

following: the long-term decrease in the number of live births since 1986 in the backward regions shows a difference of closely the same percentage as that of the economic potential; a similar relation can be shown between the age pyramid and net economic welfare. In what are called ageing regions (particularly in cases where the contraction point of the age pyramid can be taken to be in the age group 20-25 years) a secular economic decline is to be expected; a decrease in net economic welfare generally results in rapid contra-selection, then after the emigration of those with qualifications the mobility of the population decreases to a minimum and economic neuralgia is matched by demographic neuralgia.

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NEW OPPORTUNITIES FOR ENHANCING SELF-EMPLOYABILITY - DEVELOPING ENTREPRENEURIAL SKILLS VIA INTERNATIONAL VIRTUAL PROGRAMS (THE RESULTS OF CROSS BORDER VIRTUAL ENTREPRENEURSHIP PILOT-PROGRAMS IN HUNGARY)

There is an increasing emphasis in many countries, including Hungary, on developing new models of partnership between universities and enterprises and developing entrepreneurial skills as well. The economic significance of SME's has been continuously increasing since 1989, the political changes in Hungary. Supporting this sector and improving its development is highlighted objective of European Union, and the Hungarian economic policy as well. There is an increasing demand for rapid, dynamic and flexible teaching programs. Faculty of Economics has developed several teaching materials in international programs since 1996. The aim of the newest programs is to develop entrepreneurial skills.

Увеличивающийся акцент во многих странах мира, включая и Венгрию тоже, заключается в развитии новых моделей партнёрства между университетами и предприятиями и развитием предпринимательских навыков. С 1989 экономическое значение малых- и средних предприятий непрерывно увеличивается. Поддержка этого сектора и улучшение его развития выдвинуты на первый план в Европейском Союзе, и в Венгрии тоже. Есть увеличивающееся требование на быстрые, динамические и гибкие обучающие программы. В развитии этих программ с 1996 года участвует и Экономический Факультет Мишкольцкого Университета. Самая новая программа помогает развить предпринимательские навыки.

The economic significance of SME's has been continuously increasing since 1989, the political changes in Hungary. Supporting this sector and improving its development is highlighted objective of European Union, and the Hungarian economic policy as well. There is a great interest for relevant statistical data and analyses about the existing numbers, efficiency and competitiveness of SME's. Small and medium-sized enterprises (SMEs) are a very heterogeneous group of businesses

usually operating in the service, trade, agri-business, and manufacturing sectors. They include a wide variety of firms. Some are dynamic, innovative, and growth-oriented while others are satisfied to remain small and perhaps family owned. SMEs usually operate in the formal sector of the economy and employ mainly wage-earning workers. If we analyze the number of enterprises we have to deal with the regional differences inside the country. As it known, Hungarian economy is very centralized; the capital Budapest determines the economy. Almost 40% of registered enterprises exist in the central region, which represents 23% of inhabitants and less than 10% of territory of Hungary. This paper assesses small and medium-sized enterprises (SME's) in Hungary, which sector represents 99,9 percent of total enterprises. Their activity is mainly characterized by high labour and low capital intensity, the efficiency and competitiveness of their business management are relatively low. There is an increasing emphasis in many countries, including Hungary, on developing new models of partnership between universities and enterprises and developing entrepreneurial skills as well. The economic significance of SME's has been continuously increasing since 1989, the political changes in Hungary. Supporting this sector and improving its development is highlighted objective of European Union, and the Hungarian economic policy as well.

Analyzing the statistical data of enterprises we have to deal with the regional differences inside the country. As it known, Hungarian economy is very centralized; the capital Budapest determines the economy. Almost 40% of registered enterprises exist in the central region, which represents 23% of inhabitants and less than 10% of the territory of Hungary. Our region, the North-Hungarian region, is one of the most under developed region in EU. Small and medium-sized enterprises (SME's) are a very heterogeneous group of businesses usually operating in the service, trade, agri-business, and manufacturing sectors. They include a wide variety of firms. Some are dynamic, innovative, and growth-oriented while others are satisfied to remain small and perhaps family owned. SMEs usually operate in the formal sector of the economy and employ mainly wage-earning workers. There is a great interest for relevant statistical data and analyses about the existing numbers, efficiency and competitiveness of SME's. Before the political change, in 1989 the number of registered enterprises was almost 30 thousand and by the end of 1994 it exceeded 1 million in numbers. Afterwards there was a significant slow down in this dramatic growth in 2004, and finally 1,2 million enterprises were registered in statistics with 60% of sole proprietorship among them. More than 200 thousand enterprises inactive, which means 16-18% of registered enterprises does not exist and work. In the aspect of assessing economic efficiency, only active enterprises are important to be

considered, therefore, all the data of the study refer to the category of enterprises. According to the published data of Central Statistic Organization the number of the registered active enterprises grew to 72,2% from 57,5% between 1995 and 2004.

