Civic Review, Vol. 15, Special Issue, 2019, 493–506, DOI: 10.24307/psz.2020.0233

Róbert Tóth and Petronella Gyurcsik

Areas of Improvement in Hungarian SMEs Competitiveness – Corporate Financial Literacy in Focus

Summary

The 2007–2008 global financial crisis exposed the problems arising from systemic risk management on a micro- and a macro-economic level. This period was particularly challenging for the entire economic system of individual countries, including all the participants of economy. Post-crisis changes require appropriate awareness and financial determination and an adequate level of financial literacy of market operators. When it comes to financial literacy, innovation should be mentioned, since the parallel development of these two factors has a favourable impact on economic stability and on the competitiveness of a country. Overall, the level of financial literacy and the capacity for innovation have an influence on the stability, growth potential and competitiveness of enterprises and of the entire national economy. Therefore, improving financial literacy is in priority national interest, and as such, it must be at the centre of attention at all times.

Journal of Economic Literature (JEL) codes: O11, O44, G41

Keywords: global financial crisis, financial literacy, competitiveness, company

Introduction

In the past decade economic operators, future entrepreneurs and economic experts have still kept referring to the crisis, its long-lasting effects and they take it into consideration how much change the 2007 crisis brought in both the world

Róbert Tóth, Doctoral Candidate, SZIU Doctoral School of Management and Business Administration, Economic Analyst, Hungarian Chamber of Commerce and Industry (toth.robert@mkik.hu), Petronella Gyurcsik, Doctoral Candidate, SZIU Doctoral School of Management and Business Administration, Head of Department, National Tax and Customs Administration (gy.petronella01@gmail.com).

economy and Europe. The global financial crisis hit Hungary hard, due among others to inappropriate state operation, which created a poor incentive scheme (Kolozsi et al., 2017). Hungary was unprepared for such a large-scale crisis. In his book, Bod (2018) describes the phenomenon as follows: "Then the 2008 autumn crisis struck Europe, and Hungary was particularly hard hit. The next young generation's social conditioning was radically changed: today's university students have grown up learning about the world always in the context of some kind of a crisis…" The same is emphasised in a 2012 book by Gary B. Gorton's, who points out that when the financial crisis broke out, the majority of economists were caught off guard and were not prepared for it. Gorton (2012) also adds that "the personal experience of an event is not substituted by reading or studying about it. If someone was a witness in some form of the 2007–2008 panic or experienced the negative consequences of that, then that person will think about financial crises in a different way than a person who met that only as a dry, historical data set".

The 2008 crisis shed light on the fact that the economic operators need to change in order to avoid economic recession of such a grand scale in the future. The key to change may be changing the financial behaviour, which plays a key role in improving a country's competitiveness (Lentner, 2019). From the point of view of corporate growth and competitiveness, it is indispensable to have stable economic policies, as they help develop a business-friendly environment. Its creation requires close co-operation between those in charge of fiscal and monetary policies – and this criterion has been even more significant since the 2007–2008 crisis (Lentner, 2017) –, and education, the tax environment and the healthcare system have a significant role in it (Lentner, 2007a; 2007b; 2015).

In order to achieve the above goals, that is, a paradigm shift in financial behaviour, the following tasks are seen as priorities:

– Drawing the attention of businesses to the fact that they need knowledge appropriate for the fast-paced and turbulent development in the financial and business environment, and an innovation-driven way of thinking;

– Encouraging businesses to mainstream the need for identifying, mitigating and diversifying risks in operations at all times, alongside pursuing financial results;

– Raise businesses' awareness of the key role that capital structure optimisation plays in their effective operation;

– Point out that the inappropriate understanding of financial transactions and the absence of financial (expert) knowledge have a adverse effect on corporate profitability, can undermine efficiency and significantly hinder company growth and investment decisions.

In addition, the present study also aims at describing the links between competitiveness and financial literacy, emphasising the positive effects of financial awareness on macro-economy. Particular attention is drawn to innovation as a factor in competitiveness. It is relevant to note here that instead of providing a theoretical literature review, the study is built on timely information and the authors' personal opinion.

