

HUNGARIAN ACADEMY OF SCIENCES

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E-1314/2011.

DEED OF FOUNDATION

ENGLISH LANGUAGE VERSION

I, the undersigned, hereby publish this Deed of Foundation of the Hungarian Academy of Sciences Research Centre for Economic and Regional Studies based on the authority given to me under Article 17(2) of Act XL of 1994 on the Hungarian Academy of Sciences and in accordance with the provisions of the Hungarian Academy of Sciences Act, of Act XXXVIII on the State Budget and of Government Decree 292/2009 (XII, 19) on the Rules of Operation of the State Budget, the specific provisions of the Deed being as follows:

1. Government Body

1.1 Full Name: Hungarian Academy of Sciences
Research Centre for Economic and Regional Studies

1.2 Abbreviated Name(s): MTA/KRTK (Hungarian original)
HAS/RCERS (English version)

1.3 Official Seat: 7621 Pécs, Papnövelde u. 22.

1.4 Competence, Scope of

Activity: National

2. Founder of the HAS/RCERS: Hungarian Academy of Sciences

3. Date of foundation: 10th of October, 1954

4. Supervisory body

4.1 Name: Hungarian Academy of Sciences

4.2 Official Seat: 1051 Budapest, Széchenyi István tér 9.

5. Laws governing the establishment

of the HAS/RCERS: Decree 1086/1954. (X. 10.) and 2253/81/1954.
of the Council of Ministers of the People's
Republic of Hungary.

6. Management competence

of the HAS/RCERS The HAS/RCERS is an independently operated and
managed public body and government organisation.

7 The sectoral classification of the HAS/RCERS within the State

Budget: 722000 Social Sciences, Human Research
and Development

8 The HAS/RCERS is a legal entity which consists of institutional organisational units and which has its own budget, independent authority and responsibility for financial management, and no other independent budgetary organisation or body is attached to it. In respect of budgetary plans, the HAS/RCERS is responsible for its own financial management, accounting processes and financial data reporting, as well for carrying out the tasks associated with its operational and investment activities in respect of the management, utilisation and protection of its assets.

9. In relation to Article 18(1) of the HAS Act, the names and addresses of the institutions which belong to the HAS/RCERS organisation and which are to be included in the register as individual sites are:

9.1 HAS Research Centre for Economic and Regional Studies, Institute of Economics

- address: 1112 Budapest, Budaörsi út 45.
- abbreviated name: MTA KRTK KTI (Hungarian original)
HAS RCERS IE (English Version)

9.2 HAS Research Centre for Economic and Regional Studies, Institute for Regional Studies

- address: 7621 Pécs, Papnövelde u. 22.
- abbreviated name: MTA KRTK RKI (Hungarian original)
HAS RCERS IRS (English version)

9.2.1 Transdanubian Research Department site

- address: 7621 Pécs, Papnövelde u 22.

9.2.2 Great Plain Research Department sites

- addresses: 6000 Kecskemét, Rákóczi u. 3.
5600 Békéscsaba, Szabó Dezső u. 40-42.
4032 Debrecen, Böszörményi út 138.

9.2.3 West Hungarian Research Department site

- address: 9022 Győr, Liszt F. u. 10.
8000 Székesfehérvár, Fürdő u. 1.

9.2.4 Central and North Hungarian Research Department site

- address: 1112 Budapest, Budaörsi út 45.

9.3 HAS Research Centre for Economic and Regional Studies, Institute of World Economics,

- address: 1112 Budapest, Budaörsi út 45.
- abbreviated name: MTA KRTK VKI (Hungarian original)
HAS RCERS IWE (English version)

10. The responsibilities of the HAS Research Centre for Economic and Regional Studies according to law:

The HAS Research Centre for Economic and Regional Studies shall carry out the tasks set out in Article 3 of the HAS Act in the scope determined in this Deed of Foundation as follows:

10.1 The basic activity of the HAS Research Centre for Economic and Regional Studies, consisting of the Institute of Economics, the Institute for Regional Studies and the Institute of World Economics, is the scientific analysis of the Hungarian economy, the international economic and political environment, and of economics in general. The Research Centre undertakes theoretical and empirical studies in the fields of national and world economics, in regional processes and in other interdisciplinary areas of the Social Sciences. The Centre publishes and promotes new research results, develops the scientific tools needed for research and also the databases appropriate and necessary for economic and regional research projects. It formulates conclusions and recommendations for policy matters, develops and participates in Master and PhD university training programmes and in the development of the curricula relevant to the areas of science in which the Centre operates.

