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KR'TK

Centre for Economic and
Regional Studies

BOOK OF ABSTRACTS



DEVELOPMENT STUDIES IN THE TIMES OF CRISES

JOINT INTERNATIONAL CONFERENCE OF THE EADI AND KR'TK

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BUDAPEST

KR'TK, TÓTH KÁLMÁN UTCA 4.

9.15 – 10.30 Panel 1 (KRTK KTI)

Attila Havas (Institute of Economics, Centre for Economic and Regional Studies & AIT Austrian Institute of Technology, Center for Innovation Systems and Policy)

Doris Schartinger (AIT Austrian Institute of Technology, Center for Innovation Systems and Policy)

K. Matthias Weber (AIT Austrian Institute of Technology, Center for Innovation Systems and Policy & Université Gustave Eiffel, LISIS)

Innovation Studies, Social Innovation, and Sustainability Transitions Research: From mutual ignorance towards an integrative perspective?

Keywords: Innovation studies; Social innovation research; Sustainability transitions research; Focussed literature review; Goal-oriented transformative change; A new, integrative analytical framework

This article is a first attempt towards building an integrative analytical framework to study goal-oriented transformative change processes. These changes can only start once a broad range of possible goals are considered by key stakeholders and the full spectrum of relevant actors are committed to act. Hence, there is a need for widening the scope of the current, partial conceptual models to consider the co-evolutionary interactions between technology, economy, and society to better understand and effectively guide these change processes. This claim is based on our review of the three main relevant strands of literature, i.e., Innovation Studies, Social Innovation research, and Sustainability Transitions research, discussing key conceptual elements of each strand. As our main contribution, we offer a definition of goal-oriented transformative change and four building blocks for a new, integrative framework to analyse it.

Imre Fertő (KRTK)

Impacts of agricultural policy on the Income inequality in agriculture

Miklós Váry, István Kónya

Sectoral Adjustment around Sudden Stops: An Empirical Investigation

We analyze the dynamics of sectoral Real Gross Value Added (RGVA) around sudden stops in foreign capital inflows. We identify sudden stop episodes statistically from changes in gross capital inflows from the financial account, and use an event study methodology to compare RGVA before and after the start of the sudden stop. In the baseline specification, we estimate changes in the growth rate of sectoral value added during sudden stops and in the few quarters following them. In an additional exercise, we analyze deviations from the sectors' long-run growth path. Our findings indicate that: (i) tradable sectors, especially manufacturing, face larger damages during sudden stops than nontradable sectors, (ii) but they also lead the recovery after recessions that accompany sudden stops on impact, partly due to the fact that they benefit from the depreciation of the domestic currency that occurs during sudden stops, (iii) construction and business services are the most seriously hurt nontradable sectors during sudden stops, while information and communication, and financial services grow slower even in the aftermath of the events than before their onset. However, this slowdown only constitutes a return on their long-run sectoral growth path. Overall, our results suggest a prolonged reallocation of economic activity away from service sectors, towards the production of goods. This finding is consistent with a traditional view of the role of tradable and nontradable sectors in a sudden stop episode.

10.45 – 12.00

Panel 2 (EADI)

Henning Melber (president, EADI)

Reflections on Development in Development Studies

There is a history to Developmentalism long before the US-American President Truman's discovery in his inaugural address of 1949. He then advocated development as an integral part of Western policy embracing the emerging independent states through aid in support of sovereign governance. An embracement, which often turned out to be more of a strangulation than a provision of oxygen to breathe the winds of change as signs of freedom and self-determination to make own choices.

The nature and conceptual understanding such development promoted reinforced a paradigm and equation created during the times when the Enlightenment in central Europe paved the way for an expansion into the rest of the world under the flag of early global domination. It equated colonialism with a civilising mission and progress. The price was paid not only by those forced under foreign rule and subject to exploitation in most other parts of the world. Such notion of development had the local population in the colonizing countries in a process of domestication during early industrial capitalism as collateral damage too. Colonisation as "Development" was enforced both at home and abroad. There is no time to delve in more detail into this history. But these cursory opening remarks should at least serve as a reminder that we deal with Development in the long shadow of several centuries of a Eurocentric fabric, which managed to obtain a global sphere of influence pretending to be a universal framework taken for granted. Its success lied in the acceptance and internalisation by people at the receiving end, and the creation of local elites benefitting from practices guided by such model. To that extent, the dominant forms of development reproduced asymmetric power structures everywhere and transcended to some extent the North-South divide into one of a global system. Such universality is one based on class interests.

