

INTRODUCTION

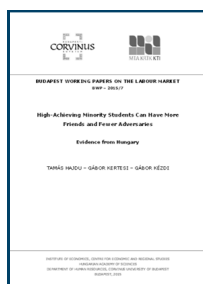
This is a quarterly newsletter presenting recently completed projects and updates of ongoing research activity as well as highlights of publications, workshops, seminars and conference presentations.

In this issue:

Project updates
 Publication highlights
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PROJECT UPDATES

The role of parenting and networks in human capital formation (2010-2015)
 Supported by OTKA (Hungarian Scientific Research Fund)
 and CEU Institute for Advanced Study



Experts of the Education and Labour Economics unit has published a study on the social interaction between roma and non roma students in Hungary.

The research paper is free to download on our website.

[Read the paper](#)

Long-term socio-economic forecasting for Hungary (2015), Supported by EEA



The project which aimed to investigate international and Hungarian results of climate change modelling and to forecast socio-economic processes in Hungary until 2050 has come to an end.

Final conference was held on the 7th of December in Budapest.

[English abstract](#) of the findings is available online.

Visit the [projects website](#) to learn more.

PUBLICATION HIGHLIGHTS

Halpern L. – Koren M. – Szeidl Á.: **Imported inputs and productivity.** The American Economic Review Vol. 105. No. 12. 2015. p. 3660-3703.

The paper estimates a model of importers in Hungarian microdata and conduct counterfactual analysis to investigate the effect of imported inputs on productivity. They find that importing all input varieties would increase a firm's revenue productivity by 22 percent, about one-half of which is due to imperfect substitution between foreign and domestic inputs. Foreign firms use imports more effectively and pay lower fixed import costs. They attribute one-quarter of Hungarian productivity growth during the 1993-2002 period to imported inputs. Simulations show that the productivity gain from a tariff cut is larger when the economy has many importers and many foreign firms. [Read more](#)

Herrendorf, B. – Herrington, C. – Valentinyi Á.: **Sectoral technology and structural transformation.** American Economic Journal : Macroeconomics Vol. 7. No. 4. 2015. p. 104-133.

Authors assess how the properties of technology affect structural transformation, i.e., the reallocation of production factors across the broad sectors of agriculture, manufacturing, and services. To this end, they estimate sectoral constant elasticity of substitution (CES) and Cobb-Douglas production functions on postwar US data. They find that differences in technical progress across the three sectors are the dominant force behind structural transformation whereas other differences across sectoral technology are of second order importance. Their findings imply that Cobb-Douglas sectoral production functions that differ only in technical progress capture the main technological forces behind the postwar US structural transformation. [Read more](#)

Hornok C. – Koren M.: **Administrative barriers to trade.** Journal of International Economics Vol. 96. Suppl. 1. 2015. p. 110-122.

In this paper the authors build a model of administrative barriers to trade to understand how they affect trade volumes, shipping decisions and welfare. Because administrative costs are incurred with every shipment, exporters have to decide how to break up total trade into individual shipments. Consumers value frequent shipments, because they enable them to consume close to their preferred dates. Hence per-shipment costs create a welfare loss. [Read more](#)

Timár J. – Velkey G.: **The relevance of the political economic approach: The interpretations of the rural in the migration decision of young women and men in an economically backward region.** Journal of Rural Studies 2015: (november 30) 12 p.

This paper intends to contribute to the understanding of gendered migration strategies through presenting the findings of a study on the interpretation of the rural and rurality offered by young women and men living in an economically backward, predominantly rural region of Hungary (Észak-Alföld) in connection with their migration plans. [Read more](#)

Find more selected publications on our website >>>

RECENT CONFERENCE PRESENTATIONS

Mária Csanádi: **Chinese transformation: Between varieties of capitalism and communism**

The presentation is challenging main-stream views about the contemporary Chinese system as a developmental state and a variety of capitalism. Based on a comparative analytical model (Csanádi, 1997, 2006) the author will demonstrate that in China the general features of a communist system prevail to date, and that the „Chinese specifics” is a structural variety of those general features. She points out why the Chinese system is neither capitalist nor post-socialist. Instead, it is a complex party-state system in the process of transformation comparable to all other party-state systems in their period of operation and transformation. [See presentation](#)

Judit Karsai: **Are CEE states successful as venture capitalists?**

The presentation examined the government's role as an investor in venture capital markets, through a detailed overview of the magnitude, forms and features of public participation, using examples from the Central and East European countries. It looked to answer the question of how successful the use of EU funds for venture capital purposes has been in the region, and to what extent the lessons learned from the earlier public equity schemes in countries with more advanced venture capital sector could have been exploited. [See presentation](#)

The Role of State in Varieties of Capitalism (SVOC) – Achievements and challenges for Central and Eastern Europe and the emerging markets, 26–27 November 2015, Budapest,
Organiser: Institute of World Economics of the Centre for Economic and Regional Studies (Hungarian Academy of Sciences), Center for EU Enlargement Studies (Central European University)

Ágnes Orosz – Ágnes Szunomár: **The Role of Foreign Trade in the Economic Transformation of V4 and CLMV**

The presentation discusses the applicability of CEE transformational experiences in CLMV countries, focusing on foreign trade as well as FDI as catalysts promoting economic growth and integration of transition countries with the world economy. First the authors summarize the costs and challenges of transition in the CEE region then sum up the patterns of foreign trade and FDI after the transition. [See presentation](#)

Economic Transformation, Development and Cooperation: The Past, The Present and The Future, Yangon, Myanmar, 2-3 December, Organizer: Embassy of the Republic of Poland in Bangkok, The Ministry of National Planning and Economic Development of the Republic of the Union of Myanmar

UPCOMING EVENTS

7–8 April **New Ideas and New Generations of Regional Policy in Eastern Europe**

International Conference, Pécs, Organiser: *IRS CERS-HAS*



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