Preconditions for improved competitiveness

Improving competitiveness in the Hungarian economy is a prioritised strategic objective, which can be viewed in micro- and macro-economic terms. In meeting this key government objective, the sector of Hungarian-owned small and medium enterprises (SME sector) plays a pivotal role. Given that the Hungarian SME sector has an economic performance stabilising and balancing role, its extensive support may be one of the keys to the future. Uninterrupted development in this sector, improving financial literacy, and supporting adaptation to changes in the external environment in a broad sense are of major importance. An area of primary concern is helping SMEs carry out production and/or service provision at the highest possible standard in order to provide high added value. Under the current circumstances, perhaps one of the most prominent factors of competitiveness is the added value a business can generate, as this is what enables economic operators to enter Hungarian and EU supplier – and supply – chains. Furthermore, productivity, efficiency, financial awareness, and the economic operators' competence in updating and developing them in accordance with the technical and social requirements of the age, are also considered as economic competitiveness criteria. Change in only one component does not suffice, and increased unilateral focus on certain elements may prove to be a double-edged sword: productivity can only be improved if interactions among the factors are taken into account. A good example is the recent increase in Hungary the quantitative macro-economic indicators (such as employment, GDP, government debt, unemployment, investments, etc.) unaccompanied by improvement in efficiency, awareness and institutional factors, which results in barely any change in the Global Competitiveness Index.

An additional competitiveness factor is high growth over a sustained period, conditional upon the following:[1]

– Open economies that are integral parts of the world economy (having competitive, and efficient exports, which significantly contribute to GDP growth, high ability to raise and allocate capital, positive external and current account balances that can keep debt levels in control);

– Macro-economic stability (balanced and sustainable growth over the long term, relatively low debt levels and relatively low unemployment rates);

– Low levels of external and internal debt (without the risk of the so called twin deficit, which is hard and painful to handle);

– A high rate of household savings (which, alongside growth, has a beneficial effect on state self-financing, in other words, stability, and thus reduces the external exposure and vulnerability of the country);

– A high investment rate (fundamentally based on domestic sources and on relatively high household savings);

– Market-based resource allocation (with the state having a key role in setting strategic goals, the development of relevant and appropriate regulating systems. Using a sports metaphor: the strict rules of football are established by a central regulator, but on the field every team plays and competes to its best knowledge, in accordance with the rules);

– A flexible labour market (i.e. the speed of returning to the long-term equilibrium trend determined by wages and by the workforce, see Pula, 2005);

– Clearly defined public goods (which, depending on the relative level of development, provide the individuals with social security and growth opportunities, and therefore the individuals more easily identify with central decisions. Community investments and their development play a vital role in guaranteeing these services – the priority areas of community investment are infrastructure, education and research).;

– Credible, transparent, highly professional and low-cost governance;

– An optimum and competitive tax system (which aims at efficiency, simplicity and fairness, and helps growth by minimising the tax burden, but at the same time providing the necessary state revenues);

– Conscious corporate culture with a high level of financial literacy.

However, a significant improvement in competitiveness and the retention of the current favourable economic growth rate pose serious challenges to the sector:

1. Digital transformation in the current economic and social systems. More precisely, businesses that aim to retain their favourable competitive position need change in several areas concerning the undertaking (such as procurement, sales, logistics and transport, CRM systems, corporate management systems, etc.). Basically they have to come up with a partially or totally new business model to help stabilise and improve their competitiveness.

2. This is all closely related to a continued need for innovation, which can partly be traced back to a fast change in consumer habits. Innovative activities require awareness, focus on the future and on performance, financial and human resources from entrepreneurs.

3. The absence of appropriate human resources hinders growth. The company needs to be able to attract professionals capable of responding to modern requirements. But employee retention, motivation and improvement are perhaps even more important. Certainly, this needs to be manifested on the strategic level; without it the company suffers mid- and long-term competitive disadvantage.

The current Hungarian labour market could be briefly described as a tight labour market. According to the latest report by the Hungarian Statistical Office (HCSO), in July and August 2019, the average number of unemployed was 157 thousand, accounting for a 3.4%, still a record low. Over the past few years the unemployment rate has been continually decreasing due to certain government measures, to a favourable business environment and to world market processes. However, the current labour market reserves are hard to restructure, which also means that unemployment may only decrease slowly. Lately, an increasing number of analysts and company leaders have communicated that the Hungarian labour market has reached its quantitative limits, and so there is labour shortage in several areas. Clearly, the number of jobs which require specialist expertise and experience is increasing (as a trend on the way towards a knowledge-based society). The trend is that a less employable and often totally unskilled labour force is available – which evidently raises the importance of education. Although this should be handled on state (policy) level, at a micro-economic level, businesses also play a key role in this process.

In today's turbulently changing business environment, due to the increasingly shortage in professionals, the retention of talented employees has become one of the focal issues in corporate strategy. A growing number of employees find it important to constantly learn something new, which also means that employers need to meet these employee requirements. Based on company reports, labour migration causes problems for companies and forces them to constantly monitor its minimisation. In our understanding, a plausible way of reducing turnover is offering employees different professional training opportunities. Firstly, they improve employee efficiency (thus complex corporate productivity might improve), and increase their recognition and wages. Corporate practice shows that employees feel valued at a workplace when their company promotes their personal development. As special training courses unequivocally contribute to strengthening corporate culture, a well-designed human resource development strategy may bring a plethora of benefits for businesses.

