

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

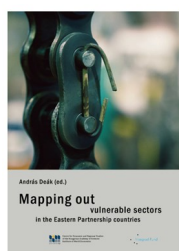
Mechanism Design: new research group in IE CERS HAS (2016–)



Péter Bíró, former member of the Game Theory research group received funding from the Hungarian Academy of Sciences' Momentum Programme to form his own research team. He aims to establish a multidisciplinary group with four main areas of market design that he is planning to investigate. These are: education and labour economics, game theory, computer science and operations research. See the [principal investigator's resume](#).

Mapping out vulnerable sectors in the Eastern Partnership countries (2015–2016), Visegrad Fund

Partners: Center for Social and Economic Research Belarus (Belarus), Institute for Development and Social Activities (Moldova), Center for Social and Economic Research (Poland), Institute for Economic Research and Policy Consulting (Ukraine), Slovak Foreign Policy Association (Slovakia)



The project overviewed the fate of major Post Soviet economic clusters which may have a crucial role in the modernization in the Eastern Partnership countries. The investigation focused on the machine industry and energy sectors in particular. The Final Findings Conferences was held in Kiev on 23 June. Read [the final report](#) edited by András Deák. Visit the [website of the project](#).

CrESSI, Creating Economic Space for Social Innovation (2014–2018) supported by FP7

Partners: University of Oxford (Coordinator) (UK), Austrian Institute of Technology (Austria), Delft University of Technology (The Netherlands), Università di Pavia (Italy), Universität Greifswald (Germany), Universität Heidelberg (Germany), University of Tampere (Finland)



In a [recent interview](#), Daniel Edmiston (University of Oxford) introduces some of the CRESSI research findings concerning the possibilities and limits of social innovation and social impact bonds in different European welfare regimes. In the interview, Daniel discusses the opportunities and risks social impact bonds pose for civil society organizations within a changing public service funding and commissioning landscape. Find out more about the project. Visit the [project's website](#).



PUBLICATION HIGHLIGHTS

Faragó László, Varró Krisztina: **Shifts in EU cohesion policy and processes of peripheralization. A view from Central Eastern Europe.** European Spatial Research and Policy. , 23. Vol. 2016. No. 1.

The increasing dominance of neoliberalism as the key steering mechanism of the European Union (EU) since the early 1990s has implied the competitiveness-oriented reshaping of cohesion policy. The aim of this paper is to initiate a debate from a critical political economic perspective on the implications of this shift for Central Eastern European (CEE) member states. To this end, the paper discusses the formation of EU centre-periphery relations from a CEE point of view and formulates some preliminary suggestions as to how cohesion policy would need to be rethought in order to ensure the better integration of lagging CEE regions. [Read more](#)

Horváth Gergely, Kiss Hubert János: **Correlated observations, the law of small numbers and bank runs.** Plos One Paper. No. e0147268. 2016.

Empirical descriptions and studies suggest that generally depositors observe a sample of previous decisions before deciding if to keep their funds deposited or to withdraw them. These observed decisions may exhibit different degrees of correlation across depositors. In our model depositors decide sequentially and are assumed to follow the law of small numbers in the sense that they believe that a bank run is underway if the number of observed withdrawals in their sample is large. [Read more](#)

Hajdu Gábor, Hajdu Tamás: **The impact of culture on well-being: evidence from a natural experiment.** Journal of Happiness Studies. Vol.17. No. 3. 2016. p. 1089–1110.

This paper examines the effect of culture on subjective well-being. By exploiting the natural experiment of migration we are able to separate the effect of culture (intrinsic cultural disposition, values, beliefs, norms) from other extrinsic institutional, economic and social factors. Using data from five rounds of the European Social Survey we find that holding constant the external environment (living in the same residence country) and controlling for the important socio-demographic attributes, immigrants from countries with high levels of life satisfaction report higher life satisfaction than immigrants from countries with low levels of life satisfaction. [Read more](#)

Szalavetz Andrea: **Policy support to commercialisation and Europe's 'commercialisation gap'.** International Journal of Technology Transfer and Commercialisation. Vol. 13. No. 3–4. 2016. p. 212–225.

Despite substantial public funding dedicated to enhance the commercialisation and the market uptake of research results (CMU), Europe perceived 'commercialisation gap' vis-à-vis its main competitors has remained substantial. This paper surveys the commonalities of successful commercialisation policy instruments, based on case studies of five European and four non-European CMU policy measures. [Read more](#)

See more selected publications on our website>>>

RECENT CONFERENCE PRESENTATIONS

László Kóczy: **The effect of Brexit on Voting in the Council of the European Union**

Event: BNU-CERSHAS 6th International Conference on trade, labor economics, education economics and finance, 16–17 June, Budapest

The presented paper uses the Shapley-Shubik power index and calculate the member states' powers with and without the United Kingdom. He also update earlier power forecasts using the Eurostat's latest population projections. There is a remarkably sharp relation between population size and the change in power: Brexit increases the largest members', while decreases the smallest ones' powers.

Read [the paper](#). See the [presentation](#).

Szalavetz Andrea: **Industry 4.0 in 'factory economies'**

Event: Shaping the new world of work. The impacts of digitalisation and robotisation, 27–29 Jun 2016, Brussels, Belgium. Organizer: European Trade Union Institute (ETUI)

The presentation discussed the development perspectives of CEE manufacturing actors in an industry 4.0 era – on the example of MNCs' manufacturing subsidiaries in Hungary. It was analysed conceptually, whether or not the new technologies would annul local subsidiaries' past upgrading achievements. Will the relatively advanced activities that had been located to these countries, partly in recognition of demonstrated local competencies, be reshored? Conceptual analysis was complemented with a summary of interview findings carried out to gather information on the adoption of industry 4.0 technologies at MNCs' manufacturing subsidiaries in Hungary.

Download [the presentation](#).

UPCOMING EVENTS

20 July **Economics with policy – international seminar series**, Budapest
Ehud Kalai, Northwestern University: Learning, Predicting and Stability in Big Uncertain Games

10–12 August **Summer Workshop 2016** – Institute of Economics, CERS—HAS



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