

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.

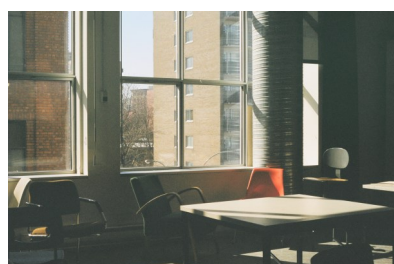
In this issue:

Project updates
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PROJECT UPDATES

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

Partners: *Katholieke Universiteit Leuven, Universiteit Maastricht, Politecnico Milano*



Using Machine Learning to Model

Interaction Effects in Education: A Graphical Approach Fritz Schiltz (*Leuven Economics of Education Research, University of Leuven*), Chiara Masci (*Modelling and Scientific Computing, Department of Mathematics, Politecnico di Milano*), Tommaso Agasisti (*Department of Management, Economics and Industrial Engineering, Politecnico di Milano*) and Daniel Horn (*CERS HAS*) illustrate the ability of Machine Learning (ML) methods (Regression Trees, Random Forests and Boosting) to model the complex 'education production function' using Hungarian data. They find that, in contrast to ML methods,

classical regression approaches fail to identify relevant nonlinear interactions such as the role of school principals to accommodate district size policies. They visualize nonlinear interaction effects in a way that can be easily interpreted. **Read** the paper.

Read more publications on the [project's website](#):

The effect of increased general education in vocational schools – Evidence from a Hungarian vocational school reform—Joris Ghysels, Zoltán Hermann, Iryna Rud, Melline Somers

Performance of Hungarian firms: are apprentices an asset or a liability? Evidence from a unique matched employer-employee dataset—Sofie Cabus, Eszter Nagy

One Size Fits All? Gender Differences in the Effect of Subjective Feedback— Anna Lovász, Ewa Cukrowska-Torzewska, Mariann Rigó, Ágnes Szabó-Morvai, Andrea Kiss

CrESSI — **Creating Economic Space for Social Innovation** (2014–2018) supported by European Union 7th Framework programme, *Coordinator: University of Oxford*



The CRESSI project has entered to its final year. There are several **publications** disseminated on the project website. Here is highlighted a recent policy brief to which our colleague contributed. The paper proposes a series of policy considerations from the CRESSI research project on social innovation for human development.

Rafael Ziegler, Molnár György, Enrica Chiappero-Martinetti, Nadia von Jacobi: **Creating (economic) space for social innovation**. *Journal of Human Development and Capabilities* Vol. 18. No. 2. p. 2017. 293-298.

Cr|E|S|S|I

Creating Economic Space for Social Innovation



PUBLICATION HIGHLIGHTS

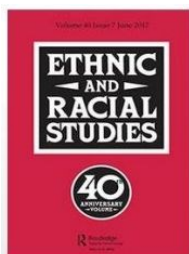
Holger Görg, László Halpern, Balázs Muraközy: **Why do within-firm–product export prices differ across markets?: evidence from Hungary.** *The World Economy* Vol. 40. No. 6. 2017. p. 1233–1246.

In this study, they analyse the relationship between distance and f.o.b. export unit values using firm–product–destination data from Hungarian manufacturing. Using 10-digit Harmonized System data, they show that a doubling of distance is associated with about 7.5 per cent increase in the average product-level price, from which five percentage points can be attributed to within-firm–product variation. They run a number of tests to look for heterogeneity in this pattern. Interestingly, the measured effect is very similar for domestic and foreign firms but distance seems to matter somewhat more for EU countries than outside the EU. [Read more](#)



Stefan Bojnec, Fertő Imre: **The duration of global agri-food export competitiveness.** *British Food Journal* Vol. 119. No. 6. 2017. p. 1378–1393.

The purpose of this paper is to examine the pattern, duration and country-level determinants of global agri-food export competitiveness of 23 major global agri-food trading countries. The results suggest that the duration of revealed comparative advantage is heterogeneous at the agri-food product level. Long-term survival rates as revealed by the comparative advantage indices are among the highest for the Netherlands, France, Belgium, the USA, Argentina and New Zealand. The level of economic development, the share of agricultural employment, subsidies to agriculture and differentiated consumer agri-food products increase the likelihood of failure in the duration of comparative advantage, while the abundance of agricultural land and export diversification reduce that likelihood. [Read more](#)



Ethnic and Racial Studies Special Issue: **Racialized Bordering Discourses on European Roma.** Vol. 40. No 7. 2017.

