

INTRODUCTION

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

In this issue:

Project updates

Publication highlights

Conference presentations

Upcoming events

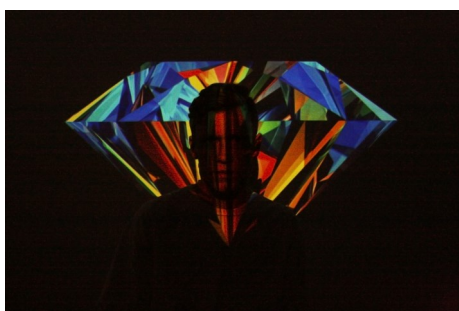
PROJECT UPDATES



The complexity of cake cutting with unequal shares

An unceasing problem of our prevailing society is the fair division of goods. The problem of proportional cake cutting focuses on dividing a heterogeneous and divisible resource, the cake, among players who value pieces according to their own measure function. The goal is to assign each player a not necessarily connected part of the cake that the player evaluates at least as much as her proportional share. **Ágnes Cseh** and **Fleiner Tamás** (*Institute of Economics, IE*) investigate the problem of proportional division with unequal share in their recent article in *ACM Transactions on Algorithms*. [Read more](#)

Mechanism Design research group (2016-2021) financed by the Momentum grant of the Hungarian Academy of Sciences



Diamond trap in Botswana

Many countries with significant natural wealth suffer from what is labelled as the *resource curse*. Botswana is often considered as one of the few success stories as it has maintained a relatively steady economic growth and political stability since the beginning of diamond mining, for almost five decades. Around 20% of the GDP and almost 85% of the exports are generated by the diamond industry, while the country ranks relatively low in terms of economic complexity and struggles with significant unemployment. Authors **Tamás Barczikay**

(*Centre for Social Sciences*), **Zsuzsanna Biedermann** (*Institute of World Economics, IWE*) and **László Szalai** (*Budapest University of Technology and Economics*) test the Dutch disease theory on Botswana's case. [Read more](#)

From developmental states to new protectionism: changing repertoire of state interventions to promote development in an unfolding new world order, Hungarian Scientific Research Fund (OTKA) (2017-2021)



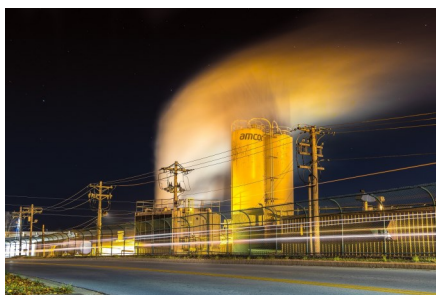


Long term land cover changes in Budapest

The loss of farmland to urban use in peri-urban areas is a global phenomenon. **József Lennert, Jenő Zsolt Farkas, András Donát Kovács** (*Institute for Regional Studies, IRS*) and their co-authors aimed to uncover 80 years of land cover changes in the functional urban area of Budapest. Utilizing various data sources from the 1950s, 90s and from 2012 they extended their analysis with a forecast on land cover developments until 2040. The findings among others showed that land conversion and the shrinkage of productive agricultural land around Budapest

significantly intensified after the collapse of communism. The decline of agricultural, natural, and seminatural areas seems to have been a general trend in the agglomeration of Budapest between 1990 and 2012, there were two exceptions: grasslands and forests, which grew by 9500 ha and 4400 ha, respectively. [Read more](#)

Complex spatial modelling possibilities of the socio-economic changes of Hungary for the 21st century, Hungarian Scientific Research Fund (OTKA) (2018-2021)



Agent of change in old industrial regions

The ambition of the international joint research project *Agents of change in old-industrial regions* (ACORE) is to explore how old industrial regions of Europe can create new development paths. The research team representing both the western the northern and the middle eastern territories of Europe collaborate in revealing different trajectories of industrial towns across Europe from South-West Wales through South Sweden to North-

East Hungary in order to find agents of economic growth stimulation. [Navigate on the interactive map](#) of the project to get acquainted with case studies of Teplice, Decin, Zeitz, Lauchhammer, Tatabánya, Tiszaújváros, Boras, Kiruna, Wrexham or Llanelli.

Read **Erika Nagy** (IRS) connected book review on Grandi, S., Sellar, Ch. and Jafri, J. (eds.): *Geofinance between Political and Financial Geographies: A Focus on the Semi-Periphery of the Global Financial System*. (Cheltenham–Northampton, Edward Elgar, 2019. 264 p.)

Agents of change in old-industrial regions (ACORE), 2019-2021, financed by the Volkswagen Foundation, Partners: Lund University (Sweden), University in Ústí nad Labem (Czechia), Leibniz Institute for Regional Geography (Germany) (lead partner) , Cardiff University (UK)



The Hungarian Labour Market 2019

Institute of Economics recently launched the new volume of the Hungarian Labour Market Yearbook. The *In Focus* chapters focus on the main aspects of the labour market situation of youth from secondary education to the first job. The chapters present the main trends of educational attainment and employment of the past fifteen years, analyze the competencies obtainable in school, and the trends of early school leaving. They offer a novel account on the negative

effects of difficulties at stepping into the labour market on the rest of the career path. as well as employment policy tools and services available to youth. Furthermore, the research team describe the educational and labour market disadvantages experienced by Roma youth, examine the skills demanded by employers, and review the occupational and geographical mobility of youths. [Read more](#)

The Hungarian Labour Market 2019, (2019-2020), financed by the Hungarian Academy of Sciences



PUBLICATION HIGHLIGHTS

Bíró Anikó - Elek Péter: **Job loss, disability insurance and health expenditure. Labour Economics** Vol. 65. 2020. Paper 101856. 16 p.



