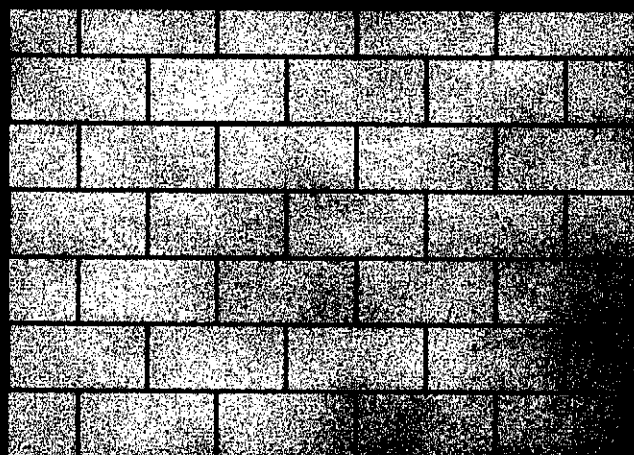


# EUROPEAN INTEGRATION: FIRST EXPERIENCE AND FUTURE CHALLENGES

---



International Conference on European Integration  
Ljubljana, 1998

**EDITORS**

László CSABA  
József FOGARASI  
Gábor HUNYA

**LANGUAGE PROOFREADER**  
Hajnalka IZSÁK

**LAYOUT EDITOR**  
István HORVÁTH

The edition was supported by Bethlen Gábor Alap.



**BETHLEN GÁBOR**  
Alap

© Autors, 2011  
© Partium Press, 2011

Descrierea CIP a Bibliotecii Naționale a României  
**INTERNATIONAL CONFERENCE ON EMERGING ECONOMIES.**  
Coferiință internațională (1 ; 2009 ; Oradea)  
European Integration : First Experiences and Future Challenges :  
International Conference : octomber 22-24, 2009 / ed.: László Csaba,  
József Fogarasi, Gábor Hunya. – Oradea : Partium, 2011  
ISBN 978-606-8156-17-0

I. Csaba, László (ed.)  
II. Fogarasi, József (ed.)  
III. Hunya, Gábor (ed.)

33

**CONTENTS**

**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 SZAKÁLI*

Everyday Economic Life in Central Romania:  
Obeying Bureaucratic Rules or Surviving Through Social Networks? ■ 125  
*Árpád 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 CÂNDEA*

Assessing Romanian Managers' Emotional Intelligence  
Using Graphology ■ 225  
*Hajnalka KÁNYA and Jolán Andrea GÁSPÁR*

## 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 GYÖRBÍRÓ 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 1<sup>st</sup> 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 Babeş-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 distinguished 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 (Babeş-Bolyai University), Sándor Elek (Sapientia 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 of external demand 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.,

\* The Vienna Institute for International Economic Studies, Vienna (wiiw – Wiener Institut für Internationale Wirtschaftsvergleiche).