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(ed.)

ECONOMY, GEOPOLITICS AND SOCIETY

APOSZTRÓF

ECONOMY, GEOPOLITICS AND SOCIETY

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Peer-reviewer: Dr. Balázs Ferkelt, PhD
English proof-reader: Dr. Bence Péter Marosán, PhD

ECONOMY, GEOPOLITICS AND SOCIETY

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Aposztróf, Budapest, 2023

CONTENT

PROLOGUE

Dear Readers,
You are getting your hands on the selected volumes of the two international scientific conferences organized by the Institute of Social Sciences and Pedagogy of the Budapest Business School – University of Applied Sciences (BGE) and the Central European Regional Research Group. It is important to emphasize that the Institute and the Research Group have previously organized international conferences. You might ask the reason we emphasize this. It is because this volume is an integral continuation of the educational and scientific activities of the Institute and the Research Group that began years ago. The Institute of Social Sciences and Pedagogy contains of three departments: the Department of International Relations, the Department of Communication and Media Studies and the Department of Pedagogy. Recently, between 2018 and 2022, all three Departments were able to significantly increase the number of their applicants and the admitted students. The number of students admitted to the international studies bachelor's program increased from 105 to 154, the number of those admitted to the communication major changed from 59 to 211 during the same period, and the community organization program expanded from 138 to 240.

The Central European Regional Research Group was founded in September 2019. In its naming we also emphasize that the Central European region - which has its own historical development, cultural and economic characteristics - is distinguished from Western and Eastern Europe. The goal of the Research Group is to carry out multi- and interdisciplinary research, the results of which are presented to the public at conferences, scientific periodicals and volumes, and at the same time it also emphasizes economic, social science and humanities topics. Thus, high-level education and scientific research are connected in both the institute and in the research group as well, all the more so because all of this is in line with the strategic goals of the BGE.

The international conference Challenges and Achievements in Central Europe took place in June 2022, organized by the Central European Regional Research Group and the Budapest Business School's Department of Finance. The international conference Between West and East: Research in Social Sciences and Education at Budapest Business School – University of Applied Sciences was organized by the Institute of Social Sciences and Pedagogy in December 2022, where domestic and foreign speakers presented their latest results in three sections. We would like to present a selection of these lectures to the interested public. We organized twelve studies in two chapters related to the fields of economy, geopolitics, finance, education, history, and political science. With all of this, we also indicate that the social sciences and humanities have an important role in both international and domestic academic life.

Trusting that you, dear reader, will appreciate the achievements of our coworkers and colleagues in this volume, and will continue to support and monitor the work of the Institute of Social Sciences and Pedagogy and the Central European Regional Research Group.

Budapest, during Pentecost of 2023

The editors

SPECIAL CASES OF ECONOMICS AND GEOPOLITICS

ECONOMIC POLICY OF HUNGARY IN THE PERIOD 2002-2010. MISMANAGEMENT AND POSTPONEMENT OF STRUCTURAL REFORMS

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ABSTRACT

As a result of parliamentary elections, which were held in April 2002 coalition government was formed by the Hungarian Socialist Party (MSZP) and the liberal Free Democrats (SZDSZ). The "100-Day Programme", which was initiated by MSZP and SZDSZ consisted of wide-range welfare measures. Due to a policy of redistribution fuelled by intense government spending, public finances started to deteriorate significantly. The Hungarian economy depended heavily on external sources, which were characterised by increasing indebtedness and current account deficit. Between 2002 and 2010 both the public and private sectors accumulated a huge amount of debt. Budgetary overspending and misguided economic policy were responsible that Hungary lagged behind the other Visegrad countries in all macroeconomic indicators.

The objective of my paper is to give an overview about the economic policy of Hungary between 2002 and 2010. Special emphasis will be placed on the macroeconomic performance of Hungary compared to its regional peers. Finally, the rescue package of the IMF and the European Commission and its main consequences will be analysed. Because of length constraints, the essay is not intended to analyse the domestic policy of Hungary.

Keywords: economic policy, Hungary, macroeconomic imbalances, Visegrad countries

INTRODUCTION

The paper aims analysing the main features of Hungary's economic policy pursued by the second Socialist-Liberal coalition government between 2002 and 2010. The assumption of the essay is that misguided economic policy accompanied by lack of structural reforms were the main reasons that Hungary was hit severely by the depression of 2008-2009. In order to better understand the deficiencies of economic management in the years 2002-2010, it is necessary to evaluate the macroeconomic performance of Hungary compared to its regional peers based on the statistical data of OECD and Eurostat. Then the analysis will focus on the impacts of the rescue package granted by the IMF and the European Commission, highlighting the reasons of the economic recession by taking into account both external and internal factors. Due to the complexity of flawed economic policy and the crisis in its nature, broad literature overview will give an insight into the main characteristics of Hungary's economy over the period from 2002 to 2010.

HUNGARY'S ECONOMY DURING THE SECOND SOCIALIST-LIBERAL GOVERNMENT (2002–2010)

It is a general phenomenon that in the year of parliamentary elections public finances always deteriorate significantly. Hungary's 2002 election campaign heightened competition among its political parties to introduce welfare measures for various citizen groups, which were financed from the state budget [1]. In May 2002, FIDESZ together with MDF obtained 48.7 per cent of votes cast, but the left-wing MSZP and the Alliance of Free Democrats (SZDSZ) won 198 seats (51.29 per cent respectively) in Parliament [2]. As a result of the general elections, a coalition government was formed with the participation of MSZP and SZDSZ. After the change of government in 2002, a new economic policy was launched, manifested by the adoption of the "100-Day Programme". It comprised the introduction of a 13th monthly payment for pensioners and a 13th salary in the public sector. During the years 2002 to 2005, significant progress was achieved in the development of physical infrastructure: the length of motorways increased from 505 km to 769 km [3]. The Medgyessy government started to impair the budget balance more and more, and then the current account balance, which led to the development of an increasingly large twin deficit. As a consequence of the twin deficit, the Hungarian economy relied on external financing and was characterised by artificially overheated economic growth and a sharp, simultaneous increase in government and household debt. Instead of proceeding with the fiscal consolidation necessary in the election year, the Socialist-Liberal coalition pursued a policy redistribution, allowing the budget deficit to get out of hand [4]. In the years 2002–2004, Hungary's deficit followed a general downward trend and remained relatively high compared to that of the Czech Republic and Poland. After 2002, fiscal deficits as a percentage of GDP were between 6.4 and 8.9 per cent, whereas deficit reductions in the Czech Republic, Poland, and Slovakia further continued over the period 2002–2004. The misguided, incorrect economic policy applied from mid-2002 led to a sharp increase in the deficit, which reached 7.9 and 9.4 per cent of GDP in 2005 and 2006, respectively. It seemed that the Hungarian economy was being fuelled by increased government spending [5].

The convergence programme, elaborated by the Medgyessy government in 2004, was accepted by the European Commission, but Hungary was not able to fulfil the 3 per cent deficit target. Both the draft programme of 2005 and its modified versions were rejected by the Commission [6]. Because the country failed to keep its general government deficit under 3 per cent of GDP threshold, from 1 May 2004 the EU launched an excessive deficit procedure against Hungary.

Budgetary overspending during the period from 2002 to 2006 contributed to the rising level of general government gross debt as a percentage of GDP. By the end of 2002, the Hungarian public debt ratio as a percentage of GDP had reached 60.63 per cent, which was higher compared to its regional peers. This was exacerbated by the fact that private households and the corporate sector had accumulated huge debts, which were denominated mainly in Swiss francs. Borrowing in a foreign currency meant a build-up of a large, unhedged foreign liability position in the balance sheet of households and companies [7]. From 2003 to 2009, the debt of the private sector in Hungary increased from 67.6 per cent to 117 per cent of GDP, nearly 50 percentage points. In the same period, the increase in private sector debts of other Visegrad countries was less than half that of Hungary: in Slovakia, the ratio of private debt to GDP ratio increased by 22 percentage points (from 47 per cent to 69.2 per cent of GDP), in Poland by 21 percentage points (from 46.4 per cent to 67.1 per cent of GDP), in the Czech Republic by 20 percentage points (from 46.5 per cent to 66.0 of GDP) [8].

Figure 1: General government deficit (total % of GDP, 2002–2009)

	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Czech Republic	-6.35	-6.86	-2.37	-3.03	-2.15	-0.64	-1.96	-5.41
Hungary	-8.8	-7.18	-6.59	-7.78	-9.26	-5.08	-3.78	-4.75
Poland	-4.82	-6.04	-5.01	-3.94	-3.54	-1.88	-3.61	-7.25
Slovak Republic	-8.22	-3.12	-2.31	-2.87	-3.58	-2.05	-2.52	-8.15

Source: [23]

Between 2002 and 2009, the increase in public debt in Hungary was significantly higher than in other countries of the region: from 55.0 per cent to 77.8 per cent of GDP. In Poland, in the same period, the ratio of public debt to GDP rose from 41.8 per cent to 49.4 per cent, or nearly 8 percentage points; in the Czech Republic from 25.9 per cent to 34.1 per cent, an increase of 8.2 percentage points; while in Slovakia, public debt fell from 42.9 per cent to 36.3 per cent of GDP, by 6.6 percentage points [8]. The underperformance of the Hungarian economy was obvious compared to its regional peers because nominal debt stock tripled in a mere four years, from USD 64.5 billion in 2004 to USD 158.9 billion by 2008. Economic growth was propped up by domestic consumption and externally financed, which was unsustainable in the long run. Csaba emphasises that the bulk of structural reforms was postponed in the years 2001–2006, which further deteriorated Hungary's competitiveness compared to its regional peers. Stock market capitalisation, as measured by the European Bank for Reconstruction and Development (EBRD) was decreasing steadily. Inward FDI also started to decelerate in the 2005–2007 period, while the growth of outward FDI reached about 40 per cent of the inward flows, which indicated the limitations of domestic investments opportunities as well [9].

Figure 2: General government debt (Total % of GDP, 2002–2009)

	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Czech Republic	30.58	33.32	32.90	32.40	31.97	30.56	32.97	39.66
Hungary	60.63	61.38	64.67	67.56	70.85	71.84	75.72	84.88
Poland	54.02	56.20	53.77	55.25	54.96	51.56	53.88	57.18
Slovak Republic	51.51	49.38	46.75	39.9	37.59	36.07	34.89	44.04

Source: [24]

The rise of external debt during the pre-crisis era can be explained by several factors. As the Central Bank of Hungary noted: "Household borrowing linked to consumption in excess of income between 2002 and 2008 was fuelled by external financing by banks, reflected in their rising external debt. Similarly, rising government debt due to the continuously elevated budget deficit gradually increased external state debt between 2002 and 2008." [10].

As regards monetary policy, it was a serious mistake to devalue the central parity of the forint vis-à-vis the euro by 2.26% in June 2003, while the +/- 15 per cent fluctuation band was maintained. The government justified this decision by the need to improve Hungary's competitive position. Although the devaluation was accompanied by a fiscal correction package of about half of GDP, the markets reacted negatively to this unexpected step and a large-scale capital outflow occurred. The central bank gave its consent to the devaluation and tightened monetary policy as it raised the benchmark interest rate by 300 basis points in June 2003 to stabilise the currency. In November of that year, the forint depreciated to a four-month low as a consequence of unfavourable macroeconomic data, including a further deterioration of public finances. The central bank intervened against the depreciation trend and raised its base rate again by 300 basis points [11]. This step surprised the markets and the currency continued to depreciate. Thus, the central bank responded to the negative turn in economic policy from mid-2002 by raising the policy rate to 12.5 per cent, an extremely high level from an economic history perspective. With this decision, the central bank gave an economic policy style response to the misguided economic policy and the rapid depreciation of the exchange rate. Intense inflationary pressure was felt in the Hungarian economy as a result of the primary monetary policy anchor introduced in 2001. The double-digit policy used for inflation targeting, the ensuing double-digit lending and deposit rates, and the increasing role of foreign currency lending boosted inflation expectations. Therefore, the economic policy of the Socialist-Liberal government had experienced a loss of credibility [4].

For Hungary, overall economic growth seemed to have been on the right track with 4.3 per cent growth for 2001–2005. The main problem was that growth started to decline in 2006 to 3.9 per cent. 2007 saw a slowdown to 1.1 and 2008 also to 0.6 per cent. This happened at a time when global growth rates accelerated to 5 per cent on average, with the European economies recovering [9]. In the years 2007–2009, the Hungarian GDP, in real terms decreased by 5 per cent, whereas it increased by 3 and 14 per cent in the Czech Republic and Poland. The GDP growth divergence between Hungary and its peers started to widen significantly from 2007. Czech and Polish GDPs continued to grow at an above 5 per cent annual rate, while Hungarian growth slowed to less than 0.5 per cent [5]. The reasons for this Hungarian GDP growth collapse in 2007 coincided with the parliamentary elections held in 2006, won again by the Socialist party. The new government led by Ferenc Gyurcsány decided to balance public finances. "For this purpose the tax on corporate income (CIT) was increased from 16% to 20%; preferential VAT was raised from 15% to 20%; state subsidies to the prices of electricity and gas were drastically reduced." [8]. With the austerity measures, the government brought the deficit down to 5.1 per cent but it had harmful impacts on the national economy. First, the revenue-boosting measures concerning several kinds of taxes resulted in a loss of disposable income, and thus reduced consumption and investment. Second, the austerity-like nature of the consolidation slowed economic growth and had negative effects on the labour market as well. After a transitional phase, the unemployment rate began to rise from the first half of 2007 and the activity rate declined. While Hungary's net external debt rose, this did not result in a higher growth rate compared to other Visegrad countries. Fiscal consolidation was not coupled with the structural reforms necessary to redress the macroeconomic imbalances. It sacrificed growth, investments, consumption, employment, and productivity without achieving an improvement in external balance indicators [4].

Figure 3: Real GDP growth
(Total, Annual growth rate per cent, 2002–2009)

	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Czech Republic	1.5	3.6	4.7	6.7	7.0	5.6	2.5	-4.5
Hungary	4.7	4.0	4.9	4.3	4.1	0.3	0.9	-6.6
Poland	1.4	3.5	5.0	3.5	6.1	7.1	4.2	2.8
Slovak Republic	4.5	5.5	5.3	6.6	8.5	10.8	5.6	-5.5

Source: [25]

Figure 4: Unemployment rate (Total, % of labour force, 2002–2009)

	2002	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Czech Republic	7.29	7.78	8.29	7.94	7.13	5.33	4.41	6.68
Hungary	5.58	5.74	6.07	7.17	7.46	7.39	7.80	9.68
Poland	20.03	19.75	19.14	17.93	13.97	9.61	7.04	8.12
Slovak Republic	18.81	17.69	18.36	16.38	13.47	11.23	9.57	12.12

Source: [26]

One of the main deficiencies of the measures introduced by the Socialist-Liberal government was that it exclusively focused on immediate cost-cutting and disregarded the role of the state under conditions of globalisation [12]. The ill-fated "lie speech" of the Prime Minister provoked social discontent, followed by six weeks of unprecedented violent street protests. All these factors undermined the credibility of the political elites and the citizens' trust in them. Thus, misguided economic policy was coupled with a political crisis at the end of 2006. The stagnation of reforms and the deepening of mutual distrust among and across all players on the political scene have created a permanent paralysis [9].

As far as Hungary's economic performance was concerned, all basic macroeconomic indicators were worse in 2006 and 2007 than in the other Visegrad countries (the Czech Republic, Poland, and Slovakia). GDP growth in Hungary was substantially lower (below 2 per cent versus 7 per cent) compared to its peers in the region; inflation reached 7 per cent, which was 3 per cent in the other Visegrad countries; the current account deficit was 7 per cent in Hungary, while in the other Visegrad countries it was under 4 per cent [1]. The divergence between Hungary and its Central European peers further widened.

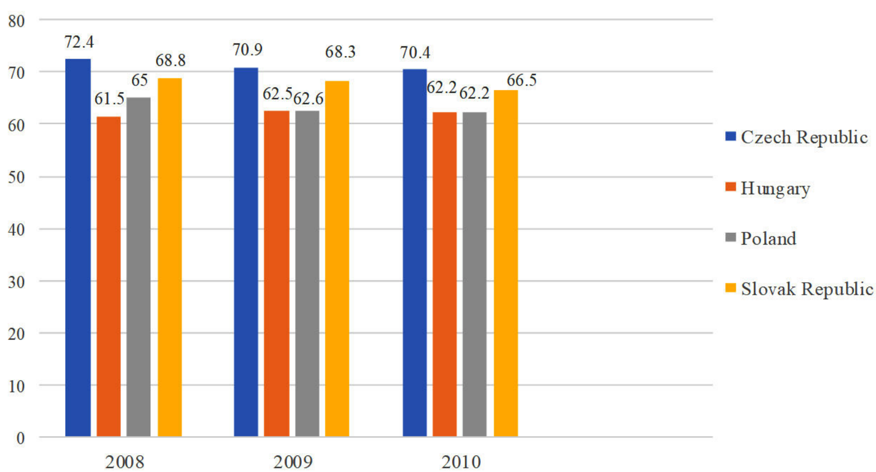
As a result of the flawed economic policy pursued from mid-2002 by the Socialist-Liberal government and the postponement of necessary structural reforms, Hungary was hit severely by the economic and financial crisis of 2008–2009. Because Hungary's macroeconomic performance further deteriorated, which was reflected in high fiscal deficits and the rising ratio of external debt to GDP, rating agencies began to downgrade Hungary. Standard&Poors started downgrading Hungary's long-term foreign-currency-denominated debt in June 2006. Downgrades followed in October 2008, November 2008, and March 2009, bringing the country's credit rating to the lowest investment grade category. These significant downgrades taking place in times of global economic turmoil complicated Hungary's ability to raise new debt in international markets [5]. Although the Hungarian banking sector did not have direct exposure to the US subprime market, financial institutions suffered shortages of liquidity as international money markets began to dry up. This problem was aggravated by the high indebtedness of the government and the private sector (households and businesses). An even more serious mistake was that 60 per cent of loans to businesses and individuals were denominated in foreign currencies, mainly in Swiss francs, and to a lesser extent, in euro.

From mid-July to mid-October 2008, the Hungarian currency plummeted, losing 22 per cent against the euro. By March 2009, the forint had depreciated by 26 per cent against the euro. This has put an additional strain on many balance sheets [7]. Hungary was the first country in the EU to experience serious debt problems as a result of the 2008 global financial crisis. To avoid bankruptcy and preserve the liquidity of the financial system, the Hungarian economy was the first to request emergency assistance from the IMF and the EU in autumn 2008. Thanks to the rescue package granted by the IMF, the EU, and the World Bank, economic collapse was avoided. The country received a stand-by agreement from the IMF of EUR 12.3 billion for 17 months, which was extended with EUR 6 billion by the EU and EUR 1 billion by the World Bank. The credit could be drawn in six parts and the use of the money was controlled by IMF regularly [13]. The IMF-supported economic programme aimed to balance the budget by cutting expenditures, recapitalising eligible banks, and maintaining adequate liquidity and capital in the banking system. It also involved strengthening the supervisory and crisis management abilities of the Hungarian Supervisory Agency [1].

The larger-than-expected USD 25.1 billion bailout restored investors' confidence in the country's financial markets and its currency, the forint. The government, led since the spring of 2009 by the new Prime Minister, Gordon Bajnai, was compelled to adopt austerity measures, including the elimination of the 13th pensions and salaries in the public sector; cuts in central and local administration, health, and education; reductions in social expenditure, including the abolition of the indexation of pension benefits to inflation; a wage freeze for public employees; and increases in water, electricity, and gas prices. After the fifth part of the credit line was drawn down, the IMF expressed a positive opinion on the implementation of the adjustment measures, and the government decided not to use the final part of the loan [13].

Although the financial package promoted fiscal stabilisation, it had negative effects on real GDP. As a consequence of the global crisis, the Hungarian economy contracted by 6.7 per cent in 2009. However, the government deficit was brought down to 4.8 per cent, and debt as a percentage of GDP reached 78 per cent, which was significantly higher than in other Visegrad countries. Labour market conditions also deteriorated because unemployment reached double-digit figures in 2009, whereas the activity rate as a percentage of the total population aged 15–64 years was only 62.2 per cent, which was the lowest figure among the 27 EU member states [14].

Graph 1: Employment rate by sex (age class: from 20 to 64 years, percentage of total population).



Eurostat (2022). Retrieved from: https://ec.europa.eu/eurostat/databrowser/view/tesem010/default/table?lang=en 15 May 2022

Opinions completely differ about the reasons for the financial crisis and its impact on Hungary's economy. Neoliberal economists stress the responsibility of the Orbán/ Medgyessy government for the deterioration of economic conditions in Hungary after 2000.

However, welfare measures, including the introduction of 13th pensions, increasing the salary of public employees by 50 per cent, and motorway construction were considered to be right but led to a rising level of public expenditure from the state budget without achieving sustainable growth. The majority of investments were financed by external loans, which resulted in a debt-trap [3]. According to Inotai, the first Orbán government followed an economic policy that was unsustainable in the long run [15]. Stark blames economic patriotism followed by the right-wing coalition between 1998 and 2002 for the deterioration of macroeconomic conditions and refutes the concept that sustainable growth could be achieved by the expansion of domestic consumption [16].

INTERPRETATIONS OF ECONOMISTS ABOUT THE REASONS OF ECONOMIC AND FINANCIAL CRISIS IN HUNGARY

Other economists argue that the only solution to mitigate the problems of economic slowdown was to pursue the economic policy objectives of the Orbán government. Botos notes that the Hungarian population could not be blamed for the quick growth of the country's foreign exchange indebtedness. The main problems of the Hungarian economy could be traced back to the transformation recession in the 1990s. Both export-led growth and the unprecedented scale of privatisation contributed to high state indebtedness. Hungary's export sector was too concentrated and vulnerable, while the bulk of infrastructure was privatised after the change of regime. The automotive industry played a crucial role in the domestic economy, but it depended heavily on energy supply and was exposed to oil price fluctuations as well. Botos also points out that motorway construction did not contribute to the dynamic GDP growth. Her main conclusion is that the Hungarian economy should be diversified by developing agriculture and tourism that could generate hard currency incomes [17].

György and Veress thoroughly analyse the main reasons for internal and external imbalances of the Hungarian economy. According to their hypothesis, Hungary's unique foreign debt position in the region and the necessity for foreign debt financing combined with mismanaged economic transformation caused serious imbalances in the national economy. They believed that Hungary's transition was rushed and marked by several serious policy mistakes:

- The country accumulated a huge amount of debt at the end of the 1980s because net state debt rose by USD 14 billion. Due to huge foreign indebtedness, the Hungarian economy relied heavily on external sources to fulfil its payment obligations. Therefore, the scope of privatisation in Hungary was wider than in any other Central and Eastern European country. Unlike the Czech Republic, Slovakia, and Poland, Hungary sold the majority of her banking sector and public utility companies (gas, electricity, and water providers). It was a huge mistake by the government to privatise state-owned assets at 28.7 per cent of their book value between 1990 and 2008. Hungary was the only country in the region that had to face an enormous debt burden. Over the period 1995–2015, the average annual debt service in Hungary was 4.05 percentage points higher in terms of GDP compared to the Czech Republic [18].
- The privatisation process was coupled with hurried liberalisation and deregulation without adopting protective measures in favour of domestic industrial branches. These factors, together with the non-devaluation of the forint, contributed to the collapse of Hungarian industry leading to a disappearance of 1.5 million jobs and a reduction in export volumes. Due to the disintegration of Comecon in 1991, Hungary lost its main markets. As a result of extremely strict bankruptcy law, many companies ceased operations. The lack of resources and the circular debt of state-owned enterprises during the transition period resulted in an abnormally high number of bankruptcies [18].
- Tax incentives, which were introduced after 1990 to attract FDI, covered the short-term financial problems of the Hungarian economy, and the symptoms of external indebtedness were temporarily remedied. György and Veress note that Hungary's trade deficit remained high (7 per cent) until 2009. With two-thirds of privatisation completed by 1998, FDI was not suffi-

cient to fill the balance of payments gap. From mid-2002, Hungary's foreign-denominated debt began to rise again. Gross government debt between 2002 and 2010 rose by 25.4 percentage points, and the share of foreign-currency-denominated debt increased from 25 per cent to 48 per cent. In the years 2002–2008, consumption was financed by external loans, which was unsustainable in economic terms [19].

- Privatisation revenues were spent on repaying the government debt instead of improving the economy as originally planned. The development of the dual structure of the economy was a specific characteristic in the 1990s. In other words, there were mostly foreign-owned enterprises that enjoyed considerable tax allowances [18]. In this sector, profitability doubled; it had triple the available assets of its Hungarian-owned counterparts [20]. For many years, the tax burden on foreign companies was 10–18 per cent, while Hungarian SMEs faced a tax burden of 57.5 per cent [21]. Although SMEs provided roughly 70 per cent of employment in Hungary, they suffered from a constrained source of finance supply and their productivity was considerably less than that of multinational companies.
- The combination of liberal policies (hurried liberalisation, deregulation, and privatisation) and generous social policies including lavish early retirement schemes in 1991–1995 led to a massive decline in economic activity rates in the early transition years (from 5 to 3.5 million people in 1989–1995) [22].

As far as the complexity of the economic transformation in the 1990s and the financial crisis of 2008-2009 were concerned, all the aforementioned factors contributed to the deterioration of Hungary's competitiveness. Another major problem was that the Socialist-Liberal coalition government did not carry out overarching reforms in the fields of administration and education. The consequence of this policy was that between 2002 and 2008, Hungary continued to lag behind their regional peers in all macroeconomic indicators.

CONCLUSION

As a result of the economic and financial crisis in 2008–2009, coupled with high external indebtedness and the postponement of necessary structural reforms in the years 2002–2008, the Hungarian economy experienced a severe recession in 2009 because real GDP declined by almost 7 percent, while private sector and state debt increased by 55 percent. Due to the impacts of the global recession, all macroeconomic indicators deteriorated significantly in Hungary. The net external debt of the country (government, private, and the business sector) peaked in 2009, at USD 130 billion, which was nearly 115 percent of the GDP [18]. The unsustainable debt level together with the large external financing requirement and the fiscal deficit further aggravated the economic difficulties in the country. Hungary was the first EU member state to turn to the IMF and the EU to avoid bankruptcy. Thanks to the rescue package, Hungary's creditworthiness was preserved, and its international reputation improved. The austerity measures introduced by the Bajnai government led to widespread dissatisfaction within Hungarian society. The lack of a stable economic policy undermined the population's confidence and had serious political consequences. The two major parties (the conservatives and the liberals), which played a crucial role in the change of regime, melted and the socialists were also shaken deeply. These factors promoted that FIDESZ - Hungarian Civic Alliance and KDNP (Christian Democratic People's Party) were able to gain the support of the overwhelming majority of voters in the parliamentary elections held in April 2010.

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FINANCIAL AWARENESS IN CEE COUNTRIES, DURING THE PANDEMIC

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ABSTRACT

This study presents the changes affecting the economic environment, the tools used to measure financial awareness and the impact of the epidemic on economic actors and households. It is clear how deep Covid-19 has left and still leaves in the way in CEE countries, effecting their economic mechanisms, which is why it is worth dealing with. People's mindsets have completely changed due to the global epidemic, which has not left their thinking about making financial decisions untouched. It is discussed how the level of financial awareness is important in a volatile economy, where the economic situation is unpredictable, the demand and supply change in the labour markets throughout different sectors.

Keywords: financial awareness, COVID-19, Central and Eastern European countries

INTRODUCTION

The consumer's financial behaviour is influenced by the financial awareness of the population. Consumers need to have adequate information before making their decision, but several factors can guide their decisions at the same time.

Raising financial awareness is a crucial policy aim [1]. Money is part of our existence, if we don't have money, we cannot have goods and services at our disposal. To make a living, we have to buy all our goods and needs and therefore give them money in return. The money, if we look at it fundamentally, appears on our revenue and expenditure pages. However, personal finances are more complex, and it is important that we acquire and use basic knowledge in everyday life.

All the products and services that are built around money already have such a wide range of supplies and are so complex that if we are not up to date, we are able to get lost in the information network we have and make the wrong decision. Financial service providers are constantly innovating and trying to keep up with the means of developments, and so must society. We need to constantly improve ourselves in the financial field, because it determines our lives, our daily decisions, whether it is a borrowing, an investment, a currency conversion, or, for example, making a salary.

We must make a series of decisions every day, but there are many external stimuli to make every single decision. The various means of marketing, such as advertising, economic measures, activities affecting the households' balances, can all influence the world economy, all of which influence our decisions. It is difficult to find the best solution in these situations and to make the most favourable and rational decision for us. Many things can affect financial awareness, it is not enough to read, hear and learn about it, often experience gives the greatest knowledge.

The forthcoming sections of this study discuss the essence and measurement of financial awareness, with CCE countries in focus. By analysing the effects of the pandemic on household wealth decisions and asset restructuring, the study concludes with some policy recommendations.

INTERPRETATION OF FINANCIAL AWARENESS IN LITERATURE

In Central and Eastern European countries, several people have dealt with and analysed the current financial awareness of the population and its shortcomings, as well as property decisions.

"Following the outbreak of the financial crisis in 2008, most countries recognized that the development and financing of financial culture must be implemented through the coordinated, transparent, quality-assured activities of the government, the Hungarian National Bank (Magyar Nemzeti Bank, MNB) and public sector organizations. The findings of the SAO's study in 2016 also demonstrated that without the involvement of the state, it is impossible to envision the development of financial literacy and financial culture. The emergence of a financial culture, which necessitates the collaboration of the government, financial institutions, and commercial enterprises, is also in the shared interest of economic players". [2]

When grouping consumer behaviour, it is important to keep in mind the interests of the individual and the interests of other members of society. With universal information, experience, and appropriate patterns of behaviour, the individual is able to make and act on the decisions that are best for him or her and society.

"The OECD has analysed financial awareness in several studies, with Adele Atkinson and Flore-Anne Messy describing financial awareness as follows: Financial culture is a combination of awareness, knowledge, skills, attitudes, and behaviours needed to make informed financial decisions. and ultimately for individual financial well-being". [3] (p. 14)

The formulation of financial awareness is also difficult because it is complex, encompassing our ability to intelligence, the quality of our decisions, the externalities that affect us, and the behaviour we respond to in response.

The financial culture of individuals is intangible, it is acquired in childhood and develops during and after their studies. The role of parents in the development of financial awareness, knowledge and inherent behaviour in children is very important. If we do not have the right knowledge, we need to improve in our studies. Every decision can affect the economy, but most importantly financial stability. Consumers jeopardize the stability of their existing financial instruments if they make bad decisions. It is essential to have credible information about finances, an affinity for finances, and proper behaviour.

Comprehensive definitions of financial culture are discussed globally, and the exact definitions are always debated, with many believing that it is all based on science and knowledge itself, while others explain that patterns of behaviour, a firm stance, planning all give it all. In the author's opinion, an important part is basic education, basic knowledge of finance. The lack of this causes a serious problem in the economy. Economic actors, if they have the right knowledge, will be able to map specific macroeconomic processes more easily. As a result of each economic process, it is important. so that economic operators are aware of the consequences and are able to make a decision that is favourable to them if they have the appropriate confidence and behaviour.

MEASURING FINANCIAL AWARENESS

As financial culture and awareness do not have a precise definition, the methods for measuring them cannot be precisely defined either. Financial awareness can be approached, examined and analysed from several angles.

When measuring financial awareness, the basic education and knowledge of the examined persons in the financial fields must be kept in mind: what information do they have and where does that information come from? Do they have the right knowledge of how to make decisions in any economic situation? What behaviour patterns and experiences characterise them? Do they have enough confidence to be able to make the best decision even in a risky situation without compromising their existing funds?

We need money to run the economy, money plays a very specific role, it is at the heart of everything and, as such, it is at the heart of financial awareness in the economy. In order to determine the degree of financial awareness of a particular chosen group, we need to know how private agents behave in a particular economic situation. These situations often arise during events affecting the economy, which can have both positive and negative effects. It can be a source of joy, for example, when someone gets an unexpected amount, whether at work, as a recognition, during a sweepstakes, and so on. However, various stressors can arise throughout our lives when our credit crashes, we lose our jobs, we do not have enough money to cover our total expenses, and so on. In these situations, people behave differently. [4]

Our behaviour is often influenced by a series of decisions we make. And our decisions are determined by the information that reaches us. Many times, we are in possession of imperfect (wrong, biased or partial) information, as a result of which we can no longer make a realistic decision and all this influences our behaviour and reactions. Adequate financial literacy and a conscious treatment of money are essential for a society, so it is important to look at which layers of society we look at in a study. The biggest changes are usually between the generations, the older age group has experienced a lot over the years, they have a much better view of managing finances than the members of the y or z generation, but the younger generation can react more flexibly to innovative solutions and changes, than the later generation. The banking sector offers a lot of innovative solutions for using, preserving, and increasing money, and often the younger generation is much more knowledgeable about these topics.

Financial culture raises many questions in our societies. It is very difficult to track and measure the financial awareness of people living in a given economy, and as a result, there is no suitable measurement tool to determine these. To define all this professionally, we may have many questions. We have to reckon with the inherent anomalies and the fact that many external shocks hit the economy, such as the appearance of Covid-19. Society has been subjected to great external atrocities on a global scale. Families who used to manage their finances prudently also had a lot of questions about it, their financial situation is distorted by unemployment, the emergence of inflation, and the destructive development of prices. And for those who have not managed their revenues properly before, their means of living have become even more unpredictable for them.

Private agents mostly judge and think based on their experiences. As many studies deal with this topic, in many cases these studies shed light on the knowledge and development of the participants in the measurement. As the measurements of the recent period unfortunately do not provide sufficient results for the economy, they are looking for more alternatives and solutions to improve them.

However, setting up the methodology is not an easy task in any country. Governments are trying to find reasonable practical solutions, to develop economic plans with which they can support the financial knowledge and skills of those living in their society, even through practical examples. Various training programs try to help the private individuals to expand their knowledge, gain even more insight into the financial world, learn about different concepts, make sense of each word used, for example, in the banking sector, try to show by practical examples which products can cause financial risk. The aim of these trainings is to be able to use the knowledge and practice acquired later, to have a better insight, to have a confident position in their financial decisions, and to achieve better planning and financial stability. In order to be able to build the best schedule and methodology, it is necessary to use the previous experiences and analyses professionally. [5]

CEE countries in the past have placed emphasis on building a financial strategy, as the main drivers of the economy, in addition to money, are the population itself, all of which influence the development of financial culture. Countries that want to develop a financial culture in society should primarily conduct a survey. The level of the given financial culture and knowledge of the population must be assessed, this is the primary point of reference. Once the surveys are in place, they can then set up a strategy, around which they can build which groups in the society has the biggest shortcomings, what are the decisions, situations that they cannot solve without help, what is the need, with the right knowledge, help, support for better financial awareness in society.

