

LARGE-SCALE SUBSIDIZING – THE EXAMPLE OF CASE-BY-CASE GOVERNMENT DECISIONS

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Investment promotion has been a key element of industrial policy worldwide for many years. Recently, the subsidy race and state involvement in other areas have also increased, and Hungary is no exception. The focus of this paper is a program started in 2004, based on case-by-case government decisions and domestic budgetary resources to stimulate large investments. The findings reveal a concentration of aid towards foreign (mainly German) investors, particularly in the automotive sector, and firms with strategic partnership agreements with the government. These features are not unique to Hungary, but they reinforce the vulnerability of the economy to which all cabinets have contributed over the past two decades. The government's recent focus on upscaling foreign investment, particularly in the car industry, complemented by battery production, further heightens the risk. Our calculations, based on corporate balance sheet data, neither confirm nor refute the national economic return on government spending, and the impact on firms is only felt in the temporary increase of investment. The methodological dilemmas raised by this study and the limitations of its results also point to the importance for the research community to further develop the analysis of the impact of state aid.

CHANGES IN OCCUPATIONAL MOBILITY IN HUNGARY OVER TWO DECADES

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How has occupational mobility changed over the past 20 years in Hungary? In particular, how did the COVID crisis and the period just after it differ from the period of the financial crisis concerning occupational mobility? Our study examines these questions. The research makes use of the rotational panel data of the Hungarian Central Statistical Office's Labour Force Survey for the period 2003-2022. The dataset allows us to examine the probability of occupational change at different stages of the business cycle, and to exploit data for those continuously employed as well as for individuals returning to work from unemployment. The results show that occupational mobility is driven by the occupational changes of the continuously employed who change occupation but do not change jobs, staying with the same employer. It is this type of occupation change which increased considerably during and just after the

COVID-19 pandemic. In this respect, this crisis is radically different from the period of the 2008-2010 financial crisis. The factors influencing mobility have also changed, as indicated by the increased likelihood of occupational change among those with at least a high school degree, and those in supervisor roles.

THE SUSTAINABILITY OF PUBLIC DEBT IN A LOW INTEREST RATE ENVIRONMENT Vivien Czezeleli

The starting point of the study is the era of persistently low interest rates following the 2008 crisis, which, including the Covid-19 crisis, was characterised by a negative interest rate-growth differential ($r - g < 0$). In addition to a detailed inventory of the favourable opportunities provided by the period, the study also draws attention to possible risks arising from them. Not only the negative consequences caused by the reversal of interest rates, but also the danger of weakening fiscal discipline, the problem of interest rate endogeneity, and trust also play a central role, among many other factors. The effects from the perspective of monetary policy are reviewed in detail. In the last section, within the framework of debt decomposition studies, the main changes that can be observed in the dynamics of debt among European Union countries after the Covid-19 crisis are revealed. While the main drivers of the increase in debt ratios in 2020 were weak growth rates and increased primary deficits, the improvement in debt ratios in the following year can also be traced back primarily to growth effects, in addition to the failure to reduce nominal debt stocks.

RESOURCE AND CAPABILITY CONFIGURATIONS OF HUNGARIAN FAMILY-OWNED MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES

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In this study, we analyse the main characteristics of firm performance and the components of competitiveness on the dataset of 372 Hungarian family MSMEs of the Global Competitiveness Project (GCP) using non-hierarchical (K-means) cluster analysis. The applied MSME competitiveness approach is based on Chikán-Czakó's definition of firm competitiveness, Barney's resource-based theory and Miller's configuration theory. Firm performance was measured using return on assets (ROA). The creation of four clusters along the three cluster-forming variables (ROA, number of employees, firm age) proved to be relevant: the "middle-aged efficient enterprises", the "mature mediocre enterprises", the "mature medium-sized enterprises", and the "young and focused enterprises". The results prove that the factors that determine competitiveness can differ to a great extent by the age of the company and the company's life cycle, as other studies have already pointed out. In order to achieve the results, it is necessary to understand the strengths and weaknesses of resources and capabilities, as well as the impact mechanisms of the age-specific components of firm performance from both a theoretical and practical perspective, which is necessary for the development of effective economic policies.