

THE EFFECTS OF EU ECONOMIC-DEVELOPMENT SUBSIDIES ON MICRO, SMALL AND MEDIUM-SIZED FIRMS IN HUNGARY

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Although EU subsidies aimed at economic development are pivotal both for Hungary and for the whole European Union, there is debate in the literature over their effectiveness. The paper investigates the impact on Hungarian micro, small and medium-sized firms of direct economic-development subsidies extended through the Structural Funds and Cohesion Fund during the EU's 2007–13 programming period. Based on a micro database, the authors evaluate the impact of these on various performance indicators, using a combination of propensity-score matching and fixed-effects panel regression. The findings show the funds had a significant positive effect on employee numbers, sales revenue, gross value added, and in some cases operating profit. However, the labour productivity of the firms was not significantly affected by any of the schemes.

ANALYSING HOW DECISIONS FIXING HOUSING-LOAN INTEREST RATES AFFECT MICRO-LEVEL DATA: DOES FX LOAN-HISTORY MATTER?

Bálint Dancsik

The study investigates the determinants behind whether households prefer longer interest-rate fixing over variable interest rates when borrowing for housing purchases. It notes particularly the experiences of borrowers with foreign-currency loans. The author uses a probit model, estimated on a database incorporating about 60,000 housing loans disbursed since 2015. The model results show that past losses suffered on FX loans, stemming from exchange-rate variability, increase the probability of choosing a fixed interest rate, for at least five years. Other factors besides FX loan history behind the probability of choosing a fixed interest rate include higher income and higher loan-to-value. The probability is lower, however, if the initial maturity is higher, if the debtor has past experience with mortgages, if the interest-rate difference between fixed and variable loan products is higher, or if the loan is mediated by a credit agent.

SCHUMPETER ON THE CAPITAL MARKET: THE EVOLUTION AND BIOGRAPHICAL RELATIONS OF SCHUMPETER'S CREDIT THEORY OF MONEY

Dániel Havran

The study examines Schumpeter's credit-creation theory in relation to his ideas about innovation finance. Schumpeter acted as president of the Biedermann Bank between 1921 and 1924, but this period proved unsuccessful from the business point of view. The author begins by identifying Schumpeter's description of the moment of funding, when the banker lends by creating purchasing power for the entrepreneur to fund its innovative investments. Secondly, he analyses how Schumpeter's thoughts on credit and innovation funding evolved through the experience acquired in his years at the bank. Although his main statements about the financing moment have been verified, Schumpeter revised his theory in many ways and embedded his practical knowledge of the banking business in his later reasoning. Finally, the study compares the concepts examined to the modern variants of them and discusses the interpretations of these.

ECONOMIC IDEAS TO BE FOUND IN THE LIFE'S WORK OF MARTIN LUTHER

János Zsugyel

Historians of economic theory have neglected the ideas of an economic nature found in the works of philosophers and theologians before Adam Smith, though these are decisive, for instance in medieval scholastic philosophy. Martin Luther, who instigated the Reformation 500 years ago, examined the theological and moral issues involved in the economic development in his time, and arrived at many conclusions still worth considering or valid today. The article presents and evaluates the views on these economic ideas to be found in Luther's writings.