Just as the topic of covid is multifaceted, it touches on several areas, the same can be said about financial awareness, as it touches on many areas and can all have an impact on the economy.

In my opinion, countries where time and energy are devoted to developing and strengthening the financial culture of their societies are the best step after setting up a well-functioning financial strategy to carry out new tests in order to get a reflection on whether how effective the plan has been for the population. Globally, analytics provide alternative solutions for collectively analysing the financial awareness of societies as a whole and finding new solutions to improve them.

The economic effects of covid-19 influenced the economy of CEE countries, while the effects of covid-19 on their economy constrained people's behaviour, decisions, and their finances, which in turn changed the financial processes. It is in the interest of all economic operators to develop a sound financial culture and to use money consciously. However, it is difficult to develop these two at the same time. The common intersection of both is money, because we have to make a series of decisions on a daily basis. In order to be able to establish the attitudes and knowledge of the participants in the survey, we must first examine the parts and elements inherent in their decisions.

Surveys are skewed if the respondent is not aware of the correct answer, but still marks the good from the alternative solutions. These questions are closed in nature, as there are statements from which the respondent can easily choose the given answer. However, there are cases where the filler himself is not sure of his knowledge, but still marks something for which there is a 50% chance that it will be correct. In this case, it is necessary to reckon with these answers that, regardless of the result, the final outcome may be lower. Much depends on these questions as to what types we are actually asking. It is worth asking questions where the respondent himself must answer, from his own knowledge. The cues are only helpful, which can skew the results. We are able to gain insight into the gaps in the financial literacy of the population through surveys, but it is worthwhile to conduct surveys where situations are given in order to examine the attitudes of the population.

Many external influencing factors affect business organizations on a daily basis, half-information, wrong behaviour patterns, attitudes, past experiences, traditions, technical deficiencies, information received through marketing tools, and so on. Financial markets are constantly evolving and the population, i.e. households, is responsible for this process. One of the important tasks of the central bank is financial stability, but in order for the financial system and its operation to be stable for the economy, it must have a level of financial culture and awareness appropriate to the population.

Globally, developed countries have already taken care of how to improve the knowledge and awareness of households in the financial fields. CEE countries are also trying to develop a methodology for building a full awareness and financial culture. There are several organizations in Hungary that deal with these issues, where they are looking for a solution to these problems. Most organizations encourage financial supervisors to incorporate financial literacy studies into their curricula in education. This creates an opportunity for students who do not have the opportunity to acquire the most important knowledge and experience outside of class.

Financial literacy is also a self-interest of the society. With each step, we are able to influence the way our daily economy works and our future, even on a global scale. Think of the global crises, credit, consumer shopping. People's way of thinking can be influenced not only by the external stimuli that reach them, but also by the traditions and customs that the parties carry inherited from their ancestors. It is very difficult to change and develop these attachments, especially in adulthood, which is why governments and various economic and financial institutions are urging us to start developing and acquiring these skills from an early age. They also call for the analysis of various surveys and statements in order to assess the shortcomings and provide an opportunity for the development and awareness-raising of the next generation. A series of bad decisions made by society can jeopardize financial stability.

FINANCIAL AWARENESS IN CEE COUNTRIES, AND WITHIN, IN HUNGARY

Money appears on a global scale in the lives of citizens and affects the conventional situation we are already accustomed to. As mentioned earlier, however, the conscious use of money everywhere is not exactly the trend. We can say that financial culture has not developed acceptably in CEE countries throughout the past decades.

The lack of financial culture and awareness has consequences, as money has a full impact on our lives. Many scientists are working on how to develop new methodologies, and more initiatives have been taken to introduce them into education and to conduct ongoing surveys for society to reduce the number of problems that arise and to monitor new programs. success. In Hungary, the Hungarian National Bank and through government cooperation (Ministry of Finance) are trying to develop the financial awareness of the population. The recent period has shown that the Hungarian population is uncertain and unprepared in managing its finances. In recent years, the CEE economies have been hit by major economic crises such as the emergence of covid-19, a global event (Ukrainian-Russian war), worse financial decisions, lending programs, and financial interventions in line with monetary policy. In order to establish a different track for the financial awareness of a consumer society, a strategy must be applied.

The formation and development of financial awareness is essential for Hungarian society, therefore, with the support of the Ministry of Finance, several strategic programs focusing on development have been proposed in the field of financial awareness. "The Fintelligence Financial Education Center was the first to open its doors in Budapest, which was established by Unicredit Bank together with the Fintelligence Culture Center and the Faculty of Finance and Accounting of the Budapest University of Economics. The aim of the multifaceted cooperation between the Faculty of Finance and Accounting of the Budapest University of Economics, UniCredit Bank and the FINTELLIGENCE Financial Culture Center is to develop financial culture." (www.uni-bge.hu)

The effective organization and operation of financial consumer protection is a major public policy challenge for governments worldwide. The need to protect citizens from financial intermediaries and institutions can be traced back to the information asymmetry between them. There is no doubt that financial actors (e.g. banks, financial advisers) have significantly more background in this field, which can lead to unfair abuse of the information advantage in the event of an opportunistic attitude. [6] (p. 528)

Foundations established in Hungary with the support of a financial institution are placing increasing emphasis on the design and analysis of these questionnaires. I would like to mention the best-known foundation, the Money Compass Foundation, which has provided several financial personality tests that are available to several generations. For these things, moderation, patience, predictability, behaviour, it was not enough to absorb lexical knowledge, often a lot depends on what medium we come from, how much we learn to really handle money in our lives.

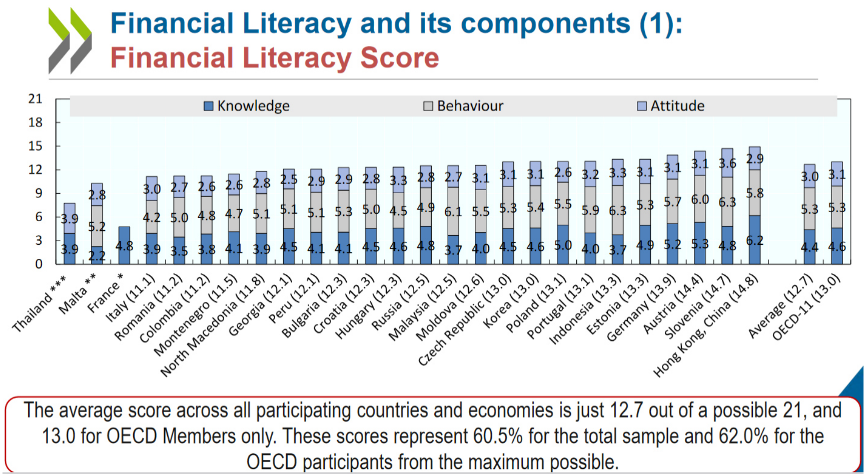
In the author's opinion, a lot depends on the practical examples and what the respondent has seen and experienced in recent years, how (s)he views the financial world and how (s)he is involved as an active, thinking person. With these tests, we can help and support respondents by holding up a mirror to them, an opportunity to see exactly where they need to change. Many people formulate financial awareness as meaning that one is conscious when one gives up everything and spends only on things necessary for one's existence, but this is not the case. In fact, in order to have more money left, we need to save money, but if we consciously set up our permanent, mandatory expenses, for example: bills, housing, etc. and shape our lives according to what we need and pay attention to prices, we plan with our remaining income, then we go for investment opportunities, even asking for the help and opinion of a financial professional, we can already achieve better results in a financial awareness survey.

It is worth to mention the role of the banking sector, which can significantly influence the wealth decisions of the private agents and who often face the incomplete financial knowledge of the consumers. The banking sector provides the benefits of financial products and services, with a major connection to society. The opportunities offered by different lending and investment schemes can be lost, especially if sufficient knowledge and know-how is not supporting at all. The target audience of retail banks is consumers, in most cases by means of marketing, trying to win the trust of the consumers. This task is not easy for financial institutions because a significant portion of the population is distrustful of banks. This situation is further aggravated by the fact that the population does not have adequate financial knowledge. It is not only in the interest of the regulatory bodies for the public to have adequate financial knowledge, but also for domestic retail banks. If individuals have the right knowledge, they can use that knowledge later on, avoiding situations that call financial stability into question. Therefore, in the course of lending for example, the assessment of the long-term solvency, financial and financial situation of consumers, and examination of certain assets in terms of liquidity, have been introduced. On the investment side, its pair is to provide opportunities to ensure a return on investment and increase it.

Hungary also participated in the survey of the Organization for Economic Co-operation and Development (OECD), together with 26 other countries. In this survey, the financial awareness of the society of a given country was measured using various questions and tools. The organization (OECD) is at the heart of the development of a population in the financial fields and seeks to improve the subject by involving all means. Comparing the results of the countries studied in the given year, it was concluded that further intervention is needed in the field of awareness and development of financial knowledge. Hungary participated in this survey years ago and has developed in relation to that value. Until 2015, the population experienced a global economic crisis of varying magnitude and wave, let's think of the crisis that erupted in 2008, which started in the US but reached Hungary without sparing any borders. Should a crisis occur anywhere in the world, it will affect other players in the economy. During these times, people experienced the difficulties caused by credit, the outstanding appreciation of the Swiss franc, the inflation, and the slow rise in property prices. They gained a kind of experience in these 7 years until 2015.

The next survey was conducted in 2019, where the financial awareness of the Hungarian adult population was examined internationally. The adult population consists of natural persons who have reached the age of 18 and are not yet 80 years old. The survey reached nearly 1,000 people and provided data for 2018 for the survey. The comparative analysis carried out by the OECD provided an opportunity to compare the answers to the questions asked at a global level and to draw new conclusions out of them. The complex analysis consisted of a total of three modules, including basic knowledge, their application, and behaviour. The national strategy for developing financial awareness was adopted by the Hungarian government in December 2017, and since 2018 it has been cooperating with the leadership of the Ministry of Finance and other organizations joining it. The research was conducted in 26 countries and nearly 125,000 people contributed to the international results. In the case of complex indicators, Hungary reached almost 60%. A total of 21 points can be achieved, Hungary scored 12.3 points. In terms of 26 countries, Hungary ranks 14th. Hungary has developed a lot in the field of financial literacy in the last 10 years.

Graph 1: Financial Literacy and its components



Source: [9]

In the recent period, if we look at the majors and enrolment scores of the higher education institutions, it is clear that the point thresholds are much higher in the economic fields and that there are year-over-year applications for these majors. Over the years, a lot of economists have come out of universities. The survey examined many segments of finance by the OECD, and it can be concluded that the attitude and behaviour of the Hungarian population towards finance still needs to be improved, which may be explained by the fact that people have become distrustful of the banking sector in the past. With the appropriate technological procedures that would have ensured the tracking of day-to-day finances. (Graph 1)

Technological developments have also been significant in the financial markets. Therefore, financial institutions need to monitor the new trends in consumer behaviour and accelerate innovation in the payments sector to meet consumer demands. [8]

In the banking sector, the developed mobile applications help customers manage and navigate daily finances, not only so we can keep track of our expenses, but we can also plan. We did not have the opportunity to do this before, due to the innovative processes, we used to be able to manage our finances in person at domestic banks, the population switched to internet banking at a slower pace, and today it is becoming more and more popular to manage payments and daily finances and also reduces the need for physical money, which is seen as an intermediary for transmitting the virus. [10] With the help of the applications, by setting a goal, we get the opportunity to use our remaining resources wisely. In the course of the study, it is also worth mentioning that the participants in the research are able to pay their costs on time, which is also due to the fact that the economy was operating well before covid-19. Budgeting and the rational use of the revenues have shown a positive trend, even in the form of savings and investments. Today, the issuance of interest-bearing Hungarian government securities and treasury savings certificates is favourable. More and more people are investing in these opportunities. We can choose which term to think about, in the short or long term, which is worth it and what interest rates to reckon with. Looking at the overall financial behaviour of Hungarians, it performed better than other countries, by almost 65.1%. The most experienced age group is 30–59-year-olds with higher financial literacy. The questions were disaggregated by age and gender, but it was observed that among the respondents, men performed better when examining financial awareness, except in Hungary, in Hungary women are much more aware in the financial fields and more and more people use the opportunities provided by digitalisation. It is important to mention that these data and research results clearly illustrate that the Hungarian population needs to improve its existing knowledge and provide clear answers to the shortcomings, as household deficiencies and ill-considered property decisions all have an impact on economic development and nor does the situation caused by covid alleviate the current situation. In an international comparison [11], the ratio of actively saving households is extremely low in Hungary: no more than 18 per cent of the respondent households deposited money on their savings accounts, 2 per cent purchased bonds or invested in investment funds, and 1 per cent held shares.

The current economic crisis is not conducive to household wealth decisions, rising inflation, the war situation, the steady rise in petrol prices, rising expected overhead prices, unexpected situations around gas, the slow rise in real wages, and the difficulty of repaying loans. Since the onset of the pandemic, the economy has changed significantly in the last two years. There are now threatening forecasts for the transformation of the economy, which we know so far that if we look at the situation of families, the epidemiological situation has shaken the economy and economic actors and then monetary policy instruments have sought to ease the wealth situation of the population. It is important to develop financial awareness sufficiently and to provide a solid foundation for the Hungarian adult population, because this way we can guarantee the financial stability and property decisions of households. Financial awareness influences the property decisions of economic actors, including households.

The quality of the financial functioning of individuals and families is central to social well-being. [12] Similar to the results of international studies [13], the financial behaviour of Hungarian young people is basically determined by the characteristics of their social background. The influence of parents on financial decisions is decisive. The quality of financial operations is closely related to sociological issues.

THE EFFECTS OF COVID ON HOUSEHOLD WEALTH DECISIONS

In March 2020, not only the whole economy was affected by the epidemic, but also the lives of millions of people. During these times, the various sectors of the economy have come to a complete standstill, with workers in the above-mentioned sectors losing their jobs and thus their main sources of income.

The economy has shifted negatively globally. In some sectors, demand has fallen significantly, with a dramatic impact on the workforce. In addition to unemployment, the decline in the purchasing power, and the increase in the monthly expenditures of the population, the sources of income and the areas of use of their expenditures (tourism, hospitality, theatre, leisure activities, etc.) have changed significantly.

Based on the data from the brief report of the Central Statistical Office (CSO), it can be stated that the volume of gross domestic product (GDP) in Hungary in 2020. decreased by 13.6% in the third quarter and by 13.5% on a seasonally adjusted basis compared to the same period of the previous year. As a result of the emergency caused by the coronavirus epidemic, production in most sectors of the economy has fallen. [14]

In terms of employment, the number of employees in June 2020 was 58 thousand more than in the previous month, while in June of the previous year it was 38 thousand less. In the period of April – June 2020, the average number of employed persons was 4,408,000, the employment rate of persons aged 15–64 was 69.4%. In the period of April – June 2020, the average number of unemployed was 214 thousand, and the unemployment rate was 4.6%. Compared to the previous month, the number of unemployed increased by 25,000 and compared to June 2019 by 92,000. The unemployment rate rose by 0.5 percentage points in one month and 1.9 percentage points in one year.

Wages are the largest source of income for all households. After the first patients were registered in Hungary, government measures pushed for closures, which in turn restricted the operation of major industries in the country, jeopardizing the livelihoods and earnings of workers who worked in one of these industries. Unemployment has risen, work schedules have changed significantly in some places, and several businesses have successfully switched to working from home. Educational member institutions have been forced into digital education, thereby reducing the spread of the infection. However, many parents found it difficult to solve their work at home and support their child during these difficult times. Employers offered to take un-paid leave, but sometimes they could not allow their employees to take the leave because of the shortage.

In terms of earnings, in June 2020 the average gross earnings of full-time employees were HUF 395,000. This value is 15.6% higher than in June of the previous year. The outstanding increase was largely related to the one-time extraordinary benefit of HUF 500,000 allocated to healthcare workers. In January – June 2020, the average gross earnings were HUF 395,000 and the net average earnings excluding discounts were HUF 262,600, both of which increased by 9.9% compared to the same period of the previous year.

Consumer prices were 2.9% higher than in the same month last year. Over the one-year period, the prices of food (7.8%) and spirits (6.7%) and tobacco (11.1%) increased significantly. Vehicle fuel prices fell 11.6%. In the period January-June 2020, consumer prices increased by an average of 3.4% compared to the same period of the previous year. [15]

By introducing various measures, they tried to alleviate the various burdens and difficulties of households. The National Assembly met on a daily basis, where various epidemiological measures and draft programs aimed at curbing the epidemic and alleviating the difficulties of the population were in order. In the second quarter of 2020, the government activated more funding opportunities to address the crisis in order to support the survival of businesses and thus retain their employees. The introduction of a credit moratorium has benefited not only individuals but also businesses. Several lived with the main element of a state-activated crisis management program that helped the population. This made it possible for the population to repay their existing loans later. However, in addition to success, we must also acknowledge that it has significantly transformed household spending, taking advantage of opportunities in a variety of ways. Many have spent the extra amount of money spending and starting to live a new type of standard, but this has a psychological appeal, even more so that they get used to these common habits and are much harder to let go. We can easily turn overspending into a habit, but it is more difficult to let go of a normal standard of living, and this can lead to new borrowings later on, even in the form of a personal loan, we can easily find ourselves in a credit spiral. At this turn of events, financial awareness is also showing how well we are able to make financial decisions, and how well we are able to acknowledge the extent and magnitude of our existing expenditures. Retailers who sell products related to home renovation (e.g. furniture) have reported that more people are interested in higher quality, more expensive products. It also shows that people have been able to spend more with their remaining income, proving a change in living standards.

It is worth to mention the government measures that have helped support families. Several programs were launched during the emergency, providing an opportunity for families. Such as home heat program applications, family house and home renovation programs, VAT refunds, energy applications. These applications are a great help, provided for start-ups and existing families. Young people under the age of 25 became exempt from personal income tax.

The rise of an emergency situation greatly influences the property decisions of households. The crisis has affected households' disposable income, consumption and savings. The government has implemented measures in its crisis management program that have had an impact on public finances. During the epidemiological measures, the time of visiting the shopping centres was limited, and the introduction of the curfew was also affected. Several major shopping malls have closed, with some stores switching to online sales. During these periods, the shopping fever came to a halt, and consumption in the purchase of certain consumer goods declined. As a result of the panic, the demand for some durable staple foods increased significantly, while the demand for other commodities decreased. Households began to accumulate their savings, thus protecting their existing financial wealth. The government has sought to reduce corporate tax burdens, especially on contributions. The timing of corporate tax returns and disclosures has changed, shifting from May to September. The expenditures of the population and the places of spending have changed. In the first half of the year, the population made less use of public transport and their existing own vehicles, all of which had an impact on oil prices due to restrictions and closures. First, oil prices in America fell and then hit the entire oil economy globally. In the capital, compared to previous data, there were far fewer vehicles on the roads, and peak traffic decreased in the morning and evening hours. Those whose workplaces were more flexible were not tied to them and it was not justified to buy passes for transport or to use their own car. There were thus more resources left with these households.

Several jobs where a home office facility was provided for their employees financed the employee's internet and electricity costs. The part of the population who did their work from home and was reimbursed for the extra expenses of working from home thus left more income on a monthly basis. In addition to protecting the health of workers and curbing the epidemic, the teleworking system is also financially advantageous for employers, as it partly saves on overhead and other ad hoc expenses related to renting a large office. However, in addition to the reduction in costs, additional costs may arise from the scheme, as the employer is obliged to reimburse the reasonable costs of working from home.

Another important issue is the evolution of food prices and consumption. Those who continued to work from home consumed more of the staple food on average. Families where children learned from home provided daily lunches and tens of children from home, not the usual day care system. However, demand for other consumer products has declined during these times.

It has been observed that consumption has decreased significantly, but the demand for food sold by restaurants has increased, as evidenced by the increase in the number of orders for food prepared by restaurants that can be ordered. The Foodpanda and Wolt service, focused specifically on home delivery of food, became so well-known and useful in Budapest that they expanded their services during emergencies and increased shipping rates. Many who have previously become unemployed have applied for this service chain and received significant wages and benefits in the course of their work. In the capital, many people chose the order option, several people ordered from restaurants, a canteen, fast food restaurants, which guaranteed the continued operation of these businesses.

However, some sections of the population bought online and took advantage of the opportunities offered by their own kitchen. Many cooked and baked at home because they were able to reduce their extra expenses. Food ordering was mostly typical to larger cities. In the initial period, only the shipping fee had to be paid and a minimum order was required, but the prices of the products and food reflected the prices on the menu for the third quarter. Ordering food has become very popular in the capital, so suppliers have increased the prices of food by approximately HUF 100-500. It was observed that if we looked at the current menu offerings of the restaurant on the website and the prices of the offerings through the Foodpanda or Wolt app. The same food, the same restaurant only change in price and there is no packing and shipping charge involved, they are all on top of that. However, demand did not decline in parallel. The amount of plastics, boxes and bags needed for packaging has also increased. More and more startups have focused on online shopping, where they have been able to help shoppers buy and ship the products they order instead. All such outpatient applications have provided its customers with a touch-free purchase.

Not only the stores advocated touch-free shopping, but people as well. During the first and second waves, measures to curb the virus included the introduction of a time zone for purchases. During this period, they also tried to segregate the older generation. Commercial stores have encouraged the use of a credit card for every purchase. The number of online orders has increased. Because of the panic and fright that developed, people in the first wave began to withdraw their savings in cash from their current accounts.

The purchase of vitamin preparations became important among the population in the second quarter of 2020. Society tried to prepare its body for the virus and tried to defend itself accordingly. Multivitamin, vitamin c and vitamin d preparations have become scarce.

In Hungary, after the first wave, the demand for masks and hygiene products increased. The population has spent more on hygiene products and masks. This was further exacerbated by the introduction of mandatory mask wearing in shops and on public transport. During these times, the number of cleaning products, sanitary masks and hand sanitizers became scarce. We had to wait weeks for the stocks to recharge and another shipment to arrive in the country. However, as demand increased, the supply side decreased significantly, resulting in a significant increase in their prices.

After the first restrictions were made and epidemiological measures were introduced, a kind of uncertainty arose in people's lives. Recognizing the need was no longer the primary goal, where the customer is facing the shortcomings of their needs, but the emergency, panic-like purchase that responds to the situation.

While earlier humanity is informed about the current promotions and prices, in such a tense situation the goal is to acquire the given products, in the shortest possible way, regardless of location, price or brand. Customer behaviour was completely transformed and as a result, suddenly everyone stormed the malls and several of the staples were stocked (e.g.: flour, sugar, pasta, canned food, less perishable food). Subsequently, grocery stores limited the amount of products (flour, sugar, milk) that could be purchased. Today, despite two years, this restriction has been newly introduced due to high inflation and price stops.

It is important to mention the increase in sales of domestic producers. At the governmental level, they encouraged and supported the activities of local producers and encouraged society to buy from them in order for local producers to survive. From the marketing advertisements of Magyar Telekom Plc., we got to know the work and business of several domestic producers through the TV screens. This paves the way for the purchase of goods from these producers.

Consumers' buying habits and spending places have changed intensively during these times. For those who used to spend their free time actively (participating in evening programs, spending long weekends in wellness hotels), their savings increased during these times until the restrictions and curfew were lifted.

SUMMARY AND CONCLUSIONS

Even before the outbreak of the pandemic, it was important for the financial awareness of societies to assess the ability of a given society to deal with a new global economic crisis in order to ensure financial stability. The covid-19 crisis has completely transformed the economy. Among economic actors, it has drastically changed the daily lives of households and businesses.

For the society to make decisions about the use of its funds, it must be aware of basic financial concepts, have appropriate attitudes, and be able to recognize its shortcomings. And you need to remedy the shortcoming with the help of the tools available to households. Today, several foundations and research institutes are trying to provide a strategy to government agencies through various surveys to make the developed methodology available to the public. It means a lot about the sources from which the population gets real data, with the help of which they are able to make their decisions, and which influence their consumption habits.

This study gave an insight to financial awareness and culture, with definitions obtained from several studies and approaches, whereas the exact definition is part of a controversial subject because it is based on a complex analysis. By discussing the ideas related to financial inclusion and financial culture as well as the most crucial indicators for assessing them, this study aims to emphasize the contribution of financial culture to promoting financial inclusion in CEE countries. The research came to many conclusions, the most significant of which are: 1) The lack of a significant relationship between financial knowledge, efficiency, and analytical ability and financial inclusion. 2) Financial intent, rationality, and awareness all have a significant effect on encouraging financial inclusion. 3) Financial culture has an impact on efforts to promote financial inclusion.

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LET IT BE - A WORLDWIDE CURRENCY!

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ABSTRACT

Examining the Bretton Woods system, Robert Mundell realized that the theory did not hold up in reality as expected. Thus, he created the idea of an optimal currency area, which has undergone many changes since the '60s, has been criticized by many, and has disappeared from the public consciousness from time to time. When the European Union planned its own single currency, it returned to Mundell's theory and used the euro to use it in part. It is the first currency actually created in economic union to replace the national currencies of many members. And our topic goes further and raises the question of whether, by examining and studying the theory, it is possible to create a currency that is not just the money of a multi-member zone, but of the whole world. In this study, we explain how it would be worthwhile to develop this tool, whether its issuer would be a new bank or banking system, and how to gain the trust of humanity for this purpose. We looked at how blockchain and distributed ledger technology could be used to create world money and the banking system, and yet what it could be used for.

Keywords: worldwide currency, world economy, Mundell, economic theory

INTRODUCTION

The world's current (2022) richest man, Elon Musk, has promised to send man to Mars by 2024. This could trigger the next (perhaps without casualties) colonization of humanity and, at the same time, induce an extraterrestrial economy. But by the time this process begins, a much stronger economic alliance will be needed here on the home planet as well. And an essential part of that is to revive an ever-recurring theory. And this theory is nothing more than Robert Mundell's idea of an optimal currency area.

Mundell developed his theory (the Mundell-Fleming theory) in the early 1960s that the fixed exchange rate system dreamed up by the Bretton Woods system was inadequate to prevent balance of payments deficits and to reduce prices and wages. Fixation is not the best for growth either. However, if we use a floating exchange rate between two nation-states, one could be the pulling economy of the other. In addition, if a common fiscal policy is pursued between the two countries and their currencies are shared, this so-called internal assistance could be even more effective.

Mundell was therefore awarded the Nobel Prize in 1999 for his theory. Shortly after the European Union introduced this theory, it introduced a currency called the Euro. So, we can call this study a success. Nevertheless, there are / have been some who have been harshly criticized about it. We have compiled these critiques and tried to figure out how to use the theory to create a new, unified, global optimal currency area, including a single world currency.

The main profile of our study is the theory we consider necessary to create this currency, who had an idea on the subject and what was considered good and bad, and how what was not perfect in theory could be perfected. World money cannot be created from scratch and the Earth has already had such international money, gold that needs to be re-examined, and how in our accelerating world, Bloc Chain and Bitcoin can help us on our way to creating a single currency.

LITERATURE REVIEW

The theory and its effects up to and including the '99s

The U.S. balance of payments deficit widened steadily, increasingly undermining the use of the dollar as the exclusive world currency and thus the viability of the entire Bretton Woods system. The "equilibrium" exchange rates institutionalized by the IMF have been shown to be incapable of fulfilling their function, i.e. fixing equilibrium exchange rates cannot provide real protection against dangerous balance of payments deficits. The American economist Robert Mundell wanted to prove the irrationality of the fixed exchange rate system from a specific approach [1].

This was the basis for the creation of the Mundell-Fleming model. Despite the fact that the system was invented so that not only the U.S., but also the world itself could develop economically after the global burnout, Mundell soon realized that this was not a sustainable path in the long run. It was then that he formulated his theory that fixed prices and salaries must somehow be dissolved in order to speak of economic expansion. He also gave an example that if there are two nation-states and there is an economic relationship between them, as well as a fiscal relationship, one can, so to speak, pull up the other, using the same currency to drive price growth in a stronger country to a weaker one. Population with more solvent wages, thus strengthening the economies of both countries.

Mundell gave two definitions of the currency area: the area - the group of countries-regions - can be considered the currency area within which - exchange rates between currencies are fixed, or - a common currency is used [2].

The extent of countries using a common or permanently fixed currency is the optimal currency area. Optimality can be defined by the characteristics of the optimal currency area, which reduces the need for nominal exchange rate adjustment and strengthens the internal and external balance within the currency area, which can be used to mitigate the effects of economic shocks. Economic rationality is that countries create currency zones when the benefits from it are expected to outweigh the costs [3]. This is a very important aspect for their study. Mundell says these two variations are for a currency area. But it is possible that these two options may be present together, if we want to determine the basis for the newly created single currency without returning to gold or any fund. That is, if we designed something without returning to intrinsic value, we would create a new common currency by operating with interconnected exchange rates, thus blurring the two options.

Optimality is also an important issue, as these studies are all spreading until some countries come together to form a common optimal currency area. This is largely due to the need for an external world in addition to the zone, from which the other can draw policy itself. (Table 1)

Table 1: Expenditures and benefits of joining a currency area

Expenditures	**Benefits**
Loss of independent monetary policy instruments	Transparency of prices
Loss of exchange rate policy as an adjustment tool	The disappearance of transaction costs
National preferences and traditions	Effective management of exchange rate fluctuations
Differences in economic structure	Low interest and inflation level
Occurrence of asymmetric shocks	Increase in credibility and decrease in moral hazard
Fiscal constraints	Increase in competitiveness
Loss of Seignorage	Expected increase in foreign trade

Source: own from [3]

The table also shows that, in the interests of unity, monetary policy must be sacrificed by the Member States and developed in a unified, common way. The other “policy” that members can no longer use is fiscal constraints, meaning the state can no longer influence the value of its own national currency by devaluing it. The latter showed itself nicely in the weaker EU member states (Greece) during the 2008 crisis, when this opportunity would have come in handy to save the national economy.

And the EU is a good example of talking about politics, because Mundell also points out that political union is only one of the conditions for an optimal currency area. And the EU has a common parliament, a legislature, and a common central bank that regulates the member states quite a bit, and it was, in fact, essential to have these factors when the euro was introduced.

With one or two exceptions, the world's currency areas (such as the Belgium-Luxembourg financial union) have always stemmed from political aspirations. The currency area has forged political unity, as the use of a common currency is the clearest symbol of belonging to a center of power. The process of the formation of unified nation-states was crowned by the introduction of "national" currencies on the one hand, and made irreversible on the other [2].

By the way, we can see from the table above that there are a lot of resignations and a lot of positive benefits to joining such a union. The table itself is based on the principle of cost-benefit, i.e. (according to the literature) a nation is only worth joining such an area if it has more benefits than costs.

To sum up, Mundell and Fleming developed the theory, which, while not a great success at the time, turned out to make sense, and has since been on the agenda several times for major economic decisions. The model itself explores the idea of an optimal currency union, highlighting the problems of the well-designed Bretton Woods system and showing an alternative on how to improve the world economy. We will find out what makes the single currency area a good idea and why it is a good idea. But this theory is not perfect either, and whenever it comes up again, there is always someone who criticizes it in either a good or a bad sense.

Reflections on Mundell-Fleming theory

After Mundell, relying on the theory he founded, criticizing or acknowledging it, and possibly supplementing it, more and more people addressed the problem of creating a currency area. Some were theoretically excited about the Mundell problem, but over the years, the rationality of the currency area has become an increasingly meat-cutting practical issue. Tibor Scitovsky, who lives in the United States, accepted the paramount importance of factor mobility, but saw it not as a basic condition but as a consequence of a truly well-functioning currency area [2].

The fact that all kinds of capital flows and transfers between countries are not a basic condition, but rather a good result. In other words, it is not possible to build on the fact that a union can be built on good economic relations between several countries, but rather these transfers must take place in the area that is already being established. Of course, this does not mean that nation-states cannot be united on the basis of factor mobility, but rather that if there is a shortage of this in an already formed alliance, this network will be built sooner or later. While Mundell considered this a prerequisite, this is also important to us because if we are talking about a single world currency, that amount must be a member of a nation and we know that there are countries that are enemies of each other. So, if we want everyone to be a member, we must clearly strive for these opportunities to develop later, within the Union, and not wait for all members to have a good relationship with everyone.

On the other hand, R. I. McKinnon approached the topic of the currency area. He emphasized the openness of economies, thereby acknowledging the importance of free and significant factor flows. Openness not only allows, but directly requires, fixing the exchange rate. Contrary to Mundell, McKinnon did not see any positive opportunity in the exchange rate change to reduce the adjustment burden on the economy. On the contrary, according to him, the fluctuation of the exchange rate, the rise or fall of the price of the currency forces the competitive sectors to adjust constantly due to the changes in the relative prices [2].

McKinnon, therefore, criticized Mundell's claim much more harshly. In his view, fixed exchange rates are indeed good for stimulating the economy, or at least he did not agree that floating exchange rates would be good for this role. This is because they would upset the balance and the constant fluctuation would be a huge problem for weaker economies that are unable to react suddenly. After all, these nations would not be able, at least, to allocate resources properly in a given situation. So, the more open a country is, the more it needs to avoid fluctuations with a floating exchange rate. Although a fixed exchange rate provides greater security, it may not always be good and often involves high risks, as devaluing currencies during a recession is a very good example of the anti-inflation option that can be realized with a fixed exchange rate.

Peter Kenen also agreed that the rationality for the optimal functioning of the currency area is the rationality of abandoning exchange rate policy. While Mundell focused on factor mobility, Kenen focused on diversifying economies. In the opinion of factor mobility, it is an important requirement because in the case of asymmetric shocks affecting some members of the zone, it can make up for the loss of the exchange rate instrument for adjustment policy [2].

That is, according to Kenen, the greater the difference between member states, the easier it will be to stand their ground in a recession, because the easier it will be for transfers to work. After all, if one country is short of something, it may be able to obtain it from the market of a country with a weaker economy, thus strengthening both markets. This would only be difficult to achieve between nations with strong economies, as deficits would have to be filled with external resources. In terms of our topic, however, this is very good, because the world is quite diversified in terms of economies (and cultural as well as behavioral), so in the event of a crisis, the countries of the world can help each other, just as they do today.