4. Generation handover and succession mainly cause problems in the case of family businesses. As the majority of these enterprises were founded after the change of regime in Hungary, most of the founders have reached the retirement age. A Budapest Business School's Budapest LAB – Entrepreneurship Centre research has revealed that based on data from founders, in slightly less than a third of the businesses there is no one to pass the assets or leadership to, which means that after the founders have retired, the company will most likely cease to exist (Heidrich, 2018). Moreover, having successors does not guarantee a successful owner/management handover. Two thirds of family businesses do not survive it (Konczosné Szombathelyi and Kézai, 2018). This can have serious consequences on the national economy and so this is a cardinal question that affects Hungary's future corporate structure and economic performance. Choosing the right successor, experience and passing down company-specific knowledge can have a significant effect on the future performance of today's businesses. Consequently, the targeted and controlled management of this topic is vital. Nevertheless, when family transfer is not viable, selling the company could be the reasonable option. In this case, the source of funding can come from the Hungarian Development Bank's Generation Change Venture Capital Program, which aims to help financing business takeover and intensify the Hungarian SME sector's M&A activity through its resource support venture capital program.[2]

5. Based on international experience, businesses – and national economies – integrated into global supply chains and producing or providing services to the export market are more competitive, effective and financially stable. As the Hungarian market is small, proactively seeking export should become the standard for Hungarian businesses. This needs to be supported and encouraged, since businesses present on the export market are more likely to generate higher AV, which entails employing highly qualified professionals. Knowledge is a competitiveness factor, and Hungary has to aim at becom-

ing a knowledge- and innovation-based economy in a short time.

Domestic businesses require a paradigm shift in order to find the untapped potential in foreign markets. There is a large number of prospering Hungarian-owned companies in the market, which, in the absence of appropriate motivation and incentive, have not opened towards foreign markets. We assume that a stable economic policy, the increasing entrepreneur-friendly business environment and the targeted government measures will give Hungarian businesses the right incentive to expand to the export market. It should also be highlighted that today the business world is also undergoing a digital transformation, but only a fraction of entrepreneurs are looking for ways of meeting the challenges of the 21st century. Innovation, proactive strategies, high added value and expertise can help Hungarian companies achieve significant growth in an international comparison.

It is common knowledge that companies active in international processes beyond the Hungarian market operate more effectively and efficiently. However, to become a supplier, or potentially appear in the export market, a company needs to be efficient, profitable, and capable of creating value and learning, all at the same time. In addition, it needs an appropriate and up-to-date technology for increasing productivity (Vakhal and Palócz, 2018) and optimising their economic position. Moreover, it is essential that they have pro-active company leaders who are open to the challenges of the new environment, and can integrate these technologies and innovative solutions efficiently into their everyday activities.

It is often mentioned that the economy benefits from the ongoing weakening of the Hungarian forint as it stimulates export and requires increase in the number of jobs; thus contributing to growth and eventually improving competitiveness. However, it should be noted that it stems from international economic developments (Brexit, the trade war, the new stimulus package of the European Central Bank, the slowing German industrial growth and unfavourable developments in the German car industry; other international processes such as slowdown in the world economy, the new European Parliament and European Commission, the new EU programming period, the U.S. presidential elections, the ailing economy in the euro area, the oil market situation etc.). In relation to exports it is always worth examining the import demand for the exported goods (given that a low exchange rate increases the cost of import), since it has a considerable effect on the final outcome. Secondly, businesses should not make the exchange rate their main motivation for export activities. Instead, they should be encouraged to constantly have products and/or services that – irrespective of the current exchange rate – are in demand in the international market.

6. Corporate competitiveness is also influenced by both financial literacy and business culture. For this reason their improvement should be considered highly significant, since responsible decisions can only be made in possession of adequate quality information in sufficient quantity. The ultimate goal is to raise the Hungarian business sector among the best in an international comparison

in terms of financial awareness within a short period of time.