Krisztina Keresztély, James W. Scott, Tünde Virág: **Roma communities, urban development and social bordering in the inner city of Budapest.** p. 1077–1095.

The paper presents an analysis of how discursive and material processes of urban regeneration in Budapest have contributed to the exclusion of long-standing Roma residents. Keresztély, Scott and Virág expose the political intentions of the local government to marginalize Roma families through re drawing social and spatial borders between social and ethnic groups living in the neighbourhood. [Read more](#)

Viktor Varjú & Shayna Plaut: **Media mirrors? Framing Hungarian Romani migration to Canada in Hungarian and Canadian press.** p. 1096–1113.

Several thousand people from former socialist countries, including Hungarian Roma, moved overseas during the last two decades. There were many reasons but for Roma, the motivations not only included a drastic loss of employment, but reemerging systemic and increasingly violent racism. This article focuses on the discursive framing of these motivations and the reaction within both Hungarian and Canadian newspapers from 1999 to 2013. They show how the “Hungarian Roma issue” becomes an example and reflection of the changing political culture. [Read more](#)

Nira Yuval-Davis, Viktor Varjú, Miika Tervonen, Jamie Hakim, Mastoureh Fathi: **Press discourses on Roma in the UK, Finland and Hungary** p. 1151–1169.

This article analyses the political and media discourses on Roma in Hungary, Finland and the UK, in relation to the local Roma in these countries as well as those who migrated from Central and Eastern Europe countries following the fall of communism. [Read more](#)

The research was supported by **EUBORDERSPAPES** FP7 large scale project. *Coordinator: Karelian Institute, University of Eastern Finland*

Andrea Szalavetz: **Intangible investments at multinational companies' manufacturing subsidiaries: do they promote innovation-based upgrading?** Equilibrium
Vol. 12. No. 1. 2017. p. 63–80.

The purpose of this paper is to explore the features of intangible investment at MNCs' manufacturing subsidiaries, on the example of Hungary. They investigate the following questions: a) What exactly do local manufacturing subsidiaries invest in, when they implement intangible investments? b) Is there a difference between the role of intangible investments at MNC level and at manufacturing subsidiary level? c) What is the association between subsidiary-level intangible investments and upgrading? They analyse a sample of 44 manufacturing subsidiaries in the Hungarian automotive and electronics industries. They carry out a qualitative content analysis of sample companies' notes to their financial statements, complemented with other sources of corporate information. [Read more](#)



See other publications on our website>>>

RECENT CONFERENCE PRESENTATIONS

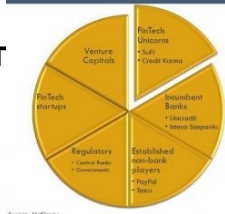


Can local food systems help? Consequences of poorly-regulated short food supply chains: Environmental policy Zsófia Benedek, Andrea Tabi

There is an on-going interest in local food systems worldwide. Increasing localism and political support of small-scale farmers, besides developing rural communities, are also thought to have positive environmental effects due to reduced food mileage. A Hungarian case study is used to demonstrate that (as a consequence of the economies of scale) small-scale farmers with bigger, more developed or more diversified farms might decide to transport their produce further (or more often), if not properly regulated; which implies that conflicts potentially exist between environmental and socio-economic goals. [Download](#) the presentation.

ESEE 2017 Conference, 20–23 June 2017, Corvinus University of Budapest, Hungary ch Republic

Trends in financial services and FinTech industry Ádám Kerényi



Junior research fellow introduced the FinTech phenomenon and presented some benchmarks which showed that the United Kingdom ranked first as having the strongest FinTech ecosystem globally. The London based hub particular competitive advantage used to be a world-leading FinTech policy environment. Due to the impact of the EU-Referendum it might be changed. A year has passed since that vote, however the potential Brexit-negotiation is still yet to be determined. The FinTech sector's role in the UK economy is in a major transformation. [Download](#) the presentation.

Young Scholars Initiative Europe Convening 2017, 1–4 June, Trento Italy

UPCOMING EVENTS

August 14–16. Budapest, Summer workshop, [Preliminary program](#)
Organizer: Institute of Economics, CERS HAS

October 19 – 20. Budapest. [5th International Workshop on Efficiency in Education](#)
Eden project



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