ABSTRACTS OF THE ARTICLES

Some generalizable theoretical lessons of the Hungarian transformation and development

László Csaba

Hungary has undergone several changes of economic and political system in the eighty years since the Great Depression. According to many, the circle from market economy to market economy has closed and we face another systemic crisis. Although the future is naturally full of uncertainties and is not by its very nature predictable, the clear lesson from the past is that the effort to catch up, which shaped public life throughout, has been unsuccessful on the whole. The basis for this and the central riddle in this analysis is an old puzzle in development theory: how is it that good policies had bad results and vice versa, as was the case in Argentina, and recently in Italy and Portugal? Why did economic and political rationality part company for good, even in historical terms?

Development of the venture capital and private equity industry in Hungary over the past two decades

Judit Karsai

The Hungarian market, which ranked high within the CEE region for the development of its market economy, became a favoured area for foreign capital investors in the last third of the 1990s. Its position later became particularly favourable due to Hungary's accession to the EU. The growth of investment accelerated tremendously between 2007 and 2009, increasing several times over by comparison with previous years. The Hungarian market – and similarly that of the whole region – also profited from a transitory situation at the beginning of the crisis, when the investment problems in Western Europe did not spread to the CEE region for some time. In 2009, however, as the crisis grew for the countries in the region, the propensity to raise funds and make investments decreased. In spite of a significant amount of uninvested capital (dry powder) accumulating in recent years, the crisis was also severe in the CEE region. It affected an already weakened Hungarian economy still more, which is reflected by the drop in investment in 2010. Nowadays in the eyes of potential investors, the small size of the country, its high level of indebtedness, the exhaustion of the privatization opportunities, the low liquidity of the stock exchange, the slow increase of domestic demand and GDP growth and the uncertainties discerned in economic policies all act as retarding forces.

Agglomeration advantages and regional growth in catch-up regions – the case of the Hungarian transition

Balázs Lengyel and Miklós Szanyi

The 1998–2005 data for Hungarian companies on a subregional level are applied here to examining economic geography's main hypotheses of agglomeration advantages and regional growth. The findings show that local knowledge – the Marshall–Arrow–Romer type of external effects that place industrial concentration and regional specialization to the fore – applies in the growth of regional productivity. At the same time, employment growth can be found in regions where the industrial concentration was high in the initial year. Behind these two types of process lie different investment strategies. Foreign-owned firms placed their capital-intensive production primarily in regions of high concentration, while low-wage regions were better at attracting industries with a low added value, whose territorial distribution became more even. This was an important factor behind the growth of local employment in the periods examined.

The data explosion as an economic phenomenon

György Bőgel

The data explosion, or the appearance in many scientific, economic and social fields of blocs of data and databases greater than hitherto by several orders of magnitude, is a phenomenon well worth examining in terms of economic science. The article, having given an idea of the dimensions, presents the technological background to the phenomenon, analyses important economic features of it, and depicts the multiple-role data-ecosystem that grows up around it. Attention is drawn to the fact that the handling and utilization of large databases has become a factor in competitiveness on the company and the national economic levels alike. So the concept of "national data stock" has to be interpreted broadly and related strategies and policies devised. This development is not free of risks or dilemmas, and these are outlined in conclusion.

The effects of eco-innovations on sustainability. Modifying the IPAT

Zoltán Bajmócy and György Málovics

One of the main issues in debates concerning sustainability is increase in the eco-efficiency of production, in other words a decrease in the environmental impact of per unit production. The paper, through a modification of the IPAT formula, aims to set up an analytical framework by which the macro-level effects of eco-innovations may be reasonably analysed. Beyond the rebound effect, it describes several mechanisms that may contribute to a failure to decrease the environmental effects or even contribute to an increase in them, despite the introduction of eco-innovations. The authors conclude that a decrease in the environmental impacts within the extant socio-economic background is not solely a technological matter. However, eco-efficiency, by becoming a dominant discourse, can divert attention from arguments in favour of change in institutions or norms.