7. Another constraint is the low productivity of the Hungarian SME sector. It should be emphasised though that this can be viewed as a considerable potential for growth in the Hungarian economy. Taking a closer look at the productivity of the sector, its importance is clear from the fact that although the sector gives around 73% of employment, it only generates 50% of GDP, and Hungarian SMEs only contribute 20% to exports. Moreover, the productivity of an average Hungarian small and medium enterprise is one third of that of large companies. In Hungary the productivity of large multinational companies is more than one and a half times the domestic average, while the corresponding data for almost fully Hungarian-owned small enterprises employing less than 9 people, dominating the Hungarian economy, is half the domestic average, and micro-businesses employing 1 person are even less productive. The difference in productivity can be multiple (3-4 times). It should be noted that in Europe Hungary has the largest productivity gap between large companies and SMEs. The productivity problems encountered by the large number of SMEs are manifest in the following comparative data: the ratio of SMEs to the total number of businesses and the ratio of the people employed by them to the total employment are nearly the same in the European Union and in Hungary. However, on the average of the EU, SMEs generate 56% of added value, while in Hungary the corresponding contribution is only about 40%. SMEs give 56% of the net turnover in the European Union, compared to 42% in Hungary. They contribute more than 50% of the total export in the EU; and slightly more than 20% of exports and less than 10% of innovation in Hungary. More than 40% of the EU investments come from SMEs, in Hungary only 30%. In addition to the above, it is quite telling that the average added value of Hungarian SMEs does not reach the half of the EU average. The productivity of a German micro enterprise is at least four times that of a similar Hungarian company. Even in a V4 comparison, Hungary is at the bottom: its SME productivity is 10% lower than in V4 countries.

This suggests that interventions are required. It is also confirmed by the fact that improving SME productivity is a major part of the National Bank of Hungary's (MNB) competitiveness programme. According to an MNB study, a 6% annual growth may halve the productivity gap between SMEs and large companies by 2030. Improved productivity can be achieved, among others, by improving technological skills and abilities, increasing innovative activity and raising the qualifications of the human capital. Immediate action is needed in this area, because if sector productivity reaches the regional average and moves closer to that of large companies, gross domestic product would increase by 3-5% (based on MNB calculations).

It is worth considering another factor related to productivity. Economic growth and the prosperity of enterprises in Hungary are also significantly influenced by the available workforce (see above). It is clear today that all this cannot be achieved by low wages. On the contrary, low wages often hinder productivity (given the fluctuation due to the wage pressure).

Aims in improving financial literacy

Under today's globalised and turbulent world economic conditions, economic operators increasingly emphasise management systems principally comprising information that supports financial decision-making, planning, strategy-making and investment structure development. To develop their vision of the future and their strategy, and to define actual objectives and tasks, businesses heavily rely on internal financial and funding perspectives (Zéman, 1997, 2019; Kaplan and Cooper, 2001), and the quality and predictability of their relations (Reszegi and Juhász, 2014, pp. 47–59). However, it should be remembered that these activities constantly change and require uninterrupted "movement and activity" on the part of the management. In his new book Professor Paul Dembinski (2018) claims that "the operation of the financial world has fundamentally changed. Therefore, the aim of achieving financial results, which measures the world according to the coordinate system of risk and gain, does not solely define the financial sector any more. Not only has it become part of the corporate world, but it also influences economy and the lives of individuals. This process, often called financialisation, has exposed increasing areas of society to the logic of financial paradigm". In other words, financial matters are omnipresent and omnipotent. The turbulent change of financial complexity requires financial literacy and know-how from decision-makers. Financial ethics and/or culture play an important part in this (Grifoni and Messy, 2012). Both Hungarian and international research dealing with the analysis of financial literacy usually primarily focuses on the complexity of financial literacy of the citizens (households). However, financial literacy does not only cover citizens' skills and awareness, but also those of businesses, due to their corporate social responsibility (Lentner, 2017), which may define the atmosector and position of the whole society and national economy (Atkinson and Messy, 2012).

Continuous improvement in financial literacy is an increasingly frequent objective of national economies, including Hungary, where the 2017 Strategy for Improving Financial Awareness outlines the specific aims and the related action plans and provides frameworks for improving the financial awareness of people, as the standard and quality of financial literacy is in the common interest of all economic operators (Tebeli, 2018). Over the past few years, several international scientific studies (Johnson and Sherraden, 2007; Klapper et al., 2012; Suganya et al., 2013) have shown that improving financial literacy is not only in the interest of households and businesses, but also that of the state, since those national economies which have a higher standard of financial literacy, also have a better competitive – therefore on international competitiveness rankings a higher – position (Tóth et al., 2018). It is also important to highlight that households and economic operators having a higher financial literacy standard are more likely to avoid disadvantageous financial decisions and make such economic – and financial – decisions which have a positive effect on the entirety of corporate operations. This all indirectly contributes to the stability of the financial system in a given country; and to an increase in government revenues by means of strengthening tax awareness, a part of financial literacy (Sinkáné, 2018). The above suggests that the financial awareness of individuals cannot be fully separated from company leaders' awareness – it is worth examining them together. To sum up, in Hungary stable sustainable economic growth and improved competitiveness call for financially aware people and businesses with extensive and up-to-date knowledge.