We analyse the causal effect of job loss on disability insurance enrolment on a five-year horizon and the implications on health expenditure. Using administrative panel data from Hungary, we follow individuals displaced due to a mass lay-off and compare their labour force status to non-laid-off individuals with similar employment and health history. According to our estimates, being laid off increases the transition probability to disability 1.5-fold (or by 1.4% points) in four years, and half of the excess transitions occur within the first year. The four-year mortality rate increases 1.7-fold (or by 0.4% point). [Read more](#)

Csomós György; Farkas Jenő Zsolt; Kovács Zoltán: **Access to urban green spaces and environmental inequality in post-socialist cities. Hungarian Geographical Bulletin**, Vol. 69. No. 2. 2020. pp. 191-207.

Access to urban green spaces and environmental inequalities are increasingly on the agenda in contemporary cities due to increasing density of people, widening social inequalities, and limited access to urban green spaces. This is even so in post-socialist cities where recent urban sprawl and suburbanisation could be strongly linked to the scarcity of adequate green spaces in the inner-parts of cities. [Read more](#)



Kónya István - Krekó Judit - Oblath Gábor: **Labor shares in the old and new EU member states - sectoral effects and the role of relative prices. Economic Modelling** Vol. 90. 2020. pp. 254-272.



The paper studies the labor share among countries of the European Union, with a particular attention to the newer member states of Central and Eastern Europe (CEEU). We find that CEEU countries typically have lower labor shares than older EU member states, both in the aggregate and at the sectoral level. Structural change, while quite pronounced among the CEEU economies, plays only a minor role in the evolution of the labor share. The exception is agriculture, which for some countries has a sizable impact on the level and dynamics of the labor share - partly because of important measurement problems. [Read more](#)

Lindner Attila - Reizer Balázs: **Front-loading the unemployment benefit: an empirical assessment. American Economic Journal: Applied Economics** Vol. 12. No. 3. 2020. pp. 140-174.

We estimate the effect of front-loading unemployment benefit payments on nonemployment duration and reemployment wages. Exploiting a sharp change in the path of benefits for those who claimed unemployment benefits after November 1, 2005 in Hungary, we show that nonemployment duration fell by two weeks, while reemployment wages rose by 1.4 percent as a result of front-loading. We show that these behavioral responses were large enough to offset the mechanical cost increase of the unemployment insurance. We argue that our results indicate that benefit front-loading was a Pareto improving policy reform as both unemployed and employed workers were made better off. [Read more](#)



Szigetvári Tamás: **The Hungarian administrative system: from centralization to regionalization and back.** *Journal of Political Administrative and Local Studies* Vol. 3. No. 1. 2020. pp. 23-40.



The paper deals with the development of the administrative system in Hungary with a special focus on centralisation and decentralisation processes. It considers the historical patterns and the geographical characteristics of Hungary, and their impact on the above processes. It also examines the legacy of the socialist period, and the possibility of regionalisation in a highly centralised era. The paper discusses the impact of EU membership and the new structure of regionalism in Hungary, and finally, the most recent changes towards a stronger centralisation in administration, and its motives.

[Read more](#)

[More selected publications >>>](#)

CONFERENCE PRESENTATIONS

Havas Attila - Molnár György: **A multi-channel interactive learning model of social innovation**

We develop a new model of social innovation (SI) inspired by the multi-channel interactive learning model of business innovation. As opposed to the linear models of innovation, this model does not identify 'stages' of business innovation. Rather, it stresses that innovation is an interactive process, in which collaboration among various partners are crucial, as they possess different types of knowledge, all indispensable for successful innovation activities. [Read more](#)



New Horizons for Science, Technology and Innovation Policies virtual conference, 4 June 2020, Organizer: European Forum for Studies of Policies for Research and Innovation

Mohammad Akbarpour: **Socioeconomic Network Heterogeneity and Pandemic Policy Response**

We develop a heterogeneous-agents network-based model to analyze alternative policies during a pandemic outbreak, accounting for health and economic trade-offs within the same empirical framework. We use this framework to analyze the impact of different social distancing policies in the context of the COVID-19 outbreaks across US metropolitan areas. Our results highlight how outcomes vary across areas in relation to the underlying heterogeneity in population density, social network structures, population health, and employment characteristics. We find that policies by which individuals who can work from home continue to do so, or in which schools and firms alternate schedules across different groups of students and employees, can be effective in limiting the health and healthcare costs of the pandemic outbreak while also reducing employment losses. [Read more](#)

Institute of Economics (virtual) Seminar Series, 25 June 2020



Editor: Zsuzsa Balabán

Subscribe/Unsubscribe

