

Regional Trends, Patterns and Inequalities Among Medium-sized Firms of the Hungarian Manufacturing Sector

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Recent studies in entrepreneurship, small business and territorial competitiveness reveal the increasing importance of medium-sized manufacturing enterprises, which represent an autonomous segment within the SME sector. Their significant role within regional economic development could be explained by the success of German family enterprises (Mittelstand firms) as well as Italian medium-sized firms that have emerged from industrial clusters in the Northern Italian regions.

However, both developed and post-socialist economies are finding the development of medium-sized enterprises to be a challenging task, posing several obstacles. As a result of FDI-inflows in the last two decades after the transition, a dual system has been evolved within the Hungarian manufacturing sector. A couple of sectorial and territorial differences could be observed among the two parts of this dual system, especially in efficiency and impact on the regional economy.

This paper presents the results of a statistical survey on existing and emerging medium-sized enterprises in Hungarian manufacturing. We have focused on three main factors: growth rate, ownership and the age of medium-sized firms. Using a dataset on Hungarian enterprises between 2000 and 2015, it is found that the medium-sized enterprise segment has undergone shrinkage instead of expansion, although promising specialisation patterns are also apparent in selected regions, and even less successful regions have their competitive enterprises.

Do Small Industrial Towns Perform Worse in Socio-economic Well-being Indicators? A Case Study of Slovenia

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Small industrial towns are seen as those that have troubles 'hooking up' to modern global capitalism and are thus prone to stagnation and/or decline. In Europe, urban decline is particularly noticeable in mining towns, and those where the steel and textile industries are located. Subsequently, urban decline is associated with presence of industry or the 'productive' economic profile. This notion is even more pronounced in the post-socialist context, where towns faced rapid economic transformation from fordist to post-fordist economy. Judging from these processes small industrial towns are perceived as gritty places of urban shrinkage. The aim of this research is to challenge a common association of small industrial towns with general socio-economic decline. We believe that smaller industrial towns have advantages in contrast to similar sized towns with service economy and that industrial character of economic base is not necessarily reflected in lower socio-economic well-being. Based on the collection of 34 variables explaining employment, economic performance, demographic trajectories, living environment, and voting behaviour, we statistically examined degree of differences between small industrial towns and those small towns that have shifted towards consumption or service orientated economic activities in Slovenia. The main result is that associating small industrial towns with poor socio-economic well-being is over-simplistic. Despite the negative connotations of industrialism in Europe, Slovenian industrial towns are not plagued by negative socio-economic well-