To this end, a financially aware entrepreneurial circle needs to be educated, potentially opening the horizons for stable operations in the Hungarian economy on a macro-economic and a national economic level. In this regard, the following factors are emphasised:

– Businesses need conscious planning to develop financial strategies that fully serve corporate stability and increase performance. In today's globalised and turbulent world economy, economic operators need to put increasing emphasis on applying management systems that principally comprise information that supports financial decision-making and thus facilitate planning, strategy-making and investment structure development.

– It is common knowledge that external financial sources and loans granted by financial institutions play a key role in corporate growth. However, businesses need to use them more carefully and considerately, and most importantly, with increased awareness.

– We are witnessing the birth of an innovative ecosystem, which also calls for a change by business actors. The innovative solutions that can significantly improve Hungarian corporate effectiveness and efficiency should be applied and integrated with increased awareness. Innovative solutions are also of paramount importance.

– Companies need to pay special attention to one of the most important resources: the human capital. Investment in human resources, constant training and professional renewal may also serve as a defence mechanism in the life of every business, and also as a competitiveness factor.

– Finally, it is worth mentioning the importance of corporate culture, to be developed by every company on its own. This is what brings employees together, strengthens the sense of togetherness, which in turn makes it possible to react to unexpected events in close cooperation.

Improvement in financial literacy must be made a major factor, since economic operators can only make responsible decisions in possession of a sufficient quantity and quality of information. Such decision is, among others, the decision about corporate capital structure, which alongside effective, economical and efficient operation is one of the keys to stability, liquidity, profitability and corporate competitiveness. In their study Győri and Czakó (2019) show that "the mortality rate of SMEs is high, which is partly attributed to SME leaders' low level of financial literacy" (Bosma and Harding, 2006). This has an adverse effect on the assessment and understanding of different funding opportunities, and leads to poor financial decisions, loss or even failure (Joo and Grable, 2011). In the case of a potential recession, to ensure rapid reaction and efficient recovery, formally or informally, and in various depths, every single company should be forward-looking in terms of their management of finances (as well) and consciously plan its finances, including capital structure. This train of thought is confirmed by Szóka (2008), who said that today efficient corporate financial management is a necessity, since the proper regulation of liquidity, sound investment and financing decisions can help strengthen a company's financial, profitability and market position, and ensure its effective operation and longevity. Bad financing decisions can have serious – even fatal – consequences. Nevertheless, for companies to be enabled to make appropriate plans about finances, financing, including the ones about capital structure, a high standard of financial literacy is needed, given that developing the financing structure, determining the proportion of financing sources is one of the most difficult professional tasks (Gyulai, 2013). More precisely, after calculating the resource requirements and taking into account a combination of several factors (such as the type of the project/investment to be financed, loan interest rates, risks, the business size, the corporate lifecycle and the economic environment), the resource should be chosen, and the right proportion of the sources should be determined to make it the most fitting possible for the company. This must be coordinated with the general corporate strategy, as operative decisions also represent the implementation, and when required, improvement and modification of the strategy (Sinkovics, 2010, pp. 132–133). The situation is further complicated by the fact that for every objective to be achieved, different proportions are optimal, and the optimum 'mix' is subject to changes in the external, economic and legal environment. Owners need to take the effects of all decisions of economic nature into consideration with the aim of providing distributing sources efficiently so that they have a beneficial effect on the financial situation of the company (Túróczi, 2014; Katits, 2002). Moreover, the soundness of financial and management decisions (professional formal knowledge) improves the chances of innovativeness (Győri and Czakó, 2019).

Major institutions and programmes participating in Hungarian financial literacy improvement

Improving financial literacy is in the common interest of all economic operators in the public and business sectors alike. Today, financial literacy development is also a headline target in Hungary.

Government

These thoughts are confirmed by the increasingly frequent government communication that the incumbent governments need to support the population in making informed financial decisions. It should be stressed that the Ministry for the National Economy has developed a comprehensive national strategy for improving people's financial awareness, which includes long-term, extensive financial literacy developments that are in line with economic policy objectives. This is important because decisions that have several financial implications are made on a daily basis. To create a well-functioning economic, social and political system, consumers with a high-standard financial literacy are a prerequisite. The government strategy aims to create a genuine opportunity for financial education within the framework of public education, with a view to strengthening responsible financial behaviour and household financial resilience.