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Andrew Sumner (King's College)

Plurality, Economics and Development Studies

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István Benczes (Corvinus, KRTK VGI)

Development studies in Hungary

14.30 – 15.45

Panel 3 (KRTK VGI)

Judit Ricz (KRTK VGI, Corvinus University, Budapest)

Michael Schedelik (Institute of Political Science, Goethe University Frankfurt)

Brazil's National Champions Strategy (2007–2013): Achievements and pitfalls

Keywords: Industrial Policy, State Capitalism, New Developmentalism, Brazil, BNDES, National Champions

The recent multiple crises have led to a renaissance of the role of the state in the economy throughout the world. Hence, industrial policy is once again back at the agenda of academic and policy debates in advanced as well as emerging economies (Chang and Andreoni 2020; Bulfone 2022). We want to contribute to this debate by discussing the controversial results of a recent case of industrial policies – the 'National Champions' Strategy of the Brazilian National Development Bank (BNDES). Being the centrepiece of Brazil's move towards a more state-led economic model in the late 2000s, commonly dubbed 'New Developmentalism' (Bresser-Pereira 2020), its successes and failures should be of great importance to the ongoing debate about industrial policy, state capitalism, and development (Alami and Dixon 2020).

The 'National Champions' strategy has become an integral part of contemporary state capitalist models, with China being the most outstanding, yet extreme example. By looking at the Brazilian case, the paper aims to provide a critical appraisal of revived industrial policies in the early 21st century as a separate policy tool of the newly emerging variety of state capitalism. Conceptually, we draw on an institutionalist framework highlighting the institutional embeddedness of firms and the complementarities between several institutional spheres as resources and constraints for companies' competitiveness and internationalization. The paper aims to contribute to the current debate about state-financed firm internationalization in general, and the viability of a 'National Champions' strategy in particular.

Ágnes Szunomár (KRTK VGI, Corvinus University, Budapest)

Tamás Peragovics (KRTK VGI)

Agnieszka McCaleb,

Wenxuan Song

The role of the Chinese state in shaping the competitiveness of the electric vehicles sector

The presentation investigates the role of the Chinese state in shaping the competitiveness of the electric vehicles (EV) sector by focusing on a national champion company, BYD. Recognizing the unsustainability of resource-extractive capitalist practices and the domestic economic growth they underpin, China is actively supporting up-and-coming industries to realize this much-needed green transition. The EV sector is a prime example of these ongoing efforts. By relying on theories of ecological modernization and strategic industry, the paper fleshes out the many programs and policies through which China is implicated in developing the EV sector. Our findings suggest that the state-industry relationship in the EV context achieves multiple objectives. It allows to keep economic prosperity the cornerstone of the CPC's performance and legitimacy all the while reducing the strain China's economic rise has on the environment. At the same time, it showcases success in homegrown innovation and the ability of Chinese companies to compete in a technology-intensive industry domestically as well as globally.

Magdolna Sass (KRTK VGI, Budapest, Hungary)

Jana Vlčková (University of Economics, Prague, Czech Republic)

Heterogeneity of emerging multinationals and the role of the state in their development – the case of Czechia and Hungary

Czechia and Hungary are increasingly homes to multinational companies. Using the examples of these multinationals, we examine the role of the state in their emergence, specifically, how the state/government in Czechia and Hungary influences the internationalisation of firms through foreign direct investment. We combine various strands of the international business and institutional approaches and analyse how the three domains of the role of the state in the economy: first "non-threatening" governance, second state ownership, and third "statism" influenced the emergence of Czech and Hungarian multinationals. We identify locally owned and/or controlled multinationals and through company case studies and analysis of policies, we delineate the channels and mechanisms of the impact of the three "state domains" on the foreign expansion of these companies. We show that while the state as owner plays a negligible role in these countries in the internationalisation of local companies through FDI, still, through its impact on other domains, it is an important, in certain cases determinant player in shaping outward FDI by local firms. Besides the similarities, we also show that in many instances, the actual mechanisms of the impact of state intervention differ in Czechia and in Hungary.