Table 1 - The number of registered and active businesses in Hungary 1999-2004 [2]

Years	1999	2000	2001	2002	2003	2004
Number of businesses	876.168	903.822	919.387	935.892	948.403	964.073
Ranges (%): (1999 represents 100%)	100,00	103,15	104,93	106,81	108,24	110,03
Differences (%): (based on the previous year)	-	+3,15	+1,78	+1,88	+1,43	+1,79

The tendency of enlargement the number is businesses stopped in 2005. The number of registered and existing enterprises is decreasing in 2006 and this tendency going to continue in the next years as well; the reason is mainly the macro environment. The number of bankruptcies is dramatically growing since 2008 October.

If we analyze the number of enterprises we have to deal with the regional differences inside the country. (figure 1) Analyzing the economic role of SMEs, we have to deal with employment rates, export activity, contribution to the gross value added and some other economic aspects. As a member state of European Union, we always compare our figures to EU countries. Comparing data there is no dramatic differences between EU average and Hungarian results. (see table 3.)

Table 2: Registered businesses by legal form in Hungary 2002-2007

Year	Proprietorship	Fellowship	Limited partnership	LTD Liability Company	Incorporation	Cooperative	Sum
2002	708.513	8.113	208.454	182.242	4.425	6.768	1.152.221
2003	716.729	7.889	214.787	193.247	4.345	6.790	1.176.934
2004	717.323	7.725	219.023	209.720	4.357	6.532	1.198.628
2005	710.838* (469.809)*	7.483	220.955	224.146	4.371	6.230	1.208.780
2006	670.203* (434.601)*	7.244	221.152	238.411	4.373	5.860	1.183.953
2007	702.595* (425.950)*	6.868	218.307	257.347	4.493	5.488	1.233.704

* Personal entrepreneurs with pass source: (KKV helyzete 2007. p.122.)

In EC-19, there are approximately 20 million enterprises (EC 2002), in Hungary the number of registered enterprises was 1,2 million. In comparison, The Hungarian GDP was 0,8% of the EU-15 total in 2002, so an equal economic activity in a similar structure would indicate more, than 1,2 million enterprises. This is however a contradiction to the general opinion in Hungary, that the number of enterprises was too high. This opinion is usually generated by the fact, that by approximation 18-25 % of all registered enterprises is not functioning.

Table 3: Distribution of major indicators of enterprises in EU¹² and in Hungary, 2003 (%)

Indicators	Micro		Small		Medium sized		SMEs		Large		Total
	EU	H	EU	H	EU	H	EU	H	EU	H	
Number	92,3	96,1	6,5	3,2	0,9	0,6	99,7	99,9	0,3	0,1	100
Employment	39,4	41,5	17,4	17,0	12,9	15,5	69,7	74,0	30,3	26,0	100
Turnover	26,3	20,9	15,3	21,2	15,5	18,7	57,1	60,8	42,9	39,2	100
Gross value added	20,8	16,7	14,5	16,0	15,5	18,7	50,8	51,4	49,2	48,6	100
Export	14,1	7,3	11,8	14,6	15,6	13,7	41,5	35,6	58,5	64,4	100

Such as high proportion of inactive enterprises can be originated from the fact, that it is still cheaper in Hungary to operate an inactive enterprise in short term, than to eliminate it legally. There is also a great significance of the fact that 66,% of all the employees¹³ worked in SMEs in 1995 and this 2/3 proportion rate remained the same until 2001, nevertheless these businesses played an important role in economy that time. The total staff employed by SMEs increased with the rate of 9,3% that time. Within these ranges, the rate of grows was 20,2% in case of micro, 13,2% in case of small businesses, contrarily, the staff employed by medium sized enterprises dropped with a significant rate of 13,9%. These tendencies are stabile.

INTERNATIONAL TEACHING PROGRAMS. Our region, is the North-Hungarian region, which is one of the most under developed region in EU. In this economic environment it is essential to teach and develop entrepreneurial skills. One of the most important results of the international programs (CBVE, CSVM lead by EADTU) is the knowledge of students. The aim is motivate students establishing new businesses, developing their innovative attitude and openness. These programs fit to OECD growth policy (Figure 1.) As small business represent an outstanding employment ratio in the North-Hungarian Region – about 70% - socio-economic development is not possible without increasing the number and competitiveness of small businesses.

In this economic environment it is essential to teach and develop entrepreneurial skills. The University of Miskolc recognized these needs and has actively taken part in several national programmes focusing on this special target area. Based on the long-term, successful collaboration of its two units: Faculty of Economics and the North Hungarian Regional Distance Education Centre, moreover in strategic collaboration with the Chamber of Commerce and Industry of the Borsod-Abaúj-Zemplén county, several successful projects have been implemented for developing advanced e-learning programmes, offered for entrepreneurs, SMEs and different sectors of economy.

¹² These data refer to the so-called Europe-19 countries, besides the 15 – that time already existing member states – the data of Iceland, Norway, Liechtenstein and Switzerland are also included. Sources: Observatory 2003/7. State of Small and Medium Sized Businesses 2003/04. p17.

¹³ This term refers to employees, and private enterprisers (sole proprietorship) people employed by partnership businesses, and associate dependants are also included in this category by State of Small and Medium Sized Businesses 1996-2002.

