

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

EdEN - **Education Economics Network** (2016-2018) supported by the European Union H2020 programme

Partners: Katholieke Universiteit Leuven, Universiteit Maastricht, Politecnico Milano



Smoking Ban and Health at Birth

Tamás Hajdú and Gábor Hajdú analysed the impact of the smoking restrictions introduced in 2012 in Hungary. Their estimation shows that the smoking ban has improved health at birth of newborns whose mother works in bar or restaurant and has reduced infant mortality in those cases. They also provide evidence that the ban was more beneficial for newborns whose parents have low educational attainment and those with lower fetal health endowments. Read the paper.

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



The impact of international migration on the Hungarian labour market.

The Vienna Institute for International Economic Studies (WIIW) and CERS-HAS organized a workshop in Vienna to discuss the issue of international migration which is of utmost importance for Hungary and invites questions from an Austrian perspective as well. The discussion was followed by an introductory presentation about the CERS-HAS Data bank. Read more on the conference: <http://econ.core.hu/ese meny/konf.html>

Download the Hungarian Labour Market Yearbook.

Mapping the Migration Challenges in the EU Transit and Destination Countries (2015-2016)



Erzsebet N. Rózsa, senior research fellow of the Institute of World Economy edited the volume **Mapping the Migration Challenges in the EU Transit and Destination Countries** launched recently by the *European Institute of the Mediterranean* and the *Euro-Mediterranean Study Commission*, a network of research centres on politics and security in the Mediterranean. Challenges presented by the migration flow and other issues were discussed in a seminar held on 23 March in Budapest. Read the volume. Read more findings of the project.

The effects of institutional changes on students' performance (2013-2016) supported by Hungarian National Research Development and Innovation Grant



The Effects of Policies Concerning Teachers' Wages on Students' Performance — *Julia Varga* principal researcher of the project investigated how the changes of teachers' salaries affect students' performance in the European countries. The results show that there are marked differences between subjects and by the experience of teachers. Higher statutory teacher salaries and larger growth of teacher salaries at the first part of teachers' career increase students' maths and science performance, while the effect was less pronounced on reading performance and at the second part of teacher career. Read the paper.

Does teacher gender matter in Europe? — *Zoltán Hermann*, senior research fellow and *Alfa Diallo* examined the effect of teacher gender on student achievement in 20 European countries. Their results show that female teachers tend to increase students' test scores, especially for girls. However, this effect is far from universal; it is present in half of the countries in the sample. They also found that having a teacher of the same gender also benefits students in Western Europe and the female teacher effect is more pronounced for low achievers, and in Western Europe for students with an immigrant background. Read the paper.

PUBLICATION HIGHLIGHTS

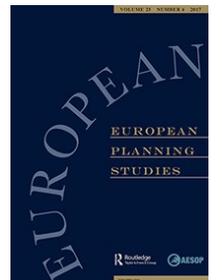
Lajos Baráth, Imre Fertő: **Productivity and convergence in European agriculture.** *Journal of Agricultural Economics* Vol. 68. No. 1. 2017. p. 228-248.

The authors investigate relative productivity levels and decompose productivity change for European agriculture between 2004 and 2013. Specifically (i) they contribute to the debate on whether agricultural Total Factor Productivity (TFP) has declined or not in the European Union (EU); (ii) they compare the relative TFP level across EU Member States and investigate the difference between 'old' Member States (OMS, i.e. the EU-15) and 'new' Member States (NMS); and (iii) they test whether TFP is converging or not among Member States. The results imply that TFP has slightly decreased in the EU over the analysed period; however there are significant differences between the OMS and NMS and across Member States. Finally, our estimates suggest that productivity is generally converging over this period, albeit slowly. Read more



Zsófia Benedek, Bálint Balázs: **Current status and future prospect of local food production in Hungary: A spatial analysis.** *European Planning Studies* Vol. 24. No. 3. 2016. p. 607-624.

