

Unbalanced Triple Helix Model? The Hungarian state as an actor within the startup ecosystem

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Abstract: The goal of this research is to examine how and with what perceptions the state support for the Hungarian startup ecosystem is implemented and with this understanding which version of the Triple Helix Model (Etzkowitz, 2008) can be explored.

The role of the state is transforming in the current security and environmental challenges, as well as technological, economic, and social transformations. The public administration also needs to create stability while also adapting to continuous crisis management (Kattel et al., 2022). Emphasizing support for sustainable networks that respond to these uncertainties, the state is just one of the players within these ecosystems. For example, according to one of Etzkowitz's innovation ecosystem models, the Triple Helix Model, in a balanced form, interactive relationships and clusters emerge, where the actors, taking on each other's roles, mutually stimulate development while being relatively equal. This means that the state's role goes beyond addressing classical market failures. At the same time, the unbalanced formats of the model can represent a less effective form of cooperation.

In Hungary, both the high-growth potential startup companies and the systems of organizations and institutions surrounding them are without much history. Several elements, such as the legacy of socialism in terms of capital and knowledge, certain cultural aspects (such as the perception of entrepreneurship - GEM, 2022), and the distortive effects of the double-dependent market economy capitalism model (Csákné Filep et al., 2019) work against the balance.

On the government side, problems rooted in the distorting mechanisms around post-transition public administration reform directions also hinder development (Randma-Liiv - Drechsler, 2017), while the ecosystem expects some of the solutions to "market failures" from the government. However, there is a significant debate, both among the stakeholders and in the literature, about where and with what tools the government should intervene.

The research about the perception of the state was conducted using qualitative analysis. Primary data collection was done through semi-structured interviews,. The method used is a case study with a design based on multiple cases, which can help answer the how and why questions (Yin, 2018).

Based on empirical data, it can be concluded that the state is an active player in the startup ecosystem, providing significant financial support. According to the interviews, this presence is necessary, but in its current form, it has a market-distorting effect, leaning to be between the "statist model" and the "balanced model" version of the Triple Helix.