10.2 The HAS RCERS and its individual institutes focus on the following scientific areas and research tasks within their basic research activity:

In the field of Economics:

- the understanding of the Hungarian labour market in relation with economic cycles and policies;**
- the interrelation of the macro and micro level factors of economic growth and their connection with policies;**
- modelling and measuring the operating mechanisms of public education and higher education, and developing social policy recommendations;**
- theories of industrial organizations and their application in policies;**
- integration, adaptation and competitiveness: opportunities to catch up in the international environment after the global crisis;**
- agrifood trading and regional development;**
- research in public economics in order to explore the relationship between policies and**

impact mechanisms;

- **cooperative game theory models used for analysing strategic issues of economic competition and cooperation.**

In the field of regional studies:

- **the international environment of Regional Development and the European Union's Cohesion and Structural Policies;**
- **regional development in Eastern, Central and South-eastern Europe;**
- **regional transformation in the Carpathian Basin and border studies;**
- **Hungary's regional processes and regional policy;**
- **factors influencing the regional structure of the economy (R&D, innovation, networks, developed services etc.);**
- **regional structures (e.g., regions, counties, sub-regions, dynamically developing and underdeveloped regions) settlement networks and relationships between town and country;**
- **regional governance and development institutions, regulation and regional strategy, and the comparative analysis of regional policies;**
- **regional issues of environmental protection.**

In the field of global economic research:

- **changing conditions for the international competitiveness of the Hungarian economy in the world economy of the 21st century;**
- **medium-term development of the world economy, with special attention to the changing structure of production, finance and consumption;**
- **the changing balance of power among traditional and new protagonists of the world economy (especially China, India, Russia, Brazil and other emerging countries) and the arising new opportunities and risks for the Hungarian economy;**
- **the theoretical and economic policy study of global crisis management;**
- **the challenges of the European Union and the economic and economic policy conditions for Hungary's successful EU membership;**
- **the role of the global multilateral cooperation network in the sustainable development of world economy from the aspects of nature and society;**
- **the key areas of economic security and Hungary's priorities (energy, raw materials,**

food, technology, environmental protection);

- the micro-sphere of the world economy: traditional and new elements in the operation of transnational companies in the world economy after the crisis and also in view of the (changing) interests of Hungary.

10.3 Other tasks related to the research undertaken by the HAS Research Centre for Economic and Regional Studies:

- to publish scientific, educational and other materials linked to its activities
- to promote scientific work in both Hungarian and foreign languages;
- to facilitate international scientific relations;
- to cooperate with other Hungarian research centres, research institutes, conducting joint research projects; to create and maintain contact with scientific institutes on other countries and with international scientific societies; to strengthen the presence of Hungarian economic, global economic and regional studies in the international community of economics;
- to organise scientific programmes and conferences at home and abroad and to search for sources of funding;
- to encourage and support the utilisation of the result of scientific research in society and in the economy;
- to join Hungarian and foreign universities in educational activities, undertaking joint research, educational and training programmes;
- to operate specialised libraries.

