needed to be addressed. Five value chains were identified for the delivery of sustainable growth and jobs, namely: blue energy; aquaculture; maritime, coastal and cruise tourism; marine mineral resources and blue biotechnology. These ongoing EU initiatives, including innovation in the maritime transport sector, are particular important to the developing countries within the EU and abroad. Furthermore, the impact on international trade, regional cluster development, economic and social integration of the various Global Value Chains (GVC) within a particular cluster cannot be ignored. This is particular true for the inclusion and development of local SMEs to participate through upgrading by adhering to international standards. The paper will specifically address the challenges and opportunities for developing countries such as Central-Eastern Europe members, by means of a case study of South Africa's Operation Phakisa. This Blue Economy framework is made up by three priority global value chains, namely: marine transport (including manufacturing); offshore oil and gas exploration and lastly aquaculture. South Africa believes that the benefits and potential rewards of these sectors and maritime regional clusters and infrastructure developments, followed by economic growth, will be the turn of the tide towards better social inclusiveness and new job opportunities for marginalized groups. The framework also allows for knowledge transfers and the structuring of innovation networks with academic institutions acting as 'playmakers' or 'interlockers' to guide the various actors. A major contribution will be to map the various value chains and to identify the economic and social opportunities as well as linkages within the maritime economic cluster. However, a

key question remains what the spill-over effect will be of the upgrading of the various GVCs in terms of regional development, SME-linkages, adhering to international standards, social inclusiveness and economic growth. GVC-analysis and mapping will be used as tools to understand and analyse the various chains. Various GVCs are contextualized by using a case study approach supported by structured questionnaires and unstructured interviews. Economic integration, planning and governance between the various GVCs are key for sustainable upgrading and local economic development. The EU developing community, business and relevant stakeholders must take note of this framework and potential opportunities as sustainable partnerships will be key to the success of the Blue Economy drive. Well defined and structured GVC-strategies (including measurement of these strategies) need to be in line with the new blue growth initiative. South Africa and Central-Eastern Europe developing countries (inclusive of the continental drive) need to refine their Blue Economy GVC-blueprint to be competitive, integrate sector specific value chains, target cluster development and upgrade infrastructure with an innovative and entrepreneurial approach. Further research, inclusive of quantitative and qualitative research methods, will add value to the body of knowledge as well as to the economic development of emerging markets.

Author(s): **Szilágyi, Anna**

Title: **Urban rehabilitation projects in Hungary in the new programming period**

Due to the delay of the launching of the new Operational Programmes for 2014-2020, the urban development projects of the new area are going to start end of 2016 or in 2017 only. The calls for proposals are open and some of the local administrations already have prepared their Integrated Urban Development Strategies that defines not only the mid-term goals of the city, but also the projects foreseen. In my study, I examine the experiences gained from former urban rehabilitation programmes and analyse the changes, the new era brings. I focus on topics, like the current state of strategic planning, the possibilities for community planning, and the challenges with the management of such projects.

Starting in 2004, the first urban development projects mainly focused on spectacular investments without strategical background and without the involvement of the local stakeholders. Also, by planning these projects, costs for sustaining the results were not taken into consideration. As a consequence, these projects worked just like a “facelift” for the built environment of the city, but failed to make long-term economic and social impacts.

With the second programming period starting in 2007, a new approach was introduced in urban planning in Hungary: cities had to prepare mid-term urban development strategies, they had to involve local stakeholders to the planning process. They also had to carry out the activities for the so called “soft elements” of urban rehabilitation projects, i.e. they had to realize a holistic and complex project, containing not only investments in built infrastructure but also investment in the human and social capital. However the goals of this methodology were understandable and to be supported, it was unknown for the local administrations and caused significant burdens for those, who didn’t had experiences with such complex planning and management processes.

From 2014, the former approach seems to continue with the integrated local development strategies, the involvement of the citizens and with the combined infrastructure and soft elements within a project. But the new EU regulations also provide new possibilities and tools for these projects, such as Integrated Territorial Programmes (ITI) and community-led local development (CLLD). At the same time, the Hungarian regulations changed in a way that the counties took over the tasks of local planning and project management. Even though counties are subnational actors, the whole territorial planning seems to tend towards a highly-centralised system.

