Hungarian gazelles: what makes a high-growth firm in Hungary?
Gábor Békés and Balázs Muraközy

The study analyses the properties of the fast-growing small and medium-sized firms known as gazelles. Using balance-sheet information for the 2000–2008 period, the authors show that a large share of new jobs in the business sector are created by a small fraction of companies. For instance, the top 5 per cent of fastest growing firms created 45.8 per cent of the new jobs, and 20 per cent of the new employment was generated by a mere 1 per cent of firms. Importantly for policy, it is shown that the likelihood of becoming a gazelle is virtually the same in all industries and all geographical regions. Using both probit regression and propensity score-matching models, the study shows that younger firms with a better financing background, a more skilled labour force and better past growth performance are more likely to be gazelles. However, the model also shows that fast firm growth is highly idiosyncratic, and government or banks cannot predict precisely which firm will turn into a gazelle.

The sectoral effects of monetary policy in Hungary: a structural factor
Gábor Pellényi

The paper uses a structural factor model to analyse sectoral heterogeneity in the impact of monetary policy in Hungary. Monetary shocks are identified with sign restrictions. The impulse responses of aggregate variables are similar to the findings of previous VAR based studies. The sectoral responses reveal considerable heterogeneity. In particular, sectors more reliant on external finance show larger output responses, while healthier corporate balance sheets imply weaker price responses. These results suggest that the credit channel of monetary transmission operates in Hungary as well. In addition, there appears to be some role for the interest sensitivity of demand and price rigidities in explaining the heterogeneity of sectoral responses.
Empirical estimation of the depreciation pattern of durable assets
Nándor Kaliczka

The paper introduces the theoretical background of economic depreciation and provides an empirical analysis applied to used-car market data. Depreciation is examined from the point of view of embodied services consumption affected by asset exhaustion, deterioration, and obsolescence. These phenomena draw up the depreciation pattern of assets and the various uses of them. The approach taken to capturing depreciation affects the competitiveness of companies in terms of their products as well as their competitiveness in capital markets, because depreciation determines income and product-unit cost. The paper examines the depreciation function of used cars based on the vintage-asset model, using Box-Cox power transformation. The results show that the depreciation function of cars follows a geometrical pattern, in which age has stronger explanatory power than mileage, which is explicable by the obsolescence effect of age.

The integrative importance of European Union cohesion policy and its regulation future
Ákos Kengyel

The successful operation of the European Union’s regional development – or cohesion – policy has strategic importance for the whole integration process. Apart from being among the main priorities of integration, the strengthening of economic, social and territorial cohesion and decrease of disparities between member-states and regions are justified expectations of those living in the EU member-states. Cohesion transfers should be spent on the factors that contribute most to improving development prospects and competitiveness in the regions concerned. Theories on regional development have controversial conclusions about the long-term formation of development disparities. However, it has become evident that successful development policies are based on endogenous factors: innovation and well-functioning institutions. After examining the theoretical considerations, the author analyses the impacts of EU regional policy and evaluates the main elements of the proposed regulatory frameworks for the period 2014–2020.