

# Europe 2020

## Hungary and Central Europe

Dr. Zoltan Pogatsa  
University of West Hungary

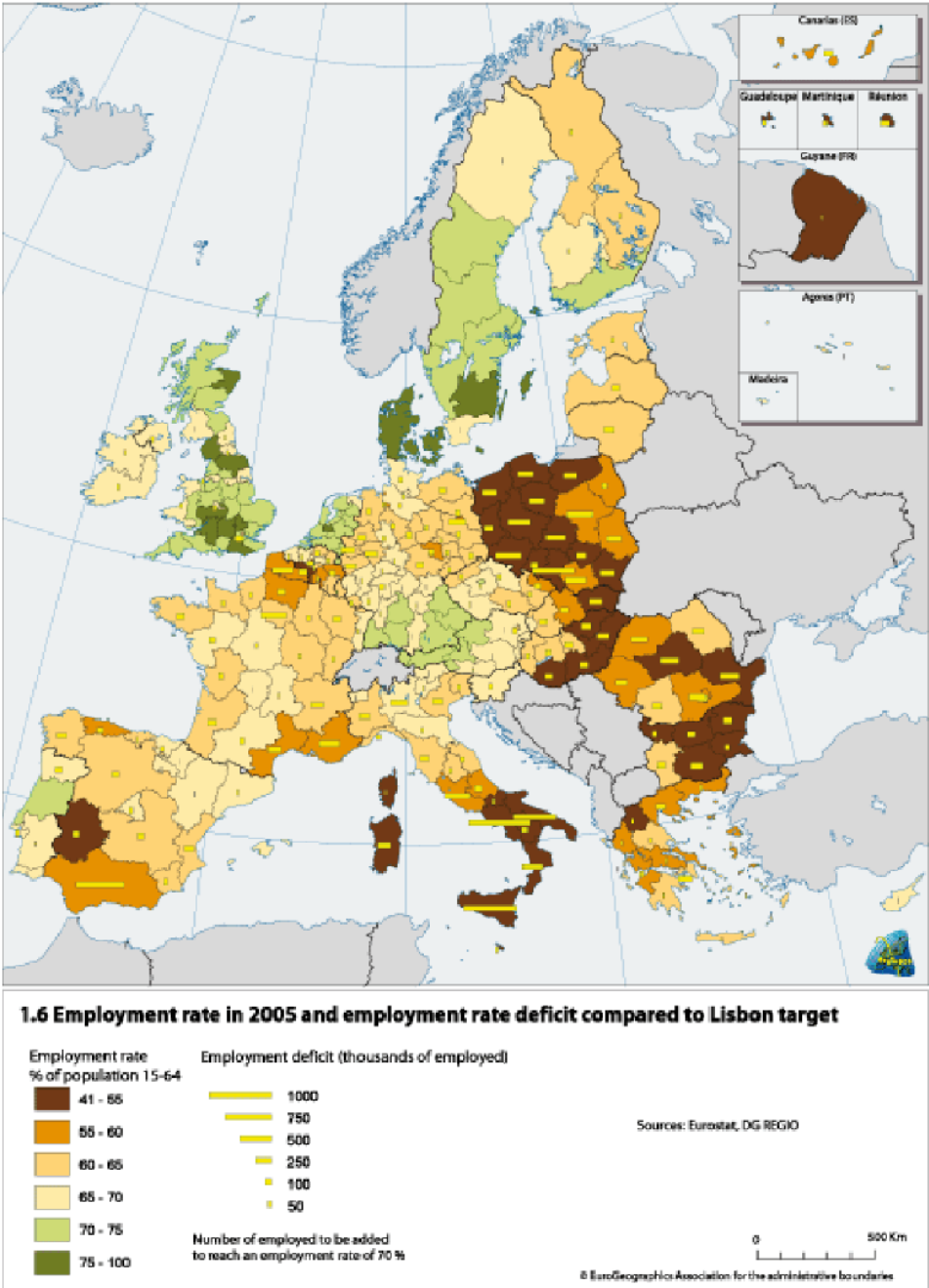
# Europe 2020:

1. High employment
2. High R&D
3. Knowledge based
4. SME based
5. Sustainable no more :(

# Situation before crisis 1.: EMPLOYMENT

CEE was an employment crisis region before the  
crisis!  
(exception: Slovakia, Czech Rep.)

# Eastern Europe: Employment crisis region!



# Situation before crisis 2.:

## R&D

1. Low levels of R&D
2. More GERD than BERD (as opposed to Western Europe)
3. Dramatic fall in patents after transition to peripheral position

**LOW VALUE ADDED MULTINATIONALS**

# Situation before crisis 3.:

## KNOWLEDGE BASED

1. Best universities: 501 place in international comparison
2. Dramatic fall in standard of universities (social sciences never materialised)
3. Eastern degrees low in prestige
4. No demand for knowledge

# Situation before crisis 4.: SMEs

CEE FDI and multinational based.  
Excptions: Slovenia, Croatia, and partly Poland.

# Situation before crisis 5.: ICT based

Delay in internet penetration, but gradually  
growing (end level?)

# Lisbon Score Cards

Competitive:

1. Neoliberals
2. Nordic welfare states

CEE nowhere

# Effects of the crisis:

1. Fall in western demand for products of multinationals falls: unemployment increases in East.
2. Demand driven (SK, HU, CZ, RO) and credit boom based (Baltics, HU) crises ---> fall in government revenues ----> austerity

# Effects of austerity programmes:

1. GERD easy target
2. Education (public servants) easy target
3. No change in global economic position (FDI based low value added)