

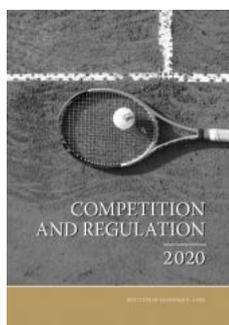
INTRODUCTION

This is a quarterly newsletter presenting recently published research outcomes and updates of ongoing research projects as well as highlights of publications, workshops, seminars and conference presentations.

In this issue:

Project updates
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PROJECT UPDATES



Competition and regulation

The Institute of Economics launched a yearbook series entitled "Competition and Regulation" in 2007. Twelve volumes have been published so far in Hungarian and two in English. The current volume is the second one in English, and it contains ten selected translations from the harvest of the last four years. Read about antitrust hipsters and their critics, the European competition policy and competition law, implementing the EU's net neutrality rules in practise in a case between a telecommunication company and the national media authority of

Hungary and many more in this open access volume. Five articles deal with broad economic and legal issues of competition policy, while the remaining five discuss the state and specific problems of key industries in Hungary and, in some cases, in the EU. [Read more](#)

Conditional cooperation in group contests

Conditional cooperation is the tendency of individuals to engage in cooperation depending on the degree of cooperation of others, and is argued to be one of the main sources of high contributions in social dilemmas.

Hubert János Kiss (*Institute of Economics*) and his co-authors experimentally show in their recent study published in Plos One that conditional cooperation is also present in group contests, where participants' contributions to their group performance partially determines if they overcome a rival group. They observe conditional cooperation in successful groups and in groups where members contribute more than rivals, but it vanishes due to low overall group performance. [Read more](#)



„Cooperation while competition: theory and experiment” (2016-2020), National Research, Development and Innovation Office Hungary (NKFIH), Spanish Ministry of Economy, Industry and Competitiveness, Higher Education Institutional Excellence Program of the Ministry of Human Capacities in the framework of the 'Financial and Public Services' at Corvinus University of Budapest





The effect of trust on climate change attitudes

Success in fighting climate change can only be achieved through collective action. Should we trust each other more in order to make more progress in saving the environment? **Ákos Bodor, Viktor Varjú** and **Zoltán Grünhut** (*Institute for Regional Studies*) used the data of European Social Survey originating from 22 countries in order to uncover patterns of attitudes to climate change related to the level of trust in different European countries. As they found, having climate concerns and feeling personally responsible appears to be more prevalent in those countries that are characterised by a higher level of social trust. [Read more](#)

Resource Management in Peri-urban Areas: Going Beyond Urban Metabolism, REPAIR (2016–2020), EU H2020, Coordinator: Delft University of Technology



Global tendencies in agricultural productivity

There is no broad consensus on the tendencies of global agricultural productivity as can be seen on the contradictory results of recent papers. Alston and Pardey (2014) find that the global rate of agricultural productivity growth is declining, whereas Fuglie (2015) reports that there has been significant acceleration in global agricultural productivity growth since the 1990s. **Imre Fertő** and **Lajos Baráth** (*Institute of Economics*) are estimating a Total Factor Productivity (TFP) index for global agriculture and global agricultural regions such as the European Union divided to old and new member states, in a recent paper. They suggests that there was a detectable acceleration of global TFP growth in recent decades which has largely been due to the better performance of developing countries and transition economies. [Read more](#)



Productivity, economic crisis and convergence in EU agriculture (2016-2020) National Research, Development Innovation Office (NKFIH)



30 years of capitalism in Central and Eastern Europe

In this joint research program led by Warsaw University and Centre for International Relations (Warsaw), consortia partners aimed to study the key directions, institutional characteristics and consequences of economic and social development of Central and Eastern European (CEE) countries. The selected countries all have been carrying out systemic economic and institutional changes over the last three decades. Research fellows of *Institute of World Economics* contributed with some of the national reports: **Miklós Szanyi** authored the chapters describing **Hungary** (p. 65.), **Bulgaria** (p. 194.), and **Romania** (p. 229.) whereas **Miklós Somai** shows **Slovenia's** characteristics (p. 245.). [Read more](#)

