

THE CONCEPT OF NATIONAL COMPETITIVENESS AND THE INSTITUTIONAL SYSTEM TO SUPPORT IT

Attila Chikán, Boglárka Molnár and Erika Szabó

The concept of national competitiveness receives growing attention in the academic sphere and among pragmatic economic policy-makers, yet its theoretical background and potential methods of assessment betray many uncertainties. The study focuses on sets of government-related institutions at work in specific countries, stated to be dedicated to enhancing national competitiveness. First, a research model is offered for studying national competitiveness. The role of governmental institutions is then embedded in this and discussed in terms of the principles of institutional economics. The empirical background comes from six selected country case studies that present commonly held, distinguishing attributes in their investigated systems of institutions. Although the examples are all developed countries, they differ notably in economic (and industrial) structures, making the sample rather heterogeneous for the research in question. The analysis yields several relevant policy implications, perhaps the most important being that institutions designed to enhance competitiveness and those for innovation tend to be closely connected.

THE STATE OF GLOBAL MORTGAGE MARKETS AND THE CHALLENGES TO THEM

Levente Kovács and Szabolcs Pásztor

The continuing increase in the world population and rising living-standard expectancies make it imperative to find an adequate solution for housing issues. The paper sets out to shed more light on the drawbacks and past anomalies of the world mortgage market. The authors look at different continents and try to point out the main causes behind the mortgage-market bottlenecks there. The reasons vary by country, but some similarities emerge, such as the huge initial burden on households placed by the instalments. The paper goes on to introduce a new mortgage-market formula based on the concept of “continuity in the present value of instalments”. This envisages lower initial monthly instalments for the borrower in present-value terms. This offers an alternative to renting and could serve as a tool to boost home ownership, as well as leading to a healthier global mortgage market.

THE STATE IN ITS RISK-CAPITAL ROLE

Balázs Fazekas and Patrícia Becsky-Nagy

The article covers the government-backed venture-capital investments made in Hungary since 2010. It focuses on whether firms backed by hybrid or purely government-backed funds can perform better than others. Based on Hungarian evidence, firms backed by hybrid venture capital generate lower growth and employment than their purely government-backed venture capital-financed peers. Both forms of firm showed meagre activity in the field of innovation. The authors conclude that the appearance of private interest in the hybrid scheme does not lead automatically to a superior funding model. Furthermore, there is a higher chance of moral-hazard issues in hybrid venture-capital funding, which in a case of inadequate regulation may result in greater market distortions. Private interests in hybrid schemes may bring more efficient use of public funds if hybrid funds imitate the mechanisms of independent private funds and if the characteristics of the agendas match market needs.

RELATIONS BETWEEN FINANCIAL AND NON-FINANCIAL PERFORMANCE IN HUNGARY

Áron Szennay

The study examines relations between financial and sustainable performance among large Central and Eastern European companies through a sample of 95 from Hungary. It applies the Wilcoxon-Mann-Whitney test to the effect of non-financial performance proxies (sustainability disclosure and usage of sustainability-related standards such as ISO 9001, ISO 14001 and OHSAS 18001) on firms' financial returns in 2014 and 2015. Evidence shows a significant positive relation between return-on-assets ratio (ROA) and usage of ISO 9001 and at least one of ISO 14001 and OHSAS 18001 standards, in the case of large non-listed firms. Usage of the ISO 9001 standard also has a significant positive effect on equity return using the net income (ROE) ratio. Nor does any finding show a significant relation between sustainability disclosure practices and financial returns. Based of these results, the author concludes that large Hungarian firms under-perform the sustainability activities of nearby Czech and Polish ones. The Hungarian ones are at a phase of adaptation of standards.

HUMAN DIGNITY FOR ALL

Judit Juhász

The aim of the research is twofold: (1) it makes a thorough review of the capability-approach theory, and (2), based on 40 in-depth interviews, it studies the role of local assistance communities in a Hungarian city through their poverty-alleviation activities, the goals they have, and the values they follow. Finally, the research shows how theory and practice can enhance each other. Its findings support the need also to harmonize the views of Sen and Nussbaum in poverty-alleviation processes, as well as in capabilities at practical and theoretical levels.