16.00 – 17.15

Panel 4 (KRTK RKI)

Judit Keller, Tünde Virág, and Gergely Tagai, (KRTK RKI)

Attila Havas and György Molnár (KRTK KTI)

Assemblages of local agency for social innovation in peripheral localities

The overall objective of this project is to analyse the ways and extent to which local actors induce social innovation – and the institutional transformations this entails – at various levels of governance. We will identify varieties of local agency as well as diverse strategies and actions that promote innovation in building resilience within vulnerable communities. Our specific objectives are: (i) to identify the constraints and opportunities the institutional environment offers for local actors to assemble the agency needed to design and implement socially innovative initiatives and the mechanisms through which it shapes local agency; (ii) to unravel local actors' capabilities to build coalitions, mobilise resources and politicise development needs at the macro level; (iii) to identify the composition of coalitions, cognitive frames and knowledge that is co-created, strategies and interactions deployed, and the kinds of institutions created in the process.

We will link subnational development to the creative agency of human actors and to theoretical discussions on actors and institutions, following the multi-channel interactive learning model of social innovation. We will share our results with stakeholders to assist them in planning and implementing future development projects. For policy-makers, we will provide guidelines for planning policy tools and evaluating impacts, stressing the importance of planning processes and participatory methods during both policy formation and social innovations.

Koós Bálint, Tagai Gergely

(Un-)changing spatial pattern of poverty in Hungary

In this paper, we explore spatial patterns of poverty interpreted as multidimensional deprivation in Hungary. We argue for the presence of an unchanging spatial structure of poverty over time, determined by long-term socio-spatial processes. In our paper, we consider population dynamics and demographic characteristics as key factors having an impact on shaping multidimensional deprivation and show how the effect of demographic processes (outmigration, natural population changes, ageing etc.) can be recognised in spatial patterns of poverty.

By building on the results of a former study on projecting Hungarian population data to forecast future socio-economic and demographic changes, we argue, besides an expected decent rate of general population decrease in Hungary, how projected territorial differences influence future spatial perspectives of multidimensional deprivation. Our results show the rising contiguity of spaces of poverty in peripheral areas of Hungary, and the prospective increase of deprivation in different parts of Hungary in relation to the development of various components of demographic change (e.g. migration and ageing processes). These results could have importance from the viewpoint of planning future development initiatives since they show future target areas of interventions against poverty and their interconnections with current socio-spatial trends.

Sára Gibárti (KRTK RKI)

Humanitarian food assistance to Syrian refugees in Turkey: modalities, challenges, fluctuating cooperation between domestic and international actors

Due to the massive refugee influx created by the war in Syria, Turkey now is one of the world's largest refugee hosting countries, with around 3.6 million displaced Syrians on its territory. The presence of a significant refugee population, mainly in urban areas of Turkey, has not only created socio-economic, demographic, and political challenges, but has inevitably resulted in humanitarian and social obstacles among the refugee population and host communities alike. The primary aim of the conference presentation is to discuss the transforming international humanitarian food assistance methods to Syrian refugees in Turkey between 2012 and 2020. In addition, the research examines the cooperation frameworks between actors involved in humanitarian food assistance, i.e., relevant UN agencies (e.g., WFP), local and international NGOs, and Turkish government institutions. One of the main findings of the research is that while cooperation between humanitarian actors can be observed, there is a strong government influence on the implementation of humanitarian aid, activities of international organisations and the overall refugee response. The results also show that the mechanisms of humanitarian assistance have changed considerably over the studies period, with a significant difference between assistance provided outside and inside refugee camps. Beyond reviewing the essential international literature, the examination of this issue is principally based on data analysis of the reports of relevant international organisations, as well as anonym in-depth interviews with experts from the field.