Therefore the real question is whether and how the cities will be able to create and realize unique projects reflecting their own unique needs in the new system of project planning and management.

Author(s): **Tamásné Vőneki, Zsuzsanna**

Title: **Extreme operational risk events and crisis management in the financial sector**

Operational risk management is a relatively new risk area in the financial sector; however this risk type caused huge losses to banks (Barings, Société General, etc.) in the past. The Basel II. Capital Requirements Directive (CDR) – approved in 2004 – is the first regulation, which forces the financial sector’s participants to handle operational risks in a structured way. For Hungarian financial institutions this regulation has become effective since 1st January 2008. In Basel II., “operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events”. This definition includes legal risk, but currently excludes strategic and reputational risks, however the new regulation (which is under the approval process now) will handle reputational risk among operational risks. Strategic risk remains a stand-alone risk category. The definition of operational risk has already shown that we face a very heterogeneous category, which differs from other, traditional banking risks (like liquidity, market and credit risks). If we examine the operational risk profile of a financial institution it is visible, that the most important risks (which can affect the capital and reputation of the institution) are the high impact/low probability risks, like a big system failure (Royal Bank of Scotland 2012), war (Russian-Ukrainian political conflict), deposit withdrawal (Postabank), a big internal fraud (Barings’s case), natural catastrophies (Flood in Europe, 2013), etc. These high impact/low probability risks can be handled by scenario analysis and crisis management tools/systems.

The last 8 years I spent at OTP Bank and built up the operational risk management and crisis management system of the banking group. In these years the banking sector have faced several crisis situation caused by world economic crisis, Ukrainian political situation or “just” some rumor on social media. During my work I faced more open question and problem, which the academic side did not give any answer for. My research will concentrate on financial institutions however – based on my experience - the crisis management tools and strategies do not show any differences among sectors. My first research hypothesis that exist a scenario set which is common for all participants of the financial sector of Hungary and it is possible to identify and analyze these scenarios. At the end of my research project I want to work out these scenarios and find the main indicators (key risk indicators, macroeconomic indicators, etc.), which can affect these scenarios or which can offer opportunity to forecast the happening of these scenario events.

Based on examination of the scenarios and past cases I want to analyze the characteristic of crisis situations and processes, the responses of the organizations, especially the usage of the advantages and disadvantages of social media. During my work at OTP Bank I had the possibility to handle some of these cases from 2008 until now (for example: Red mud catastrophe, foreign exchange crisis in 2008 and 2009, IT breakdown in 2014). Furthermore I would like to categories of the last twenty years crisis events and exam the effect of these events for the performance of the company through share price (event study methodology). The share price examination gives opportunity to grab the sign of insider trading before announcement of potential crisis event (insider fraud, IT breakdown etc.). The database what I will use is the global loss database of SAS Institution (SAS Global Data).

Author(s): **Tekic, Tanja**

Title: **Internationalization and the effects of retail development in the Republic of Serbia**

Internationalization and its development effects are characteristic trend on the global retail market in the past few years. The trade development, trade revolution and changes in marketing channel have influenced the expansion of large, global retail systems. Big retail systems enter to the markets of developing countries and change their structure and the ways of business. Retailers nowadays compete globally, invest into the development of new e-sales channels or move business into other countries. The best place for such investments are small transition countries which are still developing markets and trade policies. Usually big, international players enter to the new market, buy small domestic retail

chain and start different strategies for business improvement. These steps change market structure, relationships in the channels, its development and future trends.

Last decade and a half, Serbia is in transition process, consequently the changes that have occurred in this period are numerous. From the trade perspective there were changes in structure and relationships in the marketing channel, retailers have better position in it, they grow, concentrate, expand worldwide etc. Republic of Serbia is still into developing process, policies and retail structure is not at the level like in developed countries, it is the main problem of this paper. The retail development and structure into other Balkan and developed EU countries is main benchmark to see where is Serbia now. For sure it is far behind developed EU countries, but that comparison shows future trends and ways retail structure in Serbia will change. Regional countries are great to compare with, because of similar stages of development or even way to see and learn on other mistakes. So usage of different quantitative data will give us bigger picture of retail development in Serbia. Main aim is to find out best future trends and ways retail will develop, to compare Serbia with others and see how far it is from them.

