FOREWORD 7
EUROPEAN INTEGRATION AND THE CRISIS

Romania from EU Accession to Crisis and the Need of a New Growth Strategy 9
Gábor HUNYA

Economics of the New Member States: a Post-crisis Perspective 27
László CSABA

Return to Common Sense Is Needed 45
Daniel DĂIANU

Integration of CEE Agri-food Sector into the EU: What Does Trade Theory and Empirical Evidence Tell Us? 59
Imre FERTŐ

Romanian Rural Areas at Present 81
Maria VINCZE

EUROPEAN AND REGIONAL CHALLENGES

The European Union as a Continental State 101
Gusztáv MOLNÁR

Institutionalized Transborder Cooperation in Central and Eastern Europe 111
István Loránd SZAKÁL

Everyday Economic Life in Central Romania: Obeying Bureaucratic Rules or Surviving Through Social Networks? 125
Arpád SZABÓ
AGRICULTURAL AND RURAL ECONOMY

The Effect of Exchange Rate Volatility upon Foreign Trade of Romanian Agricultural Products ■ 139
József FOGARASI

Digital Divide and Rural Development ■ 155
Zoltán ZAKOTA

Romanian Agriculture in the Process of EU Accession ■ 171
Sándor ELEK and József FOGARASI

THE PERFORMANCE OF BUSINESS ORGANIZATIONS

The Elements of Enhancement Company Performance within Organization ■ 189
Hajnalka FEKETE

The Impact of the Internet on the Marketing Environment of Romanian Tourism Organizations ■ 203
Hajnalka KÁNYA and Dan CĂNDEA

Assessing Romanian Managers’ Emotional Intelligence Using Graphology ■ 225
Hajnalka KÁNYA and Jolán Andrea GĂSPĂR

KNOWLEDGE AND BUSINESS ETHICS IN THE PROCESS OF EU INTEGRATION

Knowledge Production in Time of Economic Crisis: Economic and Ethical Remarks on the EU Research and Development Policy ■ 235
László FEKETE

The Compromised Trust of Non-expert Outsiders ■ 245
Erzsébet SZÁSZ

An Almost Bright Future Perspective of Young Graduates in Romania ■ 259
András GYÖRGYI and Tünde KINTER

FOREWORD

The transition from planned to market economy in Central and East European countries has triggered far-reaching structural change driven by technological development, globalization, new social demands. Though structural change induced by the European integration is already a traditional topic in the economics of transition and a vast literature exists, it seems promising to consider this problem for several reasons. From a methodological point of view there are still many challenges. The lack of a comprehensive theory on transition economies, their structural change and sector models or the proper extraction of policy impacts in econometric analyses are only a few of the unsolved problems. However, the application of sophisticated tools for analyzing structural change is not an end in itself, but contributes to the discussion of current problems and future challenges in the economics of transition.

This volume is the outcome of the 1st International Conference in Emerging Economies (ICEE), European Integration: First Experiences and Future Challenges organized by the Faculty of Economics, Partium Christian University, Oradea [Nagyvárad], Romania, in October 22-24, 2009. The major objective of the conference was to discuss and to analyze the state-of-the-art in research methods for economic analysis, as well as the political and social aspects of European integration especially the emerging economies of the Central and East European countries. A specific objective was to offer a platform for exchanging ideas and generating an integrated view of first experiences and future challenges of the integration process. As current topics of the integration policy were addressed, this proceedings volume of conference is relevant not only for a scientific community but also for decision makers in politics, social security and administration.

The conference was attended by 52 participants representing 3 Central European Countries. In the three days program of the meeting 5 presentations were made during the 3 plenary sessions. 15 papers were presented in the 4 contributed paper sessions. Plenary speakers included
Gábor Hunya from The Vienna Institute for International Economic Studies, Csaba László member of the Hungarian Academy of Sciences, Daniel Dăianu member of the Romanian Academy of Sciences, Imre Fertő professor at Corvinus University of Budapest and Maria Vincze professor at Babes-Bolyai University.

The scientific organization of the conference was particularly stimulating thanks to the important contribution made by the international scientific committee together with the participation of organization committee. The International Program Committee was constituted from distinguish professors of different European universities Štefan Bojnec (University of Primorska, Slovenia), László Fekete, (Corvinus University of Budapest, Hungary), Iuliu Horvath (Central European University, Hungary), Zsolt Sándor (University of Groningen, the Netherlands) as well as Romanian universities Maria Vincze (Babes-Bolyai University), Sándor Elek (Sapienza University), András Biró, Ioan Nistor, Gábor Flóra, Györgyi Szilágyi (Partium Christian University). The local Organizing Committee was chaired by József Fogarasi and included Hajnalka Kánya, Csaba Pajzos and Zoltán Zakota. In addition we would like to express our gratitude for the help provided by the staff of the Faculty of Economics, Partium Christian University and Hajnalka Izsák for language editing.

This conference proceedings book is composed by 5 chapters which reflect the organization of conference. The first chapter presents the plenary session reports which tackle important issues of particular relevance for the whole conference. The other chapters cover a wide range of themes connected directly or indirectly to the conference main topic.

Finally, we wish to thank all the authors who have contributed to the high quality of the conference and the debate with their research, and who have helped publishing this book.

László Csaba, József Fogarasi, Gábor Hunya

Editors

ROMANIA FROM EU ACCESSION TO CRISIS AND THE NEED OF A NEW GROWTH STRATEGY

Gábor HUNYA

This paper provides a description of economic developments and FDI in the new EU member states and especially in Romania in the years leading to the financial crisis. As a first subject it explains the economic overheating in Romania as the result of overspending based on the lax risk assessment of investors. A second topic is related to the current economic crisis which caused an extremely strong setback of GDP in Romania. The extent of the crisis in Romania was not a mere production of the global development but has its domestic routes as well. As a third topic we discuss the relationship between FDI and current account deficit.

The development strategy of the NMS was to a large extent based on the growth stimulus provided by FDI. The modernization effect of foreign capital was significant but it failed to develop the export base in several countries and triggered huge income outflows. Growth prospects of the NMS are quite diverse and this is the subject of the fourth section of the paper. We shall argue that recovery will depend on external demand and in the first place, in the longer run a new growth strategy is necessary based more on domestic savings than on imported capital.

Key words: Romania, new EU member states, FDI, financial crisis, economic growth

JEL Classification: O11, O57, F21

Introduction

The EU enlargement to new member states (NMS) was a major event of recent history. Eight CEECs joined in May 2004 followed by Bulgaria and Romania in January 2007. The first Eastern enlargement was a measurable economic success leading to higher rates of economic growth than the new member countries had had before accession. The notable exception was Hungary where the averages of three years before and after accession (2001-2003 vs. 2004-2006) produced equal rates of growth (Gligorov et al.,