

Startup scene as the Philosopher's stone? - State's strategic level support for tackling today's challenges in Hungary

Judit Szakos, University of Public Service, Hungary, szakos.judit@uni-nke.hu¹

Abstract

Today's wicked problems, crises and changing dynamics of globalisation, together with digitalisation-automatization catalysed labour market realignment, stabilisation (and/or growth) of market economies becomes a crucial goal of counties. Though the active role of the state is not a new phenomenon or practice, as a reaction to grand challenges, it is becoming again widespread in the scientific discussion.

Startup companies are risk-taking, open for innovation and cooperation, resilient, and have the ability to boost the development of a region by using new technologies and helping economic growth in the knowledge-based economy, stimulating R&D based innovation, and encourage creativity, therefore – with appropriate stimulation – they can help to handle challenges.

In case of Hungary, after the transition, in the formatted double-dependent market economy, rent-seeking is said to be the most logical coping strategy for companies, which makes state intervention to an even more complex question. Based on the international growth logic of startups, this company formation has a potential to overcome this problem.

The aim of this paper is to analyse in strategy level, what does the Hungarian state aim related to its startup ecosystem? The hypothesis is that in Hungary the state - in strategy level - aims to provide strong incentives to startups, but mission-oriented nature does not appear in the context. To test it a framework of intervention has been drawn.

Findings shows that strong state intervention is present in strategic level for startups, meanwhile entrepreneurial state's concept is not present in the analysed strategies. Further analysis of the government actions and programs, reports and databases are recommended, with consideration of expanding the framework as well.

Keywords: strategy; startup; state's role, entrepreneurial state; wicked problems; double-dependent market economy

Points for Practitioners: Startup ecosystem boosting tools could be developed from the paper's findings.

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¹ Doctoral research fellow, University of Public Service, Budapest, Hungary