"30 Years of Transition of Central European Countries: Reflection and Prospect" program funded by China-CEE Institute in Budapest, coordinated by Centre for Europe, Warsaw University and Centre for International Relations (Warsaw)



Science cities seek new connections

Two trends are emerging as **science globalization accelerates**: the spread of research hubs beyond the traditional concentrations of Boston, London and Paris, and a rapid increase in international collaborations. The established science city powerhouses face fierce competition from newcomers such as Beijing, Shanghai, Seoul, Tehran and Istanbul, backed with funding from national governments determined to see their institutions rise through the global rankings. **Balázs Lengyel** (*Institute of Economics*), György Csomós and Zsófia Viktória Vida's article is in *Nature*. [Read more](#)



Regional differences in diabetes across Europe

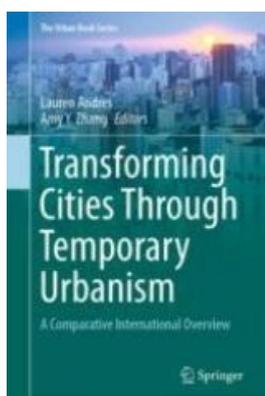
The odds of a new diabetes diagnosis over a six-year horizon is 2.2-fold higher in Southern and 2.6-fold higher in Eastern than in Western Europe. Regional differences are rather heterogeneous across the risk factors. This are the main findings of a recently published study of **Péter Elek** and **Anikó Biró** (*Institute of Economics*) based on the analysis of

SHARE (Survey of Health, Ageing and Retirement in Europe) data of 15 European countries. The article is accessible in *Economics & Human Biology*. [Read more](#)

Health and population – Momentum Grant of the Hungarian Academy of Sciences, July 2018 – June 2023.

PUBLICATION HIGHLIGHTS

Bródy Luca Sára: Debating Temporary Uses and Post-crisis Rationales in Barcelona and Budapest. In: Zhang, Amy Y.; Andres, Lauren (szerk.): **Transforming Cities Through Temporary Urbanism**. Cham: **Springer** International Publishing, 2020. p. 171-185. Paper: Chapter 12.



As a corollary of the global financial crisis of 2008, vacancy has become, once again, a visible and politically significant issue, playing a key role in determining how cities respond to both local and wider global challenges. Temporary use practices have been the focus of attention from scholars who have analysed them as both sites of resistance, but also as practices that enable neoliberal modes of governance. In the following chapter, I argue for a different focus on temporary use practices. The aim of this chapter is to explore post-crisis demands and unfold if and how these are attached to values of social justice and equity. The empirical fieldwork has been carried out in two European cities: Barcelona and Budapest. [Read more](#)



Éltető Andrea - Alguacil, Maite: **Global flows, local conditions and productivity spillovers : the case of the Central and Eastern European countries. Cuadernos economicos de ICE** Vol. 2. No. 100. 2020. pp. 81-100.



The evolution of labour productivity in an economy can be affected by technology transfer through international linkages, as this permits the incorporation of innovation and automation intensive capital goods into the local productive system. Globalization may be an opportunity to promote sustainable growth – within the industry 4.0 framework– in economies with low levels of innovation or automation. In this paper, we analyse the role of global flows and local conditions for a sustainable productivity growth in the EU member states of Central and Eastern Europe. [Read more](#)

Krekó Judit - Oblath Gábor: **Economic growth and real exchange rate misalignments in the European Union. Acta Oeconomica** Vol. 70. No. 3. 2020. pp. 297-332.

We investigate the relationship between economic growth and real exchange rate (RER) misalignments within the European Union (EU) during the period of 1995–2016. In addition to the relative price level of GDP, we quantify an alternative indicator for the RER: the internal relative price of services to goods. We interpret RER misalignments as deviations from the levels consistent with the levels of economic development among the EU countries. [Read more](#)



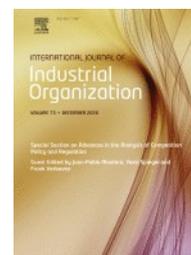
Koren Miklós - Pető Rita: **Business disruptions from social distancing. Plos One** Vol. 15. No. 9. 2020. 14 p.