10.4 The list of basic activities of the HAS RCERS in accordance with State Budget nomenclature:

Relating to basic research:

722000	Complex support for research and development in social sciences and human sciences
722011	Basic research in economics
722012	Applied research in economics
722013	Experimental development in economics
722017	Basic research in sociology
722018	Applied research in sociology

722019	Experimental development in economics sociology
Relating to other basic activities:	
181300	Pre-press services
581100	Publication of books
581400	Publication of journals and periodicals
581900	Other publishing operations
823000	Organisation of conferences and trade events
842151	International scientific cooperation
854221	Bachelor-level education
854222	Master-level education
854223	PhD-level education
855935	Vocational training
910121	Expansion and registration of library inventory
910122	Exploration, preservation and protection of library inventory
910123	Library services

10.5 Business operations by the HAS RCERS:

The HAS RCERS may conduct business operations, although the total revenues from such operations may not exceed one third of the Centre's actual total costs in the current year.

11. The method of appointing and empowering the General Director and the Financial Director of the HAS RCERS:

In accordance with Articles 18(2) and 18(3) of the HAS Act, the HAS RCERS is managed by a single person - by a Director-General who is a public servant with executive authority. The Director-General is appointed for a period of no more than five years and formally released from his position by the President of the HAS following a process of application in accordance with the recommendations of the EU.

The Financial Director of the HAS RCERS is a public servant with executive authority. The Financial Director is appointed for a period of no more than five years and formally released from his position by the President of the HAS, who also determines his remuneration.

Other rights of the employer in relation to the General Director and the Financial Director shall be exercised in accordance with the relevant laws and regulations and by the relevant decision by the President of the HAS.

12 The employment status of the employees of the HAS RCERS:

The employees of the Centre are public servants, and their employment contracts are governed by the provisions of Act XXXIII of 1992 on the Legal Status of Public Servants and the related Decree of Implementation.

13. The form of the organisation and of the operation of the HAS RCERS, the scope of its business activities and their classification in accordance with State Budget nomenclature, as well as the provisions governing internal and external relations, are contained in the Rules of Organisation and Operation which are approved by the Council of the HAS Academic Research Institutes.

14. The real estate portfolio necessary for carrying out the duties of the HAS RCERS is in the ownership of the HAS. The HAS signs a real estate utilisation contract with the HAS RCERS in accordance with the provisions of the HAS Act, the Statutes of the HAS and the regulations of the Academy governing the transfer for purposes of management and utilisation of the assets of the HAS.

15. The HAS Research Centre for Economic and Regional Studies manages its tangible and intangible assets in accordance with the provisions of the HAS Act, the Statutes of the HAS and the regulations of the Academy governing the transfer for management and utilisation purposes of the assets of the HAS.

16. The HAS RCERS manages its participation in business enterprises in accordance with the Academy's authorisation given in accordance with Article 23(6) of the HAS Act.

17. The HAS RCERS may independently manage its intellectual property in accordance with Article 66(6) of the Academy's Statutes, and also in accordance with the regulations of the supervising government organisation concerning the management of intellectual property, but the use of such property as a contribution in kind into a business enterprise requires the Academy's authorisation in accordance with Article 23(6) of the HAS Act.

18. The HAS RCERS manages its funds and all forms of liquid assets generated by its

activities in accordance with the provisions of the HAS Act, the SB Act and all other laws and regulations governing the operation of the State Budget.

19. The HAS RCERS is the general legal successor to

- the Hungarian Academy of Sciences Centre for Regional Studies (official seat: 7621 Pécs, Papnövelde u. 22.),
and
- the Hungarian Academy of Sciences Institute of World Economics (official seat: 1014 Budapest, Országház u. 30.)

both of which were closed on the 31st of December, 2011 by means of a merger of the two entities, this merger to include the performance of all public duties, the exercise of all rights and obligations, the ownership of all assets, proprietary rights and budgetary allocations of the government organisations so closed together with their rights as employers.

20. This Deed of Foundation shall take effect on the 1st of January, 2012, and supersedes the Deed of Foundation No. E-660/28/2009 of the Institute of Economics of the Hungarian Academy of Sciences made on the 29th of May 2009, as amended.

Budapest, the 6th of December 2011

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HUNGARIAN ACADEMY OF SCIENCES

PRESIDENT

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József Pálincás

President of the HAS