The theory from the 2000s

We know how the Mundell-Fleming model was developed and implemented until the late 1990s, and we were also able to see who reacted to the theory and how. However, this has been happening slowly for 30 years, so we need to look at how things have changed since then. Ferkelt (2020) concluded that notwithstanding substantial progress made in the direction of it prior to the introduction of the euro in terms of inflation convergence, financial integration, and intra-trade intensity, the conclusion is that the Euro zone is not an optimal currency area. The conditions for labor mobility, pay flexibility, fiscal integration, and political integration, however, are difficult to accomplish. [4]

Of course, even before the crisis, there were serious problems with the asymmetric structure of the euro area, the lack of a common fiscal capacity, and the weak regulatory conditions of the Stability and Growth Pact would have had to coordinate discretionary fiscal policies, leading to more fiscal imbalances. nor can a monetary policy placed on a common level be considered an absolutely successful undertaking [3].

So, after the turn of the millennium, it was already apparent that although the first currency area created using Mundell's theory did not perform as expected when it was created. It became increasingly clear that in the absence of a unified fiscal policy, due to the weakness of the rules, the balance was far from possible. Although monetary policy has worked, inequalities have weakened the economies of the union, reducing the more developed countries - the problem of the North and the South. And the 2008 crisis has exacerbated this deterioration, with poorer, more shabby nations sucking money even more from their wealthy counterparts.

Despite the higher growth rate, the southern states have not implemented the country-specific structural reforms that could have maintained their competitiveness during and after the crisis [3].

However, with this happening and the Union recovering from the protracted recession, it has launched a process that has clearly forced the currency, and more specifically the euro area, to renew and improve. It turned out that the creation of an optimal zone is only possible if fiscal policy is also regulated. Since then, the Union and the euro itself have developed to world standards and more and more people are joining the single currency, further strengthening the currency itself.

Inferences from the life of the model

In conclusion, the optimal currency area itself can only develop properly through development, for which well-functioning integrity, factor mobility, a single monetary and fiscal policy (at least on the basis of regulations) and a single common currency are essential. Having these makes it easier to build a close union. But there is a problem with this, if we approach it from the point of view of the subject, because we cannot talk about political union in creating the optimal currency area for the EU to create an economic, political union and world money. Monetary union can be achieved with a common central bank, as the European Central Bank does, as a supervisory but non-intervening bank, but a diverse world with a thousand faces cannot be brought together politically. A solution to this can be a system that does not even require this condition. On the other hand, here we have reached the biggest problem that we cannot avoid, and that is nothing but trust.

How can a single, universally accepted common currency be created in circumstances independent of a policy, a nation-state, a specific syndicate, so that, after the abolition of the gold standard, it has no intrinsic value? Just with trust.

TRUST

As mentioned, a currency cannot be created without trust that does not have any of the conditions that are essential for a currency. An important question is why we trust the money of our own nation at all, if it is shaped jointly by the government and the national bank and the people have no say in this process. Well, it is clear that we trust it, because that is what we get paid for, we pay for the products and the various services in the store, and we trust the people in charge of our nation's finances that our money existed not only today or yesterday, but tomorrow and in the future. Of course, trust is a much bigger thing in the economy. Since power over money is concentrated "only" in the hands of two actors, it is no wonder that people have realized they cannot afford not to be in control of their own wealth. As a result, there were those who sought opportunities to create a better, more "audience-centered" system. This is how the Block Chain system was created, which is used for Bitcoin, among other things, which is secure, decentralized and public, accessible to anyone who wants and has a computer. Although many people do not understand or are not interested in technology, they still trust it much more than in the traditional system - at least this is the case among young people today.

First of all, we need to define the concept of trust. In everyday language, the concept of trust is associated with a positive value judgment. If we trust someone or an institution, we expect that its behavior will have a beneficial effect on us. In this writing, the concept of trust is invaluable actors trust each other or organizations when the other party behaves in accordance with their expectations. This behavior can have negative or positive consequences for the actors; it is not the sign of the consequence that is relevant to us, but its conformity to expectations [5].

Trust in the economy does not depend on closing the day with a positive outcome, but rather on getting what we have been waiting for from our partner. This is more important because if we trust someone, but we know they will do poorly, even if they say the opposite and really do poorly, then we are not disappointed, and trust is maintained. If we get what we want, what we have been waiting for, it doesn't matter if it brings out good or bad outcomes for us or the other players.

Even in an optimal currency area, the essence of trust is that which member joins is aware of the positive and negative consequences and binds its expectations to them. If these expectations do come true, such as that transfers will increase its GDP or that the workforce will migrate to higher-paying members within the Union, then it can be confident that the Union will be able to keep up and then there is no problem. From our point of view, this is important because if we want to create a worldwide currency, members need to know what the good and bad qualities are and what they can expect in return. Being aware of these will make it easier for them to vote confidence in this tool.

On the other hand, it is important to stress that money cannot motivate members to give a chance and use the resulting world money.

Agarwal [2002] demonstrated that the negative consequences of bilateral moral hazard can be most effectively mitigated not through financial incentives but through appropriate institutions [5].

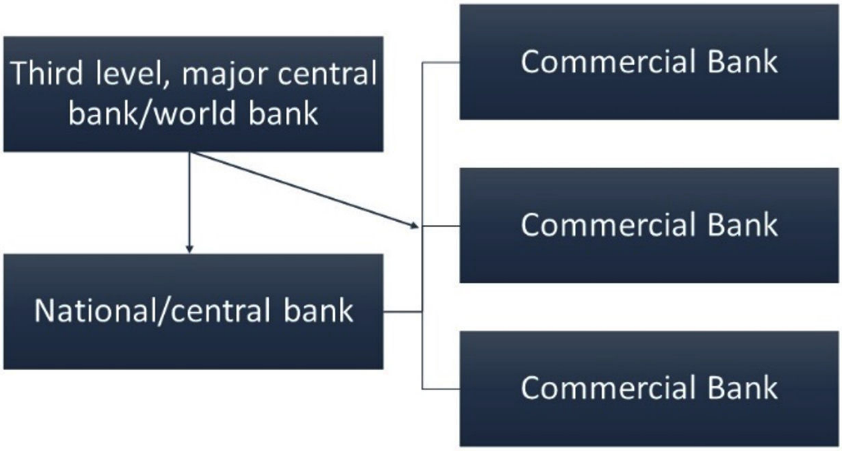
The point is to develop the institutional system. We know that the EU has also set up the European Central Bank and many other institutions. If we want to create a single currency, and within it a union, we must first and foremost strive for the underlying system, including trust. To do this, it is essential to create a banking system, as this is already playing an element of trust in the process. This would be nothing more than the introduction of a third level.

THE IDEA OF A THREE-TIER BANKING SYSTEM

We know that the 2-tier banking system is the trend in the world and these two levels consist of a central and many commercial banks. Commercial banks can also be international if they operate a branch (network) or even a subsidiary in another country. Central banks can also be international if transfers are made to the nation through them. The national / central bank is also called the bank of the banks, because it issues the money with which the other institutions operate, and it also provides and regulates the conditions for its existence. So, we can say that a simple financial institution accessible to all is subordinated to the main bank. So, the question arose as to where the third level could be imagined.

As shown in the figure, the main central bank would be an institution that would not only regulate the national banks but also cooperate with the commercial banks, without interfering in the operation of the national banks or their governing role.

Figure 1: The structure of the three-level banking system



Source: own

It would be a cooperating partner institution whose primary task would be to issue and oversee the money. The figure also includes the term World Bank, which refers most to the World Bank as an institution, as the primary function of the current World Bank is to issue loans. As this is also a function of central banks and the main bank would not have it, these two systems could be merged to create a real world bank. Respectively a system needs to be established; since it is not enough to create a piece of such a bank, a system present in every state may be needed, and here another question arises as to who, if it is a major bank, that is, the institution at the top level, who can call its customer. Well, here's where the Block Chain Clearance and Distributed General Ledger System (DLT) comes into the picture, as you could use this bank for everyone. Operations would not be restricted to nations or central banks, as everyone could get the money they spend directly from the main bank. This would allow it to function similarly to a cryptocurrency that already represents an international currency today. So, anyone can buy or sell at any time without any intermediary. And the block chain's incredibly long, almost unbreakable system would give it security and speed, as well as provide public access anywhere, to anyone, and a distributed ledger would help to ensure that the transaction actually only takes place between the two parties, so the main bank would guarantee security itself. Add to this the latest state-of-the-art technology, smart contracts that fill themselves when certain conditions are met, thus guaranteeing that the transaction will only take place if the service also changes hands, resulting in a very high degree of security. This greatly increases trust between the parties.

SHINY LIKE GOLD

There has been a lot of talk about it, but not about what this single currency is and how to imagine it. Well, in itself, it is very difficult to define this currency, because the currency or currency without internal value that we use today is issued by a nation or, in the case of the EU, by a union, the value of which is determined by the quantity itself and the strength of the economy. It seems relatively easy to start with the euro, as it is also the official currency of several countries, yet it is not issued by one country. In contrast, all member states in Europe have a relatively similar culture and attitude. This is not true of all the countries in the world, nor is it easy to bring them together, for the noble purpose of using something for everyone in their daily lives. That is why it is not possible to talk about a single or optimal currency area if we think about it, or at least as we have known the theory so far.

When we talk about the euro, we are talking about the currency of a specific European coalition. A unified terrestrial political union is inconceivable. So, the biggest problem is how do we persuade the people of the Earth to use a common currency instead of their own? Not at all. Nor is it a goal, but rather to have an opportunity that is accepted everywhere without having to be converted, it is relevant and valuable to everyone. So, it would be a secondary currency outside your own currency/currency that would not replace any currency yet everywhere. Something like this is very hard to figure out what sort of currency could perform such a role, because if we look through the history of mankind, we can come across such a tool that is nothing but gold.

Over time, the main means of exchange have become assets in the environment to which humanity attributes “intrinsic value” such as gold and, to a lesser extent, other precious metals (silver) and precious stones [6].

When we think of the value-measuring function of money, keep in mind that it was actually made of gold. It is known that this precious metal stood out from the crowd not only with its luster. It was difficult to mine, not to be found everywhere, and its beautiful yellowish color seduced the rulers. So, the more they wanted it, the greater its value. It is easy to machine (even edible), so it is no coincidence that whoever had a lot of it not only kept it in blocks in the treasury, but also made certain products out of it or decorated the buildings with it, thus showing its wealth. This precious metal served to show wealth for a very long period of time because it kept its value constantly and was the most luxurious means of payment in trade. So, as the world and finances evolved, it is not surprising that gold also provided the basis for later payment options.

The demand for payment services is a major driver of innovation. The bill of exchange embodies a debt, but was not brought to life by a demand for credit but by a demand for payment, centuries ago in Italian cities, where it was used to finance short-term loans that arose as a need for trade. The switch made it possible to pay for longer distances without physically moving the coins or gold bars. The efficient international trade in commercial loans was built on bills of exchange, which required the presence of “merchant” banks at the point of acceptance.

After the bills, further development of lending and money began. Gold-based coins were created instead of bars, which were then replaced with other precious metals due to the price of gold and the boom in demand, and then paper money also appeared. In a word, gold as a currency was out of circulation and had access to money only through the gold reserves of national banks. Based on the gold standard, it gave the intrinsic value of national currencies, which could be used to determine how strong a given currency is compared to other currencies. Then, after the First World War, the gold fund was taken out from behind the US dollar, and from then on, the money was left without internal value, so the gold disappeared completely from the circulation.

Nevertheless, gold has remained valuable and, as it is no longer the determinant of the money known today, it continues on its own in measuring the economy. That's why it provides a very good escape route in a recession line for someone who wants to save their wealth. It can be observed that in the event of economic crises, the demand for gold always picks up.

With this in mind, in the twentieth century, financial innovations and funds were created during the time of FinTech, with which access to gold is really easy, these are called ETFs, and whoever buys one gets ownership, but does not receive the specific asset. This is the most important thing for our subject, as it could even create a world money based on a gold ETF, issued by the main bank through a blockchain, which would also have intrinsic value and the high security needed for trust.

CONCLUSIONS

In the authors' opinion, the theory created by Mundell can be a good starting point if we want to introduce a single currency in the countries of the Earth, because he shows through the optimal currency areas how a functioning world money can be created. The "impossible trinity" of the Mundell-Fleming model and the dearth of research to address it should be acknowledged when using the model as a tool to improve economic wellbeing. [7] However, in addition, those who criticize him make our theory really important, since Mundell's thoughts were not perfect either. We know that there used to be an instrument that could be called world money, it was gold, and nowadays cryptocurrencies have taken its place, but if we think about a truly connected world money that is regulated and relatively stable, we cannot find such in the market. Thus, what we described in theory would be a special world money, and our conclusion is that it can be created in theory, if we also create the corresponding regulatory force, the three-level banking system.

SUMMARY

All in all, then, we can say that Robert Mundell has developed a theory that, if not since then, is gaining ground and his idea will return from time to time in important economic decisions. We know that what he has come up with is not the most appropriate, but if we want economic integration and, within that, a common currency, we cannot go beyond his theory. Even if we only partially examine our thoughts and apply them only superficially, the union will not be perfect, as mistakes that we may not have experienced with the good use of the theory will soon fail. In addition, of course, it is also important that after formulating his theory, the existing currency regimes need to be changed in order to create a well-functioning currency union. Taking everything into account, we can think about where this path could lead and get involved in what our topic is about, to create not just small optimal currency areas, but a planet that spans another entire planet.

And if we want this instrument to be established, we need to look at its terms and its most important basis, trust. As we have explained in our study, it is not only the money that is important, but also the way to start development and improve the institutional infrastructure, as it is more motivated to set up an oven than to get everyone a slice of the cake. If we do everything, we can create this instrument, which seems absurd at the moment, then after a while the world will notice it and, with the support of each other, the process can take place, which will end with the creation of an economic union that includes the world economy.

Or, if the world money and the union actually meet the standards, it would start the integration of the countries stuck in the periphery, the free flow of transfers from everyone, everywhere and the R&D process, so that the colonization of other planets in the next 20-30 years can be realized. And we can even be one step closer to globalized prosperity.

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THE GEOGRAPHY OF THE EUROPEAN FOOTBALL CHAMPIONSHIPS: A CENTRAL EUROPEAN PERSPECTIVE

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ABSTRACT

The study aims to present the changing role of the Central European countries in the continent's football life from a basic sport-geographical perspective by analysing the achievements and participation of these countries in the European Championships. The aim of the present paper is to explore how the differences observed on the continent are reflected in Central Europe and what changes have taken place between 1960 and 2021. It is also investigated how the integration of the region succeeded in this specific area. In addition, this research aims to scrutinize to what extent there has been a catching-up or a falling behind, or whether the region's search for its own way forward has been strengthened. The study focuses on the flow of goods and services with a special attention to the region under scrutiny. The results show that integration has also reached football, therefore, after the change of régime, the region has become part of the global player flow, with the main direction being Western Europe and to a lesser extent Latin Europe, too. At the same time, football has increasingly become a vehicle of national pride and identity.

Keywords: Central Europe, European championships, football, sports geography

INTRODUCTION

This study is part of a larger research project that aims to explore the socio-geographical and sport-geographical context of European Football Championships. As part of geography, they are related disciplines to economics and several other disciplines, too, and can thus effectively support these disciplines. Sports geography is a discipline that has been around since the 1930s and is concerned with the territorial, social and economic aspects of sport. [1]

From a functional perspective, it is the study of sport phenomena using the methods and tools of geography based on the paradigms of geography. [2]

Football is one of the most dominant sports in our world. However, the game is not only a sport, it has also become a major source of entertainment and an industry. Its "products" are in great demand, making it a key factor in spatial economic activity and part of the global world. Sportspeople are important as they move and migrate in geographical space. Migration is motivated by push and pull factors. In their study, Castles and Miller (2003) have detailed the local, regional or global motivating and demotivating factors, and their combination, which reflect the socio-cultural context of the direction, purpose and socio-cultural conditions of migration. A number of factors is reflected in the study, such as geographical proximity, cultural and geographical similarities, income or even professional sports-related considerations. The reasons for football migration in Central Europe are essentially economic, motivated by making attempts to obtain a higher income. [3]

The traditional centre-periphery theory also appears in the analysis. In terms of European players arriving in Hungary, Molnár divided the UEFA countries into three groups based on their economic strength: economically prominent, semi-peripheral (countries that joined the EU in 2004) and peripheral. [4]

After the change of régime in 1989 and the EU accession in 2004, the migration of sportsmen and women between the East and the West has intensified, especially in popular team and spectator sports, including football. It has also become common in Central Europe for marketable sportsmen and sportswomen to move abroad for better financial, professional and career opportunities.

The aim of the study is to present the spatial inequalities within the continent from the point of view of the European men's football championships, with a special focus on the role of the Central European countries in the period from 1960 to 2021. It thus seeks to answer the following research questions:

- How are the changes in Central European football linked to the development of European integration?
- What characterises the region in terms of organisation, participation, performance and player migration? To what extent is the region a donor or a host?
- To what extent is, based on Molnár (2003), the Central European football region in a semi-peripheral region in the Eurozone?
- What are the specific characteristics of the internationalisation and Europeanisation of football in Central Europe?
- How can the following contrast be interpreted in the light of mobility statistics: while football is part of national identity of fans [5], the game is becoming increasingly internationalised.

It is important to underline that the findings of the study can be interpreted on the basis of the statistics of the European Football Championship. This allows for a limited immersion in the subject in terms of player migration, but as it concerns national team players, it is possible to analyse the trends directly on the basis of the highest quality football employees.

As explained above, the present paper is based on data analysis. It uses the available data to explore regional processes and spatial differences. As one of the most important sources, the European Football Confederation's sites on the history and statistics of the European Championships were used [6], such as Weltfussball.de [7] and the A Rec.Sport.Soccer Statistics Foundation database [8]. The role of the so-called foreign players is highlighted in the presentation of regional disparities. FIFA regulations define who can be a member of a national team of a given country. A national team member is a person who holds the nationality of their country and complies with the other relevant provisions of the FIFA Statutes. [9] A player becomes a foreign national if they are employed by a club in a country other than the one in which they are a national. The databases mentioned above are the guides in this respect.

EUROPEAN FOOTBALL REGIONS

The European Football Championship is a football tournament organised by the European Football Association (UEFA) and held every four years for its member countries. The first championship was held in 1960 as the European Nations Cup. Since 1968, it has been known as the European Championship.

In order to investigate the migration of players and regional differences, European football regions were created for this study. This division is certainly debatable; however, it would have been difficult to compare the 55 member countries of the UEFA. When creating the different football regions, in addition to the geographical location, the traditional and economic importance of football and its culture have also been taken into account.

Table 1: European football regions

Football regions	**Countries**
Central Europe	Visegrad countries, Baltic States,
Western Europe	France, Benelux states, German-speaking countries, British Isles
Latin Europe	Italy, Portugal Spain
Northern Europe	Scandinavian countries, Finland, Iceland
Eastern Europe	post-Soviet states (e.g. Russia, Ukraine, Belarus)
South-East Europe (Balkans)	Greece, post-Yugoslav states, Romania, Turkey

The Central European Football Region has been defined on the basis of history, geography and cultural geography. It comprises two groups of countries: the Visegrad countries (Czech Republic, Poland, Hungary and Slovakia) and the three Baltic states. Their football cultures are similar and none of them has been a leading football power in recent decades. These are countries with similar situations and economic development and joined the EU simultaneously in 2004. The German-speaking countries to the west are part of the Western European region and their sports economies are closely linked. The countries to the south are part of the Balkan region. The most controversial part of this is the categorisation of the successor states of the former Yugoslavia. Croatia and Slovenia could well be part of the Central European region, based on their development and cultural geography. However, because of the links and similarities between the South Slavic states, it is appropriate to consider them as a whole, within the framework of the Balkan region. Romania may also give rise to questions, but taking into account the above mentioned considerations, it was considered to be part of the Balkan region (Table 1).

The terms Eastern and Western bloc are also used in the study. The first half of the period (1960-1990) under scrutiny was dominated by the Cold War confrontation on the continent, which also had an impact on competitive sport. In the aftermath, East-West approaches are still present in European public life, for example in the analysis of East-West fault lines within the EU. The border between the two blocs has traditionally been called the Iron Curtain. The group of former socialist countries to the east of this is the Eastern Bloc, and to the west are the so-called Western Bloc, the pre-1990 capitalist states.

When examining the territorial differences in European football, particular emphasis was placed on the countries with the most important football economies on the continent. The following four countries (TOP-4) were identified as football superpowers: England, Germany, Italy and Spain. The use of this category is legitimated by the fact that these are the most successful states. Only these countries, together with France, have won the World Cup, and have been the most successful in club football, for example in the Champions League since 1992. The European Football Confederation has identified the English Premier League, the Spanish La Liga, the Italian Serie A and the German Bundesliga as the strongest leagues for the 2021/22 season, based on the UEFA coefficient [10]. It would be reasonable to include France in this category, but in our analysis of player movements, it was concluded that French football has tended to play the role of donor, or player supplier, over the period under review, compared to other countries which are major host countries.

In recent decades, certain state borders have changed, and so have the names of countries. For the purposes of this work, Germany is referred to as the successor to the Federal Republic of Germany (FRG), Russia as the successor of the Soviet Union or the Commonwealth of Independent States, and the Czech Republic as Czechoslovakia.

The number of countries participating in the European Championship has steadily increased, from 4 teams between 1960 and 1976, to 12 between 1980 and 1992, and then to 16 teams until 2012. Until 1976, the tournament featured two semi-finals and a final, with three matches, rising to 51 in 2016. As the number of teams increased, more and more players became eligible to participate in the European Championship. Their number rose from 70 in 1960 to 620 in 2021. [6, 7]

Historical changes have played an important role in player migration. Of particular importance is the development of European integration. This made it easier for foreign footballers to work, first in the West and then, after 1990, in the Eastern bloc. A major breakthrough came in 1995, with the ruling of the Court of Justice of the EU, the so-called Bosmann rule, one of the most important elements of EU sports regulation. [11] This allowed sportsmen and women to move freely, as other workers do, and made it easier for them to migrate abroad.

CENTRAL EUROPE IN THE COMPETITION OF NATIONS

The teams participating in the European Championships have always been selected in qualifying rounds. In 1960 and 1964, these were round-robin, straight knockout qualifying rounds, and thereafter group matches and qualifying rounds.

A total of 35 national teams from 35 countries have taken part in the 16 European Championships so far. The most successful in this field are the countries of the Western Bloc, Western and Latin football regions. Germany has taken part in 13 European Championships since 1972, missing out only on the first three tournaments, which were then four-team tournaments. Russia has been among the best 12 times. Spain follows it with 11, then England, France, the Netherlands and Portugal with 10. Among the Central Europeans, 10 appearances are notable for the Czechs, who have been consistent participants since 1996, when the 16-team system was introduced. Poland and Hungary, however, have made it to only 4, while Slovakia, independent since 1993, has only reached the European Championship twice. Poland has been a regular participant since 2008. Hungary – after 1964 and 1972 – and Slovakia have only made it to the 24-team European Championship. At the bottom of the list are the small-population countries of central, south-eastern and northern Europe. Latvia is the only Baltic country to have participated in 2004. 20 states have never participated in EC, such as the mini-states and several Soviet successor states (Belarus, Kazakhstan, Georgia, Moldova, Armenia or Lithuania and Estonia.)

Table 2: Countries participating in the European Football Championships and their results

Ranking	**Country**	**Number of participants**	**Number of matches**	**Victory-Deaf-Draw**	**Differences in goals**	**Points**
1	Germany	13	53	27-13-13	23	94
2	Italy	10	45	21-18-6	21	81
3	Spain	11	46	21-15-10	26	78
8	Czech Republic	10	37	15-7-15	1	52
18	Poland	4	14	2-7-5	-4	13
20	Hungary	4	11	2-4-5	-6	10
27	Slovakia	2	7	2-1-4	-8	7
34	Latvia	1	3	0-1-2	-4	1
35	North Macedonia	1	3	0-0-3	-6	0

Sources: https://www.uefa.com/uefaeuro/history/

The most successful teams at the European Championships are the Western and Latin football powers, with the exception of England, the home of the game, which has never won gold. Of the 16 tournaments, 10 have been won by teams from one of the top-ranked countries. Germany and Spain have triumphed three times respectively. The latter was the only team to defend its title. France and Italy have won twice. The Soviet Union, the Netherlands, Denmark, Greece, Greece and Portugal also made it to the top of the podium. Czechoslovakia was the only Central European nation to win the tournament in 1976, and the Czech Republic is the only one from the region to win a silver medal in 1996. In terms of the number of semi-final appearances – 17 national teams in 16 tournaments – the Czech Republic is also the best in the region, with five (1960, 1976, 1980, 1996, 2004), matching the achievements of countries such as France, the Netherlands, Portugal and Spain. Hungary did it twice in 1964 and 1972.

Table 3: Participation of countries in the European Football Championships (year)

	1960-1988)	**Participation (1992-2021)**
Czech Republic (Czechoslovakia)	1960, 1976, 1980	1996, 2000, 2004, 2008, 2012, 2016, 2021,
Poland		2008, 2012, 2016, 2021,
Hungary	1964, 1972	2016, 2021
Slovakia	2016, 2021	2016, 2021
Latvia	2004	2004

Source: https://www.uefa.com/uefaeuro/history

During the Cold War, states in the Eastern Bloc were more successful than afterwards. Mainly through the Soviet, Yugoslav, Czechoslovak and Hungarian national teams in Central Europe. The East only won the European Championship twice before 1990. Their teams had reached the semi-finals a total of 10 times in 8 tournaments up to 1988, and only twice in 8 tournaments after 1992, both times against the Czech Republic. In the 4-team tournaments, Hungary was a semi-finalist twice.

Countries hosting European Championships

Until 1976, the country hosting the European Championship was one of the four participating teams. Then, UEFA decided which country would host the event before the qualifying rounds, this way a given country was already qualified for the tournament. The Western and Latin countries of the continent, including the footballing powers, clearly dominated the hosting of the tournament, with 13 matches in total. In 1976, Yugoslavia was the organiser. In 2012, Western Europe created the favourable conditions for Poland and Ukraine to co-host the tournament. Euro 2020, to be held in 2021, was hosted by several major European cities, with both “Western” and “Eastern” cities taking part in it. This allowed small countries, which would otherwise have had little chance to host, such as Azerbaijan, Romania and Hungary[1] to host events.

PLAYER MIGRATION

The Cold War

In the early days, there was minimal cross-border movement of footballers for employment purposes, so the first five European Championships – with four teams still competing – between 1960 and 1976, saw only occasional foreign players in the national teams. In 1964, the Spanish team was the first to feature two athletes who had become professional abroad, in Italy. In 1976, the Dutch delegation already included five foreign players. The teams from Eastern Europe (Romania 1984, the Soviet Union 1988, the Commonwealth of Independent Nations 1992) and Central Europe (Hungary 1964 and 1972,

1 Hungary has indicated her interest for hosting the event three times: jointly with Austria in 2004, independently in 2008 and with Croatia in 2012, but has failed to win it each time.

and Czechoslovakia 1960, 1976 and 1980), which took part in the tournaments, did not include players from foreign clubs. Nor were there any examples of footballers from clubs in the Eastern bloc joining the Western bloc national teams.

In the 1980s, the tournament became an 8-team tournament. Despite this, only one team from the Eastern Bloc took part in an EC. However, after 1980 there were no participants from Central Europe until 1996. Statistics show that the decade saw a surge in player movement west of the Iron Curtain. A freer economic and social environment and the European integration gave the opportunity for a growing number of foreign players to play in continental tournaments. Denmark's appearance at the 1984 European Championship in Spain was a breakthrough. It was the first national team to be made up of a majority of foreign players, with only 6 of the 20 players playing in their country's league. It was the first tournament to include a majority of teams with foreign players.

In 1988, at the tournament organised by the FRG, two of the 8 national teams were dominated by "foreigners". Ireland was the first team – and the first to take part in the European Championships – to have no players in the domestic points competition, with 16 of the 20 players playing in the English league. The Danish team included only 8 players from the domestic league. In the Soviet team, apart from Italy and Spain, there were only home-grown players. A good example of the fact that the Eastern Bloc has so far been excluded from the international flow of players due to its political and geopolitical situation, therefore, Yugoslav footballers were only allowed to play for Western clubs from the 1970s, Hungarian footballers from the 1980s.

After the Cold War

The 1992 European Championships was the first tournament after the fall of the Iron Curtain – still with 8 teams. The changing circumstances provided the opportunity for a steady migration of players from east to west. In the framework of the Commonwealth of Independent States, the successor to the Soviet Union, 9 players played in the domestic (Russian or Ukrainian) championship and 11 in Western and Latin European championships. The Swedish team was also dominated by foreigner players (11-9), while the Danish team "called up from the beach"[2] was dominated by domestic players (13-7). The Danish team, which had been a foreign player team at the European Championships, achieved its best result in the event, winning the gold medal. This tournament was the first in which there was no team without a foreign player.

In the following sections, we wish to go into more detail about the post-1996 European Championships, as the participation of Central European teams became more and more common.

From the tournament in England onwards, 16 teams were allowed to play. The higher number of matches allowed a national team to field 22 players, which was the case until 2004, continuing the previous trend of Western and Latin European teams relying more on domestic players, while other football regions relied more on the foreign players of Western and Latin European teams.

At the 1996 European Championship, the Western (English, Dutch, French, German and Swiss), Latin European (Portuguese, Italian and Spanish) and Balkan Turkish national teams were in the minority. The last three national teams only fielded domestic players. On the other hand, the Scottish, Danish, Bulgarian, Croatian and Romanian teams in South-eastern Europe and the Russian teams in Eastern Europe were dominated by players from foreign clubs. The majority of the Czech team (15 players), silver medallists in the tournament and representing the Central European region, were at that time still from the domestic points competition. The 1996 tournament, with its increased number of players, clearly highlighted the trend of a large-scale migration of players from east to west on the continent.

In the 2000 Belgian-Dutch joint championship, the proportion of foreign players increased further compared to 1996, with 172, with one in two (49%) of the athletes no longer playing for a national team.

2 Yugoslavia, which qualified for the European Championship in Sweden, was not allowed to take part in the tournament because of sanctions imposed due to the Yugoslav Wars. The Danes qualified, beaten by the Yugoslavs in the qualifying group.

Italy and Spain only fielded domestic players, while the French national team then became a team of foreign players. The rise to a majority of "foreigners" has thus reached yet another western state. It worked so well that the Gauls won the tournament. Foreign players dominated the delegations from northern Europe (Denmark, Norway and Sweden) and the Balkan region (Yugoslavia, Slovenia and Romania). The Czech national team, representing Central Europe, had a balanced domestic and foreigner player ratio, with 3-3 English and German, 2 Italian, 1-1 Belgian, Portuguese and Spanish league recruits.

In 2004, Portugal hosted the European Championship. The number of foreign players was limited at 23. The previous trends continued, with the big football nations dominated by players from their own leagues (Italy, which was made up only of home players, and England, Germany and Spain). The surprise winners, Greece, relied on their home team. The foreign player predominance reached the Lusitanians at this time and the predominance of "foreigners" in the European Championships became permanent for Switzerland, as it was for the Danish and Swedish teams from northern Europe and the Bulgarian and Croatian teams from the Balkans. Nevertheless, there have been changes in the Eastern and Central European regions, too. Eastern Europe broke away from the previous trend, with "Sbornaya" having only 2 players from foreign clubs in addition to their 20 domestic players.

The dominance of domestic players then persisted at the European Championships, and this was to characterise the Ukrainian national team in later years, too. In contrast, in Central Europe, the dominance of foreign players became dominant. The Czech team had only five domestic players, five from Germany, three from France and Italy, two from England, two from the Netherlands and Russia, and one from Belgium. Latvia, the European champions, fielded 12 "foreigners" in addition to 11 domestic players (4 Russia, 2-2 England and Ukraine, 1-1 Austria, Belgium, Denmark, Israel.) It is noteworthy that there were also some foreign players who were not from the Western bloc but from Eastern Europe. The movement of players from Central Europe to the East was also taking place, which became by then also a feature of the Balkan national teams.

In 2008, two countries hosted the continental tournament again: Austria and Switzerland. It was the first European Championship to feature foreign players in all national teams. The German, Italian, Spanish, Turkish and Greek national teams were dominated by domestic athletes, and the Russians had only one foreigner at the tournament. The Romanian team was a special case, with one more home player but this was only a temporary change. Central Europe was represented by the Czech Republic and Poland, the former with 21 foreign players (5 Germany, 4-4 England and Italy, 3 Belgium, 2 Denmark and 1-1 France, Russia, Spain.) Poland also had a team with 10 home players and 13 "foreign" ones (England, Greece and Germany with 2-2, plus Austria, Belgium, Russia, Romania, Scotland, Spain, Ukraine.)

In 2012, the tournament returned to Eastern Europe for the third time – after the 1976 European Championship in Yugoslavia – with two countries, Poland and Ukraine, hosting the tournament. In terms of player migration, the trends of the past continued. What was new this time was that it was England, which only fielded domestic Premier League players. Poland had only 6 domestic players, in addition to 17 foreign players (Germany 7, France 3, Turkey 2, England, Belgium, Netherlands, Russia, Scotland 1 each). The Czech Republic national team had 8 domestic players, 5 from Germany, 2-2 from England, Russia, Turkey and Ukraine, and 1 each from France and Cyprus.

At the 2016 European Championship in France, 24 teams participated, bringing the total number of players to 24. As the championship was expanded to include mainly teams from small countries whose national teams were dominated by foreign professionals, the role of foreign players strengthened. Their numbers have doubled compared to the previous tournament, while the number of teams has increased by only a third. 62% (341 players) of all players (552 players) were no longer playing in their national leagues. England again had a team of only domestic players. However, there were three national teams with no home players: Northern Ireland, Ireland and Iceland. Domestic players continued to dominate the national teams of the countries with the stronger leagues, Germany (14 players), Italy (18 players) and Spain (14 players). Russia (21 players), Turkey (17 v) and Ukraine (18 players) also had more domestic players.

After that, four teams from the Central European region were already selected to participate. Only two players from Slovakia represented the Fortuna League. The distribution of the 20 foreign players was 4-4 Czech Republic and Italy, 2-2 Germany and Russia, 1-1 England, Austria, Greece, Netherlands, Qatar, Poland, Hungary and Turkey. The Czech captain qualified 9 domestic players, with 4-4 from England and Turkey, 3 from Germany, 2 from Switzerland and 2 from France. Hungary has 12 OTP Bank League players and 11 foreign players, 4-4 from Germany and Poland and 1 from Qatar, Slovakia and Turkey. Of the Polish team, 10 played at home, 6 in the Italian points league, 2 in the Bundesliga, the rest in England, France, Holland, Spain and Wales.

