

The Innovation System Operating in the West-Transdanubian Region from the view of the Supporting and Background Institutions

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The West-Transdanubian region

STRENGTHS



- Exceptionally good geographical environment (European transport axes, natural waterways, region bordering 4 countries)
- Wide range of natural, cultural and built heritage, favourable tourist facilities (rural tourism in particular by utilizing thermal water).
- Tradition of co-operative systems, open-minded thinking (e.g. clusters; town network, local collaborations, wide range of cross-border and international co-operations)
- Traditionally strong and large institutions of intermediate and higher education (concentrated knowledge)
- The region's conditions are highly favourable for utilizing renewable energy.
- High degree of biological multifariousness, natural and near-natural scope and landscape structure, high forestation, rich wildlife.
- Regional organizations are highly receptive, open-minded and have the ability to initiate innovative solutions.
- Tradition and competitive knowledge in the wood-industry
- One fifth of the Hungarian live trees can be found in the region
- There are more than one thousand enterprises operating in the wood, forest and furniture industries within the region
- More than half of the R&D expenses is paid for technological researches

OPPORTUNITIES



- Favourable conditions for the utilization of exceptional geographical potentials
- Intensifying cross-border cooperations and tourism
- Real opportunities to the R&D processes and to the innovation.
- In the spirit of "forever learning strategy" the training, adult training and higher education can be integrated to a network-based regional system.
- Changing of people's thinking - increasing demand for environmentally friendly and bio products, adaptation of natural materials in the nutrition and in the wood- and furniture industry too
- The proximity of the Western markets and the export opportunities are offered



WEAKNESSES



- Big distance from the capital city (Budapest)
- Huge differences between the development of the counties (Győr-Moson-Sopron county is one of the most developed county of Hungary while Zala county has a lot of depressed area)
- Clusters operating based on the traditional Hungarian industries are not supported by the government
- The West-Transdanubian region is one of the less promoted regions in Hungary because its metrics reflect its favourable status (which is relative)
- An innovation paradox can be experienced in the region: the performance is outstanding but the number of the researchers and the expenses of innovation are low (thanks to the dual corporate structure)
- The innovation and the research&development activities are in initial phases
- The West-Transdanubian region has to compete with the Austrian border regions
- The circumstances of the establishment of enterprises are not adequate
- The motorway is missed
- The workforce is more expensive in Hungary than in the Eastern-European countries
- Mistrustful people, too much fight and competition, complicated administration, overlaps

THREATS



- lack of customer orientation
- after the transition of the Hungarian economy a lot of foreign enterprises settled down in the country bringing their technologies, workforce, experiences and methodologies but they fragmented and resulted in small enterprises without capital to their function
- the economic recession had the strongest negative effect on the wood and furniture industry
- the customers' distorted preference which prefers the expensive foreign products instead of the Hungarian with a good quality and price
- lack of management skills and culture
- low degree of Internet usage and e-commerce
- strong dependency on the foreign capital and investors
- the shape of the region is unfavourable (it does not have a center)

ECONOMIC AND SOCIAL BACKGROUND OF THE ORGANIZATIONS OPERATING IN THE AREA