Social distancing interventions can be effective against epidemics but are potentially detrimental for the economy. Businesses that rely heavily on face-to-face communication or close physical proximity when producing a product or providing a service are particularly vulnerable. There is, however, no systematic evidence about the role of human interactions across different lines of business and about which will be the most limited by social distancing. Here we provide theory-based measures of the reliance of U.S. businesses on human interaction, detailed by industry and geographic location. Our results can help quantify the economic costs of social distancing. [Read more](#)

Gautier, Axel - Somogyi Róbert: **Prioritization vs zero-rating: discrimination on the internet. International Journal of Industrial Organization** Vol. 73. 2020. Paper 102662. 25 p.

This paper analyzes two business practices on the mobile internet market, paid prioritization and zero-rating. These practices allow the internet service provider to discriminate different content types. With prioritization, the ISP delivers content at different speeds; with zero-rating, the ISP charges different prices. In recent years these practices have attracted considerable media attention and regulatory interest. When the asymmetry between content providers is limited, in particular with regard to their ability to attract traffic or to monetize it, we first show that the ISP can extract more surplus from consumers by privileging the relatively weaker content and restoring symmetry between content providers. [Read more](#)



Szunomár Ágnes (ed.): **Emerging-market multinational enterprises in East Central Europe**. Cham : **Palgrave Macmillan**, 2020. 349 p. (Studies in Economic Transition)



The rise of multinational enterprises (MNEs) from emerging markets is topical, important and poses a number of questions and challenges that require considerable attention in the future from academia as well as business management. The recent takeovers of high-profile companies in developed or developing countries by non-European emerging-market MNEs (EMNEs) – such as Lenovo, Wanhua (China), Hindalco (India), CVRD (Brazil), Cemex (Mexico), Lukoil (Russia), etc. – as well as the greenfield or brownfield investments of emerging companies (such as Huawei, ZTE, Tata, Pepco, etc.) show a new trend where new kind of firms become major players globally. The novelty of this edited volume is

that it aims at exploring EMNEs location determinants, strategies, activities and challenges in East Central Europe by discussing its anomalies to the traditional theories. [Read more](#)

[More selected publications >>>](#)

CONFERENCE PRESENTATIONS



Magdolna Sass: **Outward FDI in the Automotive Industries of the Visegrad Countries**

According to OECD statistics, the Czech Republic, Hungary, Poland and Slovakia have a relatively substantial outward FDI stock in the automotive industry. This may be a sign of increased competitiveness of indigenous automotive companies and automotive suppliers. The paper scrutinizes the outward FDI data in the automotive industry of the four countries. [Read more](#)

1st International Conference on Automotive Industry, 12 – 13 November 2020, Mladá Boleslav, Czech Republic

Túry Gábor: **Is it really possible to move up in the global value chains? Opportunities in electromobility and new modes of mobility for the Central European automotive industry**

Technological change is on the way in the automotive industry, which is moving towards electromobility and new modes of mobility. Increasing the share of companies in high value-added sectors and moving up in the global value chains related to technological change is a key for competitiveness. This paper examines the automotive industry, taking into account the potential outcomes of changes in technology and changes in global production, especially in relation to European production. The focus of this study is a group of Central European countries (Czechia, Hungary, Poland and Slovakia) that play a significant role in the European Union's automotive industry. [Read more](#)



5th International Conference on European Integration, 3-4 December 2020, Ostrava, Czech Republic



UPCOMING EVENTS

21 January 14.00-16.00 Somogyi Róbert:
Deceptive Products on Platforms, seminar series
of Institute of Economics [more info](#)

11 February 14.00-16.00 Anna Naszódi – Francisco
Mendonca: **A new method for identifying the
role of marital preferences at shaping marriage
patterns**, seminar series of Institute of Economics
[more info](#)

25 February 14.00-16.00 Gáspár Attila—Pető Rita:
**Intergenerational Mobility in Hungary, 1949-
2017** seminar series of Institute of Economics [more
info](#)