The continental championship in 2020, in honour of the first championship held 60 years ago, was hosted in 11 European cities, not just one state. However, due to the pandemic, the tournament was only held in 2021, under the name Euro 2020. Participants were allowed to qualify 26 players. Once again, all national teams included foreign players, with a proportion of foreign players approaching two-thirds (64%). The trend of previous years continued and extended to countries that had previously relied only to a small extent on foreign professionals. The Spanish national team, which had previously relied on domestic players, also featured foreign players. Spain, from its "only" 24 players in 2021, had several foreign players with 10 from La Liga, 10 from the Premier League, 2 from Italy and 1 each from France and Germany. This was the first time that the national team of a major football power had a majority of foreign players at the European Championship. The Turkish national team, previously based on domestic players, was also dominated by foreign workers. Only the home teams of England and Italy, the two strongest leagues, remained dominated by the home team, with the former carrying 3 and the Azurri 4 foreign players.

Once again, 4 teams from Central Europe were eligible to play. The Czechs relied most heavily on domestic players (11 players). Of the 15 foreign players, 4-4 came from England and Germany, 3 from Italy, and 1 each from Greece, Poland, Russia and Spain. Slovakia's national team included only one domestic player, in addition to 25 foreign professionals (4-4 Czech and Italian, 3 German, 2-2 England, Netherlands, Poland, Spain, Cyprus, 1 Belgium, Hungary, Sweden, USA). Poland's 4 home players were joined by 21 "foreigners": 7-7 English and Italian, 2-2 German and Russian, 1-1 Greek, Ukrainian and USA. The Hungarian national team included 12 players from the domestic league and 14 from abroad (4 Germany, 2-2 USA, Turkey, 1-1 England, Cyprus, Croatia, Switzerland, Serbia, Slovakia).

CONCLUSION

Central Europe became part of the global labour migration after the change of régime and has played a secondary role in European football ever since. This can be seen in terms of results, but also in terms of tournament organisation. While the "Eastern Bloc" states were relatively successful in the 1960s and 1970s, their performance declined in the 1980s, and this is also true for the Central European region. After the change of régime, however, the Central European region has never again been able to produce the results it did in the 1980s. The increase in the number of Central European national teams at the European Championships was clearly due to the rise of the participating countries. In the 1996 and 2000 European Championships, with 16 teams, only one team, the Czech national team, took part, but since 2004, with the Polish team, two have taken part. It is noteworthy that the Czech Republic has been a regular participant since 1996 and Poland since 2008. The 24-team European Championship has allowed 4 national teams to compete in the tournament. The 24-team field has made it possible for Slovakia and, since 1972, Hungary to play in 2016 and 2021.

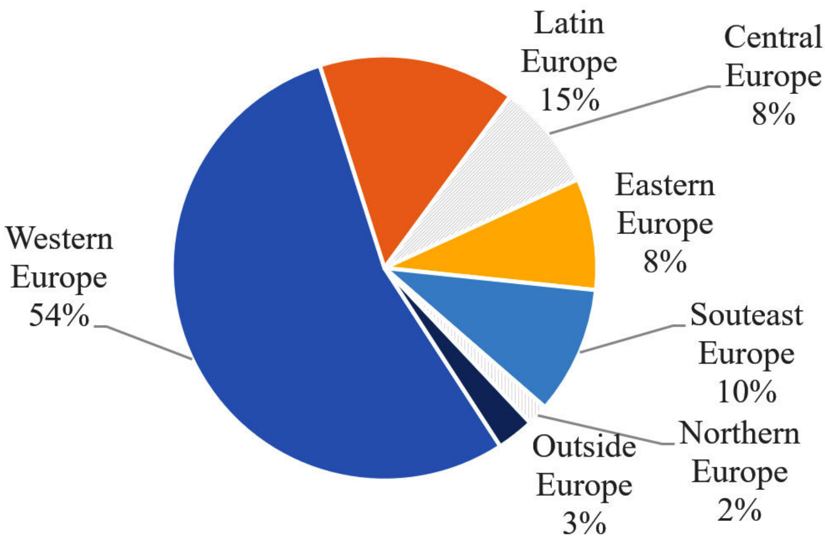
In the most prestigious European international tournament between 1996 and 2021, 381 Central European players were involved, of which 247, around 65%, were national team players employed by clubs from 29 other countries. Three countries were non-European, Israel, Qatar and the USA. The proportion of foreign players increased during the period investigated, reaching around 73% in

2021. The number was above the European average, but slightly below the indicators for the North and South-East European regions. Foreign players are absolutely dominant in the national teams of the region. In terms of the proportion of players who transferred from home clubs to national teams, national teams are steadily losing their national character. This trend is not exclusive to Central Europe but applies to all football regions. It is now also a feature of Western Europe, and the last of the major footballing nations to have started this process.

Between 1996 and 2021, 134 of the Central European national players played in Western Europe (around 35%) and 133 in TOP tournaments. Of the 247 foreign players, around one in two (53.8%) played in a TOP league or in Western Europe (134 players, around 54.3%). The most popular destination for sportsmen and women in the region was the Bundesliga (60 players), with 16% of national team players and a quarter of foreign players working in Germany between 1996 and 2021. The states in the region have strong German links, which is also reflected in these figures. Geographical proximity and cultural-geographical similarities and links also play a role in this, of course. The second largest destination is England, and the third largest is Italy.

However, the migration of players from Central Europe does not show the same trend as the English Premier League becoming the most attractive league in Europe in the 2000s, replacing the former German and Italian leagues. The 2000 European Championship was the first time that most players came from the Premiere League, and this has been maintained and even increased in subsequent tournaments. The proportion of English League players among foreign players at the European Championships was 11% (39 players) in 2000, rising to 19.7% (122 players) in 2021. The appeal of the English league is interregional in nature being attractive for the whole continent. Its centrality is also demonstrated by the fact that players from other top four leagues have increasingly been migrating to the United Kingdom in recent years. The German league also has a continental flavour, but to a lesser extent, but its impact on Central Europe is greater than that of England.

Figure 1: Proportion of the foreign players in the Central European European Championship teams by football region



Source: https://www.uefa.com/uefaeuro/history, weltfussball.de

Central Europe also “supplies” players to other regions, but its role is less significant than that of Western Europe and the German league. In particular, there has been a migration towards the Eastern European region, which has become a destination for footballers since the early 2000s. In the Balkans, Turkey played a significant role, accounting for half (24 players) of the players who moved to the region. However, the migration of players to Northern Europe is very low (4 players). Among all the players who participated in the European Championship, there are no players from Latin or Balkan regions who have moved to Northern Europe. This may be due to the region’s unfavourable climate, in addition to its smaller football economy.

The dominance of foreign players in Central European national teams occurred somewhat later than in other regions, North or South-East Europe. Northern European and former Yugoslavian national teams only played in the European Championship with a team of foreign players after 1996. The "reign" of the foreign players in Central Europe started in 2004 with the Czech national team, with the exception of the Hungarian team in 2016.

Table 4: Number (number) and percentage (%) of foreign players participating in European Football Championships

	1996	**2000**	**2004**	**2008**	**2012**	**2016**	**2021**
Number of Central European foreign players	8	11	29	34	32	58	75
Their share in national teams (%)	36.4	50	63.0	73.9	69.6	60.4	72.8
Number of Central European foreign players from TOP leagues	6	9	12	21	15	26	44
Percentage in national teams (%)	27.3	40.9	26.1	45.6	32.6	27.1	42.7
Total number of foreign players	106	172	170	177	170	341	399
Percentage in national teams	30.1	58.9	46.2	48.1	46.2	61.8	64.4
Number of foreign players from TOP leagues	83	110	109	122	107	226	282
Percentage in national teams (%)	23.6	31.3	29.6	33.1	29.1	40.9	45.5
Total	352	352	368	368	368	552	620

Source: UEFA.com, weltfussball.de

In Central Europe, the Polish and Czech championships have a strong appeal, although they are less significant than Western Europe, with the Russian and Turkish championships being more attractive. Their appeal is mainly in the region itself, and to some extent in other football regions, too. Central Europe has attracted athletes mainly from countries with the same or worse economic conditions.

Intra-regional movements are characterised by Slovak players heading to the Czech league and Hungarians to Poland. At the same time, the Hungarian league became more attractive in neighbouring regions, mainly for the Balkans. The appearance of foreign players in the Central European leagues at the European Championships had to wait until the 24-team tournament in 2016. Then there were 10 such players, but at Euro 2020 there will be 16. These players were mainly on loan from another league within the region, although in 2021 we will also find players in the northern Macedonian, Finnish, Croatian and Ukrainian national teams. However, these numbers are negligible compared to the large European player migration. The Central European football region is only able to attract a minimal number of players from other regions.

IMPLICATIONS

The change of régime gave Central Europe a chance to catch up socially and economically with the West, which had previously been seen as a model. Integration reached football, too. After the change of régime, the region became part of the global player migration, with Western Europe and, to a lesser extent, Latin Europe as the main destinations. However, integration has not fully achieved the desired goal in recent decades. Central European football has not reached the level of performance it enjoyed in the decades of the Cold War. This is also true for the Eastern Bloc.

The integration into European structures is demonstrated by the fact that the region has been able to host the European Championship. Moreover, the number of Central European teams in the tournaments has increased. In fact, this is not due to more competitive football, but to sporting policy decisions. Thirdly, in the context of a unified European market, there has been a boom in player migration between the different European football regions, of which Central Europe is a part. However, player migration statistics show that the Central European football region is more peripheral than semi-peripheral. There are clearly donor states in the region that serve other regions with their "resources", i.e. footballers. In contrast, there are also states in the Eastern European and Balkan region, Russia and Turkey, whose football economies have more significant attractors.

But integration has also created opportunities. Internationalisation and "Europeanisation" have brought Central European players into a more developed sports market and professional environment, which has had an impact on the performance of national teams in international tournaments. To what extent, however, is difficult to say precisely. Nevertheless it is probably safe to say that if a region or a country had been left out of the changes described in the study, it would not only have become less competitive with Western or Latin European football, but would also have been unable to keep pace with other regions or countries of similar performance. Internationalisation has also given the region the opportunity to import football workers from other – more peripheral – regions. This is an opportunity that can have a positive impact on competitive sport in these countries.

The changes in the Central European football region over the last 60 years or so bear some specific elements. Most strikingly, the lack of any large and strong economies in the region has prevented any of them from standing out as strong sporting economies. Unlike, for example, the regions of Eastern and South-Eastern Europe. This reinforces the donor character of the region investigated in terms of player migration. Another peculiarity is that, compared to regions with similar performance, it is the football region where the dominance of foreign players is most recently realised in national teams.

The relative failure is not due to the size of the Central European states. After all, a number of countries of similar size have won gold medals in the past. They are also proof that it was possible to win the European Championship without foreign player dominance. Denmark in 1992 and Greece in 2004 are proof of this. While mass-appeal sports, including football, are increasingly a vehicle of national pride and identity, the internationalisation of football has continued unabated in recent decades, as the data used in this paper confirm it. This has also been the case in Central Europe, where the socio-political changes of our times seem to be strengthening the so-called patriot-sovereignist ideas and movements. How these opposing movements fit into the processes of a changing world, the coming years will tell.

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SIMILARITIES AND DIFFERENCES BETWEEN THE DEVELOPMENT MODELS OF SOUTH KOREA AND TAIWAN

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ABSTRACT

It is well-known that the Republic of Korea and Taiwan are both belong to the so-called Asian Newly Industrialized Economies. There are a lot of similarities between their economic and historical background: colonial heritage, like devastation of military conflicts, scarcity of natural resources and capital and the availability of low-cost labour, later on the special focus and support of the education and the R&D and innovation. Both economies successfully adopted and followed Japan's developing state model at their economic development strategies from the early 1960's. However, the adoption of the model meant tailor-made adjustment to the local social and economic environment in both cases. Mention must be made about the fact that contrary to the industrial and services sectors Taiwanese and South Korean agricultural sectors were excluded from the economic development strategies, moreover during the take-off period, agriculture served as capital provider to the export-oriented sectors, while food sectors of Taiwan and South Korea still can be characterized by small and scattered family farms, ageing rural society, and low rate of self-sufficiency.

Besides the mentioned similarities there are several major differences between the models of the examined two economies, for example the main flagships of the implementation of the export-oriented economic development were different: in South Korea the pre-selected big firms, the Chaebols, while in Taiwan the small and medium sized enterprises. The author gives an insight to these similarities and major differences between the mentioned two economies high-

lighting also to the main elements of the classical development state model, a special kind of "capitalist" economic model which successful combined the principles of the state guidance, the private ownership of business and the market.

INTRODUCTION

The Republic of Korea (South Korea) and Taiwan are two of those economies which are considered as success stories of the developing world. Comparing them to most countries that gained back their independence after the post WWII decolonization period, they belong to those very few ones that succeeded to build up highly advanced economies and also political democracy. The bibliography is really very rich which provide thorough description of the so-called "flying geese" or "tiger-model", these two economies followed, and the model comprises a lot of factors which were identical or similar to each other in case of Taiwan and South Korea. It is also well known that these two economies followed the post-war Japan's model, the so-called developmental state model, however not copied them mechanically, but rather adopted it to their own endowments and conditions. In fact, in the way of development of Japan, South Korea and Taiwan there were many major and minor differences – besides the evident similarities. In this paper the author – who lived in South Korea for years and also stayed in Japan and Taiwan as a scholar – made an attempt to give a brief insight into the models being implemented in the mentioned economies, highlighting on the general and specific factors.

THE OBJECTIVES OF THE RESEARCH, METHODOLOGY

The objectives of the research

The author attempted to find an answer to the question whether Taiwan and South Korea just followed the successful model of Japan and implemented the same economic policy instruments like other newly industrializing economies in Asia, or they had their own ways, which are also different from each other in certain aspects. For this reason, the author made comparisons between Taiwan and South Korea in terms of several economic and non-economic factors. In addition, the author tried answer another question: which are the main economic and social challenges which influence the development of Taiwan and South Korea at present and in the foreseeable future.

Material and methods

The author based his research on both secondary and primary research to collect information to the paper. The secondary research meant principally bibliographic review (those literature sources that were available in libraries of Taiwanese universities. Mention has to be made about the author's previous, recent fellowship in Taiwan and his monograph (Neszmélyi, 2017) and other papers he published after could serve as starting points to the present research as well. Hence, these information and experiences merely contributed to the outcomes of this paper as well.

JAPAN'S EXPERIENCES AND THE DEVELOPMENTAL STATE MODEL

As it is well-known from history, the Japanese Empire lost the Second World War and proclaimed its surrender on 15th August 1945. This day is considered the day of deliberation and independence for Korea (both for South and North Korea) and it also meant deliberation for Taiwan as well. After the surrender, Japan was under American administration for the following next ten years. During this period, not only Japan's political system and society, but also the rapidly recovering economic system went through robust changes. The ownership-system of the companies changed. The formerly existed zaibatsu-system – in which family-owned big companies dominated the industrial and financial sectors – was changes to a cross-ownership system (keiretsu) in which industrial and financial companies gained ownership in each other.

Japan and the U.S. developed drastically different predominant ownership structures due to their distinct corporate histories. Prior to World War II, the Japanese economy was dominated by the zaibatsu, or “financial cliques” run by wealthy families who controlled massive business groups financed by major banks. After the War, occupation authorities enacted regulations in an effort to “democratize” Japan and dissolve the zaibatsu. Ultimately, these regulations were relaxed as the political and economic landscape shifted once again and the U.S. turned to Japan for supplies during the Korean War. The zaibatsu re-established their cross-shareholdings, forming the modern keiretsu system by now [1].

The concept of the “developmental state” was first used and introduced by Chalmers Johnson [2] in the literature of economics. The guiding and controlling role of designated governmental organizations – like MITI (Ministry of Industry and Trade) – was dominant, especially in the beginning, in the take-off period. However, it meant relatively modest subsidies of business, mostly coordinated efforts and research to identify key industries and overseas markets to develop. (Later on, the governmental interventions in industry shrank, it is already not more prominent in Japan than in many European countries.)

Johnson fundamentally applied his concept to Japan, but later on it has been extended to other countries as well, in particular to the first wave of the newly industrialised Asian economies (ANIEs) (Korea, Taiwan, Hong Kong and Singapore). According to [3], Johnson’s 1982 model is still valid and in line with that the most important characteristics of the developmental state are as follows: a ‘capitalist, plan-rational model, with a long-term commitment to the developmental-oriented approach, and active state interventionism in order to achieve the main socio-economic objectives. The developmental state is almost the complete opposite of the so-called rentier state, the peculiar features of which have been analysed by [4], using the example of the post-Soviet countries of Central Asia. In these countries, the state/government control over the economy is also strong, but the source of the ‘rent’ is primarily the selling of natural goods, raw materials, rather than work representing an increasing share of added value. According to Levi-Faur [5], the trade policy of developmental states is usually aimed at having the maximum level of export with the minimum level of import.

Thanks to the abovementioned policy instruments most infrastructure of Japan was rebuilt by 1950 and by 1952 the industrial production reached the level of 1931. Mention must be made about the Korean war in this respect as well as it gave a boost to Japan's economy as well. It can be said that 10 years after the WWII ended, by 1955 the reconstruction of Japan became complete. No country succeeded to recover so rapidly before.

THE PECULIAR WAY OF TAIWAN

In our days Taiwan has a modern and developed economy with gradually shrinking government guidance on investment and foreign trade. Exports, led by electronics, machinery, and petrochemicals provided the primary impetus on its economic development. This means strong dependence on exports that exposes the economy to fluctuations in world demand. Taiwan's diplomatic isolation, low birth rate, and rapidly ageing population are other major long-term challenges.

The economic development is a complex phenomenon. Many factors may affect the speed, quality, and direction of economic development. But the major factors affecting Taiwan's economic development in the past 120 years are mostly international ones - especially the mechanism called international factor price equalization [6]. Taiwan began to experience significant trade with richer countries when the Qing imperial government was forced to open several ports in China for nternational trade, including two ports in Taiwan in 1860. After Taiwan was ceded to Japan in 1895, it began to engage in large-scale trade with Japan. In addition, investment, modern technology, and educated people moved to Taiwan from Japan. Before 1945, the economic relationship between Taiwan and Japan resembled a modern common market. Taiwan could export a variety of products in which Taiwan had comparative advantage to Japan without paying tariffs. Factor flows between Taiwan and Japan were also cost-free.

SOUTH KOREA

In Korea, the model of the developmental state has always meant the comprehensive role of the governance in guiding the economy, with the provision that not only the government in the narrow sense (the cabinet), but, in addition to it, several state institutions have played an important role in elaborating and implementing the development policy. Regarding the latter, the diverse activities of the financial sector are worth mentioning – including in particular the Korean central bank (Bank of Korea, BOK) – (in most cases the monetary policy instruments and in some cases the direct operations have played an important role). In addition to BOK, some other banks have also had a prominent role in the development policy. As far as the latter ones are concerned, Korea Development Bank (KDB) is worth mentioning, but other financial institutions have also played an important role in financing developments. The Korean Industrial Bank was established in the early 1960s with the duty of supporting small and medium-sized industrial enterprises. The Korea Development Finance Corporation was set up in 1967, for the primary purpose of supporting private enterprises. The Korean Eximbank (KEXIM) was established in 1976. The latter three institutions have been in charge of supporting the development of the Korean industry, mainly by way of long-term loans. These financial institutions also differed from the traditional banks, as, in general, they were not allowed to accept retail deposits, especially in the form of demand deposits. Thus, the Korean development financing has been characterised by a coordinated system, where the Korean central bank (BOK) implemented the development strategy in close cooperation with the commercial and development banks as well as with the specialised financial institutions [7].

THE MAIN SIMILARITIES AND DIFFERENCES

Many studies and analyses have already been prepared and published to find out what was the secret of their successful models. It is also evident that from historical, political, social, cultural aspects there were many similarities between the two entities. Both of them were in severe economic and social situation before their take-off and prosperity came about. South Korea, once one of the poorest economies in the world and devastated by the Korean War (1950-1953), is now the world's No. 11-13 largest economy in terms of the amount of GDP, while Taiwan has turned itself from a small island with a history of colonization into No. 21-22 largest economy in the world.

South Korea and Taiwan experienced colonization but developed their economies very rapidly under a government-led development paradigm. Due to limited natural resources, both governments employed an export-oriented industrialization policy. Both economies also were favoured by high rates of domestic savings and human capital characterized by high levels of education and a good work ethic [8]. With economic development, both governments also went through the transition to democracy, which ended authoritarian rule in Taiwan in 1987, in South Korea in 1988. However, besides the similarities, there were also noticeable differences between those economic development models which were applied in South Korea and Taiwan. The South Korean government monopolized credit allocation, providing preferential credit to big export-oriented corporations to promote economic development. By contrast, small and medium-size enterprises that were mostly family-owned led economic development in Taiwan [8].

Chau (2001) in his study explained that from the beginning, the South Korean government took on an active and direct role in guiding and promoting economic growth, much more so than the governments of Japan and Taiwan. The main objective was growth maximization. This was considered essential to survival, to counter the threat of North Korea, which was stronger in terms of military capacity and economic potentials in early 1960s. The strategy was clear-cut and simple: outward-, industry- and growth-oriented (or "OIG-oriented"). To do well in export was considered of paramount importance. The phrase "export first" was written into the second five-year plan of South Korea (1967-71), and "Nation building through exports" was President Park Chung-hee's favourite slogan [9].

The main similarities

After all, the main similarities between the Taiwanese and the South Korean economies can be summarized as follows:

a) Relatively small geographic dimension

The Republic of Korea is about 100 thousand square kilometres – slightly bigger than Hungary, in global dimension, especially in comparison with its regional neighbours, it is a small country. Taiwan is even smaller, as its land area is around 36 thousand sq kilometres. Both territories are mainly covered by mountains which makes difficulties for the agricultural production, the land-transportation infrastructure development.

b) Significant population

South Korea's population exceeded 51 million people, while Taiwan's population is about 23 million. Comparing to their small land areas, moreover, adding the fact that these lands are mostly mountainous, both South Korea and Taiwan are densely populated (approximately 4 times more densely than the population density of Hungary).

c) Scarcity of natural resources

Similar to Japan, neither Taiwan, nor South Korea has significant reserves of natural resources. The division of the Korean peninsula resulted in a situation that most natural resource reserves (coal and ore mines) remained in the North. As for hydrocarbon energy reserves, neither South Korea, nor Taiwan has noticeable reserves, similarly to Japan. Therefore, they all heavily rely on imports.

d) Heritage of their colonial past

Both Taiwan and Korea (the entire Korean peninsula) belonged to Japan for decades before WWII. Taiwan from 1895, Korea from 1910 until 1945 were under Japanese administration. Japan – besides economic exploitation – also oppressed Korean and Taiwanese (Chinese) national identities of the indigenous people, moreover its stance during WWII, grew anti-Japanese sentiments. However, this was much stronger in Korea as the treatment of Koreans by Japanese was also tougher.

e) Strong political leadership until the late 1980's, then democratization

In South Korea, after the first elections, a dictatorial-sound president took the power (Syng Man-rhee), who was later (in 1961) shifted by General Park Chung-hee. and his successor, Gen. Chon Du-hwan. In 1988 Gen. Roh Tae-woo – who won the elections – took presidency as civilian head of state and in parallel, the democratization of the South Korean society and political sphere stared.

In Taiwan General Chiang Kai-shek took the power after he with his followers arrived to Taiwan in 1949 and lead the Island until his decay in 1975. After this, his successors (belonging also to Kuomintang), like Yen Chia-kan and Chiang Ching-kuo (son of Chiang Kai-shek) governed Taiwan with strong hands until 1987 when Chiang Ching-kuo ended the martial law. The latter and Chieng's death (1988) gave impetus to the democratization process stared in Taiwan – almost at the same time as it happened in South Korea.

f) Export-oriented economic development policy in the industrial sectors

Both Taiwan and South Korea shifted their economic development policies into the export-orientation along the gradually shifting comparative advantages. While at the very beginning they both started with import substitution moreover in the agriculture the export orientation has never been a goal (rather the self-sufficiency from rice), they successfully changed the focus on industrial sectors from the labour-intensive textile industry, through the capital-intensive heavy and machinery industries until the knowledge-intensive, state of art technologies.

g) The role of American assistance

The American aids had essential role in the recovery and take-off for both economies, but perhaps it had more crucial role in South Korea, where after the Korean war the recovery started absolutely from scratch. The United States is still very important economic partner for both South Korea and Taiwan. South Korea and the USA are military allies, while Taiwan does not have formal defence agreement with the USA, since the USA does not recognize Taiwan as independent state, however, the cooperation in this field is also prevalent. Recently President Joe Biden affirmed that "the US would defend Taiwan in the event of an attack by China" [10].

h) Following Japanese and American patterns

Both Taiwan and South Korea followed and repeated the pattern of the Japanese developmental state model, successfully applying its main elements, like the massive guidance of the state / government in the economic policy implementation, the export orientation, high savings and investment ratio, high spending on education and STI. However, there were significant alterations from both the "original" Japanese model and from each other as it will be explained below.

i) Tensions in the direct geographic neighbourhood

From the end of WWII, both Taiwan and also South Korea had to live and develop in the crossfire of tensions, conflicts in their regions for decades. From the Korean war until the present nuclear tension being generated by North Korea, also in Taiwan since the Civil War by now with changing intensity but tensions characterize the cross-strait relations. The political leadership in Beijing is very sensitive for Taipei's actions at political level, like it could be seen at the recent visit of the Spokeswomen Nancy Pelosi of the US House of Representatives, when China had warned of "resolute and strong measures" [11].

The main differences

As it was mentioned, contrary to the many similarities, there are a number of points and factors in which the examined two economies altered from the Japanese model and even from each other.

a) The extent of guiding role of the state

In Taiwan the guiding role was less robust and not so direct like in South Korea and Japan while the market trends had stronger effects. The Taiwanese government did not monopolize the loan-allocations and did not pre-select certain companies which (in Korea) were purposefully grew to be giant companies. The latter ones were exempted from the inner market competition.

b) Chaebol-model vs. SME-model

In South Korea, pre-selected, family-owned companies were the main actors of the export-oriented economic development policy.

These companies are the well-known giants, even now, like Samsung, Daewoo, Hyundai, Lotte, Hanwha and many others. The unchanged family-ownership and their close relationship with the political sphere rather resembles the original zaibatsu-model in Japan, than the cross-ownership (keiretsu). In Taiwan, the SME sector was the backbone of the economic development. Market rules were asserted more, as competition was not eliminated. It is true however, that some of these SMEs later grown to be big companies by now, like TSMC, ASUS, Acer, D-Link, etc.

c) The starting conditions

While both Taiwan and South Korea suffered a lot from the Japanese colonial heritage and also of the impacts of WWII, it has to be underlined that South Korea was in a more severe situation. While Taiwan still had a certain industrial capacity basis to continue (it had functioning textile and food industries) the Korean peninsula was a battlefield not only during WWII but also in the Korean war until 1953. Moreover, the Korean industrial and infrastructural capacities, built during the Japanese period, remained merely in the North. The devastation of the two wars made Korea to restart from ground zero.

d) The role of the labour unions

Similar to Japan, in South Korea the labour unions are significant and powerful organizations, which do a lot for the employees. Contrary to that, labour unions in Taiwan are weak, so their role is not so prominent.

e) The ratio of outbound FDI (in % of GDP),

In this respect, Taiwan undertook bigger risks, as the extent and especially the ration (in GDP) of the outbound foreign direct investments are much higher than the same of South Korea and Japan. By the mid-2010's Taiwan's rate approached the 50%, while in case of South Korea and Japan, it was around 20-25% (see Figure 1). It also has to be mentioned, that Taiwan has hundreds of billions of USD as FDI stock in Mainland China, which is risky as in China, Taiwanese investors are not considered foreigners, so in case of any dispute, they cannot appeal to international courts or arbitration.

f) Difference in the international space of action

While South Korea is a full-fledge member of the international community (member of the United Nations Organization (U.N.O.) since 1991 and holds membership in a number of other global organizations, like OECD (since 1996) and also in the World Bank and the International Monetary Fund. Moreover, South Korea established a number of bilateral and oligolateral free trade agreements with other countries, like KOREU [12] with the European Union in 2011. Taiwan has lost its formerly wide international recognition since the early 1970's. It is known that even in the UN Security Council Taiwan had China's seat until 1971, then PRC took it over and Taiwan lost its position ultimately. Most nations in the world follow the One-China Principle. Therefore, - with a very few exceptions, Taiwan cannot participate directly or be member of international organizations. (One of the very few cases the World Trade Organization can be mentioned to which Taiwan joined in 2002 as "Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu (Chinese Taipei)". Moreover, Taiwan's opportunities to conclude free trade agreements are also much more limited than the same on South Korea. Mention should be made of the FTA between Taiwan and New Zealand (2013) and also the agreement on mutual protection of investments with (2011) [13].

CONCLUSION

Contrary to the general belief, in spite of many similarities, South Korea and Taiwan adopted the "Japanese" model of developmental state differently, there were significant differences in their historical and economic endowment, moreover, especially after the early 1970's Taiwan has been becoming isolated in the international arena while South Korea – especially since 1992 (when it gained full membership in the United Nations Organization) could benefit from its growing importance in the international political arena. (Just to mention: the recent Secretary General of the UN was the former South Korean foreign minister, Ban Ki-moon).

So, there is no uniformed "recipe" for the so-called Tiger-model (or specific model of the Asian Dragons), South Korea and Taiwan followed their own way, moreover we might find even bigger differences in the ways of Singapore and Hongkong (the two other "Asian Tigers" or even some of the rapidly growing Southeast Asian economies.

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HUNGARY'S PARTNER STATES IN THE ORGANISATION OF TURKIC STATES – A (GEO)POLITICAL ASSESSMENT

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ABSTRACT

Established in 2009, asthe Turkic Council – officially the Organization of Turkic States from 2021 - is currently an intergovernmental organization comprising five Turkic-speaking member states. Its four founding states were Turkey, Azerbaijan, Kazakhstan and Kyrgyzstan. In 2019, Uzbekistan joined as a full member, while in 2018 and 2021, Hungary and Turkmenistan joined as observers. The persian-speaking Tajikistan is not participating in the cooperation. In recent years, the member states of the Organization of Turkic States have emerged as main focus area of Hungarian foreign policy. n the study below, we would like to provide a brief overview of the strategic, political and potential economic benefits that the five full members and the two observers can expect from the cooperation. The main initiator of the organization was obviously Turkey, which, besides the Middle East and the Balkans, is also trying to build its regional great power position in the turkic speaking countries of Central Asia. The regional weight of Azerbaijan has also clearly increased since the 2020 Karabakh war. For Uzbekistan, which has become a more dynamic actor in the foreign relations since the change of presidency in 2016, the organization also provides a suitable framework for opening up, while for Kazakhstan and Kyrgyzstan, which both are deeply embedded in Russian-dominated post-soviet integration blocs, the organization can provide certain degree of relief from the suffocating hug of the "Russian Bear". Last, but not least Hungary as an EU member state has every chance to improve its own economic and political positions, with the above mentioned countries for its own benefit.

Keywords: Turkic Council, Organization of Turkic States, Turkey, Azerbaijan, Kazakhstan, Kyrgyzstan, Uzbekistan

INTRODUCTION – THE ORGANISATION OF TURKIC STATES

Due to their geographical and historical divisions, as well as to Soviet rule lasting until 1991, the Turkic states were only able to start establishing their own international organisations based on a regional-cultural approach relatively late. While Turkey was able to successfully gain admission to most large western institutions (such as NATO, the Council of Europe and the Customs Union of the European Union), integration in the international system for Azerbaijan and the other Central-Asian states gaining their independence was an entirely new development. Furthermore, despite their independence, the Central-Asian and Caucasian Turkic states' scope of action concerning foreign policy is highly influenced by Russia and China, and as a result some of them have become members of international organisations headed by Russia or Russia and China.[3]

Yet, to counterbalance exactly these powers and due to Turkey's activity, great impetus was put into establishing all-Turkic organisations at the beginning of the 1990s – at the time primarily in the field of culture [1]. The Organization of Turkic States (OTS) founded in 2009 under the name of Turkic Council soon became the number one intergovernmental consultative forum for Turkic-speaking countries: at present it comprises five full member states as well as three observers (Hungary, Turkmenistan and the mostly unrecognized Turkish Republic of Northern Cyprus).

It was founded by four countries, Turkey, Azerbaijan, Kazakhstan and Kyrgyzstan. Uzbekistan first joined as an observer in 2016 and then as a full member in 2019, while Hungary joined as an observer

3 Both Kazakhstan and Kyrgyzstan are members of the Eurasian Economic Union dominated by Russia, as well as of the military cooperation of the Collective Security Treaty Organisation. Besides Kazakhstan and Kyrgyzstan, Uzbekistan is also a member of the Shanghai Cooperation Organisation established on the initiative of China.

in 2018. Turkmenistan has been in the Organisation as an observer since 2021, at the same time Persian-speaking Tajikistan does not participate in the cooperation.

As a result, the Turkic Council has become a significant organisation internationally, since the population it involves exceeds 150 million and the related economy covers one of the world's and particularly Central Asia's most dynamically developing regions. Furthermore, it is also significant that the countries involved are extremely rich in energy resources. Turkey is an exception; however, Ankara's role in regional energy distribution is able to counteract this deficiency [1 ibid]. In 2019 the Turkic Council opened a representation office in Budapest. It is the organisation's first and so far the only diplomatic representation in the European Union. Since then the member states of the OTS (gained it's new name in 2021) have represented a prominent focus area of Hungarian foreign policy's "Eastern Opening".

However, the present study does not primarily focus on the rather promising multilateral cooperation within the framework of the OTS, neither does it intend to survey Hungary's foreign trade relations with the Turkic-speaking countries. It rather aims to give a brief (geo)political overview primarily focusing on each member state of the OTS, introducing their present domestic political situation in a nutshell and in that respect what geo-strategical interests can be asserted within the Organisation of Turkic States. I hope that this overview will also show what perhaps so far unexplored potential and foreseeable cooperation with the countries under discussion may hold for Hungary.

TURKEY

Turkey's politics of the past two decades has been closely connected with the name of Recep Tayyip Erdoğan. Erdoğan, who was initially regarded as a moderate, "EU-conforming", Islamist politician and who had earlier been the mayor of Istanbul, was elected prime minister as the leader of the "Muslim-democratic" Justice and Development Party (Adalet ve Kalkınma Partisi – AKP) in 2003. Since

Erdoğan's victory in that year the AKP has never lost a parliamentary election, although it has governed in coalition with the ultranationalist, far right Nationalist Movement Party (Milliyetçi Hareket Partisi – MHP) since 2018. In the beginning, nationalist circles, especially the top leadership of the army which regarded itself as a guardian of the secular, Kemalist national state model, was not attracted to Erdoğan, who was accused of Islamist leanings and considered as being friendly with the Kurds, but the prime minister mostly got rid of the faction in the corps of generals who opposed him in connection with, among others, the "Ergenekon plot", although the Turkish Supreme Court overturned the convictions later [2]. And after the failed military coup in 2016 he seems to have finally wiped out the Kemalist circles of the armed forces, spectacularly strengthening his personal power. Erdoğan, who has governed Turkey as head of state since 2014, announced a referendum in 2017 about a change in the form of government.