The National Bank of Hungary (MNB)

Following the 2008 financial crisis public confidence in financial institutions had to be restored and wazs had to be found for banks to better serve sustainable social and economic development (Lentner et al., 2015). The answer lies in the corporate social responsibility of institutions. Therefore, among others, the MNB set the objective of becoming an institution that is capable of responding appropriately to the latest economic and financial crisis. The Governor of the MNB says that the entire society needs an adequate level of financial literacy, and "money must be managed wisely". According to György Matolcsy, financial literacy improvement is a competitiveness factor. There is a close link between the high standard of financial literacy and the level of economic development; a low level of financial and economic literacy endangers the stability of the financial system as well. Improving financial literacy and developing a competitive education in economics serve as important bases for social development and convergence in Hungary. Thus the management of the MNB decided to create the Pallas Athena Public Thinking Programme, which aims at renewing the training of economists and economic thinking. A series of economic and monetary policy books were launched by Governor György Matolcsy in 2015, which not only contribute to the renewal of Hungarian financial literacy and economic thinking but also to a collective thinking about major economic policy areas. The volumes published so far help shape the training of economists (from bachelor to doctoral levels). The MNB has also developed efficient cooperation with several universities. In the spirit of cooperation, the MNB has entered into partnership with the Corvinus University of Budapest, and founded a separate and well-functioning MNB Department at the university.

Money7

The Money7 programme 2015–2016 was launched by the Hungarian Banking Association and the Money Compass Foundation for Financial Awareness (*Pénziránytű Alapítvány*). In the 2017–2018 academic year the programme was extended with the help of the Ministry of National Economy, and in the next academic year the Ministry of Finance and the Ministry for Innovation and Technology also joined the partnership. The programme aims at helping financially-minded students to improve their knowledge.

Hungarian Chamber of Commerce and Industry's National Entrepreneurship Mentor Programme

The financial awareness sub-project mainly targets companies registered in Hungary that fall into the category of micro-, small and medium enterprises. The programme offers complex awareness-raising with special focus on the human factor and multidimensional education. Within the frameworks of financial and entrepreneurial awareness raising, traditional business areas have been identified that contribute to effective and efficient business operation. The modules included in the programme are basic financial and business skills, complex financial management skills, and the corporate financing module built on these, which encompasses both the external and internal elements of financing, as well as the special cases of financing.

OTP's Fáy András Foundation

OTP Bank's Fáy András Foundation was set up in 1992. In the beginning it served as a patron supporting young people in their career choices and focused on teaching adult life skills. Later on, in the spirit of improving financial literacy, it set the objective of improving students' financial and economic literacy, and then, to enhance results, it also took up teachers' training. In order to achieve these objectives, the foundation has launched its Basic Programme student and adult courses, a career orientation and advice website, provides online counselling and takes part in exhibitions and festivals. To promote sciences and scientific work, in October 2010 the Knowledge Upload Programme, the related website and the "Days of Knowledge" Programme were launched. The Model School Project has been running since 2011, with focus on financial education, economic and management know-how and future-orientation.[3]

Final thoughts in the light of alliance

The programmes run by the Hungarian Government, the National Bank of Hungary and the Hungarian Chamber of Commerce and Industry are the most significant ones in improving financial literacy. It is welcome that the specific programmes are not competing; instead, they are complementary. This cooperation is necessary to achieve economic growth and social development in Hungary. A source of the economic success is that economic and monetary policy, as well as the Hungarian Chamber of Commerce and Industry representing businesses are able to meet current economic challenges in cooperation and also to create the opportunities and the tools for improvement – among others, in improving financial awareness. According to Patai et al. (2019) the key to success is that economy, education, research and development and additional sources cooperate effectively and efficiently to make Hungary the winner of the day after tomorrow.

In addition to the above, it is clear that one of the largest reserves of the Hungarian economy lies in the financial world. This field should be prioritised and the resources provided by specific institutions allocated. This is has been proven in practice, since one of the key areas in economic policy today is capital market development; that is, giving the corporate bond market the chance to succeed.

Notes

1 Based on Dr Mária Findrik's personal opinion, complemented by the authors.

2 www.mfb.hu/vallalkozasok/mukodo/toke-befektetesek/mfb-generaciovaltasi-tokeprogram-t121-p121.

3 www.otpfayalapitvany.hu/otp_fay_andras_alapitvany.

References

Atkinson, A. and Messy, F. A. (2012): Measuring Financial Literacy. *OECD Working Papers,* No. 15, OECD Publishing, Paris, http://dx.doi.org/10.1787/5k9csfs90fr4-en

Bod, P. Á. (2018): *Magyar gazdaságpolitika – tűzközelből* [Hungarian economic policy from within the firezone]. Akadémiai Kiadó, Budapest, pp. 11–13.

Bosma, N. and Harding, R. (2006). *Global Entrepreneurship Monitor. GEM 2006 Summary Results.* Babson College London Business School, London.

Dembinski, P. H. (2018): *Etika és felelősség a pénzügyi életben* [Morals and responsibility in finances]. Kairosz Kiadó, Budapest.