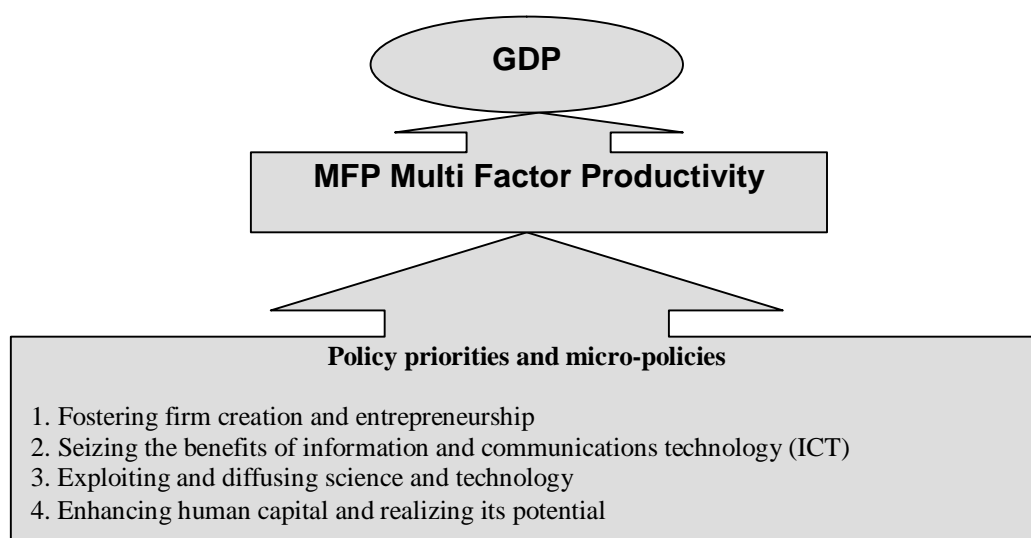


Figure 1: Micropolicies for growth and productivity [12].

Our participation in the two recent European projects for stimulating employability (CSVM www.eadtu.nl/csvm) and virtual entrepreneurship (CBVE www.eadtu.nl/cbve) offers us even more beneficial possibilities for sharing experiences and developing innovative approaches and operable models for addressing, developing, extending and expanding learners' professional and entrepreneurial skills. Success of these projects may effectively contribute to the improvement of economic competitiveness and human potential of our North-Hungarian region. The University of Miskolc, Faculty of Economics introduced the Bologna system and started the BSc programs in September 2006. Five BSc Programs are offered: Economics and Management, Commerce and Marketing, International Business, Finance and accounting, Tourism. The structure of our educational program has fully changed: from now on we have 6 semesters education and 1 full semester for practice – compared to the previous system including only 4 weeks of summer practice. One of the most important results of the international programs (CBVE, CSVM lead by EADTU) is the knowledge of students. The aim is motivate students establishing new businesses, developing their innovative attitude and openness.

Stimulating European Employability through Cross Sector Virtual Mobility (CSVM) is a project submitted by EADTU and partners to the 2006 EC Leonardo da Vinci Programme. The CSVM consortium consists of 10 partners stemming from seven European countries (BE, ES, EE, IT, HU, PL and NL) added with supportive organisations (to name: Chambers of Commerce, Regional Development Agency and Labour Centre). In the project an innovative approach is developed to facilitate distance education students to enter into online working, stimulate their employability, and provide distance educational systems with increased business and market connectivity. The main objective of Cross-Border Virtual Entrepreneurship (CBVE) is to enhance the professional skills of students by lifelong open and flexible learning approaches, with a specific focus on the development, extension and expansion of entrepreneurial skills. CBVE is to pilot entrepreneurship as prospective part of

the curriculum for students not (longer) part of traditional cohorts. CBVE addresses the training of trainers as well i.e., the upgrading of entrepreneurial skills of the academic staff involved. CBVE has a clear operational focus on cooperation between higher education institutions and relevant stakeholders in the field: Regional Entrepreneurial Networks, Chambers of Commerce, Investment Banks and other Professional Organisations.

First pilot experiences in virtual internship are considered as the basis of developing virtual and blended models of practical training programs within the 7th semester of our new BSc system. In CBVE program we had 4 different pilots. We did a survey about entrepreneurial plans, abilities between students. One of the most amazing results of a survey is, that students (specialised in entrepreneurial studies) wants to start business abroad and out of North-Hungarian regions. They want to leave this region because of economic difficulties, the lack of market development and high unemployment rates.

CONCLUSION. The number of enterprises is neither proportional to real GDP in the comparison with the EU total (though it is over proportional with population figures), nor is Hungarian GDP growth rate correlated to the change of number of legal entrepreneurial entities. The reasons of weak competitiveness of Hungarian SMEs should change in short period of time. SMEs has a significant role in employment and taxation. Strong SMEs could provide stabile basis of economic development and growth of Hungarian economy. The most beneficial investment can be to invest into education of entrepreneurs. University of Miskolc joined to this aim.

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