

THE LONELINESS OF THE GIANT OF ECONOMICS

László Csaba

This essay is an attempt to present a *tour d'horizon* on the impressive academic achievements of János Kornai, who would be 95 by now. Lacking the historic distance and not least because of the diversity and extensiveness of the oeuvre, I offer only a selective overview. The organizing principle revolves around the question: how has he influenced the evolution of global economics, while never decorated by a Nobel? The paper provides an answer in highlighting his originality and his specific contribution. It also tries to assess the conflictual relationship to the mainstream and addresses if, and to what degree, he could be categorized as a representative of any established school of thought. The main message is that his contributions to comparative systems research, microeconomics and economic philosophy are equally weighty and lasting.

SOCIAL CLEAVAGES AND ECONOMIC (IR)RATIONALITIES: THE ROLE OF ECONOMICS IN POPULISM RESEARCH

István Benczes and Krisztina Szabó

Recently, research on populism has evolved into one of the most exciting fields in the social sciences. In our view, economics, besides political science, can provide significant inputs to bolster this research. The article identifies the main results on populism in the economics literature which have substantially contributed to the understanding of both the demand and the supply sides of populism, while it critically reflects upon the evolution of economic thinking about the demand and the supply sides of populism. On the supply side, the article reveals the core assumptions and models by which the scholarly community analyses and evaluates populist macroeconomic policies along with their consequences in the economy. On the demand side, the economically relevant driving forces are discussed which have played an enormous role in creating cleavages in society and have also shaped electoral behaviour. The paradox of re-electing a populist, an actor who previously embarked on sub-optimal populist economic policies, is also discussed in the article by offering new insights on why voters do not outright punish politicians endorsing bad policies. The need for nuanced and multidisciplinary thinking is strongly emphasised along with encouraging constructive conversation among academic (sub)fields.

## THE COST OF (CLIMATE) INDEPENDENCE – ESTIMATING THE ABATEMENT COST OF GREENHOUSE GAS EMISSION IN HUNGARY WITH THE HU-TIMES MODEL

András Mezősi and Viktor Rác

According to its National Clean Development Strategy, Hungary will become a climate neutral country by 2050. The focus of this paper is to estimate the associated abatement costs in regards to the Hungarian energy sector for 2050, by using the Hungarian TIMES (HU-TIMES) model, which has also been used as the background calculation tool for the Hungarian National Clean Development Strategy. The results indicate that in the baseline scenario, when no abatement constraints are defined, the sector's greenhouse gas emission level is around 29.5 million CO<sub>2eq</sub> by 2050. In contrast, based on the current input parameters, the model shows that the total sectoral emission level can be decreased to 2 million CO<sub>2eq</sub>. The additional total abatement costs for the upcoming three decades is estimated to be 22 thousand billion Hungarian forints. The incremental costs of different levels of GHG reductions in 2050 and the sectors in which these costs are incurred are also analysed. For this purpose, we define the GHG abatement cost curve for the Hungarian energy sector.

## DIGITALISATION AND BUSINESS PERFORMANCE – FOCUSING ON HUNGARIAN MANUFACTURING FIRMS

Dávid Losonci, László Lőrincz, Marcell Granát and Krisztina Demeter

Digitalisation and Industry 4.0, which represents a cutting-edge dimension in manufacturing is now spreading all over the world. Nowadays, both managers and academics expect that digitalization is the main source of business performance improvement – and the first empirical results proved their positive relationship. The aim of our paper is to examine this relationship by merging two databases – a) Hungarian manufacturing firms' data from the ICT usage in enterprise survey managed by Eurostat and b) a database containing the balance sheets and profit and loss statements of Hungarian firms. There are several unique characteristics to our work, e.g., our sample size consists of approx. 1/3rd of the entire population, our performance assessments rely on report-based data instead of perceptual items, finally, we analyse many digital tools and performance indicators. Our results indicate that the prevalence of digital tools in Hungarian manufacturing firms is not at all as widespread as it is usually suggested in the literature. Digitalisation's positive relationships with performance measures are not evident, at least for the selected period. Although, we have concluded that there is a group of companies in which progress in complex digital programs is part of daily business practice, however, the performance implications are blurred even in this group.