

LONG-TERM COMPETITIVE BALANCE IN AN ECONOMIC MODEL OF A TEAM SPORTS LEAGUE

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The level of competition in a market is usually measured by static concentration indices, such as the Herfindahl–Hirschman index. In sports, static competitive balance is joined in relevance by dynamic competitive balance, which shows the variability of performances over time. Particularly relevant is the competitive balance of sports leagues, as it relates to the excitement factor in the competition. Sports clubs usually operate as businesses, which allows examination of their labour-market decisions and resulting competitive balance within an economic model. Simulations of a theoretical model show that leagues are more balanced where the market sizes of clubs vary less, where the ratio of performance-independent revenues is higher, where the rate of profit reinvestment is lower, and where match results are less predictable. We found correlation in the effects on static and dynamic competitive balance, but results are influenced by clubs' objectives. A common balancing solution is the sharing of clubs' revenues – found to improve competitive balance effectively if clubs are win-maximizers, but have no effect if clubs are profit maximizers. The model presented will serve as a theoretical basis for later empirical studies and is applicable to policy-impact analyses.

MODELLING AND EMPIRICAL ANALYSIS OF RELATIONS BETWEEN THE COMPETENCE-BASED COMPETITIVENESS AND FINANCIAL PERFORMANCE OF HUNGARIAN SMEs

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The study explores relations between the competitiveness-interpreted performance of firm-level competencies and the financial performance of Hungarian micro, small and medium-sized firms (SMEs). Unlike other studies that analyse mechanisms shaping or representing performance factors, this examines how SMEs utilize the generated cash flows. The theoretical foundation is followed by presentation of the modelling and formulation of the hypothesis, through large-sample analysis results: 1005 Hungarian SMEs were examined with the methodology of regression analysis. The results show (1) that both future and past-oriented cash flows are decisive in shaping competitiveness. Within this, (2) significant impact comes primarily through

innovation and dividend capability, while (3) there is controversy over the impact of fixed-asset investment. The study's novelty lies in modelling and empirical analysis of relations between the competitiveness and financial performance of SMEs. This can be seen to fill a gap in the mainstream literature.

THE CHARACTERISTICS OF THE PHARMACEUTICAL VALUE CHAIN IN HUNGARY

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Hungary's pharmaceutical industry has long traditions and an important role in the economy, but its dynamic impact as a whole seems to be limited. The length, composition, traits and qualities of value chains are of determinant importance to the firm-level and macro-level performance of industries. Based on quantitative input-output analysis and a qualitative methodology based on interviews with representatives of firms, the article aims to reveal the characteristics of Hungary's pharmaceutical value chain. The results show that this is special: compared to those of other industries, it has short forward and backward linkages, its value-added contribution is mainly indirect and the import content of exports is high. The information gained from the interviews shows the results of the statistical analysis disguising wide differences between the firms in the industry, especially in differences between the original and generic value chains. The dominance of the latter in Hungary and the small share of original ones explain the features of the pharmaceutical value chains and their limited impact on the economy.

THE ROLE OF NETWORKS AND PARTNERSHIPS IN INNOVATION AND KNOWLEDGE FLOW – A SYSTEMATIC REVIEW OF THE LITERATURE

Dávid Bilicz

The paper sets out to review systematically the literature on international knowledge networks and their role in knowledge flow between actors. The research found three main levels of analysis – the level of a partnership, the alliance portfolio of a firm, and the whole network. Altogether, based on the international literature, central nodes are more innovative in general and it is more favourable for smaller players to connect to more central ones. There is no such consensus on the impact of the density of knowledge flow in knowledge networks; for example, sparser networks may benefit actors by functioning as bridges between less connected members. The similarity and diversity of participants add further to the knowledge flow and innovative capacity of the members of a knowledge network.