

INTRODUCTION

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

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PROJECT UPDATES

Mechanism Design – Institute of Economics supported by Momentum Program of HAS (2016–)



As member of the European Network of Matching in Practice the research group organized the 12th Matching in practice workshop in Budapest in December. There also took place the co-organised event of 100 years of Matching Theory in Hungary.

Hungarian Labour Market Yearbook, 2016 financed by the Hungarian Academy of Sciences and the Together for Future Jobs Foundation



Institute of Economics launched the new issue of Hungarian Labour Market Yearbook which furnishes the present-day characteristics of the Hungarian labour market and of the Hungarian employment policy. It features an in-depth analysis of a topical issue each year. Continuing our previous editorial practice, we selected an area that we considered especially important from the perspective of understanding Hungarian labour market trends and the effectiveness of evidence-based employment policy. The 'In Focus' addresses the issue of international migration. The book is available online free of charge.

REPAIR 2016-2020, H2020 project

REsource Management in Peri-urban Areas: Going Beyond Urban Metabolism

Coordinator: Delft University of Technology (NL) Partners: See on the [website](#) of the project

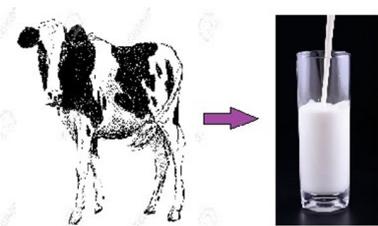


The Institute of Regional Studies together with the Hungarian Biokom Nonprofit Ltd is participating in this [research project](#), which will develop and implement a tool that helps local and regional authorities reduce waste flows in peri-urban areas. The kick-off meeting of the project was held on 3-4 November 2016 in Amsterdam and in Delft.

SKIN 2016-2019, H2020 project

Short supply chain Knowledge and Innovation Network

Coordinator: University of Foggia (IT) Partners: See on the project's website



SKIN is an ambitious initiative of 20 partners in 14 countries in the area of Short Food Supply Chains (SFSCs). It intends to systematise and bring knowledge to practitioners, promote collaboration within a demand-driven innovation logic and provide inputs to policymaking through links to the EIP-AGRI. SKIN will build and animate a community of about 500 stakeholders, with the strategic objective of setting up, at the conclusion of the project, a European association permanently working for the improvement of SFSCs efficiency and for the benefit of stakeholders and growth in the sector. The project started in November 2016 and lasts for 36 months.

PUBLICATION HIGHLIGHTS

Keller Judit, Kovács Katalin, Rácz Katalin, Swain Nigel, Váradi M. Monika: **Workfare Schemes as a Tool For Preventing the Further Impoverishment of the Rural Poor.** Eastern European Countryside Vol. 22. No. 1. 2016 p. 5-26.

This article examines workfare schemes in rural Hungary and their contribution to relieving rural poverty. It does so on the basis of an analysis of European Union statistics and a series of semi-structured interviews which were conducted in 2013-2015. The paper comprises four sections: following a short description of the methodology, regional disparities and deprivation in rural areas are introduced with the help of a typology on deprivation and Eurostat data, thus providing evidence for European comparison. [Read more](#)

Lórincz László: **Interethnic dating preferences of Roma and non-Roma secondary school students.** Journal of Ethnic and Migration Studies Vol. 42. No. 13. 2016. p. 2244-2262.

Integrated schooling is known to induce interethnic friendship relations; however, it also creates the opportunity of interethnic dating. Interethnic personal relationships or long-term exposure decreases ethnic prejudice, thus it is proposed that willingness to date between ethnic groups may also increase. The question arises, whether in the school context exposure is enough for this mechanism to emerge, or personal contact is necessary. It must also be taken into account that romantic relationships are embedded in status relations within schools. Based on a 'social exchange' mechanism, it is assumed that the less popular members of the majority groups are those who are more willing to form interethnic dating relations. [Read more](#)

Muraközy Balázs, Telegdy Álmos: **Political incentives and state, subsidy allocation: evidence from Hungarian municipalities.** European Economic Review Vol. 89. 2016. p. 324-344.

