Knowledge Transfer, Small and Medium-Sized Enterprises, and Regional Development in Hungary

Edited by

Imre Lengyel

JATEPress, University of Szeged
Hungary, 2003
Contents

Contributors vii
Preface ix

Part 1: Knowledge Transfer

1. The Role of Leadership in Knowledge Management and Knowledge Transfer 1
   Ferenc Farkas

2. Agglomeration and the Role of Universities in Regional Economic Development 15
   Attila Varga

3. Organizational Elements of Knowledge Transfer in Hungary: Towards a Functional System of Innovation 32
   Norbert Buzás

4. Experiences in the Fields of Innovation Services in Hungary at the Age of Millennium 47
   Péter Mogyorósi and Márton Vilmányi and Balázs Révész

5. On the Notion of Public Goods 60
   Ferenc Mozsár

Part 2: Small and Medium-Sized Enterprises

6. The Changing Role of Entrepreneur and Entrepreneurship in Network Organisation 81
   László Szerb

7. Microfinance in Hungary: Opportunities and Impediments 96
   László Kállay
8. The Vision of Hungarian Small and Medium-Sized Enterprises
   Tamás Mészáros and András Bálint

   Péter Szirmai

    Zoltán Veres and Erzsébet Hetesi

Part 3: Regional Development in Hungary

11. Some Aspects of Regional Development in Hungary
    Szabolcs Deák and Imre Lengyel

12. Programming for Economic and Enterprise Development in the Southern Great Plain Region
    Imre Lengyel

13. The Logistical Opportunities of Szeged
    Ferenc Tráser

14. Some Effects of the European Charter for SME’s in the Southern Great Plain Region
    Szabolcs Imreh
Contributors

András Bálint is Assistant Professor, Faculty of Business Administration, Small Business Development Center, Budapest University of Economic Sciences and Public Administration, Budapest, Hungary

Norbert Buzás is Associate Professor of Economics, Deputy Dean, Faculty of Economics and Business Administration, Department of Regional and Applied Economics, University of Szeged, Hungary

Szabolcs Deák is Assistant Professor, Faculty of Economics and Business Administration, Department of Regional and Applied Economics, University of Szeged, Hungary

Ferenc Farkas is Professor of Economics, Head of Department, Faculty of Business and Economics, Department of Management and Organization, University of Pécs, Hungary

Erzsébet Hetesi is Associate Professor of Economics, Deputy Dean, Faculty of Economics and Business Administration, Department of Marketing and Management, University of Szeged, Hungary

Szabolcs Imreh is Assistant Professor, Faculty of Economics and Business Administration, Department of Regional and Applied Economics, University of Szeged, Hungary

László Kállay is Deputy Director, Economic Analysis Institute, Ministry of Economy and Transport, Budapest, Hungary

Imre Lengyel is Associate Professor of Economics, Head of Department, Faculty of Economics and Business Administration, Department of Regional and Applied Economics, University of Szeged, Hungary

Tamás Mészáros is Professor of Economics, Faculty of Business Administration, Head of Small Business Development Center, Budapest University of Economic Sciences and Public Administration, Budapest, Hungary

Péter Mogyorósi is Director of Laser Consult Kft., Szeged, Hungary

Ferenc Mozsár is Associate Professor of Economics, Faculty of Economics and Business Administration, Department of Theoretical Economics, University of Szeged, Hungary

Balázs Révész is Assistant Professor, Faculty of Economics and Business Administration, Department of Marketing and Management, University of Szeged, Hungary
László Szerb is Associate Professor of Economics, Faculty of Business and Economics, Department of Managerial Economics and Accounting, University of Pécs, Hungary

Péter Szirmai is Associate Professor of Economics, Faculty of Business Administration, Deputy Head of Small Business Development Center, Budapest University of Economic Sciences and Public Administration, Budapest, Hungary

Ferenc Tráser is Director, Business and Operational Management, University of Szeged, Hungary

Attila Varga is Associate Professor of Economics, Faculty of Business and Economics, Department of Economics, University of Pécs, Hungary

Zoltán Veres is Associate Professor of Economics, Head of Department, Faculty of Economics and Business Administration, Department of Marketing and Management, University of Szeged, Hungary