Although with a slight majority of just 51% of the votes, supporters of Erdoğan gained a majority and Turkey was transformed into a presidential republic [3]. Despite the worries of many people in the country, the basically secular political system has not been questioned ever since, yet it can be questioned with good reason whether Erdoğan's personal power could be shaken by democratic elections. Nevertheless, despite many fraudulent practices, in 2019 the candidate of the opposition was able to triumph in the election of Istanbul's mayor [4].

A presentation of Turkey's extremely comprehensive foreign political agenda, with its extremely diverse strategic interests and being classified among states with Brzezinski's use of the word "pivotal" geopolitical significance [5, p. 41] would clearly be beyond the scope of this study. So much can be stated in general that during the Kemalist era, especially the decades of the Cold War, Turkey gave the impression of a rather isolated country occupied with its own domestic reforms.

After Erdoğan gained power, Turkish diplomacy spectacularly activated itself in the Balkans and the Middle East, as well as in the regions of the Caucasus and Central Asia. Specialists on Turkey like to characterise this recent activity – with perhaps some exaggeration – as "neo-Ottomanism" [6].

With regard to its relations with the Turkic-speaking post-Soviet states, apart from the fact that the Turks have close ethnic, linguistic and cultural connections with the peoples of the region, the basically still secular Turkey has offered a political and modernisational model, which in many respects is attractive for the young Central-Asian republics [7].

During the first years following their independence, some 1.2 billion USD of Turkish investments and loans were injected into the Central-Asian countries. And ever since, Turkish satellite TV channels have constantly gained popularity and wield very significant influence in forming public opinion [8]. So unlike the Iranian Shiite theocracy, Turkey has been very popular among the peoples of the Turkic-speaking post-Soviet republics.

Concerning the events of the Russian-Ukrainian war that began in February 2022, Turkey's significance seems to be growing in relation to the Caucasus and Central Asia. For the time being, Turkey appears to be brilliantly striking a balance between the Euro-Atlantic alliance and Russia. While under the pressure of the international community it closed the straits from Russian warships after hesitating for a few days and sells arms including Bayraktar drones (one of the greatest military technical success stories of recent years), for the time being it has still managed to maintain a partnership with Russia. Turkey has not joined the western economic sanctions and offers refuge to the yachts of Russian oligarchs driven out of western ports [9].

At the time of writing this study it is very difficult to foretell the outcome of the bloodiest military conflict in Europe since the Second World War. Nevertheless, it can certainly be stated that Turkey's global and regional strategic significance will surely grow, primarily due to its cardinal role in energy transit and distribution. As an alternative to Russian energy resources, in the case of Azerbaijani and Trans-Caspian pipelines the export of Kazakh and Turkmenian gas and oil to Europe can only be achieved through Turkey [10].

Thus Turkey will be a crucial player not only for Hungary but also for the western great powers in a new "Great Game" to isolate Russia[4] [11].

AZERBAIJAN

The present territory of Azerbaijan has always been regarded as a region of crucial importance from a strategic point of view, not only because of its geographical position but also historically. It was considered as a border region of three large empires – the Russian, Ottoman and Persian – while at the same time it was also a gateway between Europe and the Middle East as well as Central Asia, in both north-south and east-west directions. The Azeris are not only Turkic but practically Turkish-speaking people. They employ a dialect of Turkish and also belong to the western so-called Oghuz branch, even though their Latin alphabet somewhat differs from the one used in Turkey. However, the Azeri Turks lived under Persian rule for centuries and therefore concerning religion they are Shiites, although due to the decades of the Soviet era Azeri society has secularized significantly. Despite the neighbourhood with Iranian theocracy, Shiite religious identity has a far less important role than the instinctive attraction to the Turkish kindred people. And that is even despite the fact that according to conservative estimates at least 20-30 million ethnic Azeri Turkish people live in Iran. However, they are deeply integrated in religious Iranian society. Among others Ayatollah Khameini had Azeri roots on his maternal side [12, p. 69.].

It would be difficult to overestimate Azerbaijan's significance with regard to the hydrocarbon export of Central Asia and the region of the Caspian Sea. It is the only state which has borders with both Russia and Iran, thus, logically, it is the only possible transit country through which Central-Asian oil and natural gas can be exported to

4 Of course to what degree an analogy can be drawn in the 21st century with the so-called "Great Game" between the British and the Tsarist empires in the 19th century is disputable. Either way, the authors referred to in this study including Brzezinski, Rashid and Cooley argue in this manner.

the West by avoiding the aforementioned two countries. Yet, since the 1990s Azerbaijan has had to be reckoned with not only as a transit country but also as a very important oil and gas producer (on a regional level).

Azeri hydrocarbon production began to increase again after Azerbaijan had gained independence. The political leadership of the new state recognised the importance of the sector, which clearly promised huge economic and strategic opportunities. The first significant concrete step was made on 20 September 1994 when, following lengthy negotiations, the country managed to reach an agreement with a consortium of primarily large western companies about a 30-year exploitation of the Azeri, Chirag and Gunashli oil fields by and in the Caspian Sea. Other oil resources can be found at the bottom of the Caspian Sea – the Alov-Araz-Sharg and Serad/Kapaz fields. However, the commencement of exploitation is unlikely due to disagreements with Iran and Turkmenistan over the delimitation of the Caspian Sea. Estimates indicate that at present Azerbaijan has about 0.5% of the world's oil resources. It cannot be regarded significant in global terms, yet on a regional level Azerbaijan can be considered a country of production and transit with outstanding strategic importance, especially considering the European diversification of hydrocarbon imports [13, p. 203].

At the same time, the Nagorno-Karabakh conflict, which "froze" for decades, was a strategic Achilles heel for Azerbaijan. During the first Karabakh War, which had actually already begun between the two member republics before the collapse of the Soviet Union, Azerbaijan, which drifted into a spiral of civil war, suffered a humiliating defeat by Armenia with its far smaller population, yet which enjoyed the Russians' sympathy and armed support from time to time. Karabakh, which was de facto under Armenian control for some 25 years, from the time of the ceasefire concluded in 1994 became one of the "frozen" post-Soviet conflict zones similarly to Transnistria in Moldova and Abkhazia in Georgia [14]. However, the present president's father, the last party secretary of the Azerbaijan Soviet Socialist Republic, Heydar Aliyev, was able to consolidate his personal power owing to ending the war [13, p. 77].

Following the Karabakh conflict the formation of two opposing "strategic triangles" could be witnessed. Azerbaijan was most explicitly supported by Turkey, as well as Georgia, drawn to the Azeri-Turkish alliance, which still has an unresolved separatist conflict with Russia in connection with Abkhazia and South Ossetia. Nevertheless, both Russia and interestingly Iran supported Armenia up to the 2010s. The presence of the considerable Azeri minority in Iran has always caused tension between Azerbaijan and the Persian theocracy, while another hot topic between Iran and Azerbaijan is fundamentally economic and is connected to the debate about the delimitation of the Caspian Sea [15].

The Azeri blitzkrieg in 2020 basically overturned the status quo characterised by the opposition of the Azeri-Turkish-Georgian and Armenian-Russian-Iranian "strategic triangles". The Azeris were consciously preparing to hit back for decades and successfully realised an ambitious armaments programme from the proceeds of oil [16, p. 87.]. Having inherited his father's presidency in 2003, Ilham Aliyev's 2011 statement was not far-fetched: "Azerbaijan's military budget was larger than the entire Armenian budget." In fact, in 2011 from among the countries of the Commonwealth of Independent States (CIS) Azerbaijan allotted the most to military expenses as a proportion of GDP [17].

Sensing a shift of power relations Russia, which until then had rather sided with the Armenians in the conflict, tried to make gestures to the Azeri leadership, especially when in 2018 a "colour revolution" in Armenia resulted in the relatively pro-western president Nikol Pashinyan assuming power.

Having lost the benevolence of the Russians, poor and isolated Armenia with its population of three million was more or less left on its own on the eve of the conflict. Since then, the Azeris have achieved a military breakthrough, which was not expected by many, with the help of Turkish Bayraktar drones, which have proved themselves in Ukraine in recent times. The Azeri armed forces reoccupied most of the breakaway republic and the connection between the Armenian enclave round Stepanakert with Armenia itself depends on the goodwill of some 2000 Russian peacekeepers stationed there [18]. Most of them were withdrawn after the Russian – Ukrainian war broke out in 2022. The formidable military victory of 2020 brought overwhelming popularity to the younger Aliyev and thus the balance of power in the Caucasus clearly shifted in favour of the Turkic states represented in the OTS. It is possible that the positions of the Turkish-Azeri alliance will gain further ground in the region due to the Russian-Ukrainian war.

UZBEKISTAN

Uzbekistan is the strongest state of the post-Soviet Central-Asian region considering both its population of thirty million and its military might. Uzbekistan has the most significant centres of former civilisations (Samarkand, Bukhara and Kokand), as well as Tashkent, which was the capital of the Turkestan general government in the Tsarist and Soviet eras, and later the most important administrative and logistical centre of Soviet Central Asia.

Thus besides Kazakhstan, it is Uzbekistan which most certainly can aspire for a leading role in the region with the highest chance from among the Central-Asian republics. Due to all this, although it was not a founding member of the organisation, regarding its population and political importance, it can perhaps be considered the second most important member state of the OTS at present after Turkey.

However, many could have felt that at least in the first 25 years of the country's independence during the presidency of Islam Karimov, in the main this potential was not utilized. Analysts agree that during Karimov's presidency Uzbekistan was essentially a repressive police state. Specialists regarded the Karimov regime as one of the world's most oppressive political dictatorships [19]. In addition, Karimov's government, which was considered as having draconian severity in domestic politics compared even to Central-Asian standards, conducted a rather isolated foreign policy. Similarly to Turkmenistan, it tried to distance itself from regional integration which may have impaired its sovereignty. Instead of multilateral cooperation the regime preferred bilateral inter-state relations.[5]

Succeeding President Karimov who passed away in 2016, Shavkat Mirziyoyev – the former prime minister of the late president – was regarded as an insignificant temporary character by many [20] but Mirziyoyev proved to be a politically surprising autonomous actor and initiator, who not only successfully consolidated his own personal power in a short period of time, but began reforming the Karimov system on a large scale.

The new president introduced liberalizing and market-friendly reforms both politically and, even more so, economically. At the same time, however, this did not result in the democratisation of the Uzbek political system, which invariably remained a presidential dictatorship characterised by the dominance of the executive power. With regard to economic liberalisation, the Mirziyoyev government has achieved important results.

As a long expected step, Uzbekistan's national currency, the som, was made convertible in September 2017. It was not easy for the Uzbek banking system to tackle the suddenly increased demand for cash, but the currency reform presented a huge blow primarily for the black market [21]. In 2019 the Mirziyoyev government announced the privatisation of a further 240 state companies; thus they planned to reduce the number of state enterprises by 50%. Foreign operational capital investment has nearly quadrupled in the country since the surge of privatisation began. In its annual report for 2019, *The Economist* actually allocated the award for the "Country of the Year" to Uzbekistan, which among the countries of the world had made the greatest steps forward in the field of political and economic reforms [22].

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5 Uzbekistan is one of the few countries which is not yet a member of the World Trade Organisation. Following lengthy negotiations, and for the time being it only has observer status in the Eurasian Economic Union. Just like in 2012 the country withdrew its participation from the defence cooperation, the Collective Security Treaty Organisation – CSTO). This happened for the second time after it had suspended its participation in 1999, but then rejoined the organisation in 2005.

In addition to domestic political and economic reforms, President Mirziyoyev has also initiated a large-scale opening in the field of foreign policy. In the first instance this involved a far more pro-active and constructive neighbourhood policy than earlier. After taking up office, Mirziyoyev paid visits to Turkmenistan and Kazakhstan, and concluded important bilateral agreements with the Turkmenian and Kazakh heads of state. Perhaps an even more noteworthy achievement is that on President Mirziyoyev's initiative the border disputes between Uzbekistan as well as Kyrgyzstan and Tajikistan have been mostly settled: the mine barrage along the borders, which had been laid during Karimov's time, was cleared and a demarcation of the disputed sections of the border was by and large established [23].

Minister of Foreign Affairs Abdulaziz Kamilov even paid a visit to Afghanistan's Taliban government in October 2021 [24].

Besides developing bilateral relations, Uzbekistan has recently become active in multilateral cooperations. The country has been conducting intensive albeit protracted negotiations about joining the WTO [25]. After lengthy negotiations, the Uzbek parliament in the end voted for participation with only observer status in the Eurasian Economic Union headed by Russia. The country's rejoining the Collective Security Treaty Organization (CSTO) defence cooperation is not on the agenda for the time being. All this may reinforce the perception since the 1990s according to which it is Uzbekistan from among the Central-Asian republics which has perhaps maintained the greatest distance from Moscow. In this respect, its accession as a full member of the OTS (at the time the Turkic Council) is even more remarkable. So Uzbekistan, which is predestined for a regional leading role in Central Asia from several perspectives, clearly gives preference to Turkic cooperation and not to Russian orientation.

KAZAKHSTAN AND KYRGYZSTAN

The two sister nations are very close to one another in both language and ethnicity, and belong to the northern so-called Kipchak branch of Turkic languages together with the Volga Tatars. Their geostrategic position is different from that of Uzbekistan in so far as these two OTS member states are deeply integrated in the Russian economic and strategic alliances. They are both members of the Eurasian Economic Union as well as the CSTO, which can be described as a Russian dominated "anti-NATO" military alliance. Incidentally, the Farsi-speaking Tajikistan is also a member of the CSTO. Russia maintains military bases in the territories of these three Central-Asian successor states.

In many respects Kazakhstan seems especially volatile in connection with Russia. On the one hand, the huge country the size of India but with a population of less than twenty million is divided ethnically. A significant Russian minority lives in enclaves in the large towns of the country and the northern and north-eastern regions bordering Siberia [26, p. 238.]. In this sense, the position of Kazakhstan is eerily similar to that of Ukraine. However, it must be added that a Euroatantic direction is not an alternative to Russian orientation for Kazakhstan, though it could rather be China which, however, does not seem to want to confront Russia even at the time of the Russian-Ukrainian war. So the Russian positions are far more secure in Kazakhstan than in Ukraine for the time being, so much so that the new Kazakh president, Kassym-Jomart Tokayev, was able to re-establish his power only by calling in troops of the CSTO at the time of not so much political but rather economic-social protests, which exploded entirely unexpectedly in January 2022 [27].

The 2022 "revolution" put an end to the peculiar dual power that had characterised the country since the resignation of the first president, Nur-Sultan Nazarbayev in 2019. Nazarbayev advanced to the presidency of the independent Kazakhstan from being the last chief party secretary of his own Soviet republic similarly to Uzbekistan's Karimov. Nazarbayev, who from a "liberal autocrat" turned into a "president for life" surrounded by an increasingly embarrassing cult of personality, resigned from being head of state unexpectedly in 2019. Many thought that this did not mean that in fact he had retired from politics, but rather moved into the background away from daily political issues: Nazarbayev remained the "lifelong president" of the Council of National Security guarding over the most significant strategic decisions. In a rather servile gesture to his great predecessor, the first measure of his successor, Nazarbayev's former loyal cadre, Kassym-Jomart Tokayev, was to change the earlier name of the capital Astana to Nur-Sultan [28].

Despite all this, the Tokayev-Nazarbayev tandem can't have co-operated smoothly behind the scenes. One interpretation of the 2022 January revolt was that perhaps the Nazarbayev clan stirred up dissatisfaction with Tokayev. Had there been such an intention, regarding the end result of the events, it seems more likely that the new president, who was seen as Nazarbayev's puppet, managed to dispense with the "old guard". Nazarbayev was deprived of all his posts – and apparently of his informal power. The "de-Nazarbayevification" of both the state administration and the political system has started [29]. Cadres who were still loyal to the first president, such as the influential head of the secret service, Karim Masimov, were relieved of their office. The Nazarbayev personality cult is gradually being eliminated (an important symbolic milestone the name of the capital reverted to Astana). As mentioned above, it is true that Tokayev was able to consolidate his power only as a result of the CSTO's intervention. That is the reason why the Russian-Ukrainian war unleashed on 24 February 2022 may have affected Tokayev very inconveniently and the Kazakh leadership has been cautious to resolutely stand by their military ally, Russia. Although Kazakhstan, similarly to the other Central-Asian republics, abstained from voting to condemn Russia at the UN Assembly, it did not send troops even in a symbolic manner either to Ukraine or Russia, which latter had protected Tokayev's power a month earlier. Neither did Kazakhstan diplomatically recognise the separatist Donetsk and Luhansk People's Republics [30].

Interestingly, the only Central-Asian leader who openly supported Putin with regard to the Russian invasion was none other than the new hyper-populist leader of Kyrgyzstan, Sadyr Japarov, who in 2020 obtained the presidency by riots of a similar nature as were suppressed by the Russian (CSTO) troops in Kazakhstan in January 2022 [31]. Similarly to Kazakhstan, Kyrgyzstan is culturally the most Russianised state in the region. Besides Kazakhstan, from among the Central-Asia republics Kyrgyzstan is most closely integrated in the Russian federal system, and the Kyrgyz are also members of the

CSTO as well as the Eurasian Economic Union. However, since gaining independence Kyrgyzstan, which is poor in hydrocarbons but rich in hydroenergy potential, has been somewhat different politically from the relatively stable Central-Asian presidential dictatorships. Until now a total of three violent revolutionary outbreaks have overthrown the power of the reigning presidents, in 2005, 2010 and 2020.

The 2020 elections accompanied by wide-ranging fraud were again followed by violent riots. Freed from the overthrown president Sooronbay Jeenbekov's prison, Sadyr Japarov raised on high by the crowds in the street became the prime minister and from January 2021 also the elected president. If not with a sweeping participation (altogether 39%) but with a sweeping majority (79% of the votes cast among 16 candidates) he was confirmed in his position. The presidential elections were accompanied by a referendum in which citizens could also decide whether they wanted to change the parliamentary form of government to a presidential model as urged by Japarov. Politics in Kyrgyzstan seems to be returning to the camp of Central-Asian, personality-centred presidential systems, and Japarov must certainly be reckoned with as a prominent actor in Kyrgyz domestic policy [32].

CONCLUSIONS

In my opinion the Organisation of Turkic States could be an increasingly prominent intergovernmental body in the future. With the Russian-Ukrainian war the international isolation of Russia can be expected to grow, therefore the role of the Turkish connection may be upgraded for the Central-Asian, Turkic-speaking republics. The regional power balance in the Caucasus has clearly shifted in favour of the Turkish-Azeri tandem. Although the majority of the OTS member states can be regarded as being stable with regard to their domestic politics, dynamic transformational processes are still taking place. Alongside Russia they can be important alternatives as producers of hydrocarbons and as transit countries economically and geo-strategically for Europe. Hungarian foreign policy has recently treated the system of Turkic relations with manifestly stressed importance. This is shown by the fact that besides the OTS representation in Budapest, among the Visegrad Group of countries Hungary has the highest number of embassies in Central Asia (after Astana and Tashkent, also in Bishkek since 2020). Thus the development of foreign policy between Hungary and the OTS member states could be the theme of a separate forthcoming study.

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THE ROLE OF A FOREIGN LANGUAGE IN EDUCATION AND COMMUNICATION

VIRTUAL EXCHANGE PLANNING AND IMPLEMENTATION

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ABSTRACT

The purpose of this virtual exchange (VE) collaboration course is to take advantage of the improvement in technology and the experience gained in online teaching and learning during the COVID-19 pandemic to create a sustainable collaboration between our partners. The aim is to offer students the opportunity to have a cultural experience with fellow students from different geographical areas, using English as the lingua franca. Students have the opportunity to learn about African, Asian and Western business cultures, as well as share perspectives on common issues. The intended outcome of this VE course is to build a network of universities of applied sciences that offers an opportunity for students to have an authentic experience to gain

insight into cross-cultural communication and global employability.
Keywords: virtual exchange, collaboration, cross-cultural communication, global employability.

CROSS-CULTURAL COMMUNICATION AND GLOBAL EMPLOYABILITY

Introduction

Virtual exchanges (VE) among higher education institutions (HEI) within Europe and around the world have been accelerated in recent years during and after the COVID-19 pandemic. Digitalisation and advancement of telecommunication technologies, the use of synchronous applications like ZOOM and TEAMS, just to mention but a few have in no doubt facilitated online teaching and learning.

This VE is a multidisciplinary course, developed by a group of language teachers from HEI to create memorable experiences for both teachers and the participating students. The need to develop such VE collaboration stems from the need to present opportunities for students who cannot otherwise travel to geographically distant locations to gain authentic cultural experiences, gain different perspectives on common issues to broaden their horizons in addition to using the English language as lingua franca and experiencing different Englishes and accents.

One of the positive effects of social distancing on teaching and learning is evidenced by the increased use of digital tools among HEI teachers around the world. [1] The overwhelming results of a research conducted by Research for Action (RFA) 2020 among district teachers in Philadelphia, Pittsburgh, Scranton and Neshaminy showed that several teachers who participated in the survey had used digital tools in their implementation. [2] Teachers as well as students have developed enormous online teaching and learning skills which inadvertently can facilitate VE collaboration projects. The knowledge and experience gained from teaching and learning during the COVID-19 pandemic play an important role in designing and implementing successful VE projects. It has been estimated that each university partner enrols approximately 20 students on the course and so a total of about 100 students are expected to participate in the course. 20 groups of 5 students from the four universities will be formed to encourage interaction among the students to share cultural experiences and collaborate to complete the course's final project.

Course description

The course begins on October 27 and ends on December 15, 2022, and offers students 2 to 4 credit hours depending on the university. As mentioned above, it is a pilot project, in which three universities in Europe (Tampere, Munich, Budapest) and one university in Africa (Ghana) are involved. The course runs as a full semester course as part of the academic year and is essentially divided into two parts: online lectures and independent work.

Online lectures

There are seven online lectures, which are 90 minutes each and take place once a week. All the students participating in this course are expected to attend all the online lectures.

The topics of the online lectures are as follows:

- Kick-off and team building
- Cultural Framework and Lingua Franca
- Intercultural Negotiation
- African and Asian Studies
- Business Etiquette and Company Structure
- Global Employability
- Sustainability in Tourism, Women in Tourism and Entrepreneurship

Before each online lecture, students log into Moodle where they can find materials to prepare for the lesson. Once they have done the preparation, they will gain a better insight into the subject matter during the online lecture.

Independent work

Independent work is done in groups of roughly five students from the participating universities. Groups are formed at the beginning of the course in the kick-off and team-building session. Concurrently, students are given a task related to the topic covered in the lecture. Each group will work on these tasks outside of class time on a platform of choice, such as ZOOM or TEAMS. During the semester, there are five tasks to be completed.

Assessment

The final grade is computed based on two parts: a project report is worth 50% of the grade, and five tasks are worth another 50% of the grade.

For the project report, students from each group choose from various topics at the beginning. Once a topic has been chosen, the group will work on it over the semester. Assistance is given in the form of continual mentoring and a mid-term consultation. The results of this project are to be written as a report, to be submitted at the end of the semester. Assessment is based on content and is evaluated by the lecturer responsible for the group. As stated, this accounts for 50% of the final grade.

For the other 50%, five tasks need to be completed. These tasks are assigned to students after some of the online lectures. They are to be submitted at certain deadlines. Assessment is based on completion of the task and punctual submission.

Implementation methods

The benefits of collaborative learning cannot be overemphasised in HEI learning. For this VE course, the emphasis is laid on student interaction to promote the collaborative sharing of experiences and knowledge. To facilitate collaborative processes, students engage in project-based tasks that encourage teamwork to achieve success. It is anticipated that at least 20 students from each institution will be accepted to participate in the pilot course, making a total of approximately 100 students. With this, roughly 20 groups of 5 members will be formed of the enrolled students before the course starts. Each group will be allocated a teacher mentor or coach to assist the students in their chosen topic.

In the first week of the course, students engage in a series of team-building exercises to get to know each other better, and also engage in brain-storming activities to choose a suitable project for the main collaborative task. It is entirely up to the students to produce a suitable topic related to the range of the issues discussed in the course. The role of the coach here will be to guide the student in developing the content for the topic. Subsequent weeks are filled with guided activities, coaching and lectures for the students.

Semi-compulsory online lectures also provide additional information, knowledge and tutoring to the students in complement to materials provided on the common Moodle platform. As a result of students working in different time zones, finding a suitable time for all participants from the four HEI might be a challenge. Hence, at least a representative from each group is required to participate in the online lectures.

There are five teachers involved with the implementation and since they are all experts in their fields, co-teaching and panel discussions are used in the online lectures. This will provide thorough engagement between the teachers and the students. Students have the opportunity to interact with teachers, asking questions for the panel of experts to provide answers.

It is expected that the method of implementation provides flexibility and also brings memorable experiences to all the participants. However, since this is a pilot implementation, feedback from the students will be collected to be used in the next implementation.

Challenges in planning such collaborative VE

Inevitable challenges are imposed on participating lecturers by such collaborative virtual exchange programs: planning process taking into account the geographical locations which involve different time zones is a challenge; finding a commonly acceptable time for the lectures/classes is a difficult task; coordinating and collaborating with students to find a suitable time for working together on various projects is also a puzzle to solve. Also, the number of credits awarded for such a course can raise some questions, as different universities are willing to assign different values to elective courses, due to the flexibility-rigidity of their sample curriculum. The different semester timetables of the participating universities in general (the semester is scheduled differently in our countries) and the lecturers' timetables also have to be coordinated. Overcoming the above-mentioned challenges requires outstanding flexibility from all participants. This flexibility will result in a framework that allows all universities and lecturers to shoulder the burden equally and share as much of their expertise as they can as well as gain all the possible benefits of participating in an international project like this.

The most challenging aspect, however, is the integration and availability of a completely new course in the pilot stage into the sample curriculum in the different curriculum frameworks of not only four geographically distant countries with different cultures but also the completely different systems. The frameworks, timetables, and academic cultures of the four participating universities are inevitably different. As a result of investigating all the possibilities, the Ghanaian, the Finnish and the German partners will make the VE course available for students as an independent elective one, while the Hungarian partner needs to integrate the VE course as part of an existing elective course (involving two participating lecturers of two different courses, namely Intercultural Communication and International Negotiation Skills). Furthermore, the differences in the semester timetable may be solved through the previously mentioned integrating method. All these negotiations and the unfolding of the final solution require utmost flexibility from all the participants. This will in turn improve the further stages of the planning and implementation processes.

Another area of concern may be the initial willingness of students to work in cooperation with other students in such distant countries, in light of the difficulty in finding suitable times for online meetings.

Evaluation systems have to be worked out precisely because three of the four universities are going to offer the course as a stand-alone, while Budapest Business School incorporates it into already existing courses involving additional tasks to be marked. The different grading systems of each participating country had to also be taken into account. The percentage-based evaluation framework assessing the combination of completion and content may serve as the perfect tool to be impartial yet transformable into the given universities grading system.

CONCLUSION

Virtual exchange such as this provides enormous benefits to students to improve their employability globally. Through this experience, they can communicate using English as a lingua franca to participants from other nations, a skill that is vital in today's globalised world. In addition, they not only learn academic theories on cultural differences in lectures, but they also get to experience it first-hand through interacting with students from diverse backgrounds, which also gives students a chance to examine cultural theories critically. Finally, they have the opportunity to examine different perspectives on common issues, for example how and why sustainability is practised differently in various countries. In a world where people tend to have different perspectives, this is a valuable skill for students to thrive and succeed in life.

As beneficial as this kind of virtual exchange can be, it is not without its challenges. Firstly, there is the challenge of coordination. Teachers from various universities need to face various obstacles, such as managing different time zones, setting dates and times of the course to suit everyone's requirements, agreeing on content, assignments and credits awarded, and overcoming restraints based on departmental curriculum or university policies, just to name a few. Secondly, there are challenges that some students might face, for example, conflicts with timetable and schedule, or their willingness to find time outside of class to finish their assignment, not to mention they will need the necessary technical equipment and a functional internet connection to participate.

However, as our case demonstrates, even a collaboration with six teachers from four different universities and different time zones can be established successfully when the participants keep an open mind and stay flexible to find constructive solutions.

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THE UK, CENTRAL EUROPE, AND HUNGARY IN THE ENGLISH FOR INTERNATIONAL RELATIONS CURRICULUM

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ABSTRACT

The BBS FIMB International Business Languages Department has offered specific purpose foreign language courses to international relations BA and MA students for more than a decade now.

The teacher team specialising in the subject favours a content-based approach, which means that not only do we hope to revise and further engrave some elements of the knowledge gained in international studies classes, but also introduce new content to the students, especially in connection with the target language countries' political sceneries and economies. Hungary and the neighbouring countries' – Central and Eastern Europe's - foreign relations also figure markedly in the curriculum. In the present paper I would like to demonstrate through some concrete examples how the content-based approach works in our courses, and, also, with the help of a questionnaire-based descriptive mini research, how the students relate to the method.

Keywords: international relations, foreign language for specific purposes, content-based teaching, Central Europe.

INTRODUCTION

Budapest Business School Faculty of International Management and Business has offered specific purpose language courses for international relations (IR) BA and MA students in several languages for decades. Most of our students opt for English as their first language, while German is the second most popular choice. Both first-language and second-language offerings and choices cover the whole palette of the Department, but in case of second-language courses many a time we have to merge various specific purpose language groups (e.g. IR and marketing groups) to reach the minimal group size (15 students), which means that we are unable to specialise. Either way, IR undergraduate students are required to pass two B2 language exams, one of which must be on the language of IR while the other one can be a general exam, to earn their degree. Interestingly, our MA students have to meet the same requirements.[6]

The author of this paper has been involved in teaching English for IR for several years, so I will focus on the Department's English teaching practices with day students, which means undergraduate students only. I have worked as a member of a relatively permanent "IR English team" with a size varying between two-three teachers, depending on the number of groups we have. When introducing the course, we already had considerable experience in ESP teaching and were aware that the benefits of content focus during the courses are twofold. First and foremost, it is an effective way of vocabulary enrichment and a relatively stress-free way of developing speaking skills, as the students concentrate on the success of communication rather than on correct language use. Secondly, we can broaden the knowledge of the group in the field of IR by providing new information or can further engrave the already existing knowledge by revising information. This second benefit is especially relevant concerning the political sceneries and economies of the UK and the US, which, being major target-language countries, receive special attention in our courses. Political and economic developments in Hungary and the neighbouring states, Central and Eastern Europe, are also discussed on a regular basis.

As is implied by the above, we favour a content-based language teaching method.[7] My aim is to demonstrate through some concrete

6 Language exam requirements have been cancelled recently, now our students only need to pass an achievement test with oral and written elements at the end of the course.

7 Content-based language teaching is an approach to second language instruction that involves the use of a second language to learn or practise content. [...] As such, many content-based courses or programmes use the second language as

examples how this method contributes to the professional training of the students and how it is received by them.

DESCRIPTION OF THE COURSE

The IR special language courses run through three semesters with two 90-minute contact classes per week. In the 2022 spring term we had 55 students, level-tested and divided into three groups, all doing their second semester studies.

We are fortunate to have a relatively recent course book, *Expanding Horizons*, published by Hungarian publishing house Lexika in 2018. The structure of the units, of which there are 14, is adjusted to the requirements of the language exam, i.e., the same types of language use, reading comprehension, writing, mediation and speaking tasks can be found in the units as the ones faced at the exam. Each unit is organised around an IR-related topic introduced by a text that is generally very detailed but is selective regarding its scope, i.e. they do not cover all the relevant aspects of the field. The curriculum follows the order of the topics in the above book.

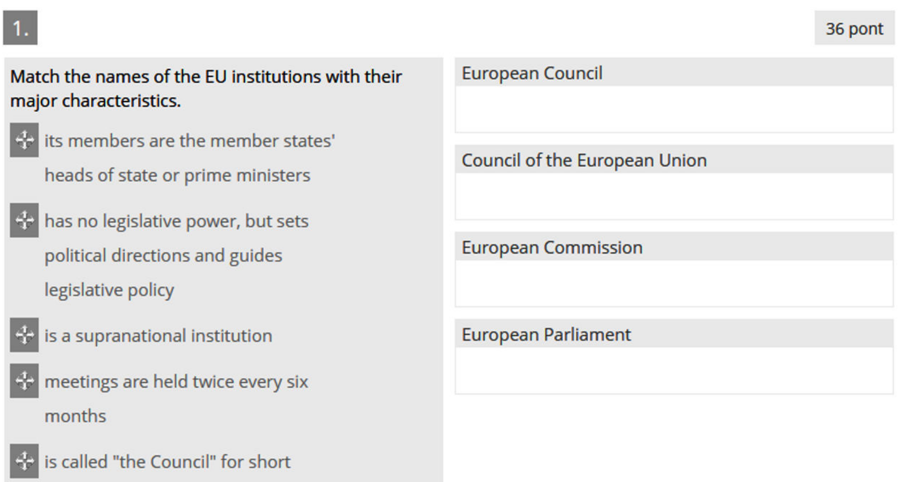
The first two units tackle IR-related basic terminology. Concepts like diplomatic corps, diplomatic accreditation, track II diplomacy or media diplomacy are presented and practised. Content-wise what we are doing is mostly revision with occasional additions of some new information, especially in the field of media diplomacy, since, for example, the influence of major TV channels like CNN on political events is usually less known.

The next two units deal with international organisations, first providing a description of the major types, e.g., intergovernmental and supranational, then discussing prominent examples in detail. The United Nations and its specialised agencies, the European Union and its institutions or NATO, its history and basic mandates, figure markedly in professional curricula as well, still, I have never met a group

the medium for learning the content of specific courses (such as mathematics, science, art, or social sciences), shifting the focus from language as course content to language as medium of instruction. (Met, 1998, pp.35) without the need for the revision e.g., of their history. Also, while the thorough knowledge of these institutions is undoubtedly a must for IR professionals, their functions are so manifold and complex that it is hardly possible to memorise them by learning about them once only, which again leads us to the importance of revision.

In cases when the memorisation of a lot of details is required, we often turn to the arsenal of the language teacher and develop interactive online tasks. At BBS the most widely used platform is CooSpace, and figure 1 contains a screenshot with part of an EU-related interactive task form. The students are asked to match four major EU institutions with their most important characteristics. While learning or activating vocabulary, e.g., terms like legislative power, or institution names like European Commission, the task obviously also helps to engrave the functions themselves.

