

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

Edited by

Imre Lengyel

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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.

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