

and residential Christchurch. In this paper we ask whether or not, insurance pay-outs, as they varied locally in size and timing, had a significant impact on housing market dynamics in the years following the earthquakes. The question is a delicate one, as paradoxically the earthquake created a negative supply shock of houses, which in isolation correlates with house price appreciation. At the same time as the most damaged neighbourhoods may be more at risk for future earthquakes, potential buyers may be likely to look for houses in other less disaster-prone neighbourhoods. So, the supply shock may be offset by a demand shock. At a higher level the pre and post housing submarkets may differ as close substitutes before the earthquake may no longer be in the wake of the disaster. We utilize flexible machine learning techniques to address this contingency and concern. It is natural to assume that insurance pay-outs and their timing, affect local housing market recovery and their internal ranking. Initial analysis indicates that the higher insurance pay-outs tend to give a lower probability for a positive jump in rank for a given neighbourhood. This lower probability is significant even when controlling for earthquake intensity.

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Economic development processes of Central and Eastern European cities

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Abstract

The research seeks to explore FDI-driven transformation and development processes in Central and Eastern European (CEE) cities in the post-transition period. The geographical focus of the analysis is limited to post-socialist states, while the scale of the analysis targets the metropolitan and regional level. Research questions: 1) What common specifics characterize the economic development of CEE cities? 2) Can the existence of specifics indicating unique development paths (i.e. Visegrad Group, Western Balkan states; gateway cities, automotive cities) be verified? 3) What are the consequences of capital city centrality and the role of second tier cities? The first part of the study presents the background of the macro region. In the course of the past three decades, Central and Eastern Europe has witnessed a particularly dynamic transformation process. Central Europe has emerged as a winner of global industrial relocation processes, industrial decline was followed by reindustrialisation, while economic restructuring produced a multi-layered spatial structure. According to Gál and Schmidt (2017), the main specifics of the transition model include a double shift in ownership structure (from state to private, from domestic to foreign) and a double shift in the system model (from state socialism to market capitalism, from industrial capitalism to financialized capitalism). The region's externally driven and financed global economic integration was not the result of bottom-up development, which led to the proliferation of literature challenging core ideas of mainstream theories or presenting their variable geo-economic framework conditions referred to as externally-driven capitalism or the dependent market economy model (Nölke and Vliegthart, 2009). The second part of the study focusing on the examination of individual urban development paths. While FDI was the dominant foreign capital type in the first phase of the transition (privatization), foreign bank capital took over the predominant role of FDI at the turn of the millennium. The unfolding of this process was spatially uneven since capital cities, port cities and western regions adjacent to EU Member States were seen to provide profitable investment opportunities by investors in the first round. Initially, investments targeted only a small number of cities and regions, hence, economic growth was also concentrated in these areas, providing them a source of relative advantage. The global economic crisis has impacted this trend, without, however reversing long-term tendencies. The penetration of advanced services follows the urban hierarchy and in the bulk of the states this sector is concentrated in the capital city. The dominance of capital cities and city regions is a well-established fact. In smaller countries, or in the case of central location, the role of capital cities cannot be overstated. In addition, there is a substantial difference in size between capital cities and second-tier cities in every respect.

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Innovative Activity over Space and Time - Spatiotemporal Modelling of Innovation Promoting Factors