

### SUSTAINABLE ECONOMIC GROWTH AND KNOWLEDGE CAPITAL

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The study aims to determine the amount and distribution of knowledge capital invested in various sectors of the Hungarian economy and within the company sector, and thereby to formulate proposals for accelerating economic growth. Using accounting data from the Corporate Tax Database of the National Tax and Customs Authority (NAV), the value of each company was gauged with a simplified model and then its knowledge capital calculated by the residual method. The knowledge-capital data obtained was aggregated for the upstream, manufacturing and downstream sectors and by domestic and international ownership and size. As the results show, the most significant part of the capital accumulation – as a feature of the middle-income trap – is concentrated in foreign-controlled firms and the manufacturing sector, while not developing sufficiently in downstream areas. This is a marked growth disadvantage, as the value-added content of production is lowest in manufacturing. Growth can be raised by reallocating part of the production to the upstream or downstream sectors. This requires significant additional resources, mainly knowledge-capital accumulation, which are not available without major state involvement.

### THE EFFECT OF DEVELOPMENT AND SPILLOVER OF CORPORATE INNOVATION ON THE PERFORMANCE OF HUNGARIAN COMPANIES

Klára Katona

Schumpeter (1939) declared innovation implemented by enterprises and entrepreneurs to be the most effective way to accelerate a country's economic progress. Based on this approach, this study focuses only on investments considered as innovation by the companies investigating their effects on the performance of the firms. The research also seeks to reveal whether there is a spillover effect of the foreign technological or business knowledge and innovation developed by other firms in the same sector in Hungary. The data analysed are from financial statements of the firms in Hungarian industry between 2007 and 2017. A linear regression method is applied to answer the questions posed. The results underline that innovation developed by the company became one of the main drives of performance in the Hungarian industrial sector in the period under review, but no essential spillover effect of sectoral innovation or foreign ownership could be observed in these sectors.

## EMPIRICAL INSIGHTS ON THE FACTORS SHAPING THE MARKET POSITION OF FRUIT PRODUCERS AND INDUSTRY SUPPLIERS

Balázs Szepesi

The article analyses the factors that shape the market position of Hungarian supplier companies. The results are based on interviews with two groups: (1) fruit producers with a usually vulnerable market position, and (2) industrial suppliers that have relatively deep interdependence with their buyers. Small fruit producers cannot influence the terms of their contracts, but long-term relations help them to mitigate market uncertainties. Terms depend on dominant partners also for industrial suppliers, but these have stronger positions and higher incomes. In both sectors the core companies of the supply chain form the rules of the game. Small firms can develop their market position indirectly: as they modify products, markets and business models, they can motivate dominant partners to offer them greater room for manoeuvre. The article reviews the relevant literature on supply-chain and value-chain theory and confronts their findings with the results of the empirical research.

## FREELANCERS IN HUNGARY: THE THEORETICAL BACKGROUND AND INITIAL EMPIRICAL RESULTS OF A NEW RESEARCH PROGRAMME

László Radácsi, Gigi Timár and Áron Szennay

The study presents initial results of an exploratory research programme on Hungarian freelancers. Due to a lack of domestic elaboration of the topic, the first part defines the characteristics of different self-employment methods, including freelancers, based on a detailed review of the domestic and international literature and legislation. The second half examines the situation and activities of freelancers in Hungary using both qualitative and quantitative methodologies. The results of the qualitative analysis appear from a semi-structured interview with 10 freelancers, while the quantitative phase is provided by 152 individual responses to an online questionnaire. It was seen that Hungarian freelancers, in line with international trends, are multilingual, highly qualified professionals, who actively develop themselves. Furthermore, the quality of the work done has particular importance, as new contracts derive primarily from previous references and acquaintances, not from advertisements posted on various channels. Based on the responses, a freelance lifestyle gives a greater degree of freedom, which can even be an advantage in family relationships. The main limitation of the conclusions drawn is lack of representativeness, which is accounted for by the exploratory nature of the research programme and by lack of knowledge of the demographic characteristics of the whole population.

RESEARCH INTO FAMILY BUSINESSES, BASED ON A LONGITUDINAL APPROACH.  
RESULTS OF A TARGETED OVERVIEW OF THE RELEVANT LITERATURE

Judit Csákné-Filep and László Radácsi

Cross-sectional research methods can hardly grasp the special characteristics and unique operation modes of family businesses. The aim of this study is to provide an overview of international family business research, analysing the general traits of the surveys and highlighting the specific features of different methodological approaches. The targeted literature review revealed that in the case of the surveys included in the study the quantitative approach dominates, but qualitative studies are gaining momentum. With papers on succession, more articles were based on a qualitative approach than on a quantitative one. The paper examines in detail the opportunities, advantages and disadvantages of applying the quantitative and qualitative approaches.

THE RISK MAP OF THE COVID-19 CRISIS BASED ON FIRST-WAVE  
EXPERIENCE IN HUNGARY

Péter Juhász and Ágnes Szabó

Most firms were unprepared for the Covid-19 crisis at the beginning of 2020. However, several experts underline that the event was not unexpected, and we should expect similar pandemics in the future. This increased likelihood of worldwide pandemics lends particular importance to reviewing and structuring the risk caused by the epidemic, as that could be the basis of later successful risk management. This research identifies the corporate risks posed by Covid-19 and draws a risk map based on literature review, questionnaires and in-depth interviews. The results show that while the consequences of the epidemic showed wide variety across the world, depending on the social reactions to the pandemic, only the frequency and co-movement of risks known and managed earlier enhanced it. While the extent of these changes differed strongly across industries, it was not possible to identify any hitherto unknown risk types or risk effects. It is essential to add that the risks changed over time with the altered social reactions and increased corporate experience and covered some beneficial changes for the firms.