Grifoni, A. and Messy, F. (2012): Current Status of National Strategies for Financial Education; A Comparative Analysis and Relevant Practices. *OECD Working Papers on Finance, Insurance and Private Pensions,* No. 16, http://dx.doi.org/10.1787/5k9bcwct7xmn-en.

Gorton, G. B. (2012): *Misunderstanding Financial Crises. Why We Don't See Them Coming.* Oxford University Press, New York.

Győri, Á. and Czakó, Á. (2019): Innováció és pénzügyi-gazdálkodói kultúra: Az innovációs aktivitás egyes magyarázó tényezői a kkv-szektorban [Innovation, financial literacy and entrepreneurial culture. Certain explanatory factors of innovation activity in the SME sector]. *Szociológiai Szemle,* Vol. 29, No. 1, pp. 85–116.

Gyulai, L. (2013): *Kis- és középvállalkozások üzletfinanszírozása* [Financing the businesses of small and medium-sized enterprises]. Saldo Kiadó, Budapest.

Hung, A. A.; Parker, A. M. and Yoong, J. K. (2009): Defining and Measuring Financial Literacy. *Rand Working Paper,* www.rand.org/content/dam/rand/pubs/working_papers/2009/RAND_WR708.pdf.

Heidrich, B. (2018): Generációváltás – Nem csak papíron kell lejátszani [Generational handover – Do not only play it in theory]. *Világgazdaság,* www.vg.hu/velemeny/elemzes/generaciovaltas-nem-csak-papiron-kell-lejatszani-2-1226494/.

Hungarian Chamber of Commerce and Industry internal documents.

Johnson, E. and Sherraden, M. S. (2007): From Financial Literacy to Financial Capability Among Youth. *The Journal of Sociology and Social Welfare,* Vol. 34, No. 3, pp. 119–145.

Joo, S.-H. and Grable, J. E. (2011). Improving employee productivity: The role of financial counselling and education. *Journal of Employment Counseling,* Vol. 37, No. 1, pp. 2–15, https://doi.org/10.1002/j.2161-1920.2000.tb01022.x.

Kaplan, R. S. and Cooper, R. (2001): *Költség & hatás. Integrált költségszámítási rendszerek: az eredményes vállalati működés alapjai* [Cost and effect. Integrated cost calculation methods: the bases of efficient business operation]. Panem, Budapest.

Katits, E. (2002): *Pénzügyi döntések a vállalat életciklusaiban* [Financial decisions in corporate life cycles]. KJK-Kerszöv Jogi és Üzleti Kiadó, Budapest, pp. 153–162.

Klapper, L. F.; Lusardi, A. and Panos, G. A. (2012): Financial Literacy and the Financial Crisis. *NBER Working Paper,* No. 17930, The World Bank, Washington.

Kolozsi, P. P.; Lentner, Cs. and Parragh B. (2017): Közpénzügyi megújulás és állami modellváltás Magyarországon [Renewal of public finances and change in the state management model in Hungary]. *Polgári Szemle,* Vol. 13, No. 4–6, pp. 28–51.

Konczosné Szombathelyi, M. and Kézai, P. (2018): Családi vállalkozások – generációk és dilemmák [Family businesses – generations and quandaries]. *Prosperitas,* Vol. 5, No. 3, pp. 48–76, http://dx.doi.org/10.31570/Prosp_2018_03_3.

Kovács, L. (2015): *A pénzügyi kultúra kutatása és aktuális feladataink* [Research in financial literacy and our current tasks]. Bankszövetség, www.bankszovetseg.hu/Public/gep/2015/Kovacs-Levente-79-88.pdf.

Lentner, Cs. (2007a): A magyar nemzetgazdaság versenyképességének új típusú tényezői [Factors of a new kind in the competitiveness of the Hungarian national economy]. In: Lentner, Cs. (ed.): *Pénzügypolitikai stratégiák a XXI. század elején: Prof. dr. Huszti Ernő tiszteletkötet 75. születésnapja alkalmából* [Finance policy strategies in the early 21st century. In honour of Dr Ernő Huszti on his 75th birthday]. Akadémiai Kiadó, Budapest, pp. 271–297.

Lentner, Cs. (ed.) (2007b): *Pénzügypolitikai stratégiák a XXI. század elején. Prof. dr. Huszti Ernő tiszteletkötet 75. születésnapja alkalmából* [Finance policy strategies in the early 21st century. In honour of Dr Ernő Huszti on his 75th birthday]. Akadémiai Kiadó, Budapest.

Lentner, Cs. (2015): The New Hungarian Public Finance System – in a Historical, Institutional and

Scientific Context. *Public Finance Quarterly,* Vol. 60, No. 4, pp. 447–461.