Figure 1: Interactive task from CooSpace – EU institutions and their characteristics



Note: Not all characteristics, functions are visible in the shot, altogether there are 36 of them. The task is the author's own work.

The largest number of units, four, cover the international relations of specific states. The target language countries (the USA and the UK), other leading world powers (China, Russia), the major emerging economies (the BRIC countries) are discussed in relative detail while the developing countries are handled in one batch. Hungary and its role on the international stage, primarily its relations with the EU and with the neighbouring states, as a matter of course receive paramount attention and are discussed in a separate unit.

No need to emphasise that up-to-dateness on these topics, which is a basic expectation of generation Z filling our classrooms today, can only be achieved by providing plenty of printed and audio-visual supplementary materials. In this respect our teacher team enjoys maximum freedom, meaning that the examples provided refer to materials used by myself only, my colleagues having developed their own on the same or on different issues.

For example, audio materials on the UK's "partygate"[8] not only did bring humour to the classroom, but also allowed us to discuss the UK's political scenery – the party system, the structure of their Parliament, or the special role played by their head of state. We also devoted considerable time (two-two classes) to home affairs in Scotland and to the 2022 May Northern Ireland Assembly election, given their special impact on the UK's integrity. In addition, these materials (both audio-visual and print) provided us with an opportunity to have a - rather sketchy- historic overview of the political relations of Scotland and England as well as of Britain and Ireland over the last three centuries.

Regarding the USA, we used up-to-date materials to illustrate the differences between the Trump and Biden administrations' foreign policy priorities, especially in connection with their attitude to NATO, or the consequences of illegal immigration. However, I also found a need to discuss the US system of checks and balances as well as the US election system in more detail than the course book

8 Partygate was a political scandal in the UK about parties of government and leading Conservative Party members held during the COVID pandemic, when public health restrictions prohibited gatherings. Partygate contributed to Boris Johnson's downfall as Prime Minister.

required or enabled, since these represent highest levels of democratic developments.

In Hungary's case, the consequences of the Russia-Ukraine war on the Hungarian economy and on Hungary's foreign relations, especially with the V4 countries and with the EU, or the human rights of Hungarian minorities living beyond the borders also figured on the agenda.

Although the course book and thus the curriculum does not allocate separate time for covering Western and Central Europe, their geographical vicinity and significant weight in global, let alone in European politics makes them a frequent subject of our debates and discussions. The results of the 2021 September German elections, for example, were discussed soon after their announcement with the help of a BBC article [3] and a related chart. From this, the students did not only learn about the composition of the new Bundestag but also about the values represented by the major German political parties, and about the issues dominating the elections.

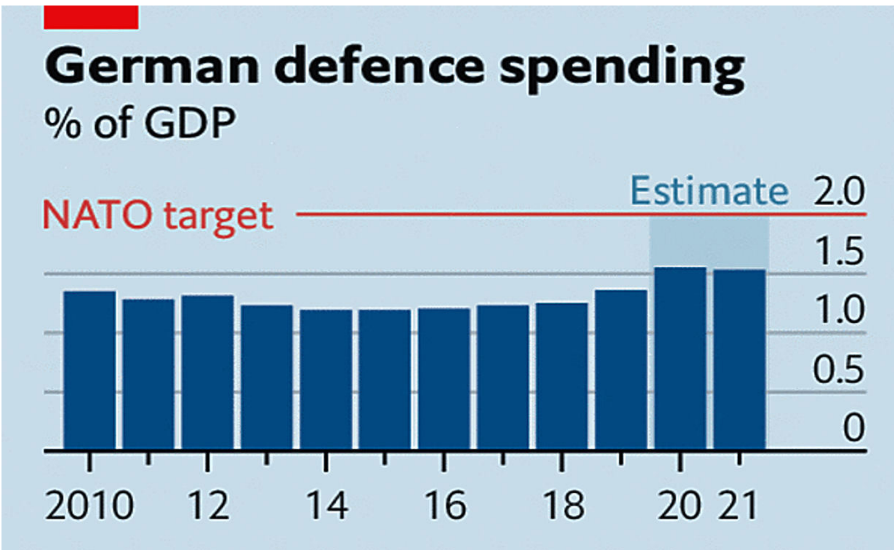
The Ukraine war, while being of major interest in its own right, also took us back to German politics, since an article published by *The Economist* dealt with the ensuing shifts in Germany's defence policy. [1] As I believed that such a change (an increase of German defence spending from 1.5% of GDP to at least 2%, the level that NATO members are supposed to meet but Germany consistently missed) might represent a kind of turning point in modern German history, I decided to discuss it with my group. Below are the questions that were formulated to help us to comprehend the reasons and consequences of the above shift. The students were asked in pairs to work out the answers on the basis of the article and chart and their background knowledge.

- Why did Germany decide to spend more on defence?
- In what form is the German government planning to increase its military spending?
- According to *the Economist* why was Chancellor Merkel's energy policy flawed?
- How is Chancellor Scholz correcting the mistakes made by the previous government?

- Why have attitudes towards Germany's post-war pacifism shifted?

Graphs and charts or statistics often complement the materials, and their analysis, being an indispensable skill for IR professionals or anyone with a claim to literacy today, is also an integral part of the course. The bar chart below was included in the article and was later used to revisit its main points.

Figure 2: Changes in German defence spending between 2010 and 2021



Source: [1]

"Hot issues", important political events in any state but with significance above the local level, are also regularly discussed, regardless of what topic is prescribed for the given class by the study plan. Here I can mention North Korea's nuclear experiments, the tension in the Kashmir region, or Pakistan's 2022 April constitutional crisis, topics that were all received with interest by the group.

I believe that by dealing with topical political events in practically real time we also fill a kind of void in our students' training. Our curriculum allows such "distractions" since they usually enhance the students' motivation to master the target language, without relegating the primary aim of the course - the development of language skills –to second place. IR professional curricula, especially those of the theoretical subjects (lectures), are likely to allow less flexibility.

The remaining units of our course book, and thus the remaining part of the curriculum, deal with chronic global problems, i.e., environment protection, overpopulation and migration, terrorism, human rights violations and long-standing international conflicts. Needless to say, that up-to-dateness is no less important here than when addressing the affairs of nation states. We also try to put these phenomena in a historic context whenever possible. The problem of the stateless Kurd minority, for example, necessitated both the introduction of the latest developments and a historic overview, and generated much interest and sympathy in my group.

THE RECEPTION OF THE COURSE

To check our students' reception of the content-based method we carried out a descriptive mini research, based on a questionnaire containing only 12 questions. Out of our 55 students we had 45 respondents. In the evaluation that follows G1 – G3 stand for our three different groups, G1 being the language-wise most advanced, G3 the least advanced one.

To begin with, we asked the students to name their favourite topics from the course book as well as their favourite supplementary materials. As for the former, the units on the leading world powers and the EU institutions made it to the top three in all groups, indicating that the students are primarily interested in major players of international politics. Favourite supplementary topics included the Syrian and Yemeni conflicts (G1), the 2021 German elections and the subsequent defence policy shift (G2), the situation of the Uyghur minority in China and the Ukrainian war (G3). The teacher's background and interests here of course are a major influence, the strong focus on the Near and Middle East in G1, for example, can be explained by the fact that the instructor is of Palestinian descent.

In the second part of the questionnaire, we used a 1-5 numeric rating scale to determine to what extent the respondents agree with certain statements. The number of the group is followed by the mean of the answers, in brackets are visible the modes (the most frequently occurring values). If standard distribution exceeded 1, I also indicated it (s). The statements and the related results were as follows.

1. The special language course deepened my knowledge in the area of IR, as *I met a lot of information repeatedly.*
G1: 4.14 (5) s=1.08
G2:4.33 (4)
G3: 4.29 (5)

2. The special language course broadened my knowledge in the area of IR, as *I met new information*.
G1: 4.28 (5) s= 1.09
G2:4.67 (5)
G3: 4.67 (5)
Responses to the first two questions imply that our efforts to revise existing knowledge and to impart new information are successful, with values in the latter case even higher, meaning that in many cases it is the English class where the students first hear about certain historic or current events or concepts.

3. I have read more English-language content (e.g., online press) since I started to study IR language.
G1:3.64 (4)
G2: 3.58 (4)
G3: 3.73 (4)

4. I have watched/listened to more English-language audio-visual content (e.g., news, YouTube videos) since I started to learn IR language.
G1:3.92 (5) s=1.27
G2: 3.75 (4)
G3: 3.67 (4) s= 1.18

Answers to these two questions indicate that we have achieved moderate results in the development of learner autonomy – that we are likely to “spoon-feed” the students to too great an extent. A thin majority of them might believe that there is no need for further individual work – the materials they meet in class keep them well-informed. There is certainly room for development in this area, so I am planning to assign more tasks with some individual or team research elements in the forthcoming semester.

5. The course helped me to be informed about what the most important contemporary economic and political events are.
G1: 4.07 (5)
G2: 4.75 (5)
G3: 4.13 (5)
This point aimed to check how the course contributes to the students’ general well-informedness in contemporary politics, how it helps them to recognise what events are likely to have long-standing consequences. In all groups we had strong results. We also hope that in most students we have instilled a life-long need for staying well-versed in developments in IR.

6. The IR language course helped me to see international events in a more complex way, e.g., in case of international conflicts I can more easily recognise the interests of all involved parties.
G1: 4.07 (5)
G2: 4.17 (4)
G3: 3.93 (4)
We are especially proud of the feedback received at this point, for it indicates that through analysing a significant number of international events, most of which include some kind of a conflict and consequently can be considered as case studies on conflicts, the students’ analytic skills also develop. We try to share materials that offer a multifaceted approach to the problems discussed, or use more than one source to ensure diversity. We also often ask the students to find a consensus as to how the parties could step forward, with the aim of developing not only analytic but also mediation skills.

7. During the course I have gained a good understanding of the UK and USA's political systems.

G1:4.29 (5)
G2:4.17 (4)
G3:3.43 (4)

As was indicated before, the political sceneries of the major target language countries are very much in our focus and their thorough understanding is intended to be an important added value of the course. The results imply that while we are successful in G1 and G2, poorer language skills only allow a moderate understanding of these rather complex systems in G3, most probably because time has to be used for the clarification of language -related problems.

8. The Central European region gets enough attention in the course; we discussed the most important events in the region.

G1: 2.69 (3)
G2: 4.17 (5)
G3: 3.93 (4)

Opinions on statement 8, which was included with this conference in mind, differ significantly. G1, because of its teacher's background, understandably devoted more time to the Near and Middle East rather than to Europe, while G3, due to its less advanced language level, spends less time on supplementary materials overall.

The last three questions aimed to find out if the content-based approach left the students with a sense of void – a feeling that the development of certain skills is sacrificed. Although they do not receive the same level of attention, we are confident that none of the four major language skill areas, speaking, writing, reading and listening, is neglected, since a complex approach in that respect is ensured by the already described structure of the course book. The supplementary materials also contribute to the development of all of language skill areas in the not uncommon cases when we include some writing tasks as well in our worksheets. (As for the development of the other three areas – reading, listening and speaking - they are a matter of course.) I was, however, wondering whether more grammar practice would not be well received, or, if the development of some soft skills is not missed. To clarify this, I included statements 9-11 in the questionnaire.

9. We should learn more grammar during the IR language course.
G1:2.57 (2) s=1.02
G2:2.67 (3)
G3:2.43 (3)

10.We should do more project work during the IR language course.
G1: 2.54 (3)
G2: 2.67 (3)
G3: 2.87 (2) s= 1.13

11. We should have more opportunities to develop our presentation skills.
G1: 2.43 (2) s=1.09
G2: 2.50 (3)
G3: 2.13 (2)

Answers indicate that the students are satisfied – they do not want more opportunity for the development of the above skills. Work on the supplementary materials actually also enhances progress in these areas, for language use, and within that the use of various grammar structures, gets more sophisticated through reading, listening and formulating opinions. Much of the latter activity is done in pairs or in smaller groups, which can just as well be considered a mini project work.

CONCLUSION

The BBS FIMB has had a long-standing tradition of cooperation between its language department and the other academic and professional departments. The language department has always relied on the knowledge our students gained during their professional courses – revising it, or adding to it, with special focus on the target-language countries and Hungary's economies and political systems. One or two decades ago we developed and used the university's in-house publications with strong content focus to enable the mastering of professional vocabulary and discourse. Today's students - Generation Z – expect a level of up-to-dateness that can only be achieved by relying on topical, very recent print or audio-visual materials downloaded from the Internet. As the worksheets and interactive online tasks developed by us have retained the marked content focus, there is reasonable ground to suppose that we significantly contribute to our students' professional training as well.

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MOTIVATION TO LEARN HUNGARIAN AS A FOREIGN LANGUAGE IN THE HUNGARIAN HIGHER EDUCATIONAL CONTEXT: A PILOT STUDY

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ABSTRACT

In accordance with the regulations at Budapest Business School, students are required to study a foreign language for three semesters altogether. At the Faculty of Finance and Accountancy, students may choose from either German as a Foreign Language (GFL) or Hungarian as a Foreign Language (HFL). The latter proves to be more popular among students as about two thirds of them choose Hungarian. These courses, therefore, offer excellent opportunities to, besides teaching Hungarian, introduce Hungarian culture. The present paper aims to provide an overview of the content of our courses offered at the Faculty of Finance and Accountancy all of which aiming to teach both the Hungarian language and culture. In addition, the paper also offers a brief insight into some of the current second language motivation theories along with the results of a small-scale questionnaire study (N=69) the aim of which was to gather data on students' individual learning differences, mainly their second language learning motivation. The results show that several individual learner differences have an impact on HFL learners' motivated language learning behaviour.

Keywords: Hungarian as a Foreign Language, L2 learning motivation, L2 motivational self system, pilot study

INTRODUCTION

In the Eastern European region, and also Hungary being part of the Visegrad Group (V4), Hungarian has a regional importance, mainly in Hungary but also in some of the neighbouring countries, too, especially in areas close to the Hungarian border. It is part of the Hungarian state's foreign education policy that students in higher education have to study foreign languages and foreign students with a mother tongue different than Hungarian, should preferably study Hungarian.

Therefore, currently in line with the regulations at BBS, learners being part of the English language programme are required to study a foreign language, too. Learners can choose from different languages (e.g. German as a Foreign Language, etc.) and Hungarian as a Foreign Language (HFL) may be one of their choices. They may, therefore, study it for either at least two or a maximum of five semesters depending on what kind of program students participate in. Learners participating in the Stipendium Hungaricum (SH) Scholarship have two special courses in their first two semesters. These courses are called "Hungarian language and culture" the aims of which are, in line with the main goals of the SH program are described as follows:

"The Stipendium Hungaricum scholarship programme was established by the Hungarian Government to promote the internationalisation of the Hungarian higher education and to attract top foreign students from all around the world who can establish personal and professional attachments to Hungary while enjoying high quality education in the heart of Europe. [...] When the graduates return to their home countries with marketable skills and knowledge, they can build civil, political and economic relationships, contributing to Hungary's image and recognition abroad." [1]

Needless to stay, that it is important, therefore, to make attempts to, in addition to culture, teach the Hungarian language as well in the Hungarian language and culture courses and the other three Hungarian as a Foreign Language courses, too. As far as the requirements of the courses are concerned, students have to take both a written and an oral exam after the second Hungarian language and culture course and are similarly required to take a written and an oral exam at the end of the third Hungarian as a Foreign Language course. This should normally "motivate" learners to study Hungarian; however, the course instructors' own experience at our university is that this is not necessarily the case. The present paper, therefore, aims to obtain insights into foreign students' HFL learning motivation by conducting a small-scale pilot study. First the theoretical background with L2 learning motivation and certain individual differences are described; this is followed by the detailed description of the research carried in in the spring semester of the academic year 2021/2022. Finally, the results of this study are presented.

THEORETICAL BACKGROUND

Individual learner differences, such as second language (L2) learning motivation, L2 learning anxiety or L2 speaking to communicate (WTC), play an important role in the L2 learning process and determine the ultimate success of the L2 learning process [2]. Relatively recently, Dörnyei [2] conceptualised his L2 motivational self system framework in which he identified three potential components that could describe the motivational processes of learners. One of the components is the ideal L2 self, which refers to the ideal future image of the learner about themselves and this is the most internalised component of the three. Another component is the ought-to L2 self, which includes all qualities learners believe they should possess because others expect them to do so. Such external authorities may be their parents, teachers or even peers. The third component is the language learning experience which refers to the attitudes towards learning a given L2.

The results of previous empirical studies investigating the motivation of English as a Foreign Language (EFL) learners show that the ideal L2 self as well as the language learning environment are the most important predictors of motivated language learning behaviour [3, 4], and the ought-to L2 self is of less relevance when describing the L2 learning motivation of EFL learners [5, 6]. In addition, a recent meta-analysis carried out by Al-Hoorie's [7] also found that in addition to the ideal L2 self, it is the L2 learning experience that strongly correlates with L2 motivation. The reason for choosing this motivational framework for making an attempt to describe HFL learners L2 learning motivation is that in the past Hungarian EFL learners' L2 motivation was adequately described and it was hoped that this framework could potentially describe HFL learners' L2 learning motivation, too.

Another important individual learner difference is L2 learning anxiety, which is closely related to L2 learning motivation. L2 anxiety is defined as "a distinct complex of self-perceptions, beliefs, feelings, and behaviours related to classroom language learning arising from the uniqueness of the language learning processes" [8, p. 128]. Most empirical research including two recent meta-analyses [9, 10] found that anxiety has a negative impact on the L2 learning process [cf. 11, 12, 13]. Moreover, willingness to communicate (WTC) in an L2 is also an important individual variable and is closely associated with L2 learning motivation and L2 anxiety. L2 WTC is defined as "a readiness to enter into the discourse at a particular time with a specific person or persons, using a L2" [14, p. 547]. Results of previous research show that WTC negatively correlates with anxiety [15, 16].

Several other learner variables are also associated with L2 learning motivation. Such a variable is cultural interest which refers to the appreciation of cultural products associated with a L2 [17]. Another one is linguistic self-confidence, i.e. to what extent one considers themselves to be able to overcome difficulties in communicating in a L2 [14]. Finally, the last variable is friendship orientation as acquiring a L2 may help learners form new connections and friends, which can contribute to an increased level of L2 learning motivation [18, 19].

As Dörnyei and Al-Hoorie [20] underline, in our globalized world, the learning of other languages happens "in the shadow of Global English" (p. 457). Therefore, previous research on L2 learning motivation is also centred around English as a Foreign Language (EFL) learning, and research on other foreign languages is scarce, let alone research on L2 learning motivation related to the Hungarian language, which is virtually non-existent. As Csizér [21] points out, there are, however, studies in the Hungarian as well as the Swedish contexts where most learners learn more than one foreign language [5, 22]. In these contexts, research investigated the impact of multiple languages on the first foreign language (L2) and second foreign language (L3) studied at school and both positive and negative effects were identified. However, in the context of the present research, the foreign language background of participants was not taken into consideration as their linguistic background is so diverse that it would be almost impossible to identify trends among them, even with a much bigger sample size. Instead, this research project aims to describe HFL learners' L2 (or L3) learning motivation by investigating the impact of the above individual learner differences on learners' foreign language learning motivation.

RESARCH METHODS

This pilot study aimed to investigate HFL learners' L2 learning motivation by adopting the quantitative research paradigm. For a researcher to be able to conduct large-scale studies, a proper data collection instrument is required. Therefore, this pilot study aimed to validate a questionnaire which may be used to obtain insights into HFL learning in the Hungarian higher educational context. My decision to use the quantitative paradigm was motivated by the fact that it is suitable for large-scale data collection and it also allows for complex statistical analysis. In line with the aims of the present paper, the following research questions (RQ) were formulated:

RQ1 To what extent can the constructs of L2 learning motivation and its predictors be measured reliably in the HFL learning tertiary education context in Hungary?

RQ2 How does the L2 motivational self system framework predict participants' motivated HFL learning behaviour?

RQ3 How do the different individual learner differences affect participants' ideal L2 self?

Participants

A total of 69 adult Hungarian as a Foreign Language (HFL) learners took part in this pilot study. When recruiting participants, convenience and purposing sampling methods were used, which meant that students at the Faculty of Finance and Accountancy at BBS were asked to fill in the questionnaire. As for gender, 26.1% (n=18) of participants was male and 73.9% (n=51) was female. The average age of respondents was 19.70 (SD=.96) with the youngest participants being 18 and the oldest 22 years old.

Instrument

The language of the questionnaire is English as it is the language of education at our university, therefore, participants possess a relatively good command of English. The questionnaire consists of two parts. In the final version, the first part contains 45 statements, which was originally 49 but during the validation process, 4 statements had to be removed. In this section, participants were asked to rate to what extent they agreed or disagreed with the statements. In order to measure participants' attitudes, a 5-point Likert scale (1 = I do not agree at all true, 5 = I completely agree) was used. In addition, in the case of the last two scales (WTC), a 5-point Likers scale of "1 = not willing to speak at all" and "5 = would like to speak very much" was used. The second part of the questionnaire aimed to gather some background information (e.g., age, gender, etc.) about participants.

When developing the scales, the relevant literature was consulted, and previously validated scales were also adopted. The scales of Dörnyei's [2] L2 motivational self system and the scale *motivated learning behaviour*, *linguistic self-confidence* were adopted from Dörnyei and Taguchi [23] and Csizér and Dörnyei [17] and *anxiety in the classroom* was adopted from Tóth [11]. *Willingness to communicate* in the classroom was adopted from Nagy [24]. The rest of the scales, namely, *interest in the Hungarian language*, *cultural orientation*, *anxiety in the extramural context* and *willingness to communicate in the extramural con-*

text were developed and validated by myself in a previous study (see [25]). As all original scales were designed for measuring EFL learning, they had to be localized for the contextof HFL learning. The final scales are presented below along with a sample item for each scale.

1. *Ideal L2 self* (5 items): attributes and qualities that a learner would like to possess. Sample item: "In my opinion, in the future, I will be able to communicate well with people using Hungarian."
2. *Ought-to L2 self* (4 items): attributes that learner thinks their environment expects from them. Sample item: "Studying Hungarian is important to me in order to gain the approval of my teachers."
3. *Language learning experience* (5 items): the immediate learning environment and experience, i.e. HFL lessons at university. Sample items: "I like things we usually do in Hungarian lessons."
4. *Motivated learning behaviour* (4 items): participants' motivation to make an effort to learn Hungarian. Sample item: "I will do my best to get good grades in Hungarian lessons at university."
5. *Linguistic self-confidence* (4 items): one's perceived communication competence in Hungarian. Sample item: "I am sure I will be able to write in Hungarian comfortably if I continue studying."
6. *Interest in Hungarian language* (2 items): to what extent learners like the Hungarian language. Sample item: "I feel excited when hearing Hungarian spoken."
7. *Cultural orientation* (4 items): participants' openness to get into contact with Hungarian speakers. Sample item: "I like getting in touch with Hungarians."
8. *In-class anxiety* (5 items): speaking anxiety related to HFL learning in classroom situations. Sample item: "I am afraid that my classmates will laugh at me when I speak Hungarian."
9. *Extramural anxiety* (2 items): speaking anxiety related to out-of-school situations when a learner has to speak Hungarian. Sample item: "I am very nervous if I have to speak Hungarian with a native Hungarian speaker."

10. *In-class WTC* (5 items): participants' openness to make utterances and engage in conversations with others using the Hungarian language in class at the university. Sample item: "I have to hold a presentation in Hungarian in a Hungarian class."
11. *Extramural WTC* (5 items): participants' willingness to engage in conversations with others using the Hungarian language in out-of-school situations. Sample item: "I must communicate in Hungarian when I am shopping."

Data collection and data analysis

The data used in this study were collected online using Google Forms in March 2022. Learners were asked to fill in the questionnaire in three Hungarian as a Foreign Language classes at BBS. For data analysis, Statistical Package for Social Sciences (SPSS) 27.0 was used. First the internal consistency of scales was checked by calculating the Cronbach's alpha coefficient for each scale. This was followed by principal component analysis (PCA) (maximum likelihood, varimax rotation). Then, correlations among scales were calculated in order to see which variables go together; finally, stepwise multiple linear regression analyses were used to investigate cause-effect relationships among scales.

RESULTS AND DISCUSSION

As a first step, the internal consistency of scales was checked by calculating the Cronbach's alpha coefficient for each scale (Table 1).

Furthermore, when checking the reliability of scales, it is important not to rely only on this coefficient because it does not necessarily imply unidimensionality [26]. As a consequence, principal component analysis (PCA) (maximum likelihood, varimax rotation) was also performed in order to investigate further potential dimensions within scales. It is visible in Table 1 that all scales are unidimensional and each scale reached the .7 minimum threshold indicated in the literature [23] and may, therefore, be concluded that all scales are reliable.

Table 1: Reliability analysis of the scales

Scales	**Number of items**	**Number of dimensions**	**Cronbach's alpha**
1. Ideal L2 self	5	1	.896
2. Ought-to L2 self	4	1	.605
3. Language learning experience	5	1	.630
4. Motivated learning behaviour	4	1	.808
5. Linguistic self-confidence	4	1	.822
6. Interest in Hungarian language	2	1	.746
7. Cultural orientation	4	1	.744
8. In-class anxiety	5	1	.810
9. Extramural anxiety	2	1	.763
10. In-class WTC	5	1	.899
11. Extramural WTC	5	1	.805

As it is visible in Table 2, the mean scores of most scales are relatively low, except for the first four scales; nevertheless, even these scales do not reach a mean score of 4.0.

Table 2: Descriptive statistics of scales

Scales	**Mean (M)**	**Standard Deviation (SD)**
1. Language learning experience	3.71	.63
2. Linguistic self-confidence	3.54	.96
3. Motivated language learning behaviour	3.56	.78
4. Cultural interest	3.47	.79
5. Interest in Hungarian language	3.14	1.02
6. Ought-to L2 self	3.07	.85
7. Ideal L2 self	2.98	1.00
8. In-class WTC	2.88	1.12
9. Extramural anxiety	2.77	1.06
10. Extramural WTC	2.78	.80
11. In-class anxiety	2.62	.84

Learners' ideal L2 self is lower than their ought-to self, which indicates that learning Hungarian may not necessarily internalized in the case of participants. Participants, on the other hand, demonstrated an interest in meeting Hungarians (M=3.47) but seem to be less interested in the language (M=3.14). Their WTC in both in-class (M=2.88) and extramural situations (M=2.78) is also relatively low, which means that they may not like speaking Hungarian. It is a positive trend, however, that their anxiety level (M=2.77 and M=2.62 respectively) is not too high.

Table 3: Statistically significant correlations among scales

Scales	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
1. In-class anxiety	1										
2. Extramural anxiety	.47	1									
3. Interest in Hungarian language	-.67		1								
4. Cultural interest	-.52		.67	1							
5. Language learning experience	-.52		.58	.67	1						
6. Motivated language learning behaviour	-.51	-.30	.63	.65	.73	1					
7. Linguistic self-confidence	-.40		.48	.67	.64	.63	1				
8. Ideal L2 Self	-.38		.45	.79	.69	.51	.85	1			
9. Ought-to L2 Self				.53	.37		.34	.71	1		
10. Extramural WTC	-.40	-.25	.64	.80	.58	.57	.64	.62		1	
11. In-class WTC				.48	.53		.56	.65	.57	.31	1

As descriptive statistics do not offer a deeper understanding of scales, let alone the relationship among scales, inferential statistical procedures were used to reveal relationships among scales. First, correlation coefficients were calculated and statistically significant ones are reported in Table 3.

It becomes apparent from Table 3 that results of this study are mostly in line with the results of previous research conducted in the English as a Foreign Language (EFL) learning contexts. For instance, there is a negative correlation between anxiety, both in-class (r=-.40) and extramural (r=-.25), and extramural WTC [15, 16]. In addition, anxiety correlates negatively with all other variables. As for interest in the Hungarian language and cultural interest, these two variables correlate with most variables indicating that they may have an impact on learners' other individual differences. From the components of the motivational self system theory, the ideal L2 self and the language learning experience correlate with most variables, which again may be a sign of these variables being strong predictors of motivation (cf. [3, 4]). In contrast, the ought-to L2 self demonstrates much fewer correlations with other variables. Finally, linguistic self-confidence also seems to be an important variable as it also has several significant correlations with other variables.

Correlations, however, do not show cause-effect relationships, therefore, other statistical procedures, such as stepwise regression analyses, were required to investigate such potential relationships. First the different components of the motivational self system theory were examined in order to see which of these variables could be potential the predictors of motivated language learning behaviour. The regression analysis reported in Table 4 revealed that all three components explain motivated language learning behaviour with an explanatory power of 59%.

Table 4: Predictors of motivated language learning behaviour

Scales	**B**	**SE B**	**β**	**t**
1. Language learning experience	.76	.14	.61*	5.54
2. Ought-to L2 self	-.39	.10	-.42*	-3.71
3. Ideal L2 self	.30	.11	.39*	2.64
R2	.59			
F for change in R2	33.930			

**level of statistical significance p<.05*

This is partly in line with the findings of previous research aiming to describe the motivational processes of Hungarian EFL learners (cf. [3, 4]). However, as opposed to the English language, in the case of HFL learners' motivation is predicted not only by the language learning experience and the ideal L2 self, but the ought-to L2 self also plays an important role in describing it. Furthermore, it is an interesting finding that the ought-to L2 self has a negative impact on motivated learning behaviour, which definitely calls for further research.

Besides investigating the impact of the components of the motivational self system framework on motivated language learning behaviour, in another regression model, all other variables of the study were involved in order to try to find a model which explains participants' HFL motivation more. The impact of the different variables is reported in Table 5, which shows that the six scales involved explain 75% of participants' motivated learning behaviour. In this model, similarly to findings of previous research [3, 4], both the ideal L2 self and the language learning experience are present but not the ought-to L2 self. Linguistic self-confidence, cultural interest and in-class WTC also seem to play an important role in learners' motivation. Extramural anxiety, however, negatively contributes to motivation, i.e., the more anxious one is, the less motivated they are to learn Hungarian.

Table 5: The impact of individual learner differences on motivated language learning behaviour

Scales	**B**	**SE B**	**β**	**t**
1. Language learning experience	.65	.12	.52*	5.575
2. Linguistic self-confidence	.51	.09	.62*	5.382
3. Ideal L2 self	,46	.12	.59*	3.946
4. Cultural interest	.46	.10	.47*	4.472
5. In-class WTC	.18	.06	.26*	3.158
6. Extramural anxiety	-.13	.05	-.18*	-2.778
R2	.75			
F for change in R2	34.560			

**level of statistical significance p<.05*

Last but not least, since the ideal L2 self is the most internalised component of the motivational self system framework, through regression analysis it was investigated which variables could have a positive impact on participants' ideal L2 self. This was considered important because the ideal L2 self was found the be a strong predictors of motivated learning behaviour (cf. Table 5), therefore, fostering learners' ideal L2 self could ultimately result in an increased HFL learning motivation. The results of this regression analysis are reported in Table 6.

Table 6: The impact of individual learner differences on the ideal L2 self

Scales	**B**	**SE B**	**β**	**t**
Linguistic self-confidence	.52	.08	.50*	6.747
Cultural interest	.46	.09	.36*	5.266
In-class WTC	.17	.06	.19*	3.131
R2	.82			
F for change in R2	108.174			

**level of statistical significance p<.05*

Table 6 demonstrates that three variables, namely linguistic self-confidence, cultural interest and in-class WTC have an explanatory power of 82% when describing participants' ideal L2 self. This means that improving learners' linguistic self-confidence and raising their cultural interest along with the improvement of the in-class WTC could result in an increased motivation to learn Hungarian.

CONCLUSION

The present pilot study aimed to investigate HFL learners' individual learner differences in the Hungarian tertiary education context and served as a first step for a larger and longitudinal research project. The results show that certain variables, such as linguistic self-confidence, the ideal L2 self, the language learning experience, etc., play an important role in defining learners' HFL learning motivation. As HFL teachers, one of our main goal is to improve learners' motivation. Based on the results of this pilot study, it seems that besides nurturing the ideal L2 self, it would be important establish more meaningful connections between local Hungarian and foreign (exchange) students as this could contribute to foreign students' HFL learning motivation. Also, more culture could be involved in classes as this also seems to add to their motivation to learn Hungarian. The results of this paper are hoped to offer a better understanding of HFL learners' individual learner differences and may ultimately prove useful when designing the different EFL courses and curricula.

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PROFESSIONAL IDENTITY, WORKING IN ENGLISH AND THE EFFECTIVENESS OF BUSINESS ENGLISH COURSES AT UNIVERSITY: YOUNG BUSINESS PROFESSIONALS' EXPERIENCE AT MULTINATIONAL COMPANIES – RESULTS OF A PILOT STUDY

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ABSTRACT

When fresh business graduates start to work, they are faced with multiple challenges: they need to adapt to the world of work, learn the particulars of a job, and develop their professional identity. As the number of multinational companies is increasing in Central Eastern Europe, fresh business graduates entering the region's labour market are likely to face these challenges in a multicultural and multilingual environment. Therefore, their ability to use English effectively with colleagues and communication partners of diverse cultural and linguistic backgrounds, that is, the ability to work in English, is crucial in establishing themselves in the job, the company and in the profession itself. The aim of the present paper is to discuss the preliminary findings of a pilot qualitative exploratory interview study which pursued two aims: to find out how young professionals communicate at work and to get feedback from them about the usefulness of what they learnt during their university Business English (BE) courses. The findings show that while university BE courses are useful in many ways, they fail to improve some important skills, which could be developed in an academic environment and which affect young professionals' development of their professional identity.

Keywords: professional identity, BE courses, multilingual environment, working in English

INTRODUCTION

Due to globalisation business professionals in Central Eastern Europe (CEE) are very likely to work in multilingual and multicultural environments. It is not only because the number of companies in foreign ownership is increasing in Europe and within it in the CEE region as well [48], but also due to the fact that specialist knowledge is often imported from other countries, therefore even companies in domestic ownership also become international in terms of their workforce. Moreover, since supply chains have become global, businesses need to cooperate with business partners from all over the world on a daily basis.

In order to complete daily tasks and to communicate with people from different linguistic backgrounds, business professionals use English which has become the lingua franca, "the common language of choice, among people who come from different lingua-cultural backgrounds" [1], and which has been referred to as Business English as a Lingua Franca (BELF) [2] [3] [4] [5] [6] [7]. In lingua franca situations, users of English need to show a high degree of linguistic flexibility to achieve mutual understanding: they have to accommodate to different accents, levels of English and cultural backgrounds. As businesses are becoming more and more international, the way business professionals use English in lingua franca situations has focussed the attention of researchers in applied linguistics on the general features of lingua franca communication in business [2] [3] [4] [5] [7] and the attention of Business English (BE) professionals on the best ways to help students in higher education (HE) develop the skills needed to communicate effectively in such communicative situations [8] [9] [10] [11].

