

## 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.

### In this issue:

Project updates  
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## PROJECT UPDATES

### Foresight's potential to shape the future



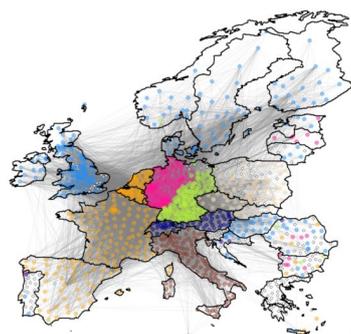
Foresight as a prospective thinking tool assumes that the future can be shaped by deliberate present-day actions: at least some unfavourable trends can be altered to some extent and new desirable ones can be set in motion as a result of private and public actions. **Attila Havas**, senior research fellow co-authored a chapter on **the role of foresight in shaping the next production revolution** in the open access OECD publication *The Next Production Revolution: Implications for Governments and Business*. As they argue, foresight, besides facilitating debates and

systemic thinking about possible futures also helps in shaping the future. They also locate foresight among other prospective tools (forecasting, horizon-scanning, simulation etc.), describe its potential benefits and impacts, and identify four archetypes of prospective analysis on next production revolution, stressing that different impacts should be expected from these different approaches.

### Agglomeration and Social Networks Research Lab (2017–2022)

*financed by the Momentum Grant Programme of the Hungarian Academy of Sciences*

#### Inventor collaboration and its' persistence across European regions



Members of the Agglomeration and Social Networks research unit recently published a paper on spatial patterns of innovation-related cooperation. They use the publicly available OECD REGPAT database to construct a co-inventor network of the EU27 and continental EFTA countries from patents filed between 2006 and 2010, and identify those ties that had been persisted from before 2006. They also present their findings on a **workshop** at CERS HAS in Budapest on the 11<sup>th</sup> October. **Read the full paper**  
 Find more about the project.



## Factors influencing export performance – a comparison of three European regions – concentrates on export flows (2015–2018)

Financed by the National Research, Development and Innovation Office

Partners: Budapest Business University of Applied Sciences, University of Szeged, Faculty of Economics and Business Administration and Warsaw School of Economics

### Export influencing factors in the Iberian, Baltic and Visegrad regions



The international recession after the crisis of 2008 increased the importance of exports as a source of economic growth in the European Union member countries. For today, these countries have been mostly recovered from the negative effects of the crisis, but these effects were especially long-lasting in certain areas. The research focused on the exports of three regions of the EU: the Iberian countries (Spain and Portugal), the four Visegrád countries (Hungary, Slovakia, Czech Republic and Poland) and the Baltic countries (Latvia, Lithuania, Estonia). These regions are situated geographically on the Mediterranean and Eastern periphery of the European Union and almost all of them were severely hit by the international crisis. **Download the final volume and read the findings of the project.**

## Resource Management in Peri-urban Areas: Going Beyond Urban Metabolism (REPAiR) (2016–2020)

Financed by EU H2020 Programme Coordinator: Delft University of Technology



### Waste management in Europe



The core objective of the project is to provide local and regional authorities with an innovative trans-disciplinary and open source Geodesign Decision Support Environment (GDSE), developed and implemented in six metropolitan 'living labs': *Amsterdam, Ghent, Hamburg, Lodz, Naples and Pécs*. The GDSE allows the creation of integrated, place-based eco-innovative spatial development strategies aiming at a quantitative reduction of waste flows in the strategic interface of peri-urban areas. These strategies will promote the notion of waste as a "resource", whilst supporting the on-going initiatives of the European Commission towards establishing a strong Circular Economy (CE). **The case studies of the six cities** are now available on the project's website introducing the respective characteristics and challenges of waste-management and waste-flows and identifying key areas for governmental actions and regulations.

## Voices of diversity-connecting people and policies for more integrated neighbourhoods in European cities (Voicitys) (2018–2019)

The project is co-funded by the European Unions `Rights, Equality and Citizens Programme 2014–2020 Coordinator: Comparative Research Network – Berlin



### Social dialogue on everyday life in European diverse neighbourhoods

The Voicitys project aims to improve social integration through reinforcing social dialogue and communication in European urban neighbourhoods characterised by ethnical and cultural diversity. They combine social science research techniques and Community Reporting methodologies to support the development of policies. The research team uploaded engaging video reports from four urban areas: *Salford, UK; Berlin–Wedding, Germany; Sassari, Italy and Budapest–Józsefváros, Hungary*. **Watch the stories** on the website of the project.

## PUBLICATION HIGHLIGHTS

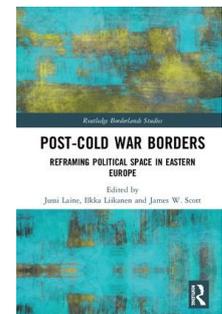
Békés Gábor – Muraközy Balázs: **The ladder of internationalization modes: evidence from European firms.** *Review of World Economics* Vol. 154. No. 3. 2018. p. 455–491.