Márton Vilmányi is Assistant Professor, Faculty of Economics and Business Administration, Department of Marketing and Management, University of Szeged, Hungary
Preface

In 2004 Hungary is going to join the European Union. This is the final step of a transformation process having taken place in the past fifteen years. The political changes emerging at the end of the 80s confronted the countries of Central-Eastern Europe with three major challenges: the transformation from a state social economy to a market economy, the structural and technological changes in the economy and the challenges presented by processes related to globalization. Although it had to overcome several difficulties, Hungary also lived up to all of these three challenges. In the first decade of the political changes focus was mainly on developing the political-institutional conditions as well as establishing the democratic rule of law and a functioning market economy. However, today’s main tasks are to build up a knowledge-based economy, strengthen the competitiveness of enterprises and develop the regions that are lagging behind.

The present volume includes 14 essays highlighting three important issues of the Hungarian economy: the Hungarian characteristics of knowledge transfer, the aspects of promotion Hungary’s small and medium size enterprises and the questions of regional development. The European Union lays special emphasis on all three issues and offers different forms of assistance that will be available after the accession. However, regardless of the EU’s assistance, these are among the key issues indispensable for the successful development of the Hungarian economy.

The first part of the volume introduces and discusses the most important features of knowledge transfer. Among theoretical questions related to knowledge transfer, the services promoting efficient company knowledge management are of special importance (Ferenc Farkas). The role of universities in the regional development of the economy becomes more and more significant especially owing to the establishment of a knowledge-based economy (Attila Varga). The institutes assuming an important role within Hungary’s innovation system are introduced and the effectiveness of their operation is evaluated in this section (Norbert Buzás). The most important players of innovational services together with their limits are also reviewed (Péter Mogyorósi, Márton Vilmányi and Balázs Révész). In a transitional country, not only market players but also public figures and public goods created and operated by them assume an essential role in stimulating knowledge transfer; that is why the different interpretations of the meaning of public goods are also examined (Ferenc Mozsár).

The second section analyzes the Hungarian characteristics of SMEs. In transitional countries it is necessary to stimulate entrepreneurship and establish business networks in order to compete in the global contest (László Szerb). One of the relevant problems that small enterprises have to face is the lack of capital – Hungary, as other countries, has designed micro-loans to alleviate this situation (László Kállay). In order to render today’s SMEs competitive, it is indispensable to utilize information technologies; according to the results of surveys the different
types of SMEs have different relations towards novelties in this field and furthermore, draw up different strategies to carry out development (Tamás Mészáros and András Bálint). The recent challenge of the Hungarian enterprise-development policy, has not been financing the foundation of new enterprises but preparing operating companies for the intensifying competition due to our joining the EU (Péter Szirmai). In achieving customer satisfaction and loyalty, marketing plays a vital role and its latest methods are more and more often adopted by Hungarian enterprises, as well (Zoltán Veres and Erzsébet Hetesi).

The essays in the third part of the volume deal with the development of Hungarian regions concentrating on the key problems present in the region of the Southern Great Plain. In Hungary regional inequalities are increasing; according to the most figures three regions are experiencing a fast development while the other four regions are lagging behind (Szabolcs Deák and Imre Lengyel). One of the underdeveloped regions is that of the Southern Great Plain although recently different schemes have been developed for its improvement (Imre Lengyel). The region’s largest city is Szeged with excellent logistic opportunities. Improving the road system may contribute to the whole region’s development (Ferenc Tráser). Using the EU’s SME Charter as a basis, several institutions facilitate and support the operation of SMEs in the region (Imreh Szabolcs).

The majority of essays in the present volume were written by researchers of the Department of Regional and Applied Economics, Faculty of Economics and Business Administration, University of Szeged. The main area of research at the Faculty is the regional and local development of economy; within this area special emphasis is placed on technology transfer and the assistance provided to SMEs. In these questions the Faculty cooperates with researchers of other universities, mainly the Faculty of Business and Economics, University of Pécs and the Faculty of Business Administration, Small Business Development Center, Budapest University of Economic Sciences and Public Administration, Budapest. The works of the researchers participating in such collaborations are also included in this volume.

Szeged, June 2003

Imre Lengyel
Editor

Department of Regional and Applied Economics
Faculty of Economics and Business Administration
University of Szeged, Hungary