Preparing business students for communication in lingua franca situations is especially important in Central Eastern Europe (CEE) – and in Hungary – where the number and importance of foreign-owned companies have been increasing [49]. The region is a favoured location of FDI in manufacturing, processing, retail, construction, information and communication industries [49]. The CEE region is also considered to be a good location for Shared Service Centres (SSC) due to its cultural and physical closeness to Western Europe, and to the availability of a highly qualified workforce [50]. As a result, investment in SSCs has been growing steadily, contributing to the growth of the domestic economies in the CEE region. Regardless of the industry young business professionals find employment in, the key to their employability and professional success is their ability to work in an international environment, which requires the ability to communicate in English effectively with people from different cultural and linguistic backgrounds. Since multinational companies and SSCs have become major employers in the region [51], it is in the interest of CEE countries to provide favourable conditions to those companies which already have operations in the region and to attract new ones, as well. Therefore, business schools and other HE institutions educating business professionals need to cater for this need and design BE courses which develop the skills necessary to deal with the complexities of lingua franca communicative situations.

From a language teaching perspective what differentiates Business English (BE) – as a branch of English for Specific Purposes (ESP) – from General English (GE) is that BE (and all other branches of ESP) draws heavily on needs analysis when designing courses. In fact, some experts claim that needs analysis in ESP is identical with course design [12]. However, needs analysis studies conducted in the field of BE tend to focus on the tasks that business professionals have to do in English [13], or on the skills that employers expect them to have [10] [14] [15]. There is a lack of needs analysis studies inquiring into what strategies speakers of English use when they engage in meaning making and what they do to avoid or repair misunderstandings when they occur. In order to fill this niche, a small-scale qualitative pilot interview study was conducted in Hungary to gain an emic perspective of how business professionals communicate in international environments in order to better understand the challenges they face and the strategies they use. The ultimate goal of the research is to incorporate the findings in BE course design in HE helping BE professionals in Hungary and in the CEE region to better tailor courses to the needs of business students and to help them develop strategies which will enable them to solve communication problems faster and with less effort.

THEORETICAL BACKGROUND

Business English as a Lingua Franca (BELF)

It is widely acknowledged that English is used as a lingua franca in international business, as it is the most commonly shared language for non-native speakers (NNS) whose mother tongues are different [3] [5] [16]. Moreover, in the majority of BELF communication contexts native speakers (NS) of English are not present [2], and when non-native speakers communicate with each other they tend to be concerned more with intelligibility than conformity to native speaker (NS) norms of language use [17] [18] [19], that is, they use English in their own way [20]. In fact, lingua franca communicative situations have been described as fluid and emergent [21], because, due to the non-observance of NS norms, speakers need to create the norms of each interaction during communication [4]. As they have no set norms to adhere to, speakers need to cooperate in meaning making to achieve mutual understanding [22]. Therefore, success in communication depends on the effective use of pragmatic strategies which enable speakers to be creative and flexible in their use of English [22] [23] [24] [25].

Besides the use of pragmatic strategies, speakers also need to be able to notice differences in cultural assumptions [26], and focus on their interlocutor's individual cultural identity rather than on the stereotypes about their national culture. Individual cultural identity is understood as "the sense of self derived from formal or informal membership in groups that impart knowledge, beliefs, values, attitudes, traditions and ways of life" [27]. As communicative success depends on negotiation of meaning, personal relationships are highly valued: with established business partners neither the norms of the interaction have to be created all over again, nor do cultural differences have to be negotiated from scratch. Therefore, business partners make efforts to create rapport and engage in small talk [3] [28] [29] [30] [31].

Although interlocutors in BELF communication may have widely different linguistic and cultural knowledge as a result of differences in their mother tongues and cultural background, they share the knowledge of how business is conducted by the members of the international business community [4]. This area of shared knowledge is extremely important in meaning negotiation as it provides a context that speakers can rely on when everything else – English language knowledge and the understanding of cultural attributes – is unpredictable. What provides stability and certainty is the knowledge of the roles they fulfil (whether they are sellers or buyers, employees or managers), the tasks and responsibilities their jobs involve, and as a result what they need to discuss, and how they need to talk about those topics, that is, what genres to use [32].

The measure of communicative success in BELF is the extent to which the common goal of conducting business is fulfilled [21]. In order to achieve this goal, interlocutors have to convey information accurately, clearly and in such a way that "makes the communication partner feel good" [4]. Therefore, business professionals need to analyse the audience, gauge their professional and linguistic knowledge, and adjust the message accordingly. Clarity is achieved by using simple language, being concise and often direct. However, the extent of directness in communication might be difficult to predict and may lead to potential problems: indirectness may lead to ambiguity, while too much directness may be interpreted by the communication partner as rudeness [4]. Making the communication partner feel good involves communicating information which is "useful or usable to the recipient, and in a manner appropriate to the context and in line with the expectations of the recipient" [4].

Pragmatic competence

One can communicate effectively and successfully if they are able to express themselves in a way that is appropriate to the particular communicative situation. It is, however, quite a difficult task in lingua franca situations where people from different linguacultural backgrounds are present. The difficulty lies in that the conventional ways of how different functions are realized linguistically by native English speakers becomes irrelevant [33]: what form speakers give to particular functions depend on the resources available to them and the situational context, thus "form seems to follows function" [34]. Therefore, instead of using what they learnt in language course books about how to realize language functions (how to give advice, ask for or offer help, etc.), they work them out on the spot, during interaction [23]. In such circumstances, it is imperative that users develop pragmatic competence, that is, the ability to decide "how-to-say-what-to-whom-when" [35] – or "an understanding of the relationship between form and context that enables us, accurately and appropriately, to express and interpret intended meaning" [36]. Pragmatic competence is crucial in business, as the lack of it may lead to misunderstandings, conflicts, and losing business partners, and business opportunities. Therefore, it is important that young business professionals are aware of the fact that the underlying principles of speech acts are universal, even though these are realised in different ways in different languages [36].

Pragmatic strategies

As has been noted, BELF situations are fluid and emergent, which means that instead of aligning communicative behaviour to outside norms, speakers have to negotiate the norms of the interaction on the spot. When communication partners "negotiate their shared discourse practices in situ" [4], the negotiation process is enabled by the use of accommodation strategies. Accommodation is "the process by which speakers adjust their communicative behaviour to that of their interlocutors in order to facilitate communication" [37]. As well as facilitating communicative efficiency, accommodation strategies are used to signal listenership, agreement, and solidarity [37]. Several accommodation strategies are used by ELF and BELF speakers, such as repetition, paraphrasing and code-switching [37] [18].

Repetition can take different forms, such as self-repetition, other repetition and paraphrase. When speakers repeat themselves or the interlocutor, they can do so by partially or fully replicating the utterance. Paraphrase is a strategy that is used "when only the original concept is repeated" [37] but in the interlocutor's own words.

Repetition is said to be used as a cooperative strategy with the help of which speakers show that they have understood the utterance, they prevent breakdowns and pauses, and express solidarity and alignment with the partner. It is a resource for meaning making, one which facilitates understanding in intercultural communicative events, and it signals membership in and solidarity with a community [37].

METHOD

The aim of this study is to pilot a research instrument which seeks to explore two areas. First, how young Hungarian business graduates use English in multilingual and multicultural environments, that is, to find out what strategies young business professionals use to facilitate mutual understanding, what difficulties they face during communication in English at work and how they solve those difficulties. Second, the study seeks to find out what young business professionals can use from the knowledge they acquired during their BE courses and what are those things that they had to learn on the job although it could have been included in the BE course. All in all, the aim is to conduct a piece of research that can inform teaching practices in Business English courses in Hungarian Higher Education institutions (HE) so that students are better prepared for working in international environments.

Participants

The participants were selected with purposive sampling in order to ensure that the sample "possesses certain characteristics relevant to the study" [38]. The sample was selected to meet two criteria: first, participants should have completed their BE courses at university in the last 1-3 years. This criterion was set in order to ensure that the participants still have memories of the BE courses. The second criterion was that they should be working in positions where they need to communicate and work in English. There were 3 participants in the pilot study, all of them female. They were between 21 and 27 years old and have been working in positions that require daily communication in English, regardless of the national affiliation of the companies they work for. All of them have a C1 language certificate. At the time the interviews were conducted, all of them had been working in their respective position for over 6 months. As the table shows, the participants work for companies of all sizes and in various industries and positions. In order to ensure anonymity, they were given pseudonames. The following table summarizes the biographical data of the participants:

Figure 1: Participants of the pilot study

Name	**Age**	**Level of English**	**Position**	**Company size and ownership**	**Industry**
Kata	21	C1	intern	medium-sized, Hungarian	software development
Virág	21	C1	junior project manager	large, multinational	banking
Lili	27	C1	accountant	medium-sized, multinational	sportswear

The participants in this pilot study work in different types of companies and industries. They are all employees (or student workers) at the lowest level of the hierarchy, therefore, they take instructions and perform tasks, but they are not in the position to instruct others to do things for them. Therefore, they are dependent on others to provide them with data and information, while it is imperative that they understand instructions so as to be able to do what is expected of them, and to avoid doing double work.

The data from the interviews confirmed findings in literature that English is used as the main working language in multinational companies [2] [3] [4] [5] [6] [7]. Moreover, it is also used as the language of work in a Hungarian-owned company whose clients are almost exclusively foreign businesses. The reason for the use of English as the language of work is that these businesses recruit professionals with specialised expertise from all over the world in order to meet human resources needs and to provide the best service for their clients and business partners. The foreign colleagues are sometimes physically present in the Hungarian office (as it is the case with the company where Kata works), or they help the team from their native countries and communication with them is exclusively online (as it is done in the companies where Lili and Virág work). Therefore, we can say that regardless of nationality, all the companies in the study are multicultural and multilingual.

Data collection and analysis

Since it was not possible for me to observe the ways in which young business professionals communicate at the workplace, their explicit pragmatic knowledge was investigated with the help of semi-structured interviews. The interview schedule was piloted with three interviewees in January 2022. In order to ensure dependability of the findings, the verbatim transcript of the interviews were sent to the participants for member checking [39]: they were asked to provide comments or make clarifications where they felt it was needed. The interviews were conducted in Hungarian, and, due to the COVID pandemic, online in Microsoft Office Teams, each lasting between 45 and 60 minutes.

As the aim of the study is to pilot an interview schedule which will be used to gain an emic perspective of young business professionals' experiences in BELF communication, a method of data collection was used that yielded qualitative data. It must be noted that qualitative data analysis is an interpretative process which necessarily involves "the researcher's own *positionality*" [emphasis original], or subjectivity, is always present" [40]. Data analysis was carried out with the constant comparative method [41], and the emerging themes were compared to findings in literature.

RESULTS AND DISCUSSION

As the aims of the pilot study were twofold – to gain information about the way young business professionals use English at work and about the usefulness of BE courses – the findings are discussed in two separate sections. The challenges of BELF communication are explained in Section 4.1, while Section 4.2 is about the way the participants view the usefulness of the BE course. The excerpts from the interviews - to illustrate the points the participants made - are presented in the researcher's translation.

The challenges of BELF communication

The description of the way the participants cope with the challenges of BELF communication and what they perceive to be benefitting BE students in HE in Hungary can be organized in themes which emerged from the interviews. The participants mentioned the appropriate use of English as an expression of professionalism and they described how they avoid non-understanding through the use of strategies, such as paraphrasing and repetition, and that being diplomatic, engaging in small-talk and disregarding stereotypes help them build and maintain good business relationships.

Appropriate use of English enhances professional image

Although the participants emphasized that the English they use at work is a kind of "broken English" (Virág, Lili), and that few of their colleagues (including their bosses) speak 'perfect' English, they all agreed that being able to use English appropriate to the situation contributes to their image as competent professionals.

Professional language does not only mean that I know the vocabulary that I can use to communicate at work, but also how I can communicate in a given situation. I mean… how I can express myself in a sophisticated way so that others cannot tell at the first meeting that I have learnt English from youtube videos. (Virág)

In their view, when they write an email to a person higher up in the hierarchy, it must be written in a formal and polite way, and it must not contain spelling mistakes. They also emphasised the importance of using the right terminology, otherwise they are not listened to, not taken seriously, or not given the help they ask for.

When communicating with outsiders to the company, using the appropriate level of formality is of key importance as it shows both expertise and the fact that the way the matter is handled in professional manner. Thus, communicating in an appropriate way facilitates cooperation and prevents mistakes being escalated into conflicts.

Preventing non-understanding

Given that the participants need to cooperate closely with colleagues from diverse linguistic backgrounds, they go to great lengths to prevent non-understanding. As a result, it rarely happens. Virág experienced the extreme case during project meetings where her colleagues, both Hungarian and foreign, discuss the issues of the project they are working on. To her surprise, they understand each other although the Hungarian colleagues' level of English is quite low, at least what their general English knowledge is concerned. They have a very good knowledge of technical terms and because of the very specific context, they manage to achieve mutual understanding:

There are the older colleagues, aged 50+, who have been in the profession for a long time, they know the technical part but understand only the specialised terminology, and often lack the everyday words, therefore, they have difficulties in expressing themselves. [....] If they don't understand it for the first time, they paraphrase it, but as the topic is so specific, it is hard not to understand. If they understand 80% of the sentence, the rest they can guess. I do not think there is misunderstanding... rather, there is non-understanding. If they understand something of it, they understand the whole. (Virág)

Since the participants expect non-understanding to happen, they use several strategies to prevent it, for instance, comprehension checking questions, as mentioned above. On the other hand, when non-understanding occurs, it is rarely due to a deficiency in language knowledge, but rather to the lack of information or professional knowledge, unusual accent and mispronunciation of words as potential causes.

There were difficulties in communication, mainly with the Turkish colleague who doesn't speak English. Not because of the lack of a common language, but because I didn't get much of the information I would've needed for my work, therefore, I couldn't finish the task on time, so in the end, I was the one to be held responsible. […] He managed the campaign I worked in and he thought he had given me the info, but I didn't get it, so there were some problems. (Kata)

In line with the literature, the participants make sure to show solidarity [37]: they are ready and willing to help their partner by providing an explanation of what they said.

If they ask me, I am happy to repeat what I said or paraphrase it, because it is natural that we do not use the language in the same way, we do not use the same words. It is natural. And we do not have the expectation that we understand only what is perfectly said. I try to guess what it can possibly mean … I try to be empathetic, and, I think, it is true for both parties. (Lili)

However, the most common strategy that the participants use to avoid non-understanding and to negotiate meaning is through paraphrased questions. When they do not understand completely what the speaker means, they paraphrase the utterance and make a question out of it. They use this strategy to check the extent to which what they have understood corresponds to the speaker's intended meaning. This strategy is described by Kata in the following way:

When I think I understand the sentence but I'm not sure, I ask: Are you saying that ….? And I try to say what I made out of it. This is how I try to discuss what it means. Or, I ask the person to repeat it. (Kata)

The importance of small-talk

Small talk is also highlighted in literature as a means of building rapport [4] and maintaining good relationships [3] [28]. It is crucial for business professionals for creating an environment in which they can communicate and work effectively, therefore they strive to communicate in a way to make the other party feel good [32]. Knowing each other a little bit better allows colleagues to discuss mistakes and correct them without running the risk of the mistake escalating into a conflict. It is especially important for Lili, who works in finance for a large multinational company in Zurich.

There is not much time for small-talk, unfortunately. But I think it is important for creating and maintaining good working relationships. So if, after having had coffee with a colleague a problem emerges, it is easier to tell them that I have found a mistake in her work. (Lili)

On the other hand, working for a Hungarian-owned SME in Budapest with many foreign colleagues sitting in the office, offers an entirely different experience for Kata:

We talk throughout the whole day with the colleagues in the office [....] W*e have a 60-minute lunch break and we talk during lunch as well. [....]* E*specially, with a colleague who is of a similar age. [....]* T*hese are conversations as between friends: about private life, school, work, anything that comes up. (Kata)*

It is obvious from the excerpts above that getting to know each other is crucial for business professionals. By engaging in small-talk they create rapport and establish a good working relationship which is vital, on the one hand, for bridging cultural and linguistic differences and for cooperating at work and avoiding conflict situations.

The role of national stereotypes

Openness and being unbiased came up when the participants discussed the way they go about getting to know new colleagues. Lili, for instance, makes an effort not to be constrained by popular assumptions as she does not predict the behaviour of a new colleague based on the stereotypical descriptions of the colleague's nationality. The literature confirms this attitude only partially: Although business people make use of some cultural knowledge, knowing the other person's organizational role, the topic and the genre is much more important in achieving mutual understanding [32]. In Lili' words:

With a new colleague I start in a way that there are no expectations, no stereotypes, and I try to be as kind as possible to lay the foundations of a good working relationship. (Lili)

According to Lili, it is cultural similarities rather than differences that characterise communication with colleagues from different backgrounds. In her view, due to globalisation, cultures have become so similar that there is less chance of misunderstandings to occur:

I don't think that is problematic. English is learnt by everyone in a similar way, we watch the same films, I think it has become really universal now that these cultural differences don't come to the surface any more. (Lili)

National culture is considered to be of secondary importance by employers as well. Kata mentioned that before the arrival of new colleagues, their bosses provide some information about them so as to help the colleagues to get to know each other: They receive information about the newcomers' hobbies, interests, some professional background information, etc.

Diplomacy

Being diplomatic is crucial for professionals in jobs that involve conflict situations. As a professional working in finance, it is Lili's job to spot and correct mistakes in invoices and financial reports. Therefore, when communicating about a mistake that a colleague has made, it is important not to be offensive.

We, Hungarians communicate in a direct way. I think in English they more often use 'may I' or 'could you, please?' It took me some time to learn to use these more polite phrases. I got feedback that I need to improve in this to be more kind, although I did not think I wasn't. I had to learn which words to use to avoid making the impression that I am blaming the other person." (Lili)

In Lili's view, being diplomatic is a means to maintaining good working relationships, and preventing a problem from developing into a conflict. However, it is not an easy task for her, since as a Hungarian native speaker she is used to a more direct way of communication than what is tolerated in an international work environment. The difficulty in being appropriately direct is also the consequence of her being raised in a family where direct communication was the norm, and adds that

I think we Hungarians express ourselves more directly than others... how to say this.... we may not use the most appropriate version or shade of meaning when we use English. We sometimes opt for the simpler version, although there might be a more sophisticated phrase that would not be so strong. (Lili)

According to her, diplomacy also means being able to defend her opinion and to argue for it in professional discussions. On the other hand, she admitted that whether communication is perceived as inappropriately direct depends on the company culture as well:

I used to work for a company where a colleague of mine asked a third colleague 'Who are you to ask such questions?' or in another case a manager retorted to another manager saying 'Why didn't you contact me through your manager?' So, there is sometimes this kind of rank-related things. (Lili)

The usefulness of the Business English course

The participants' views differed regarding the usefulness of the BE courses they attended depending on their level of English. On the one hand, Virág was dissatisfied with the level of the BE course: in their view the courses were designed for B2 (intermediate) level students and were mostly useful for those who were preparing for the B2 professional language exam, the others were mainly of the opinion that the course matched their level of English. On the other hand, all three participants acknowledged the usefulness of BE courses in terms of acquiring business related vocabulary and discussing business topics. However, the participants also expressed some criticism regarding the BE courses, as they felt they were not prepared well enough for expressing and arguing for their professional opinion, and for real-life language use at work.

Acquiring vocabulary and discussing business topics

The participants accounts confirm that the BE course achieved its aims, although only partially. BE courses, just like other courses that fall within the category of ESP, aim to cater for the needs of the learner with regard to grammar, register, study skills, discourse conventions, including genre [42] [43] [44] [45] [46]. All the participants acknowledged the benefits of the BE course in that they learnt a lot of specific terminology that they use at work on a daily basis. Moreover, it is of great help to Virág that she knows not only the word-for-word translation of business terminology but also what is behind the concepts. The value of such knowledge is clear when she listens to other colleagues talk about technical details of a project she does not know much about:

There are words I didn't understand. Not necessarily because I did not understand the word itself, but because I didn't know the background content of it. I could translate it word-for-word, but I still would not be able to explain what it was. That was my greatest difficulty. (Virág)

The BE course provided her with the knowledge of some aspects of her profession and general economics in English. As a result, she acquired real knowledge of technical terms, which she finds a great help in her job.

I really meet words I learnt, and when I hear them I know what they mean. And it was good to learn the background of these words because now I can connect a meaning, a background content to them. It was useful. (Virág)

For Lili, the BE courses were about much more than language learning: the discussions about business related topics widened her horizons and helped her better understand the world.

We mainly focused on the vocabulary, because of what it is about, a professional language. [...] It should not be about grammar but to help us navigate in the world. (Lili)

This aspect of the BE course is confirmed by Kata. Her teacher made the group read Guardian articles which they discussed during the lesson. Her teacher's aim was to make her students read about business topics, think, and do their own research when they came across topics they liked.

Expressing and defending professional opinion

Expressing and defending one's opinion in writing or at a meeting is a crucial skill for the participants in many ways. It enhances their professional identity, helps to establish themselves as competent professionals, and sometimes, especially in customer service jobs, it is necessary for simply doing one's job. Nevertheless, they felt they did not practice it enough (or at all) during the BE courses. The participants mentioned two reasons: Some of them put it down to the unwillingness of their fellow students to actively participate in the lessons, and their lack of willingness to formulate and express their opinion, while others implied that the lessons were not interactive enough. On the other hand, Kata was explicit in her opinion about this issue when she said:

"What I see in my generation is that they can speak English, but they are quite passive, not only during the English lessons but in other courses as well. At the same time they are bored, which is a natural consequence of the former. I think it could be prevented by forcing us to use the language, because I think there are many students who can more or less speak English, but they have difficulties expressing themselves." (Kata)

According to Lili, an interactive lesson is when the students are made to practise how they can discuss technical issues, that is, informing the other person, either in writing or in person, about a problem they have discovered, being able to explain what the problem is about and how it can be checked, and telling the colleague what to do about it. Lili also mentioned the need to make students read lots of articles and force them to express their opinion about the topic. She feels that this is a very important skill which is not practised enough.

Teaching the kids to argue for or against something is generally missing from the Hungarian education system. I, for one, didn't learn much about it.... It was during my first job when I felt that if I had practised it more to stand up for my opinion, I would have projected a more confident image of myself, and I would have been able to use better expressions. (Lili)

She also made the point that besides expressing their opinion it is also important for students to learn how to react to other people's arguments and to participate in professional discussions and debates both in writing and in oral communication.

It happened to me that I had to write it down in an email what my opinion was, why something had happened. Basically, I had to explain why I had done well what I had done. So, I had to write down my opinion and why it is the good way. (Lili)

Real-life language use

The participants mentioned the discrepancy between the language they learnt during the BE course and the language they have to use at work. The difference between the two is more conspicuous when it comes to written communication both within the organization and with people outside it. According to Virág, a finance student, she would have benefitted from learning to write about a wider range of topics, but more importantly about topics more relevant to her profession:

"We could have learnt a lot more, at least the basics, for example how to write to a supplier that they have listed the wrong things on the invoice, or things like that." (Virág)

Kata mentioned yet another aspect of everyday working life for which she feels she could have been better prepared: negotiating and handling conflicts in English. She feels that the skill of expressing her differing opinion in a non-offensive way is very important at work. Apart from being formal, she thinks it is important to be able to use a less formal, more every-day language, and the skill to decide how to express herself in the best way in the given situation. She explained this idea in the following way:

For instance, negotiations: how to express yourself in a way that it's not offensive, but not in the other extreme, either, meaning it's not in a too formal or too sophisticated English, but it's a bit more every-day like, and which way is more effective. (Kata)

CONCLUSION

It transpires from the interviews that for the participants it is not particularly challenging to understand their colleagues and to make themselves understood. While misunderstandings rarely happen due to the knowledge of the context, business professionals consciously use preventive strategies to avoid non-understanding. The participants also engage in small-talk in order to get to know each other, facilitate cooperation, prevent conflicts and maintain a good working relationship. Moreover, in order to maintain a good working relationship, they need to be able to use English in a way that is appropriate to the situation, that is, to gauge their partner's level of English and to decide the level of formality to be used.

The participants' journey from the periphery to the centre of the CofP is also observable in terms of the problems and concerns they are preoccupied with. The two novice participants are preoccupied with getting the information they need and meeting deadlines, the more experienced participant, on the other hand, struggles with the task of expressing herself in a non-offensive way when she has to ask a colleague to correct a mistake.

Regarding the BE course they attended at university, they acknowledged its usefulness in that they learnt a great deal of vocabulary and that the topics discussed contributed to them becoming a business professional. However, they lacked the development of negotiation, debating, and conflict management skills, as well as instruction in pragmatic strategies to be able to find the appropriate ways of expressing themselves in different communicative situations.

What follows from the above is that BE courses will better cater for the needs of future business professionals if students' attention is drawn to the fact that "no rigid norms exist in lingua franca communication" [47], and that it is in cooperation with their communication partner to work out the norms of the interaction. Therefore, BE professionals need to design the BE courses in a way to include tasks that raise students awareness of how English can be used appropriately, that is, in a way that best fits the particular situation, and also to equip students with the linguistic tools to be able to use different levels of formality and to be able to adjust their language use to the specifics of the situation.

Moreover, BE courses need to cater for the needs of future business professionals in terms of preparing them for forming, expressing and defending their opinion both in conversations and in writing in English. Being able to express and stand up for their opinion is a necessary skill in several everyday situations at work: during meetings when colleagues discuss problems and solutions, when conflicts arise, and also when the company's position has to be represented in negotiations with business partners. Through the development of these skills, business schools can help students to build a strong professional image and thus to be successful at work.

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EMPIRICAL INVESTIGATION ON THE INFORMAL AND NON-FORMAL LEARNING IN THE KAZAKH TRILINGUAL PROGRAM AT UNIVERSITY LEVEL

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ABSTRACT

This study is dedicated to the faculty members' formality of learning. It mainly concerns to their informal and non-formal learning in trilingual program of Kazakhstani universities. According to the theory, most of learning happens through informal and non-formal learning process which basically depends on learners' interest and initiatives. There are a range of various informal learning activities as well as non- formal learning forms.

For investigating teachers' learning formality, qualitative method of research is utilized. Semi-structured interviews were conducted with faculty members. Research diaries were implemented via qualtrics software (questionnaire) as appropriate research tools for data collection. The questions of the survey were directed to identify how teachers learn informally. We recruited (n=27) faculty members from different faculties and two different universities.

Systematic content analysis were accomplished with the help of Atlas.ti and SPSS software. As a result, we identified the classification of four teachers' learning clusters (Active and efficient collaborators, Competitive lifelong learners, Challenge confronters, Passive job-performers) by designating different informal and non-formal learning activities and events faculty members frequently involved in. Research diary results (n= 233 responses) analyzed by SPSS software determined how teachers learn informally. This study reveals (informal learning process and practice) statistical results determined and analyzed by SPSS: the day period, lengths of learning activities,

description of learning activity and type of new knowledge, source, channel and tools of learning, learners' and collaborators' roles, motivation for the learning activity, place of learning as well as the level of utilizing the new knowledge in practice.

INTRODUCTION

With the implementation of multilingual education in Kazakhstani universities, faculty members are the main educational agents that encounter a range of troubles and problems. The practice of such educational innovation brings significant inputs as well as some changes in the work of teachers who work in the framework of multilingual education. Changes in educational programs, changes in teaching methodology, changes in language use and changes in teaching resources are the key actions that academics face in their workplace [1].

According to the literature, the development of multilingual education in the country is gradually widening throughout the universities [2]. Taking into account the introduction and practice of a new educational program faculty members were indulged in different kinds of learning process and educational events for boosting their professional development as well as to adapt to the new educational program. For that reason, Kazakhstani universities started to train teachers in different directions such as English language proficiency courses, courses and seminars on teaching methodology specifically for multilingual program. Informal and non-formal learning are important ways and learning opportunities for faculty members who participate in multilingual program.

FORMALITY OF LEARNING

Faculty members may acquire knowledge and skills through formal, informal and non-formal learning in their workplace.

Table 1. Characteristics of the formal, non-formal and informal forms of the workplace learning

Workplace learning		
Formal	**Non-formal**	**Informal**
Structured process Classroom-based Instructor-lead Conceptual knowledge Separate from work Curriculum-based Certified	Semi-structured Work-based Mentor-lead Practical knowledge Participative Work-based Mostly not-certified	Non-structured Work-based Informal interaction Tacit knowledge Immersive Experiential Not-certified

Source: [3]

The concepts of informal and non-formal learning (see Figure 1) have recently started to be used worldwide. The understanding of formal learning is clearer and more distinct in comparison with conceptualizing the terms non-formal and informal learning which is somehow blurred. There are a number of researchers who have different approaches for conceptualizing the definition of informal learning and all of them are designating it from many fields. For instance, starting from the policy documents and those who are engaged with defining direct definition of the given term [4] [5]; the latter perspective is informal learning in workplace learning [6] [7].

All these perspectives are providing with various conceptions on informal learning because each of them is highlighting different central foci respectively. As informal learning is one of the utmost and profound learning types, the definition of it brings to reasonable argumentation among researchers. For example, Matthews [7] emphasizes that more than 70 per cent of learning is occurred through informal learning and the rest 30 per cent via formal one. Likewise, Rogers [8] argue that informal learning is as a base of iceberg depicts the extent of learning acquired by formal, non-formal and informal learning. The invisible part of the iceberg, hidden beneath the waterline, is not only vast in size but also the most influential, supporting and shaping the visible portion of learning above the surface. Many people commonly associate learning only with structured curricula within formal educational institutions. However, huge amount of learning is fulfilled and developed unconsciously, informally which is always invisible [8, p. 22]. Therefore, sometimes informal learning is also called as invisible learning which is not seen but have an influential impact on learning of an individual.It is important to note that Matthews [7] proposes a range of informal learning activities, including task accomplishment, self-directed learning, networking, coaching, mentoring, performance planning, seeking advice from knowledgeable individuals, using the internet or other software, observing others perform tasks, attending conferences, fairs or conventions, participating in lectures, seminars or special tasks, trial and error, learning through assignments in different parts of an organization, seeking help from others, using video, television or tapes for learning, self-paced study with books, videos, and computers, consulting books or manuals, reading manuals, reference materials, professional journals, or magazines [7].

MULTILINGUAL EDUCATION AT UNIVERSITIES

The same trilingual education process is accomplished at universities where English is used a language of instruction for teaching science subjects (Physics, Chemistry, Biology, Computer science) [9]. Sagyndykova, Svinarchuk and Kubrina [2] give a detailed statistic of the multilingual education development and describes it starting from 2012 - 2013 academic year 32 higher education institutions (HEI) in Kazakhstan opened specific departments on multilingual education where the lessons are being conducted through English. In 2015 – 2016 the scope of those specific departments widened in 42 out of those 125 higher education institutions in the framework of trilingual education: 6 of them are national HEIs, 26 - State HEIs, 1- international HEI, 7-JSC (Joint Stock Company) HEIs and 2- private HEIs [2]. They point out that in 2015 – 2016 the number of multilingual groups increased to 2393 in which 18 006 people are studying: 16121 students are studying - in bachelor's degree, 1662 – in postgraduate education and 223-in graduate education (Sagyndykova et al., 2017). The teaching staff in multilingual education consists of 2121 teachers who conduct lessons in English [2]. In 17 universities training in three languages began since 2012. They conduct teacher preparation in Biology, Chemistry, Physics, and ICT (Information and Communication Technologies) in English as a medium of instruction. Since 2016 there is a transformation to the model of multilingual education "50:20:30" which means (50% of subjects are conducted in the first language, 20% in the second language and 30% in third one) [10, p. 139].

RESEARCH METHOD

The main objective of this study is to determine how teachers in a multilingual program engage in informal and non-formal learning. To achieve this, a qualitative research method was employed, utilizing semi-structured interviews as the primary data collection instrument. Additionally, the study included a research diary implemented through Qualtrics software, consisting of a questionnaire focused on the identification of informal learning. The research is guided by three fundamental research questions:

RQ1: What challenges do the teachers and professors encounter while working in a multilingual program?

RQ2: What kind of typical teacher clusters can be identified in multilingual education?

RQ3: How do the teachers learn and participate in informal learning activities in the frame of multilingual education program?

All the collected data were analyzed with the help of Atlas.ti software as well as SPSS software for determining statistical analysis of the research.

Participants

This research is conducted in two different universities located in the Northern part of the country. It recruited (n=27) faculty members who participate in multilingual program. Interviews and research diary were conducted with them to collect the needed data. The anonymity is also preserved according to the ethical considerations.

Findings

RQ1: How do the teachers learn and participate in informal learning activities in the frame of multilingual education program?

Taking into consideration that Kazakhstani higher education is in the early stage of integrating and implementing multilingual education program, faculty members face several challenges. These challenges are mainly related to the low level of English language of students and teachers (in some cases, their level vary). To avoid such troubles, teachers participate in English language courses to be proficient. Secondly, Paucity of teaching resources is the most important issue that teachers encounter in the process of teaching in multilingual program. For that reason, faculty members have to elaborate dictionaries in three languages on specific science subjects as well as manuals that are appropriate and applicable for their educational program to use. Moreover, it is time consuming for the faculty members to be prepared for the classes in English language. According to the participants, some of them use three languages (Kazakh, Russian and English) in the class to avoid misunderstanding and to keep the effectiveness of the lesson learned. The reason for that is different level of students' English language knowledge.

RQ2: What kind of typical teacher clusters can be identified in multilingual education?

As the main research results, the participants of this research project are typologized according to their types of learning in terms of skills and competency-based specificities. Table 2 is presenting the main elements of different clusters. The characteristics were chosen from the learning elements for each category, which demonstrated a strong frequency in Atlas.ti in coding matrix and had a different meaning compared to other clusters [1].