In the future retailers in Serbia will have to adapt changes, because that will be the only way to stay competitive to international chains. On the other hand international retailers are already on this market and their number is going to be even bigger. That will cause a lot of changes, mainly into the structure, development, pricing strategies, policies and usage of new technologies in business. Development trend will be more intense, competition and concentration will reach a higher level and only the best retailers will remain on the market.

Author(s): **Varga, László**

Title: **The analysis of research networks between the universities and companies in the EU Framework Programmes**

The research mainly refers to the fifth, sixth, and seventh EU Framework Programme, which include fifteen years, more than ten thousand projects and also twenty thousand participants. Owing to the large database it is possible to make an analysis what we have not seen before in the economic literature. In the research we use NUTS 3 level of regions, and the database also contains the period and type of projects, the type of participants, and the fund what has been used during the projects. It is important, because in the research we can separate the universities and companies, while the other state- and research institutions also involved into the analysis.

The exploration of network structure, which based on participant's connections, can give us answer for the question: whether the Framework Programmes stimulate the cooperation between the developing- and industrialized countries? On the other hand we can review the regions of EU, which took a prominent part during the Framework Programmes. The research also tries to find the answer for the next question: which factors affected the connections between the participants in the examined period? In the further research we want to gather more data for better results and a regression analysis with a spatial autocorrelation test also planned. Based on the foregoing, the research has a strong connection to the regional economics trend and also to the well-known network structure analyzes.

Author(s): **Vincze, Dalma**

Title: **Status consumption and consumption as self-express in case of Generation Z**

From the beginning of the time people have needs and find a way to satisfy them. After all by doing our activities in a day we just satisfy needs in different ways and levels. As we study consumption we can find a good tool for communicate social status.

In fact demonstrating status was always an existing phenomenon in society. In the former production based organization of society the membership of one social class gives people a special kind of lifestyle which predestinate consumption. So the way and ability of consuming status symbols



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was different among social classes. Today society is organized by consumption we buy goods to show the present or future status in the society. In this point of view we cannot set aside that fact that consumers of today are mostly consuming for express themselves, and for gain membership in desired groups.

In a consumer society these are very important questions for the decision makers of the businesses. The businesses face the fact: the motivation of consumption is different among generations exactly in case of the youngest one.

Nowadays a whole new consumer is stepping into the market: the consumer of Generation Z. Term Generation Z means those children, teenagers or young adults who were born in 1995 or after that until 2010. This target group could be interesting because although they do not earn for the money they play an important role in purchasing decisions of their family. They are different than the previous generations, and do not have the motivation of status consuming we have known so far but they do buy status symbols and status consumption has an important place in their lives. For example some typical type of mobile phones are status symbols in their smaller membership reference groups. These status symbols help them in the field of self-expression and demonstrate the present or desired place in the society or in their small hierarchy.

Author(s): **Zuti, Bence**

Title: **Higher Education Institutions in the Digital Age**

Nowadays the digitalization of more and more aspects of our lives is becoming a general theme. Besides people, all industries, companies and other institutions must face this phenomenon. This means that the pattern of digitalization is also true in case of institutions of higher education. Furthermore, proactive strategic thinking is increasingly becoming a standard principle when it comes to the everyday operation of the modern universities. From the aspect of universities, they continuously compete to get the best students. They also improve their methods of education.

The need for highly qualified graduates is constantly high. These people may contribute to the local economy in a highly profitable way in the long term. There is also a huge number of academic literature that notes the positive effect of the universities on local economic development in certain regions, meaning their significance is uncontroversial. This is the reason, why a lot of key companies in the given region and/or the local government invests directly or indirectly into universities. The relation between the universities and the government and the local industry is crucial regarding the local economic development. These relations today have advanced to another level.

Successful universities all carry out three key activities. Excellent education, successful research and commitment towards the third mission and local presence. A well-functioning knowledge management and a definite vision for digitalization in the lives of universities should be considered as a key section of university strategies. The university is not an institution where students visit lectures and graduate in the end. It is about interconnection and the broadening of mindsets.

This study serves as a review of recently published literature in the above presented topic. It aims to discuss the trends that are related to the digitalization of higher education institutions and seeks to answer if there is a well-structured framework or concept based on which universities can successfully operate in the digital world.