There is an increasing interest in Hungary to relocalize food. Spatial patterns and development potential of local food systems (LFSs) are analysed in this paper to help spatial planning practices. Results show that LFS development is at an early stage in Hungary. The present level of local food activity and future prospects mismatch. Eastern Hungary has the highest potential for further development as it has relatively widespread and intensive local food production activity. The few small-scale farmers operating in the Budapest area have been already engaged in short food supply chains to enjoy various benefits (and higher profit). Results imply a complex mix of several underlying causes behind the experienced patterns. Read more



László Faragó, James W. Scott: **Policy governance from an autopoietic perspective: revisiting Hungary's regionalization experience.** *European Planning Studies* Vol. 25. No. 6. 2017. pp. 1034-1052.

This perspective on Hungary's post-socialist regional policy governance is informed by an approach that relates region-building and regional governance to social autopoiesis and the self-referential and self-(re)producing nature of social systems such as states. They authors will demonstrate how Hungary has incorporated European Union (EU) policy frameworks through specific appropriations of territorial politics and regional ideas. These appropriations reflect Hungary's post-socialist transformation not only in terms of responses to global forces, but also as specific spatial practices and regionalization experiences. Read more

Attila Havas, K. Matthias Weber: **The 'fit' between forward-looking activities and the innovation policy governance sub-system: A framework to explore potential impacts.** Technological Forecasting and Social Change Vol. 115. 2017. p. 327-337.



Forward-looking activities (FLAs) can influence innovation systems in various ways to a significant extent. This paper focuses on changes induced by FLAs in the innovation policy governance sub-system (IPGSs) of a given national innovation system. Our knowledge is surprisingly limited even on this subset of FLA impacts, despite several decades of practice and non-negligible analytical efforts. We identify key features of FLAs and IPGSs in order to explore hypotheses on the likely 'fit' between different types of FLAs and various IPGSs. Countries selected to illustrate the relevance of our analytical framework include Germany, Greece, and Hungary. Read more

Andrea Szalavetz: **Upgrading and value capture in global value chains in Hungary: more complex than what the smile curve suggest.** In: Balázs Szent-Iványi (eds.): Foreign direct investment in Central and Eastern Europe: post-crisis perspectives. (Studies in economic transition) Basingstoke; London; New York: Palgrave, 2017. pp. 127-150.

The author presents a conceptual model to explain why the upgrading of MNCs' manufacturing subsidiaries fails to translate into additional value capture for upgraded actors. The model, a dynamic version of Mudambi's smile curve, integrates the concept of value capture. It is shown that over time, the shape of the original smile curve transforms. The curve shifts downwards, which represents the shrinking margins of actors. Read more



RECENT CONFERENCE PRESENTATIONS

Ecological footprint tax for the development of local agri-food business Miklós Somai



The concept of ecological footprint tax (EFT) can be developed to cover the whole economy, but as a first experimental step, this paper suggests to introduce it in agriculture and food industry. As (rural) unemployment and climate change seem to be two of the greatest anxieties of people in developed and semi-developed world, EFT could be considered as a fair and sustainable type of tax. Download the presentation to read further.

20th International Scientific Conference "**Enterprise and Competitive Environment**", March 9–10, 2017, Brno, Czech Republic

FDI and FDI data – more and more slippery? Magdolna Sass – Katalin Antalóczy



Due to the tax optimisation efforts of multinational companies, an increasing share of capital inflows recorded as FDI in the balance of payments in reality does not fulfil the criteria of direct investments realised by non-residents. Thus the analysis of FDI data requires more caution and consideration than beforehand. Download the presentation.

European Economic Integration Theory Revisited Workshop supported by the European Association for Comparative Economic Studies, 23rd-24th March, University of Szeged, Hungary

UPCOMING EVENTS

May 29-31 Summer school on educational economics 2017 – Leuven (Belgium) EdEN project



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