Table 2. Typology of clusters and main differentiating characteristics

No.	CLUSTERS	DESCRIPTION ELEMENTS
1	Active and efficient collaborators	Participation in conferences and seminars (intensively or active). Everyday professional discussions with colleagues. Attendance, observation of senior professors' lessons and getting insights. Sharing knowledge and experience Use and comparison of three languages in teaching
2	Competitive lifelong learner	Strong research orientation: often involved in research projects Volunteering in conference to know relevant issues direction and networking Attending weekly seminars Networking and interaction with foreigners Teaching only in English (lack of students' academic English knowledge causes using specific method of teaching)
3	Challenge confronter	Low level of English knowledge proficiency Participation in English language courses (only if institutionally offered) Lack of using English outside of the class Language barrier: embarrassment in communicating in English Limited participation in peer mentoring: rarely asking help from colleagues
4	Passive job-performer	Participation in trainings due to the university requirement Strong involvement in administrative task (Example: conference organization) Participation in workshops if only organized by colleagues about multilingual education Dropping out in halfway from attending programs

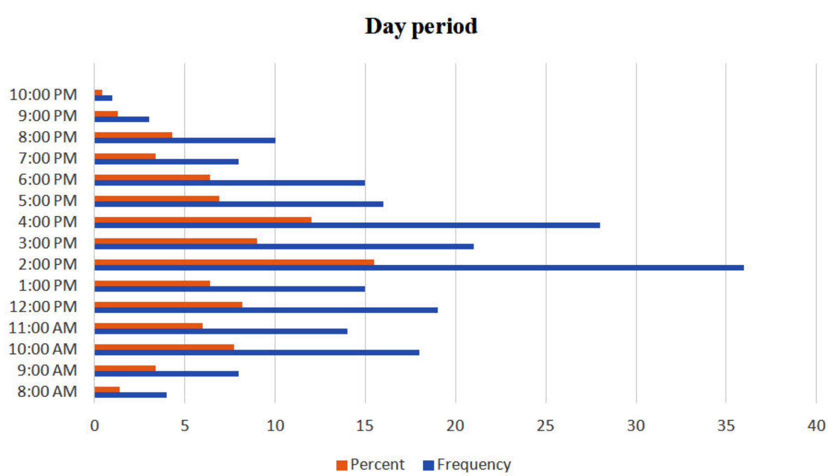
Source: Own compilation based on Atlas.ti analysis

These intriguing research findings are presented within the context of the multilingual education program among university teachers. Each of these clusters has unique identifying elements and characteristics in terms of learning fulfilment.

RQ3: How do the teachers learn and participate in informal learning activities in the frame of multilingual education program?

This aims at revealing how teachers in multilingual groups are involved in a range of different informal learning activities. The questionnaire consists of 14 queries in total and twelve important variables are analyzed via SPSS software from different perspectives. First, it is important to demonstrate descriptive analysis of each significant variable after the analysis through crosstabulation is used to show the connection between the variables and correlation is used to show the significant correlation between variables. All the variables utilized in this survey are organized to explore different aspects of informal learning activities. For example, here are some illustrations that show interesting facts:

Figure 1. Frequency of Day period variable



Source: Own compilation based on SPSS analysis

Figure 1 depicts the frequency details analyzed by SPSS software on the variable of day period (*M*= 14.38, *SD*=3.1). Based on the statistical analysis, it reveals that 2:00 PM is the most applicable and effective day period for teachers to be involved in any learning activities. Also, it is important to indicate that in general, noon time between 2:00 PM (15.5%) and 3:00 PM (9.0 %) and 4:00 PM (12.0 %) are the most frequently used day period for learning as was indicated by faculty members.

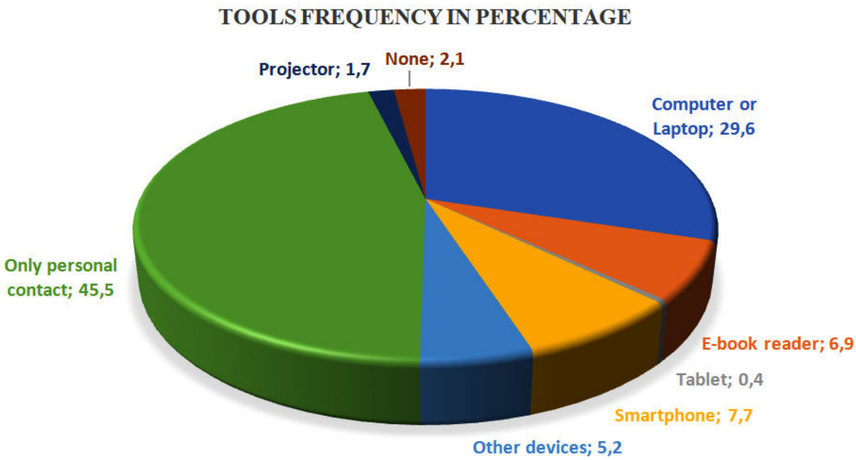
Table 3. Description of learning activity

Please briefly describe the activity which resulted in learning.			
		Frequency	**Percent**
Valid	Information gathering	68	29.2
	Online consultation	18	7.7
	Knowledge sharing	66	28.3
	Job execution	40	17.2
	Conversation	41	17.6
	Total	233	100.0

Source: Own compilation based on SPSS analysis

Table 3 is devoted to the details of learning activity description (*M*=2.86, *SD*= 1.4). SPSS data analysis shows that the most percentage with around 29.2 % is dedicated to the Information gathering and knowledge sharing activities in which faculty members participated in a multilingual program. Meanwhile, 17.2% and 17.6% of the responses indicate engagement in job execution and conversation, respectively. The lowest percentage, around 7.7%, corresponds to participation in online consultations.

Figure 2. Tools used



Source: Own compilation based on SPSS analysis

Based on the descriptive analysis, the consequences of which depict the tools (M=5.12, SD=3.2) through which they are mostly engaged in learning and acquiring new knowledge. As a result, the highest value is given to the tool of "Only personal contact" which in percentage is 45.5 %. Then the participants give advantage on the use of "computer and laptop" in percentage is 29.6 % while acquiring new knowledge. Around 7.7 % percent of participants apply to the usage of "Smartphone" on learning (See Figure 2).

Research results demonstrate that that faculty members primarily focus on information gathering especially during the noon time and they prefer and accomplish it through personal contact.

CONCLUSION

It is crucial to emphasize that the main challenges encountered by faculty members in the practice of working in a multilingual program were primarily related to the low level of foreign language proficiency and a lack of teaching materials and resources. These challenges resulted in teachers being overburdened with work and having limited time for other tasks. Additionally, a key outcome of this research was the identification of different typologies of clusters: Active and efficient collaborators, Competitive lifelong learners, Challenge confronters, and Passive job performers. Each cluster possesses distinct characteristics. Their participation in various informal and non-formal learning activities varies.

The participation of teachers in informal and non-formal learning activities is essential. The participants of the online diary reported that they primarily engage in learning activities in the afternoon, with a focus on gathering information through personal contact."

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TEACHER VIEWS ON THE COMMUNICATIONAL ASPECTS OF ONLINE ORAL EXAMS

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INTRODUCTION

The tradition of oral exams stretches back many centuries; e.g., in the 16th century Oxford and Cambridge universities conducted public oral exams in Latin by their academic communities. However, the 18t-19th centuries saw a gradual shift from orality to written exams, while in the 20th century oral exams re-emerged again, but they were relatively rare. Thus, it can be claimed that oral examinations look back on a long tradition as an assessment method, still they have been less dominant and neglected since the mid-20th century partly due to criticism related to their reliability [1].

Reviewing university educational programme and course descriptions, it has been found that in the 21st century Hungarian universities apply both written and oral exams depending on the specifications and characteristics of the field and the course, the number of examinees and the policy of the institutions. The unexpected lockdown period lasting for several months in 2020-21 caused by the coronavirus pandemic resulted in emergency in medias res online/remote education and the issue of assessment on various virtual platforms emerged as a crucial challenge for tertiary/higher education. A solution was essential for the efficient implementation of oral presentations during various phases of courses, end-term oral exams, final exams, entrance exam discussions/interviews etc. In the context of online education, tertiary level an oral exams/viva can be regarded as a relatively new tool. In fact, regarding the past few decades prior to lockdown, oral assessment was relatively rare but a crucial part of assessment at universities and colleges [2]. In fact, in scientific contexts doctoral defence oral exams are required by tradition; however, there was the tendency that oral examinations were regarded as less customary at universities [3]. This curio nature of vivas is surprising as oral exams have many favourable effects as opposed to their negative side that e.g. they are not suitable to test a large number of students.

There are five advantages of oral exams that must be emphasized: 1) communication skills development, 2) authenticity of in-person interaction, 3) inclusivity, 4) ability to focus on deep understanding and critique and 5) resistance to plagiarism [3] [4]. Furthermore, according to [5], oral exams are beneficial as they ensure individual assessment. Thus, oral exams can be considered unique occasions to simultaneously assess students' various key competences and skills e.g., critical thinking, analytical skills, creativity and problem-solving [6] in an integrated way.

Sabin, Jin and Smith [7] conducted a student survey on online oral exams and their findings show that students perceived their oral exams beneficial as they are personalised, interactive, which can contribute to the improvement of their communication skills. Consequently, a qualitative investigation in the Hungarian context into the nature of online oral exams with a focus on university teachers' perceptions can gain relevance. Accordingly, the aim of the present interview study conducted among Hungarian university teachers as examiners is to investigate and yield answers to our six research questions (RQs) based on the universal typology of online oral exams [2] [8] (See Theoretical background):

RQ1: What content types tend to characterise online oral exams?
RQ2: What types of interaction are the characteristics of vivas?
RQ3: To what extent can online oral exams ensure authenticity?
RQ4: What viva structures can be identified?
RQ5: What type of online oral examiner experience do university teachers perform?

RQ6: How is orality combined with other tools related to assessment via vivas?

THEORETICAL BACKGROUND

The framework applied to the analysis of the present research is based on the theoretical model of Joughin [2], who aimed at establishing a general typology of oral examinations identifying six areas of assessment procedures. The first category refers basically to the primary content type and is a relatively complex dimension involving four subcategories: knowledge and understanding, applied problem-solving ability, interpersonal competence and intrapersonal qualities. Knowledge and understanding involve all the theoretical concepts, definitions, principles, data and facts learned by the examinees as the focus of measurement.

The problem-solving ability implicates how the above mentioned newly acquired knowledge and understanding can be applied and interpreted in practical situations. In Joughing's [2] original framework, this category also included interpersonal and intrapersonal characteristics, which were treated as separate categories in the present research. Interaction is the second main dimension of oral exams and provides a continuum from an individual presentation to a highly interactive form of discussion. The context of the examination process is the focus of the dimension of authenticity as it investigates the extent of how genuinely the exam imitates real professional practice.

The next category is labelled as structure by Joughin [2], and it means to what extent the exam is based on pre-set exam questions ranging from completely closed structured, through semi-structured, to completely open exam question-sets. The dimension of the examiner involves different types of assessment, that is: self-assessment, peer-assessment, the course teacher as the examiner and examination-board membership. Joughin's ultimate category is orality, which refers to the medium of the assessment process, which can be conducted as a mixture of written and oral exam, of some physical activity, or a purely oral exam.

The listed six main categories of oral assessment are influenced by contextual factors, which are as follows: socio-cultural setting, pedagogical considerations and technical conditions. Furthermore, based on Joughin's [2] framework Theobold [8] identified the following dimensions of summative online exams: 1) content (knowledge and understanding, 2) interaction (dialogue with the examiner), 3) authenticity (contextualization) 4) structure (a continuum from completely closed to open), 5) examiners (authority-based assessment) and 6) orality (pure orality). These factors can be manipulated as the oral exam aims and criteria require. Eventually, it is crucial to emphasise that the ultimate criteria of successful vivas are: the reliability of the exam, credible technology, authentic assessment, interactive viva, well-structured process, efficient time-management, efficient communication, proper skills and competences [9].

RESEARCH METHOD

The present research applied a qualitative approach as we sought to get a deeper understanding of self-reported practical procedures, experiences and views of online oral examinations from the viewpoint of the examiner. Qualitative one-to-one interviews were applied as a research tool because they are suitable for collecting in-depth information not only about the details of real-life practices, but also about the participants' personal interpretations and feelings of the phenomenon under scrutiny [10].

Using a 28-item semi-structured interview schedule yielded essential data on specific issues of online oral exams, while also gathering data on unknown practices and aspects. The phrasing and the order of the questions were set; however, mostly open-ended questions were used and spontaneous questions could be added, allowing greater flexibility. The participants (P1-5) were five female university professors from Hungarian universities with an average teaching experience of 15 years in the disciplines of education and social sciences. During lockdown online education P1, P2 and P2 delivered courses and oral exams both in Hungarian and English while P3 and P4 only in Hungarian. They were informed on the purpose of the study and their participation was anonymous and voluntarily, in addition, they consented to audio-recording of interviews. In 2022 the interview sessions were conducted online using the Microsoft Teams platform and the time allotted to each participant ranged from 45 to 65 minutes.

The collected data was analysed through content analysis. The verbatim transcription of the participants' responses was compared through iterative readings. While coding, we followed the guidelines of constant comparative methods using inductive logic to set up simultaneous categories of a mass of narrative data [11]. Emerging patterns were identified and coded, later the initial codes were merged into categories. The aim of category formation was to simplify the data collected and to make an overview possible.

RESULTS AND DISCUSSION

Primary content type

When investigating the primary content type of the information asked from the students during online oral exams, it turned out that the main focus was not on the knowledge of separate facts or definitions, but on checking the depth of students' understanding and their ability to find connections in the acquired knowledge. It became clear that professors selected this assessment method in order to get a more complete picture of students' knowledge as this type of assessment provide examiners more opportunities to test students' ways of thinking. P2 pointed out that the main point in exams in social studies was to test students' deeper understanding of relations between theoretical components of theories and the best assessment tool in this case was oral exams with the possibility of clarifying questions and explanations.

All the respondents agreed that online oral exams are suitable for checking students' presentation skills, in addition, P5 stressed that online oral exams should not only be seen as a tool of assessment, but also a simultaneous learning opportunity. Besides, critical thinking, logical reasoning, expressing opinions, problem-solving, creative creating were also mentioned as skills which were tested during online oral exams; however, in this case the type of the exam was decisive as for instance end-of semester reports provided more opportunities for creative tasks than final exams where the exam protocol outlined stricter regulations.

Interaction

In this respect, the dominant strategy of the respondents was to convert traditional forms of assessment into digital context as most teachers sought to reach the same level of interactivity as in traditional oral exams. In case of exams focusing on language skills, establishing interactivity could be created with discussions and situational tasks as it was explained by P1. Even if the students had to give a presentation on a certain topic or defend their thesis in the form of a monologue, the examiners always initiated a dialogue afterwards. In many cases, vivid professional dialogues arose even in the tense context of a final exam with a committee made up of acknowledged professionals.

Context

In the model proposed by Joughin (2010), the dimension of authenticity describes the extent of the professional context of the exam. Exams concentrating on academic learning seem to be highly decontextualized; however, we could see several intentions of the professors to connect the exam to professional practical context. One of the advantages of oral exams stated by P3, is that respondents can describe examples from practice in detail, as well as illustrate and support theoretical assumptions. P4 emphasized that the instant feedback provided by the examiner in an oral exam can serve as professional guide and motivation increasing the authenticity and meaningfulness of the assessment process. Oral exams may provide more opportunities for activities which can be related to real world practice and can be useful in increasing contextual settings.

Structure

The dimension of structure focuses on oral exam questions, that is whether the examiner applies a structured, semi-structured, entirely unstructured or zero set of questions as well as whether the oral questions are closed or open to a varying extent. The latter type is in particular suitable for the students to reveal how proficient they are in conceptual understanding. All of the participant university teachers said their students got access to the exam topics at the beginning of the semester related to the particular course. P1 mentioned that she provided her students with sample preparation materials (pictures, situations, sets of questions) related to exams both in Hungarian and English independent of the course type. P4 and P5 mentioned that in some of their courses they equipped their students also with practice questions. P5 applied this preparation aid rarely, since it was not basically crucial due to her well-structured Moodle learning supporting courses created for her students. P2 emphasised that during online oral vivas various questions could emerge related to a topic, therefore sample preparatory questions are not essential but can be beneficial. The results show that all of the participants agree on the importance of efficient, well-structured exam questions while the significance of practice, structured and semi-structured questions are seen slightly differently.

Examiners

In the present research the term examiner appears in the following contexts: 1) during-, mid- and end-term oral exams/reports/presentations related to a course, 2) university final exams, 3) entrance interviews in a Hungarian or international context and 4) doctoral defences conducted in Hungarian or English. All of the participants in the majority of the cases acted as the only examiner during oral exams and they had the authority as the course teacher. Also, all of them have experience in co-examining with one or more colleagues as members of an examination-board during suitability interviews, comprehensive exams and final exams. P1 and P2 mentioned having experience as members of doctoral defence boards, too. They also conducted online vivas with international prospective students for an international student mobility programme to explore the applicants' motives, experience, English skills and intercultural competence necessary to enter the programme. Both P1 and P2 found several benefits of having a co-examiner with a lot shared professional and exam experience in the same discipline. However, in the online context P2 missed the non-verbal gestures and facial expressions of her co-examiners in order to know who should ask or comment next, and to avoid interruption or do it when essential. The participants perceived that their fellow examiners seemed to have similar experience and skills regarding online oral exams. P3 revealed that during suitability interviews there were three co-examiners online simultaneously in one online room, which is in not the case in the real classroom. P4 emphasised that the vivas went smooth similar to in-class oral exams and that her co-examiners can be characterised approximately with the same level of experience and knowledge of technology.

Orality

The dimension of orality covers if online oral exams are purely oral or how vivas are complemented e.g., with written tests, some criteria test prior to the oral exam. P1, P3, P4 and P5 said that depending on the course, students had to make presentations, produce some creative products, write tests as pre-conditions of the online oral exams. P2 emphasised that regarding seminars there were written tests during the course and there was the thesis related to final exams. P3 and P4 mentioned reports that students had to write during their practice. Only P5 revealed that she regularly applied a kind of point-system or rubric of various tasks, which also affected the final result of the oral exam.

CONCLUSIONS

This study reflected on the characteristics of online oral exams at tertiary level in the Hungarian context with a special retrospective focus on the lockdown remote education period of 2020-21. This small-scale qualitative semi-structured interview study revealed five university teachers' perceptions and experience gained through online oral exams during seminar presentations, final exams, entrance and suitability reports etc. The main dimensions of the investigation, content, interaction, authenticity, structure, examiner and orality were selected grounding on the framework of Joughin (1998) and Theobold (2021).

The findings of our qualitative research indicate that university teachers intended to adapt traditional forms of assessment into online, remote alternatives, especially in terms of interactivity. Online oral exams provide a valuable experience for teachers to check students' deeper understanding and critical thinking. The results of the contents analyses show that the structure of the viva tended to be closer to rather open than closed and /semi/-structured practice questions emerged, but they were not characteristic prior to online oral exams. The participant professors had experience as single and co-teachers as well as members of an examination-board. The interviewed teachers also observed that their colleagues had similar online oral examiner competences and experience. We hope that the findings of our research may contribute to a more systematic planning for online assessment in the future.

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HOW THE POLICY OF OPENING TO THE WEST AFFECTED MEDIA POLICY IN THE THE KÁDÁR ERA

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INTRODUCTION

There are multiple approaches to understand the state-socialist media policies of the Kádár era. Some researchers focus on the totalitarian narrative and suggest that submission to the Soviet Union has had a decisive impact on the Hungarian media system, i.e., the leadership of the Hungarian Socialist Workers Party could not deviate from the official declarations of Moscow. Others argue that a more dynamical relationship was operational between the political and the media systems, in line with the main statement of classical media systems theory which suggests the media system reflects upon the existing political and social systems (e.g., Siebert et al., 1956/1984, Hallin & Mancini, 2004). Following the latter approach, I will link developments in the media system to changes in Hungary's foreign policy.

Previous research suggests that the control mechanisms of the media in general and of the Hungarian media in particular may be influenced by a number of factors such as financial crises, the foreign policy strategy (Takács, 2021: 30), the possibility of the professionalization of journalism (cf. Høyer & Lauk, 1995, Chalaby, 1996, Hallin & Mancini, 2004, Sipos, 2013), and the level of social legitimacy (Weber, 1922/1987: 79, Bayer, 1999, Földes, 2016: 15–16, Castells, 2018: 9). However, the potential impacts of the opening process toward the West has been largely ignored in the literature.

In this paper, I will argue that, after 1965, relations to the West have played an increasing role in Hungarian media policy. Based on a brief analysis of selected party communiqués, I will attempt to demonstrate how the opening process *(nyitás)* shaped the political expectations communicated to the media, and how openness *(nyitottság)* and its 'challenging' consequences were reflected upon in Hungarian media policy. I will focus on how the interpretation of information policy and the role of the media were changing in Hungary, and how this has affected the development of media research in the country.

THE SOVIET COMMUNIST MEDIA SYSTEM IN HUNGARY

Media policy in state-socialist Hungary occurred on two different levels: *rhetorically* it was strictly committed to the principles of the Soviet communist press system (cf. Siebert et al., 1956/1984: 9), but *practically* media control was much more flexible.

On the rhetorical level, this commitment was mainly manifest in the political instrumentalization of the media as repeatedly declared in official statements from 1958 onwards. The media system was hierarchically structured, and – like many other areas – was constantly under state security surveillance. In this perspective, the main task of mass communication was to serve and to propagate the political intentions of the state, as well as to orientate the audiences. The media were thus mainly used as an instrument of propaganda (Siebert et al., 1956: 105–146). In the public sphere, propaganda was prioritized over information (Lázár, 1988/2006: 23), and criticisms of the basic principles of the political system or of party decisions were not allowed.

At the same time, however, on the practical level media control often differed from the Soviet model. In the absence of any written regulation (there was no press law until 1986 and no broadcasting act throughout the whole period), media were managed by decisions made on a case-by-case basis. In other words, media were controlled manually, and many *ad hoc*, indirect and direct interventions were executed (Bajomi-Lázár, 2005: 25–27, Sipos, 2010: 46–49). The political agenda of the media was under complete party control for most of the period. 'Press plans' and editorial meetings were held to determine in advance what and how could be communicated to the public. At the same time, politically sensitive foreign and domestic policy issues were tabooed. The infamous differentiated culture and information policy marked by the name of György Aczél catalyzed self-censorship, but was not based on a clear classification system (Sipos, 2015: 36–38). Manual control has created a great deal of unpredictability with both journalists and the public. The media policy principles of the political decision-makers were constantly changing, and control was sometimes stricter, sometimes more permissive. An analysis of selected information policy declarations suggests that media policy in Hungary was not as homogenous as the totalitarian narratives affirms.

DIFFICULTIES IN MEDIA CONTROL

The Soviet-communist press model was strained by two parallel factors during the Kádár era. First, the continuous border (re)drawing efforts made by journalists and the audiences and owing to the lack of regulation. Second, the fact that there were so many cases that caused 'information challenges' to the leadership of the Party. A number of foreign and domestic political events have occurred throughout the period that questioned the validity and legitimacy of the central ideology, the authority of the party, or even that of the Soviet Union, yet these events could not be ignored entirely, and some information had to be published about them. These included both foreign affairs such as the intervention against Czechoslovakia in 1968 by the Warsaw Pact countries, the Soviet military occupation of Afghanistan in 1979, the shooting down of Korean Air Lines flight 007 in 1983, the Soviet boycott of the Los Angeles Olympic Games in 1984, and the Chernobyl nuclear power plant disaster in 1986, as well as a number of domestic political issues and scandals that could not be ignored. Also, some events drew the population's attention to the shortcomings and limitations of the state-socialist system. For example, the huge capitalist enterprise in 1985, the Miss Hungary national Beauty pageant, and shortly thereafter the suicide of the young winner who was not prepared for international fame and was not aware the expectations of beauty industry, or the first major Western rock concert behind the Iron Curtain in Budapest in 1986 featuring the British rock band The Queen (Boldog, 2014). Add to this Hungary's increasingly active foreign policy which directly affected the supervision of the media system.

OPENING STRATEGY

On 1961, Nikita Khrushchev in his XXII. congressional speech declared the "period of building communism" and emphasized the importance of "peaceful coexistence" with the West.[1] The said Soviet political program facilitated the emerging Hungarian economic modernization project that was officially announced in 1968 and called 'standard of living policy' and enhanced Hungary's demand for Soviet and Western capital, knowledge, and infrastructure. Party Secretary János Kádár, referring to this congress, accelerated Hungary's foreign policy and opening strategy. The party also treated the development of tourism between Hungary and the West as a priority task because of a permanent shortage of currency.

From 1968 onwards, the main goal of the Hungarian opening policy was to maintain the economic reform and to uphold the standard of living, which could not be done solely within the relations with the Soviet Union and the state-socialist countries, but also required Western connections. As a result of the opening to the West, everyday life changed in Hungary: new leisure activities, entertainment and cultural opportunities arose, restrictions on travel abroad were eased, and previously unknown consumer goods became widespread. This favorable process for the population has also affected media control, arguably creating at least three main turning points.

The first milestone: 'unfavorable' consequences and the role of the audiences

1 Az SZKP XXII. kongresszusa, [XII. Congress of the CPSU] *Párttörténeti Közlemények. Az MSZMP Központi Bizottsága Párttörténeti Intézetének Folyóirata*, 7 (4), p. 1.

The first turning point is related to a declaration by the Political Committee in 1965 called "on the improvement of information policy," [2] a mark of progress in many respects compared to the previous period of information policy.

This document reflected on a paradoxical situation created by the policy of openness: that of the influence of imported Western cultural goods (popular music, films, literature, arts, and tourism) upon the population, and of different thinking, cultural and intellectual trends crossing the Iron Curtain. According to the interpretation of the party leadership, all this could undermine 'social unity.' It says that "increased tourism [...] provides an incomparably greater opportunity for hostile propaganda than before," one that the Hungarian information management is not prepared for.

In other words, the Hungarian party leadership encountered the 'unfavorable' consequences of the policy of opening to the West and of the irreversibility of Western transfers. A commitment to compete with the West was also manifest, as the party communiqué suggested that information must be provided on everything, including unfavorable facts and opposing opinions because, as stated, "there is no vacuum in information, if we do not talk about something in time, that's what the enemy will be talking about."

In this text, the view of a one-way, vertical, communication process was replaced by a horizontal interpretation. In other words, two-way communication and societal feedback were increasingly emphasized in the information policy documents. The appreciation of the role of society was also shown by the fact that, in order to make the party's work more transparent and the audiences better informed, the information system of the Hungarian Wireless Agency was revised. The document also recorded that, owing to the opening process, the party no longer had an information monopoly but must strive for „quick, reliable and accurate" information.

2 MNL OL M-KS 288. f. 5/367 ő. e. Az MSZMP PB határozata a tájékoztatás megjavításáról [Decision of the Political Committee of the Party on Improving the Information Policy], 1965. június 8. (Cseh et al., 1999: 343)

MEDIA RESEARCH AS A TOOL

A new science policy was also announced in 1968, recognizing that "science has many forms of influence on society's consciousness, education, culture, healthcare, and the evolution of living and working conditions,"[3] and hence scientific findings must be taken into account when making political decisions. It is important to note that the party leadership did not set up a censorship system but imposed self-censorship on academics and artists. Therefore, the scientific sphere received much more financial support than before, and its intense infrastructural development was launched.

The establishment of the Mass Communication Research Center in 1969 was possibly the single most important outcome of the new science policy. This was an interdisciplinary institution specialized in mass media analysis, media consumption research, and public opinion polls. It issued its own academic journal, distributed in a specific, closed, informal network, and regularly published translations of contemporary mass communication and sociology literature. It also engaged in professional collaboration projects with state-socialist and Western research institutes. International conferences and scholarships ensured that Hungarian researchers were also involved in politically independent international research projects. The scientometric outputs of the institute were outstanding internationally (Demeter, 2020: 30). But the institute worked under the close supervision provided by the party's Agitation and Propaganda Department, and the members of the party's Central Committee received every research report made by the Research Center.

The Mass Communication Research Center was not only an official mass media research institute, but also a platform for the Party leadership to connect the political plans and the scientific analyses to gain an advantage over the 'Western propaganda'. Politicians believed that the Research Center could be of help in preparing political decisions and in monitoring their outcomes. As a Central Committee

3 Kalmár (2014: 295) cited a declaration called „Tudománypolitikánk időszerű kérdéseiről [About the Timely Questions of Our Science Policy]. 1969. június 26–27."

meeting stated at the end of 1968: "The analysis of political public opinion and the use of experience should become a permanent tool and practice of management at all levels. [...] The proper management and use of information increases driving safety."[4] In other words, media research appears clearly as a tool to facilitate the political control of the Party over society.

THE SECOND MILESTONE: NEW CHALLENGES AND NEW INTERPRETATIONS OF THE MEDIA

By the end of the 1970s, aggravating economic problems were clear to the public as they left their mark on everyday life. The party leadership felt cornered, which was inevitably manifest in the field of information policy. The second milestone in media policy was made clear by two important party documents: one from 1977 and the other from 1979.

In September 1977, in a declaration by the Political Committee, the political leadership reflected on the expansion of tourism and stated that "the mutual exchange of press products, the increasing rate of personal contact" set new demands for media supervision and required the development of communication tools as well as a new division of the working processes of media control.

A new information policy concept can be detected in this text. According to this, the role of the media was to "form a bridge between political decision-makers and the public," and was "not only to inform about every important event in time but also to help to learn about [political] contexts, processes, understanding, acceptance and their implementation," as well as to "provide a forum for the social, economic and cultural initiatives of public interest, the proposals of and the announcements for the population." According to these expectations, information had to be "authentic, reliable, as fast as possible,

4 Az MSZMP Központi Bizottsága politikai bizottságának határozata a politikai információ párton belüli rendszerének továbbfejlesztéséről [Decision of the Political Committee of the Central Committee of the Party on the Further Development of the System of Political Information Within the Party] (1968. december 10.). (Vass, 1974: 304.).

and clear". However, this did not affect the basic formula: mass communication was still under strict party control. "Information is not a goal, but a device" – as it was clearly articulated at the same time.

In 1979, the Political Committee stated for the first time that the dominance of "favorable news" in the media was unsustainable, did not meet the population's information need, and was counterproductive. As the policy makers put it, by overemphasizing positive news while intentionally hiding unfavorable news, the media were unable to present the economic situation realistically and, instead of contributing to the understanding and acceptance of central messages, it damaged the credibility of the party leadership.

There was a change of attitude in media management as well, as the need for coordinated operation increased. A decision was made to divide the communication and propaganda tasks between radio, television, and the printed press. This declaration recorded not only the diversity of media, but also the diversity of the audiences. These are arguably very important recognitions disclosing a more understanding and conscious approach of the operation of the media system.

THE THIRD MILESTONE: UNSTOPPABLE PROCESSES

In the early 1980s, the decades-old perception that considered media consumers an unlimitedly malleable, passive and influenceable mass of people changed completely, and the role of the audiences became more valued. Regarding this, Kádár himself said in 1983 that "Hungarian public opinion is much more mature, more political, and thinks at a higher level than ten or especially twenty years ago" (Kádár, 1983: 15). Media policy decisions had to be based on the assumption that political decisions may be legitimized with the help of an informed public.

It was also clearly recognized that people have different entertainment needs, backgrounds, cultural habits, education, age, and media consumption patterns.[5] That is why the main task of the media was to

5 Az MSZMP KB Politikai Bizottságának határozata a propaganda és az agitáció időszerű feladatairól (1981. április 28.) [Decision of the Political Committee on

consciously serve them. The appreciation of the audiences' role arguably came about as a result of external factors rather than a conscious media policy concept. By the early to mid-1980s, the party leadership was aware that the economic problems had escalated into a socio-political crisis that could no longer be hidden, and objective reports were needed.

Moreover, foreign and domestic political processes accelerated in the second half of the decade. In 1986, Mikhail Gorbachev announced glasnost, the policy of openness, which gave certain topics more publicity than ever before and helped media become more colorful. Glasnost became an important point of reference within the Eastern Bloc. In the second half of the 1980s, underground and samizdat movements intensified, some and new information policy milestones occurred. In 1981, the samizdat publication *Beszélő* was published. A year later, a late-night radio show aired on public service radio offered a new platform for taboo topics. In 1986, the first Hungarian commercial radio started as the fourth channel of the state-owned Hungarian Radio. One year later, researchers and public intellectuals proposed the construction of a democratic media model in their public publication. In 1988, a public debate took place at the headquarters of the National Association of Hungarian Journalists in support of a revision of the information policy; put together, these developments have efficiently promoted the democratization processes in Hungary.

SUMMARY: OPENING AND STASIS

The media system in the Kádár era was a multi-faceted institution shaped by a number of foreign and domestic political developments. From the second half of the 1960s onwards, it was increasingly responsive to the new situations that arose due to an intended opening strategy.

the Timely Tasks of Propaganda and Agitation] (Vass, 1988: 201); Az MSZMP KB Politikai Bizottságának határozata a nemzetközi kérdésekről folytatott agitáció és propaganda további feladatairól (1982. április 14.) [Decision of the Political Committee on Further Tasks of Agitation and Propaganda on International Issues (April 14, 1982).] (Vass, 1988: 335).

The first important change occurred in the late 1960s when the Party was faced with the 'unfavorable' consequences of the openness and tried to compensate them by setting up a competition situation in which information was delivered more quickly and accurately. To manage this situation, the Party also set up a mass media research institute in order to use media research as a political tool. A decade later, the leadership of the Party realized that it was necessary to change the established practice and to provide the population with information about the country's economic difficulties and problems. In this period, the Hungarian party leadership began to notice that the Soviet-communist press system could no longer be sustained as people's everyday experiences did not match political propaganda. The leadership began to realize that one of the most important factors enhancing political legitimation is the consideration of social needs, interests and feedback, for which the media provide an excellent platform.

In the mid-1980s, several global and domestic, factors helped to broaden the public sphere in Hungary. Media policy makers tried to adapt to the new challenges. However, neither party politics, nor media politics could be completely renewed, being unable to break with the strict political commitments, the instrumentalization of the media, and the persisting desire of the party to control the public mind. Even though the party leadership indicated its intention to reform media policies, the media in Hungary has never provided a real platform for social feedback and discussion. Only the political transformation of 1989/90 changed this, bringing down the entire Soviet-communist media system.

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ISBN 978-963-625-024-9

Published by © Aposztróf Kiadó, 2023
Nagy és Hetyei Kft.
www.aposztrof.hu

The international conference *Challenges and Achievements in Central Europe* took place in June 2022, organized by the Central European Regional Research Group and the Budapest Business School's Department of Finance. The international conference *Between West and East: Research in Social Sciences and Education at Budapest Business School – University of Applied Sciences* was organized by the Institute of Social Sciences and Pedagogy in December 2022, where domestic and foreign speakers presented their latest results in three sections. We would like to present a selection of these lectures to the interested public. We organized thirteen studies in two chapters related to the fields of economy, geopolitics, finance, education, history, and political science. With all of this, we also indicate that the social sciences and humanities have an important role in both international and domestic academic life.

Trusting that you, dear reader, will appreciate the achievements of our coworkers and colleagues in this volume, and will continue to support and monitor the work of the Institute of Social Sciences and Pedagogy and the Central European Regional Research Group.

The editors