

# Joint research by the Research Institute of SAO and the Competitiveness Research Centre of CUB

## BACKGROUND OF THE RESEARCH RESULTS

The *Research Institute of the State Audit Office of Hungary (SAO)* and the *Competitiveness Research Centre of the Budapest Corvinus University* started to cooperate at the end of 2005 with a view to researching the relationship between the public sector and economic competitiveness. The research was planned to be carried out in two phases.

► In the first phase, in 2006–2007, we performed a literature search and established a concept. An overview of the results of these research activities is provided in a collection of studies published in 2007. The volume was compiled by ten researchers and edited by *Gusztáv Báger and Erzsébet Czakó*.

► In the second phase, in 2007–2009, the objective of our research was to explore – on the basis of national empirical research – which contact points, connections and interactions can be identified between the Hungarian public sector and economic competitiveness, and what lessons they provide for the promotion of the competitiveness of the economic sector. We also aimed to formulate recommendations and suggestions as a result of our research. This volume [Báger – Czakó (ed.) 2010] summaris-

es the research results of this phase. Together with the editors of the volume as many as 12 researchers were involved in the research.

## STRUCTURE OF THE VOLUME

In the study volume we tried to present the results of our versatile research activities in a manner that is enjoyable both for the narrower and wider professional audience, yet scientifically accurate. The studies are structured identically within the volume. First, we provide the methodological background of the subject matters to give an overview about the scope of the results. Then we present the results of empirical research, during which we primarily focus on those SAO findings that have not yet been published in Hungary. Finally, we formulate our major conclusions, recommendations and suggestions while aiming to convey messages that are consistent with the results and are relevant for those responsible for developing public policy tools.

## STUDIES INCLUDED IN THE VOLUME

❶ In the first study *Gusztáv Báger and Árpád Kovács* start out from the macroeconomic fac-

tors of the international competitiveness rankings of IMD and WEF, and present the changes that have occurred in said rankings in the past years. In addition to unfolding the picture, they evaluate the tendencies that can be read from the analyses of the SAO and the Research Institute of the SAO. Finally, based on a survey they evaluate changes in the public policy tools used in Hungary.

2 The second study in the volume, written by *Attila Chikán* and *Dávid Losonci*, examines the public sector in terms of corporate competitiveness, broken down into segments. The authors tried to review all issues that the literature and the professional community considered relevant to corporate competitiveness.

3 In the third study Erzsébet Czákó examined the performance indicators of companies of different sizes on the basis of domestic statistical data series. Based on the research results, she summarised which public policy tools can be applied to which performance of which company group according to the leading international experience.

4 The fourth study presents, on the basis of Gusztáv Báger's research results, the tendencies that the staff members of one public sector institution, i.e. the local governmental system possess, as well as what issues they find important, and to what extent these issues coincide with their customers' expectations.

5 The fifth writing in the volume deals with the voluntary sector. The research conducted by *György Jenei* and *Éva Kuti* outlines several forward-looking developments and dilemmas in the operation of voluntary organisations. Based on the international literature and the national situation the authors make several noteworthy and feasible suggestions for the development of the voluntary sector.

6 In the sixth study of the volume Gusztáv Báger and *Gyula Pulay* summarise and draft in the form public policy recommendations those lessons and results of the research that we find

the most useful for public sector institutions and organisations.

## SOME OF THE MAJOR CONCLUSIONS OF THE RESEARCH PROJECT AND OF THE STUDY VOLUME

The question is raised what all-encompassing lessons can be formulated at the end of the five-year research programme, and how we could contribute to the development of the Hungarian professional and scientific community?

► First of all, we emphasise *the actual and virtual dialogue among the researchers* of the different fields of the economy and the public sector. During this dialogue the possibilities and limitations of the different fields became outlined more sharply as a result of the different approaches to both the subject matters and the problems. We believe that this is an important feature of interdisciplinary research, and its knowledge is indispensable for the betterment of the economy and the public sector.

► Processing of the international and national literature, as well as empirical research allowed us *to compare the practice of the developed market economies with our own practice*, and to suggest possible causes for the difference. It was an interesting experience that according to the national empirical research, *the corporate, the voluntary and the public sectors alike were characterised by development in the past 20 years*. This development can be called “organic” since it occurred under continuously changing international and national political and economic conditions – and *the attitude of the affected organisations was characterised by versatile adaptation*. We believe that while these results are noteworthy, we cannot be content at all, which we reiterate several times throughout the studies.

► Progress and the promotion of economic competitiveness require *longer-term objectives*

*undertaken and implemented more consciously.* This is something that both the corporate and the voluntary sectors are ready to accept and work for together, and the fields of which have already become outlined like mosaics.

► Our research and study volume scrutinised several phenomena, and *hopefully they also serve as a starting point for efficient treatment.*

► As researchers we see that *it is indispensable to continue empirical research* related to the domestic practice. We have also outlined several phenomena that we perceive, yet do not sufficiently know or understand.

Efficient treatment of these phenomena is doubtful without their deeper knowledge and understanding.

Some of the recommendations and suggestions are not new; they have been formulated by many researchers and experts several times, wherefore they should really be considered by the decision-makers. Some of the recommendations and suggestions may not have been formulated so markedly before. Based on our research results, we recommend that these issues be subjected to professional debates and verification upon further research.

---

#### LITERATURE

BÁGER, G. – CZAKÓ E. (ed.) (2007): The public sector and economic competitiveness. Study, *Research and Development Institute of the State Audit Office of Hungary, Budapest*

BÁGER, G. – CZAKÓ E. (ed.) (2010): The public sector and economic competitiveness – empirical results and studies, Study, *Research Institute of the State Audit Office of Hungary, Budapest*