Lentner, Cs. (2017): A gazdaságpolitikai tervezés kihívásai nem konvencionális térben – gazdasági és jogi közelítésből [Challenges to economic policy planning in an unconventional economic space – from economic and legal perspectives]. *Gazdaság és Jog,* Vol. 25, No. 11, pp. 3–7.

Lentner, Cs. (2019): *A magyar állampénzügyek fejlődéstörténete a dualizmus korától napjainkig* [A history of Hungarian public finances from 1867 to date]. L'Harmattan, Budapest.

Lentner, Cs.; Szegedi, K. and Tatay, T. (2015): Corporate Social Responsibility in the Banking Sector. *Public Finance Quarterly,* Vol. 60, No. 1, pp. 95–103.

MKIK (2019): *Gazdasági tájékoztató harmadik negyedév* [Economic information, Q3]. Magyar Kereskedelmi Kamara, 25 September.

MNB (2019): *Competitiveness Programme in 330 points.* Magyar Nemzeti Bank, www.mnb.hu/en/publications/reports/competitiveness-programme.

Patai M., Parragh, L. and Lentner, Cs. (2019): *Hungary in a Changing World.* Éghajlat Publishing, Budapest.

Pula, G. (2005): Az euró bevezetésével járó strukturális politikai kihívások: munkapiac [Structural policy challenges related to the adoption of the euro: labour market]. *MNB-tanulmányok,* 41., Budapest.

Reszegi, L. and Juhász, P. (2014): *A vállalati teljesítmény nyomában. Nem csak tulajdonosoknak és menedzsereknek* [On the trail of corporate performance. Not only for owners and managers]. Alinea Kiadó, Budapest.

Schwab, K. (ed.) (2019): *The Global Competitiveness Report 2019.* World Economic Forum, http://www3.weforum.org/docs/WEF_TheGlobalCompetitivenessReport2019.pdf.

Sinkáné Csendes, Á. (2018): Hogyan javítsunk az adómorálon? [How to improve tax compliance?] *SZAKma,* Vol. 60, No. 3, pp. 14–15.

Sinkovics, A. (2010): *Vállalati pénzügyi tervezés* [Planning corporate finances]. CompLex Kiadó, Budapest.

Suganya, S.; Sakthivelrani, S. and Durai, K. (2013): Development and Validation of Financial Literacy Scale. *Internatonal Journal of Research in Commerce and Management,* Vol. 4, No. 1, pp. 99–104.

Szóka, K. (2008): Kis- és középvállalkozások előremutató pénzügyi tervezési lehetőségei [Forward-looking financial planning options for small and medium-sized enterprises]. In: *III. Kheops Tudományos Konferencia tanulmánykötet* [Kheops conference proceedings]. http://spek.hu/anyagok/Dr_Szoka_Karoly_Kheops_cikk.pdf.

Tebeli, I. (2018): A pénzügyi tudatosság fejlesztését célzó stratégia [A strategy aimed at improving financial awareness]. *SZAKma,* Vol. 60, No. 3, pp. 6–8.

Tóth, R.; Túróczi, I. and Gyurcsik, P. (2018): A pénzügyi kultúra értelmezése a hazai mezőgazdasági vállalkozások vonatkozásában I. [Interpretation of financial literacy in relation to Hungarian agricultural businesses]. *A Falu,* Vol. 33, No. 1, pp. 77–85.

Túróczi, I. (2014): A pénzügyi és vezetői számviteli módszerek alkalmazhatósága a vállalatértékelés gyakorlatában [The applicability of financial and managerial accounting methods in company assessment practice]. *Economica,* Vol. 7, No. 1, pp. 134–139.

Vakhal, P. and Palócz, É. (2018): Fél pohár víz, avagy hogyan értelmezhető a magyar versenyképesség az objektív és szubjektív mutatók szerint [Half a glass of water, or how to understand Hungarian competitiveness according to objective and subjective indicators]. In: Kolosi, T. and Tóth, I. Gy. (eds.): *Társadalmi Riport 2018* [Social report, 2018]. Tárki Zrt., Budapest, pp. 217–232.

Zéman Z. (1997) Controlling a korszerű vállalatirányítás eszköze [Controlling as a means of modern corporate management]. *Gazdálkodás,* Vol. 41, No. 2, pp. 80–82.

Zéman, Z. and Tóth, A. (2017): *Stratégiai pénzügyi controlling és menedzsment* [Strategic financial controlling and management]. Akadémiai Kiadó, Budapest.

Zéman, Z. (2019): A gazdaságtudomány magyarországi helyzete és kapcsolódási pontjai a gazdasági fejlesztésekkel [The situation of economics and its points of contact with economic development projects in Hungary]. *Polgári Szemle,* Vol. 15, No. 1–3, pp. 298–305, https://doi.org/10.24307/psz.2019.0919.