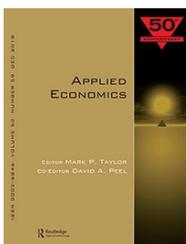
How do firms enter international markets? To answer this question, this paper uses a unique multi-country firm-level dataset which, besides direct exporting and FDI, provides explicit information on a number of internationalization modes: indirect exporting, outsourced manufacturing and service FDI. We present a theoretical framework in which modes requiring higher and higher commitment have progressively higher fixed and lower marginal costs. By estimating multinomial and ordered logit models, we present evidence in line with such a sorting framework with respect to TFP and innovativeness. [Read more](#)

Hajdú Zoltán: **The rebirth of the concept of the Carpathian Basin in Hungarian political language after 1988.** In: Laine J., Liikanen I., Scott J. W. (eds.): *Post-Cold War Borders: Reframing Political Space in Eastern Europe.* Abingdon: Routledge Taylor & Francis Group, 2018. pp. 207–227. (Routledge Borderlands Studies)

The Carpathian Basin exemplifies Central Europe's experience with frequent and fundamental transformations of state borders. Empires and small state formations alternated within this space throughout the twentieth century. As part of historically contingent processes of nationbuilding, each national community developed its own perspective of interpreting territorial shifts as well as conceptualising Central European landscapes and geographies. In the case of Hungary, the geographical concept of the Carpathian Basin has been of particular significance as well as a source of controversy as it expresses a sense of Hungarian centrality within Central Europe. [Read more](#)



Schiltz, Fritz – Masci, Chiara – Agasisti, Tommaso – Horn Dániel: **Using regression tree ensembles to model interaction effects: a graphical approach.** *Applied Economics*, Vol. 50. No. 58. 2018. p. 6341–6354.



Multiplicative interaction terms are widely used in economics to identify heterogeneous effects and to tailor policy recommendations. The execution of these models is often flawed due to specification and interpretation errors. This article introduces regression trees and regression tree ensembles to model and visualize interaction effects. Tree-based methods include interactions by construction and in a nonlinear manner. Visualizing nonlinear interaction effects in a way that can be easily read overcomes common interpretation errors. We apply the proposed approach to two different datasets to illustrate its usefulness. [Read more](#)

Hoyk Edit: **Adaptation to climate change with green infrastructure in urban environment.** *Journal of Central European Green Innovation*, Vol. 6. No. 1 2018. pp. 13–34.

The attempts to reduce the negative effects of climate change in urban environment focus on overheating protection and decrease of urban heat island (UHI) effect primarily. Green infrastructure has a prominent role in this adaptation process and this should be in the future. In this study, we present the microclimatic differences within a medium sized Hungarian city (Kecskemét), which refer to the urban heat island phenomenon.

[Read more](#)



Erel, Segal–Halevi – Sziklai Balázs: **Resource-monotonicity and population-monotonicity in connected cake-cutting**. *Mathematical Social Sciences* Vol. 95. 2018. p. 19–30.



In the classic cake-cutting problem (Steinhaus, 1948), a heterogeneous resource has to be divided among agents with different valuations in a proportional way —giving each agent a piece with a value of at least of the total. In many applications, such as dividing a land-estate or a time-interval, it is also important that the pieces are connected. We propose two additional requirements: resource-monotonicity (RM) and population-monotonicity (PM). When either the cake or the set of agents grows or shrinks and the cake is re-divided using the same rule, the utility of all remaining agents must change in the same direction. **Read more**

**Find more selected publications on our website >>>**

## RECENT CONFERENCE PRESENTATIONS

Tamás Hajdu – Gábor Hajdu: **The effect of temperature shocks on health at birth: evidence from Hungary**



In this on-going, research they examine whether there is a potential impact of climate change on the newborns' health indicators. They use registry data of live births from the Hungarian Statistical Office between 1990 and 2014, their final sample consist of nearly 2.5 million observations. Early results show a strong negative, non-linear relationship between birth weight and temperatures.

**Download the poster**

10–12 September Winchester UK, *Annual Conference of the British Society for Population Studies*

Balázs Reizer — Rita Pető: **Gender differences in skill content of jobs**



The authors using the PIAAC (*Programme for the International Assessment of Adult Competencies*) data document that women of the same occupation, educational level and of the same numeracy and literacy test scores, use their cognitive skills at workplace less than men. However, conditional on the hours spent on housework and skill use in leisure time, the gender gap in skill use at work disappears. Based on these results, the authors argue that skill use and effort provision at home and the workplace are jointly determined. **Read the paper**

13–15 September Lyon France, *30th Annual European Association of Labor Economics Conference*

Czifrusz Márton: **Conceptualizing Labour's Spatial Fix**



In his study, he shows how the concept labour's spatial fix contributes to understand the space economy of Hungarian socialism using settlement level data from Hungary between 1970–1980. **Download the presentation**

24–27 May Vienna Austria, *Workers beyond Socialist Glorification and Post-Socialist Disavowal: New Perspectives on Eastern European Labour History Conference*



## UPCOMING EVENTS

### **Economics with policy – International seminar series** (Budapest)

11 October *Pierre–Alexandre Balland* (Utrecht University):

#### **Complex Economic Activities Concentrate in Large Cities**

12 November *Maite Alguacil* (Universitat Jaume I):

The Impact of Immigrant Diversity on Wages. The Spanish Experience

11 October (Budapest) **ANET workshop on Networks, Innovation and Economic Geography**

18–19 October (Kecskemét) **Flows in the Spatial Economy** Hungarian Regional Science Association 16th Annual Meeting, John von Neumann University Faculty of Economics and Business

21–23 November (Budapest) **International Conference on Education Economics**, final conference of the Eden project

29–30 November (Budapest) **4th The Role of State in Varieties of Capitalism (SVOC) – Uneven Development, Inequalities and the State,**

*The SVOC2018 conference is organized by the Institute of World Economics of the Centre for Economic and Regional Studies, Hungarian Academy of Sciences and Center for European Neighborhood Studies, Central European University.*



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