Using a comprehensive database on successful and rejected applications for the European Union's Structural and Cohesion Funds between 2004 and 2012 in Hungary, we study which grant types are susceptible to political favoritism and how this is achieved. With fixed-effects and matching estimators we study whether applicants from municipalities with a mayor endorsed by the governing coalition won a higher grant value than applicants where the mayor was affiliated with the opposition. We find limited evidence for such a difference for total grant value, but in cases when the applicant is a public entity or the purpose of the project is construction and, therefore, visible to voters and thus may bring about electoral benefits, we do find effects of 16–21%. [Read more](#)

Pálné Kovács Ilona: **Cohesion policy in Central and Eastern Europe: the challenge of learning.** In: Simona Piattoni, Laura Polverari (ed.): Handbook on Cohesion Policy in the EU. Cheltenham: Edward Elgar Publishing, 2016. p. 302-322.

The Handbook covers all major aspects of EU Cohesion policy, one of the most significant areas of intervention of the European Union. This chapter deals with the Central and Eastern European (CEE) countries which joined the European Union (EU) between 2004 and 2013. The nature of regional disparities, the use of Structural and Cohesion Funds and the governance aspects exhibit many CEE features behind the phenomenon of Europeanisation and conditionality. [Read more](#)

Somai Miklós, Biedermann Zsuzsánna: **Brexit: reasons and challenges.** Acta Oeconomica Vol. 66. No. S1. 2016. p. 137-156.

This paper reviews the deeper societal and economic reasons behind the British choice of leaving the European Union. We address the detailed results of the referendum and the long-standing sceptical British attitude towards European integration; next, we analyse the net budgetary contribution that changed enormously after the Eastern Enlargement. It is argued that the rise in the immigrant-native ratio had a significant impact on employee's pay level in certain areas, therefore pro-Brexit campaigners highlighted migration as one of the major problems arising from EU membership. Increasing income and wealth inequalities and a growing anti-elite sentiment in British society, coupled with the negative image of Brussels bureaucrats and a British approach to the rule of law that is fundamentally different from the continental one, also contributed to the final result of the referendum. Our analysis ends with a glimpse into the close future, emphasising that the future of British-EU relations depends wholly on the pragmatism and wisdom of the negotiating parties. [Read more](#)

RECENT CONFERENCE PRESENTATIONS

Anna Lovász – Ewa Cukrowska-Torzewska – Kiss Andrea – Rigó Mariann – Szabó-Morvai Ágnes: **Gender Differences in the Effects of Subjective Feedback – a Computer Game Based Experiment** [Download the presentation](#)

The project investigates whether there is a gender difference in the response to positive subjective feedback using an online game with randomized treatment, to see how such a difference may contribute to gender gaps in effort and performance.

Ágnes Szabó-Morvai– Anna Lovász: **Why Does the Magnitude of the Childcare Effect Differ Across Settings? A Cross-Country Cutoff Analysis of the Impact of Childcare Enrollment on Maternal Labor Supply** [Download the presentation](#)

The authors estimate the effect of childcare availability on maternal labor supply for a set of 6 EU countries based on kindergarten eligibility cutoffs, EU-LFS data, and various policy datasets. The cross-country variation in the institutional contexts allows for the investigation of the interdependencies of childcare and other factors, such as family policies, labor market flexibility, and cultural norms. [Read the related paper](#)

Event: **Annual Labour Economics Conference** 11-12 November 2016, Szirák Organizer: *Institute of Economics CERS-HAS*

UPCOMING EVENTS

January 26, Budapest, Institute of Economics Seminars

Kristof De Witte: [Strategic Public Policy, Migration and Sorting around Population Thresholds](#)

March 30-31, Leuven, [3rd Workshop on Educations Economics of the Eden project](#)

OUR FAVOURITES

Music is inspiration, music is for most of us part of our daily life. Therefore, we gathered what our research community listened in the course of last year. Interested? Go to our playlist on [Spotify](#) or on [YouTube](#) and enjoy the music.

With this selection, we would like to wish all of you a **happy new year!**



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